

2 April 2019

STRATEGY AND RESOURCES COMMITTEE

A meeting of the Strategy and Resources Committee will be held on **THURSDAY 11 APRIL 2019** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **7.00pm.**



Kathy O'Leary
Chief Executive

Please Note: This meeting will be filmed for live or subsequent broadcast via the Council's internet site (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 7 March 2019.
- 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 8 APRIL 2019
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.
- 5 **SUPPORT FOR THE FOUNDATION OF AVON MUTUAL**
To agree an allocation of £50k to support the foundation of Avon Mutual.
- 6 **HRA BUDGET MONITORING REPORT 2018/19 MONTH 10**
To present a forecast of the outturn position against the revenue budget for Capital Programme for the General Fund and HRA for 2018/19.

- 7 **BUDGET MONITORING REPORT 2018-19 – 28 FEBRUARY 2019**
To note the outturn forecast for the General Fund Revenue Budget and Capital Programme.
- 8 **RECOMMENDATION FROM HOUSING COMMITTEE ON 9 APRIL 2019**
The Chair of the Housing Committee will present this item.
- Repairs and Maintenance Service 2020 – Agenda Item 11**
- To recommend to Strategy and Resources Committee and Council an additional revenue budget of £53k in 2019/20 and £132k in 2020/21 to cover the one-off implementation and set-up costs, and a new capital programme for HRA IT systems totalling £175k over 2019/20 and 2020/21.
- Agree delegated authority to the Head of Contract Services to progress and implement the insourcing of the R&M Service, and procurement of all other support services as required in consultation with the Chair and Vice Chair of Housing Committee, Head of Legal Services and the Section 151 Officer.
- 9 **PROVIDING TEMPORARY ACCOMMODATION FOR HOMELESS HOUSEHOLDS – PURCHASE OF SALVATION ARMY BUILDING (ADDITIONAL FINANCIAL INFORMATION MARCH 2019)**
To discuss the additional financial information on the above.
- 10 **RECOMMENDATIONS OF THE CONSTITUTION WORKING GROUP**
To agree to recommend to Council the amended Role Profiles for Councillors in Section 16 of the Council’s Constitution.
- 11 **WORK PROGRAMME**
To consider the work programme.
- 12 **MEMBER REPORTS**
- a) Performance Monitoring
 - b) Investment and Development Panel
 - c) Constitution Working Group – final report (refer to Agenda Item 10)
- 13 **MEMBERS’ QUESTIONS**
See Agenda Item 4 for deadline for submission

Members of Strategy and Resources Committee 2018/19

Councillor Doina Cornell (Chair)
Councillor Colin Fryer (Vice-Chair)
 Councillor Nigel Cooper
 Councillor Stephen Davies
 Councillor Nick Hurst
 Councillor Keith Pearson
 Councillor Simon Pickering

Councillor Mattie Ross
 Councillor Tom Skinner
 Councillor Chas Townley
 Councillor Ken Tucker
 Councillor Martin Whiteside
 Councillor Debbie Young

STRATEGY AND RESOURCES COMMITTEE

7 March 2019

7.01 pm – 9.38 pm
Council Chamber, Ebley Mill, Stroud

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Minutes

Membership:

Councillor Doina Cornell (Chair)	P	Councillor Mattie Ross	P
Councillor Nigel Cooper	P	Councillor Tom Skinner	P
Councillor Stephen Davies	P	Councillor Chas Townley	P
Councillor Colin Fryer (Vice-Chair)	A	Councillor Ken Tucker	P
Councillor Nick Hurst	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	Director of Development Services
Head of Business Services Planning	Policy Implementation Manager
Head of Finance and Section 151 Officer	Head of Asset Management
Revenue and Benefits Manager	Democratic Services Officer
Principal Estates Surveyor	

Other Member(s) Present:

Councillor Nigel Studdert-Kennedy

SRC.058

APOLOGIES

Apologies were received from Councillors Fryer and Young.

SRC.059

DECLARATIONS OF INTEREST

There were none.

SRC.060

MINUTES

RESOLVED

To approve as a correct record the Minutes of the meeting held on 17 January 2019.

SRC.061

PUBLIC QUESTION TIME

There were none received.

SRC.062**LOCAL ENTERPRISE PARTNERSHIP (LEP)**

Mr Chakraborty provided Members with a verbal update on the work of the LEP and the Local Industrial Strategy referring to a powerpoint presentation for some points.

Mr Chakraborty advised Committee on the following areas:

- LEP Investments in the Stroud District stated that the prime objective was to drive economic growth and create new jobs.
- An update on the Growth Hub network located in County libraries and other dedicated buildings which supports all types of businesses.
- The new Inward Investment Team working on non-EU international investment for the County focusing on fibre, agri-tech, advanced engineering and manufacture and the renewables sectors.
- The Energy Strategy for the County. Hard copies of the strategy were distributed to the Committee. Mr Chakraborty encouraged the Committee to email feedback on the energy strategy.
- Local Industrial Strategy which has the aim of improving productivity.

The Committee discussed the content of the presentation.

Questions were raised on:

- The infrastructure required for the number of electric vehicles targeted in the Energy Strategy.
- Investment in commuter infrastructure.
- Organic and local co-operative development.
- The involvement of the County in road development projects.
- The involvement of the LEP in the figures provided by the JPS review.
- The timeline for the projects.

It was stated that new charging points were included in all development areas and that all new houses in the district would be required to have charging points. It was also stated that a new rail strategy was in the pipeline and that local investment would be sought as well as international. Examples of local development partners were given. It was stated that the County was still, involved in road projects. It was also stated that there was a 1:12 uplift in investment in cycle paths as opposed to a 1:1 uplift for development in roads.

SRC.063**RECOMMENDATION FROM HOUSING COMMITTEE ON
7 FEBRUARY 2019****Options for providing temporary accommodation for homeless households in the Stroud District**

Councillor Townley, Chair of Housing Committee presented referring to a report circulated prior to this meeting. The Committee debated the proposal.

Questions were raised on the level of costing information, the existence of a feasibility study for the proposal, the investment strategy and the effect on the project timescale of delays while additional information was assembled.

Officers confirmed that a full financial appraisal had been made and that the summary was in the business case that had been presented but that the detail was also available if required. It was advised that the proposal would incur the same net cost as at present, broadly speaking but this project would improve the standard of accommodation. The

gross cost would be higher, but it would attract housing benefit as a consequence of being managed by a registered provider giving a net cost equivalent to the current costs.

It was also confirmed that a feasibility study would be undertaken and the final decision on this proposal lay with Council not with the Committee.

Councillor Townley stated that further information on this proposal would be brought to the meeting on 11 April 2019. It was confirmed that this would appear on the Work Plan for that meeting.

Councillor Pickering moved an amendment, that the wording of the recommendation to Council be modified to state it would be subject to a satisfactory business case being made. Councillor Skinner seconded the Motion.

Upon the vote the Motion was carried.

RESOLVED AND RECOMMENDED TO COUNCIL **That delegated authority is granted to the Head of Property Services in consultation with the Head of Finance and Chairs of Housing and Strategy and Resources Committee:**

1. **To purchase the former Salvation Army building in Stroud utilising the General Fund; and**
2. **To commission the conversion of this property into temporary accommodation; and**
3. **To commission the management of the completed property as temporary accommodation for homeless households.**

Subject to a satisfactory business case being made and due diligence being undertaken.

SRC.064

SUBSCRIPTION ROOMS UPDATE

The Head of Property Services gave a verbal update in which it was stated that all contracts had been agreed and the Subscription Rooms Trust had been admitted to the pension fund. It was also reported that there had been some water ingress to the building but that this was being dealt with.

The Committee thanked the Head of Property Services for the work that had been undertaken.

RESOLVED **To note the update.**

SRC.065

LAND AT MAY LANE/PROSPECT PLACE, DURSLEY

The Principal Estates Surveyor presented the report. The background to the project was described and a request made to approve the funds to complete a feasibility and viability study.

The Committee discussed the proposal.

Questions were raised regarding the resources to complete the study, the enhancement to the value of the site and the benefits consequent to this project, the need and basis for using compulsory powers and the funds available for an ecological study. A question on the Dursley Lions club building was raised.

It was confirmed that the Property Services Team had the resources to oversee the study, but that there was a need for specialist surveys and reports with some capacity to buy external support if required within the requested funding. It was advised that bringing all the separate parcels together would enhance the Council's lands. Officers confirmed that it would be necessary to use compulsory purchase powers to acquire the land required due to the numerous and complex land interests involved and the reluctance of some land owners to sell. The Council's Solicitor believes there to be a sound legal basis for doing this. It was stated that some ecological studies had already been carried out for a previous planning application. It was reported that the Dursley Lions had in the past refused proposals from landowners to relocate their club house.

- RESOLVED**
- 1. Allocate a £50,000 budget for technical investigations and property and procurement advisers to confirm the level of viability, the procurement approach and the extent of property to be acquired at May Lane/Prospect Place, Dursley, and**
 - 2. Instruct the Head of Property Services to return to this committee with a report on a delivery strategy for a residential led, town centre regeneration scheme at May Lane/Prospect Place, Dursley.**

SRC.066 **BUSINESS RATES PILOT PRINCIPLES OF DISTRIBUTION**

The Head of Finance and Section 151 Officer presented referring to a report circulated prior to the meeting referring to section 3.4 for that report to give uses for the funds and section 5.4 for the decision-making process. Sections 4.6, 4.7 and 4.8 of the same report were referred to the community bank, carbon reduction and the conversion of Council vehicles to either electric or hybrid power sources.

Questions were raised about the process for approval, the funds for the business case and Government guidance.

It was stated that the funds will be from the Council's reserve, the business case for use of funds will be required and that proposals would be returned to Committee in May once all districts have completed their accounts. It was further stated that the Government had not provided any guidelines and that a clear process needed to put in place.

The timeline for approvals and decisions was also discussed.

- RESOLVED** **To approve the principles and process of the allocation of the business rates pilot contained within this report.**

SRC.067 **BUSINESS RATES – RETAIL DISCOUNT**

The Revenue and Benefits Manager provided an update. The Committee discussed the types of business that would benefit from the business rate discounts and the existing levels of relief.

- RESOLVED** **To approve the Business Rates Retail Discount scheme for 2019/20 and 2020/21.**

SRC.068**WORK PROGRAMME**

The work programme leading up to the next meeting in April was discussed. It was stated that there would be a further report on the temporary accommodation business case and the asset management plan at the April meeting.

SRC.069**MEMBER REPORTS**

- (a) Performance Monitoring – there was nothing to report at this meeting. A report will be given at the April meeting. Councillor Cooper stated that he would be attending the next performance monitoring meeting. It was also stated that Councillor Mossman will be replacing Councillor Craig on the Planning Development Panel.
- (b) Investment and Development Panel – This group had not met since the last meeting of the Committee, the next meeting will take place on 4 April 2019.

SRC.070**TASK AND FINISH GROUPS**

- (a) ICT Working Group – The Head of Business Service Planning reported that the Infrastructure, Data and Systems Strategies were complete and that the Digital Strategy would be ready for review by the end of March. He further reported that all Council members would be consulted during the period April to May and that the first meeting of the Committee after the AGM everyone would be fully informed and there could be a recommendation for full approval and adoption at that point. The Committee discussed the issue of access to personal information.
- (b) Constitution Working Group - Councillor Pearson stated that the working group had not met since the last meeting of Committee and would provide an update at the first meeting of this Committee after the AGM.

A question was raised on member substitution. It was stated that an Interim Head of Legal Services and Monitoring Officer would be looking at the work of the Constitution Working Group.

SRC.071**LEADERSHIP GLOUCESTERSHIRE UPDATE**

The Chief Executive provided a verbal report. The Vision 2050 was described including the proposition for a Severn Vale Board. The proposals for two other boards for Cheltenham and for Rural Ambition were also described. It was stated that there will be a further meeting to discuss the proposition for a Severn Vale Board.

The Committee discussed the proposal for a third Severn crossing. It was stated that there was no clear benefit to a new road bridge at this time and that the proposal for a new rail bridge had yet to be explored. Potential funding for Stroud district was discussed.

SRC.072**MEMBERS QUESTIONS**

There were none.

The meeting closed at 9.38 pm.

Chair

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

11 APRIL 2019

5

Report Title	SUPPORT FOR THE FOUNDATION OF AVON MUTUAL
Purpose of Report	To agree an allocation of £50k to support the foundation of Avon Mutual
Decision(s)	<p>The Committee RECOMMENDS to Council :</p> <p>a) to approve the use of £50k of the Business Rates Reserve for purchase of shares in Avon Mutual.</p> <p>b) to delegate authority to the Head of Finance in consultation with the Head of Legal to conclude the share purchase.</p>
Consultation and Feedback	<ul style="list-style-type: none"> • Member Presentation Evening
Financial Implications and Risk Assessment	<p>This proposal would allocate £50k of the Business Rates Pilot funding for 2018/19, currently estimated at £793k, for the purchase of founder shares in Avon Mutual.</p> <p>Although the Council will receive shares this funding is not recommended by officers solely as an investment for financial benefit. This is a result of the high risks from investing in the organisation at this early stage.</p> <p>This investment is not part of the Council's Treasury Management processes but a capital programme addition.</p> <p>This investment is outside of the Council's normal risk parameters and the decision should be made in the context of there being no guarantee of the success of organisation or return of the funding.</p> <p>For budgeting purposes members should regard this decision as effectively grant funding as it will reduce the balance of the business rates reserve.</p> <p>Andrew Cummings - Head of Finance & Section 151 Officer</p> <p>Email: andrew.cummings@stroud.gov.uk</p>

Legal Implications	<p>There are two factors to consider in relation to legal implications, namely the legal power the Council has to invest and secondly any state aid considerations.</p> <p>The Council has a power to invest for any purpose relevant to its functions by virtue of section 12 of the Local Government Act 2003. The Council also has a General Power of Competence to do anything that individuals generally may do by virtue of Section 1 Localism Act 2011.</p> <p>Legal officers have considered state aid implications and are satisfied that the proposal is compliant with state aid law.</p> <p>Patrick Arran – Interim Head of Legal Services & Monitoring Officer Email: patrick.arran@stroud.gov.uk</p>
Report Author	<p>Andrew Cummings – Head of Finance & Section 151 Officer Email: andrew.cummings@stroud.gov.uk</p>
Options	<p>The Committee may choose not to support the foundation of Avon Mutual and allocate the reserve elsewhere.</p>
Performance Management Follow Up	<p>2018/19 Outturn Report</p>
Background Papers	<p>Appendix A – Avon Mutual Presentation Appendix B – Assessment for Capital Programme</p>

1. Introduction and Background

- 1.1 On 18th October 2018 Stroud District Council agreed a motion in support of local wealth building. That is the process by which anchor institutions can use their policies and financial spending power to help grow their local economy. This motion included an acknowledgement that co-operatives and local banks were one of the four key strategies of local wealth building. Council resolved to create a plan by which the practical strategies of local wealth building can be used to achieve SDC's vision and corporate priorities.
- 1.2 On March 20th 2019, Jules Peck and Dena Brumpton of Avon Mutual, delivered a presentation to Members about the proposal to form South West Mutual – regional banking for inclusive growth. A copy of the presentation can be found at Appendix A. This appendix demonstrates how the bank would be set up, what services it will deliver and the overall benefit it will deliver for the region.
- 1.3 The Council is a member of the Gloucestershire Business Rates Pilot for 2018/19. The financial arrangements for that pilot result in additional one-off funding for the member authorities. The share for Stroud District Council is currently estimated at £793k as has been reported to this Committee. This

funding is to be added to the Business Rates reserve for allocation as projects are identified.

1.4 This Committee has previously set out the principles for the allocation of this funding. The proposal is that funding may be allocated to projects which support;

- Local Business
- Financial Sustainability of the Council
- Local Wealth Building
- A zero carbon district

2. AVON MUTUAL

2.1 Avon Mutual is an organisation which has been set up to seek a banking license to operate a high street bank for households, SMEs and other organisations within Bristol, Bath, North and North East Somerset, Gloucestershire, and Wiltshire. It is one of 18 regional co-operative banks being launched by the Community Savings Bank Association.

2.2 When established as a bank Avon Mutual will offer banking on the mutual model. It will be a mission led bank with a focus on promoting sustainable and equitable prosperity for the region. The mission is to build financial inclusion, significantly increase the proportion of bank lending going to the “real” economy and SMEs instead of the financial economy, build economic resilience and bring about a renaissance of customer service, relationship banking and trust.

2.3 Avon Mutual’s own summary of their objectives is

- Mission-led bank promoting sustainable and equitable prosperity for the region
- Owned by its customers and committed to honest, simple and transparent relationship banking
- Serving the financial needs of people of ordinary means, local community groups and SMEs
- Providing a full range of banking services from 9 staffed branches and 21 automated branches

2.4 To fund the initial phases of the process of establishing a bank, the new mutual is seeking £500,000 of initial funding, through the issuing of Founder Shares. This is to fund

- conducting detailed market research and business planning,
- continuing board recruitment,
- commencing pre-authorisation stage of banking licence application,
- Secure commitments from investors for the £20m of capital required to commence full banking operations.

2.5 The mutual has made considerable progress attracting first round support and it is believed that a number of other public authorities are also considering investing.

- 2.6 Making an investment at this early stage can be seen as a positive action in support of the Council's commitment to local wealth building and is in line with the principles agreed by this committee in relation to the allocation of the Business Rates pilot funding.
- 2.7 Investing at this early Founder Shares stage is a higher level of risk than investing later in the process. The mutual does not yet have a banking license and until one is obtained will not be able to trade. If the mutual is successful in receiving a banking licence and the bank starts trading, based on current projections, it is envisaged that dividends of an estimated 7.5% will be payable from around Year 5. This is a targeted dividend and is not guaranteed in any way.
- 2.8 The Mutual recognises that investing at the early stage is an additional risk so investors in founder shares will receive three times as many shares for their money as later investors to help compensate for that level of risk. As all of the Council's shares will each receive the 7.5% dividend if a bank is successfully established and becomes profitable, the potential rate of return to the Council could be around 20% per annum.

3. Proposal to invest in the mutual

- 3.1 It is proposed that the Council uses funds from the predicted business rate pilot to purchase shares to the value of £50k. These shares may provide a return in the long term if a bank is established and reaches profitability but this is of course not guaranteed. The business rates pilot represents funding for the Council to be put towards strategic priorities and therefore represents a significant opportunity to support projects such as this which would otherwise fall outside of the Council's base budget.
- 3.2 The final confirmed amounts to be received from the business rates pilot will not be known until some-time after the end of the financial year. However, with the end of the financial year being close, recent monitoring suggests that there would have to be a very significant fall in business rates income within the County for the gain from the pilot to be eliminated. The Council already has a business rates reserve from which this share purchase will be funded in the event of there being insufficient pilot gain.
- 3.3 The Mutual is following a clear process in their route to become a bank and have considerable banking expertise on their board. However, it should be recognised that this is an investment in a start-up organisation which does not yet have the appropriate license to operate in its chosen field. There is therefore a risk that the mutual will not achieve its stated objectives.
- 3.4 If the organisation were to be unsuccessful and a bank not be established it is very unlikely that any of the £50k contribution would be recoverable.
- 3.5 It is therefore not recommended to make an investment solely with a view to generating a financial return on that investment. As there is no guarantee of a return the £50k funding should be viewed, in budgetary terms, as akin to a grant

to support the aims and principles of the Mutual. It is also in recognition that its principles of providing co-operative banking to businesses including SMEs, and to individuals are in line with the Council's own priorities. As such, whilst the legal effect of the proposal is to invest in a company and a share purchase, it is effectively akin to a grant to support the local economy rather than an investment intended to deliver an economic return.

- 3.6 As it is a share purchase the £50k will be shown as an investment within the Council's financial statements in the published accounts. However, it is not regarded as such for budgeting purposes as it is fully funded from the business rates reserve as the return is not guaranteed. The accounting treatment for the purchase of shares is that it is treated as capital expenditure which will be funded from the Business Rates Reserve. The addition of the share purchase to the capital programme, to be funded from the Business rates reserve, requires Council approval.
- 3.7 The addition to the Capital Programme means that an assessment is required, in line with the principles of the recently adopted Capital Strategy. This has been completed and is shown at Appendix B. This demonstrates that the investment has been subject to the same form of appraisal as all other new capital projects would be.
- 3.8 Stroud District Council would be one of the first authorities in the area to commit funding to the Mutual if Council approve this funding. Other authorities have committed support to mutual banks in their area, particularly within Greater London. In Devon South Hams and West Devon District Councils have each awarded approximately £50k from their business rates pilot to the support the foundation of the "South West Mutual". This is the sister organisation of Avon Mutual within their area.
- 3.9 The proposal to use the Business Rates pilot pot to fund the investment is made as the share purchase would meet two of the principles for allocating the business rates pilot fund. These are supporting local business and local wealth building. Co-operative banks are a key element of local wealth building and a locally run co-operative bank, with a local branch network, is likely to be beneficial to individuals and small and medium entities within both the district and the wider economic area served by the bank.
- 3.10 "Helping to create a vibrant and sustainable economy that works for all" is a key part of the Council's Corporate Delivery Plan. The support of Avon Mutual and of co-operative banking in general is in line with this corporate Council priority.
- 3.11 If a banking license is obtained and Avon Mutual becomes a bank then further funding rounds will be needed. Those rounds will be to obtain the capital that is needed to on-lend to customers. If the Council wishes it may choose to make further investment at this point in order to generate a financial return. An investment of that nature would have to be subject to full investment appraisal due diligence as with any other bank lending.

4. The next steps for the Council

- 4.1 The purchase of the shares will be completed, subject to the approval of the delegated authority, by the Head of Finance in consultation with the Head of Legal Services.
- 4.2 The S151 Officer will conduct all necessary dealings with the bank and fulfil the role of shareholder within the organisation.
- 4.3 Progress of the bank towards achieving a license and later commercial progress will be reported to Strategy and Resources on at least an annual basis or earlier if requested by the Committee of urgent circumstances require.

Summary of Project to be Included in the Capital Programme

Project Title: Support for the Foundation of Avon Mutual

Project Manager: Andrew Cummings

Date: 21/03/2019

Introduction to Project

It is proposed to buy an investment in share capital in Avon Mutual, an organisation set up to achieve a banking licence and deliver co-operative banking services across the region.

Financial

This investment will cost £50k and in return the Council will receive shares in the mutual. Investing in the early stage also brings additional shares as a recognition of the higher level of risk at this early stage.

If granted a licence and profitable the mutual will aim to pay dividends of around 7.5% per share. With the additional shares issued this means the Council may receive a return of around 20% per annum. The possible level of return should be regarded as a key indicator of the level of risk.

At this stage it is considered to be a high risk project and there is no certainty around dividends payable or the return of the original investment.

Funding for the project has been identified through the Business Rates pilot pot and the project is in line with the principles for the allocation of that funding.

Strategic Objectives

Support for the local economy is a key element of the Council's corporate delivery plan. A co-operative bank focused on lending to individuals and SMEs within the area, whilst also developing a local branch network, is likely to be of significant benefit to the economy of the district. Supporting the Avon Mutual at this early stage could be a key factor in helping to ensure success and boosting the economy of the district.

Closely linked to the support of the local economy is the recent Council motion reinforcing the importance of local wealth building. This is using the spending power of large organisations within an area to help drive the local economy. Co-operative banks are a key element of local wealth building and investing in Avon Mutual is regarded as an act of support for co-operative banking.

Capacity

There is sufficient capacity within the organisation to deliver this funding. Once invested the Council must consider its responsibilities as a shareholder and ensure these are met appropriately.

Monitoring and reporting on the performance of the mutual will take some officer time but it is not expected to be a significant drain on the resources of the Council.

The S151 Officer will fulfil the role of the Council's shareholder of the organisation and will report to Strategy and Resources Committee on the progress of the bank towards achieving its objectives.

Deliverability

There are no external factors which impact upon the ability of the Council to grant the funding. There will be external risk factors which the mutual must address in order to obtain a banking license and trade successfully. These factors must be identified and mitigated by the board.

Progress in establishing the co-operative bank and achieving a banking license to deliver on the mission of the organisation will be monitored and reported as appropriate.

Once established as a bank it is critical that they are successful in attracting new customers in order to ensure the success of their operations. The Bank must have a comprehensive marketing strategy and work with partner organisations achieve that success.

Future Monitoring

Once it is agreed by Council the investment will be made in Avon Mutual. As a shareholder the Council will receive updates and these will be reported to members. Updates which are of a commercially sensitive nature will be reported to members in confidence.

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

11 APRIL 2019

6

Report Title	HRA BUDGET MONITORING REPORT 2018/19 MONTH 10
Purpose of Report	To present to the Committee a forecast of the outturn position against the revenue budget and Capital programme for the HRA for 2018/19.
Decision(s)	The Committee RESOLVES to note the outturn forecast for the HRA Revenue budgets and Capital programmes.
Consultation and Feedback	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.
Financial Implications and Risk Assessment	There are no direct financial implications arising from this report as it looks at current revenue and capital budget estimates. Final positions for 2018/19 will be reported as part of the year-end outturn process. Andrew Cummings - Head of Finance & Section 151 Officer Email: andrew.cummings@stroud.gov.uk
Legal Implications	There are no legal implications arising from this report Patrick Arran – Interim Monitoring Officer Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk
Report Author	Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk
Options	None
Performance Management Follow Up	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 2019 and Housing Committee in June 2019.

1. Background

- 1.1 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.
- 1.2 **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.**

2. Housing Revenue Account Budget Position

- 2.1 The original net Housing Revenue Account (HRA) budget for 2018/19 was a transfer from reserves of £125k, as approved by Council in January 2018. This has now been revised to a transfer to general reserves of £518k, as approved by Council in January 2019.
- 2.2 The monitoring position for the service at 31 January 2019 (month 10) shows a projected net underspend of £114k (-0.5% of gross spend) against the current budget, as summarised in Table 1. This is before a carry forward request of £60k (para 2.6), giving a net underspend of £54k which would mean a total transfer to general reserves of £573k.
- 2.3 As in 2017/18, the tight deadlines for closing the accounts mean that it will not be possible for the outturn position to go through Housing Committee before being approved by Strategy and Resources Committee in May 2019. It is therefore proposed that any variance (currently estimated at £54k) is initially transferred to HRA General Reserves at Outturn, with the opportunity for Housing Committee to propose a later course of action. This would allow Housing Committee to properly discuss the position in June and, if required, propose a transfer to take place in 2019/20. This could include setting up a debt repayment earmarked reserve, as indicated by Housing Committee in December 2018.

Table 1 – HRA Revenue Summary

	Para Refs	2018/19 Original Budget £k	2018/19 Latest Budget £k	Forecast Outturn £k	Outturn Variance £k
Income					
Dwelling Rents and Service Charges	2.4	(21,826)	(22,144)	(22,193)	(49)
Other Charges and Income	2.4	(564)	(625)	(666)	(41)
Total Income		(22,390)	(22,769)	(22,859)	(90)
Expenditure					
Supervision and Management		5,222	5,084	5,070	(14)
Repairs and Maintenance	2.5 - 2.8	3,767	3,795	3,828	33
Sheltered Housing Service	2.9	1,452	1,270	1,199	(71)
Other Expenditure	2.10	519	494	547	53
Sheltered Housing Modernisation	2.11	579	365	410	45
Revenue Funding of Capital Programme (Depreciation and RCCO)	2.11	7,153	6,273	6,228	(45)
Provision for Bad Debts		200	80	80	0
Total Expenditure		18,892	17,361	17,362	1
Other Costs and Income					
Interest Payable/Receivable	2.12	3,488	3,395	3,370	(25)
Transfers to/(from) Earmarked Reserves	2.13	136	1,494	1,494	0
Transfers to/(from) General Reserves		(126)	519	519	0
Total Other Costs and Income		3,498	5,408	5,383	(25)
Total Housing Revenue Account		0	0	(114)	(114)
Carry Forward Request	2.6				60
Net Outturn Forecast					(54)

2.4 Income – (£90k) additional income

Dwelling rents and income is currently expected to be £49k over budget. This represents a variance of 0.2%.

Garage rents, which are expected to continue to reduce as the small sites programme continues, are also expected to be higher than budget in 2018/19 by £25k.

2.5 Repairs and maintenance - £33k overspend

2.6 Planned maintenance – £91k underspend, £60k carry forward request

The cyclical decoration programme is expected to spend to budget. There is an underspend of £21k against asbestos surveys. Surveys are only required where there are gaps in information and dependant on programme progress. There is also an underspend of £60k for Fire Risk Assessments, which have slipped into 2019/20. Therefore a £60k carry

forward is requested to allow the Fire Risk Assessments to be delivered in early 2019/20. Gas in-house provider – on budget

2.7 Voids - £41k overspend

Works on void properties are expected to be over budget by £41k.

2.8 Responsive maintenance - £83k overspend

This overspend represents a variance of 5.7% and relates to general maintenance and electrical remedial works. Responsive works are monitored for trends and where appropriate re-addressed through planned programmes of works.

2.9 Sheltered Housing Service – (£71k) underspend

Spend in Sheltered Housing is lower than budgeted, with spend likely to continue to reduce in line with the closure of red schemes as part of the Sheltered Modernisation. It should be noted that although spend is expected at the lower level of £1,199k in 2018/19, the forecasted service charge income for Sheltered Housing for the year is £920k, and so there is still a forecasted subsidy of £279k towards the service from the wider HRA.

2.10 Other expenditure - £53k overspend

The cost of grounds maintenance is higher than anticipated, with fly tipping an increasing issue in some of our estates.

2.11 Sheltered Housing Modernisation - £45k overspend

Works at Sherborne House completed in 2018, and planning is underway for works at Concord and George Pearce House which are due to be undertaken in 2019/20. There is a £45k overspend on revenue which represents an offset between revenue and capital works - there were slightly more revenue works, and less capital works than in the budget. Therefore the Revenue Contribution to Capital Outlay (RCCO) for Sheltered Modernisation will reduce by a corresponding £45k and there is no overall impact on the Sheltered Modernisation budget.

2.12 Interest payable/receivable – (£25k) underspend

It is expected that due to the level of reserves held by the HRA the investment income will be higher than budgeted by £25k in this year. These reserves have been taken into account over the Medium Term Financial Plan period.

2.13 Transfers to/from Earmarked reserves – on budget

Earmarked reserve transfers are expected to be in line with the budgeted position, as per Table 2 below.

Table 2: Earmarked reserve transfers

Earmarked Reserve	Opening balance £k	Transfers in £k	Transfers out £k	Closing balance £k
Sheltered Modernisation	1,976	1,390	(816)	2,550
Estate Redevelopment	350	820	0	1,170
Staffing	250	0	0	250
HRA General Contingency	0	100	0	100
	2,576	2,310	(816)	4,070

3. HRA Capital Programme

- 3.1 The HRA has a budgeted capital programme of £10,153k for 2018/19, as approved by Council in January 2019. The current forecast is spend of £8,491k, with slippage of £1,539k into 2019/20 to be requested.
- 3.2 The following table give a breakdown of the capital programme.

Table 3 – HRA Capital Summary

Capital Summary	Para Ref	2018/19 Revised Budget £k	Spend to date (to end Jan 19) £k	2018/19 Projected Outturn £k	2018/19 Outturn Variance £k	Anticipated Slippage Request £k
Central Heating	3.4	624	420	652	28	0
Disabled Adaptations		143	88	149	6	0
Kitchens and Bathrooms	3.5	1,506	706	1,065	(441)	430
Major Void Works	3.6	570	640	710	140	0
Compliance	3.7	337	360	401	64	0
Doors and Windows	3.8	791	425	546	(245)	100
Electrical Works		212	148	212	0	0
Damp Works/Insulation	3.9	127	34	34	(93)	93
Non-Traditional Properties		595	450	597	2	0
Door Entry	3.10	352	111	190	(162)	0
External Works		2,793	1,403	2,790	(3)	0
Suited Locks	3.11	74	0	0	(74)	74
Total - Major Works	3.3	8,124	4,785	7,346	(778)	697
Southbank, Woodchester	3.13	300	1	1	(299)	299
Former Ship Inn Site, Bridgend		15	13	13	(2)	2
Tanners Piece, Nailsworth	3.14	1,345	567	815	(530)	530
Broadfield Road, Eastington	3.15	0	0	10	10	
Ringfield Close, Nailsworth	3.15	0	0	2	2	
Summersfield Road, Minchinhampton	3.15	0	0	6	6	
Gloucester St and Bradley St, WuE	3.15	0	0	12	12	
Completed schemes (retention payments)	3.15	0	(121)	9	9	
New Homes Contingency	3.15	50	12	0	(50)	11
Total - New Build		1,710	472	868	(842)	842
Sheltered Housing Modernisation	3.16	319	446	277	(42)	
Total Capital Expenditure		10,153	5,703	8,491	(1,662)	1,539

3.3 Major Works – (£778k) underspend/slippage

Total spend of £7,346k is forecast across major works on existing dwellings. Although lower than the current budget by £778k, it should be noted that this is above the original budgeted amount of £6,657k and so still represents an increase in works delivered in year.

Based on the current forecast, slippage of £697k would be requested at outturn.

3.4 Central Heating - £28k overspend

Central heating upgrades are largely on target, with a small variance to budget.

3.5 Kitchens and bathrooms – (£441k) underspend/slippage

Kitchen and bathroom installs have progressed throughout the year. Some issues with contractor performance have been encountered. To ensure the correct standard is achieved works have been reallocated. Therefore a carry forward of £430k is forecasted to allow the slipped installations to be delivered next year, on top of the 2019/20 programme.

3.6 Major works - £140k overspend

Major works on void properties are higher than budgeted. This could change further if more, or less, major voids are experienced before the end of the financial year.

3.7 Compliance - £64k overspend

The cost of asbestos removal has been higher than budgeted. Removal of asbestos is done in line with planned works and will vary each financial year.

3.8 Doors and Windows – (£245k) underspend/slippage

Difficulty in obtaining certain doors as a result of the Grenfell tragedy has led to delays, and a carry forward of £100k is being requested. The new contract is due to be in place early in 2019/20.

3.9 Insulation – (£93k) slippage

Although insulation works have been undertaken as part of the external works contract, additional insulation is being procured under a framework in order to be delivered early in 2019/20. Therefore it will be requested that the remaining budget is slipped into next year.

3.10 Door entry – (£162k) underspend

Performance issues with the contractor, and long lead in times for door manufacture, have led to the programme unfortunately being delayed.

3.11 Suited locks – (£74k) slippage

Suited locks are reforecast to commence in April 2019, and so the budget will need to be slipped into 2019/20.

3.12 **New Build and Regeneration – (£842k) slippage**

The slippage detailed below, is due to re-profiling of these schemes to reflect various factors affecting start on site.

3.13 Southbank – (£299k) slippage

This scheme was originally forecast to start on site in January this year. A contractor is in place and works are now due to start on site in April 2019.

3.14 Tanners Piece – (£530k) slippage

Tanners Piece is now well underway, with 11 new dwellings due for completion in May/June 2019. Due to a later start than anticipated, more spend has fallen in 19/20 than originally forecast.

3.15 Other Schemes – (£11k) carry forward

Initial scoping works and planning applications are starting for some of the new sites approved by Council in January 2019. These works are currently being funded by the New Homes Contingency budget, but will all have an individual budget in place from 2019/20.

There are also some small costs on completed schemes which are to be funded from the contingency.

3.16 Sheltered Modernisation – (£42k) underspend

Three ex scheme warden property conversions, and modernisation works at Sherborne House have been completed during the year.

As reported in paragraph 2.11 there has been a variance between revenue and capital works at Sherborne, but this does not affect the overall financial position of the programme.

Works are due to start at Concord, the next scheme in the modernisation programme, in the new financial year.

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

11 APRIL 2019

7

Report Title	BUDGET MONITORING REPORT 2018/19 – 28 FEBRUARY 2019
Purpose of Report	To present to the Committee a forecast of the outturn position against the revenue budget and capital programme for 2018/19 in order to give an expectation of possible variances against budget at outturn.
Decision(s)	The Committee RESOLVES to note the outturn forecast for the General Fund Revenue budget and Capital Programme.
Consultation and Feedback	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.
Financial Implications and Risk Assessment	There are no direct financial implications arising from this report as it looks at current revenue and capital budget estimates. Final positions for 2018/19 will be reported as part of the year-end outturn process. Andrew Cummings - Head of Finance & Section 151 Officer Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk
Legal Implications	There are no legal implications arising from this report. Patrick Arran, Interim Head of Legal Services & Monitoring Officer Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk
Report Author	Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk
Options	None
Performance Management Follow Up	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 2019.

1. This report provides the monitoring position statement, figures have been updated to include all transactions up to 28 February 2019, to provide the committee with meaningful data for the financial year 2018/19. 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. Information is included in both budgets for this Committee and the wider General Fund.
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 2018/19 was approved by Council at their meeting in February 2018 including budget proposals of the administration.
4. The latest budget for Strategy and Resources Committee is £6.272m. The monitoring position at 28 February 2019 shows a projected net overspend of **£132k**. Taking into account the variation reported to Community Services and Licensing, Housing and Environment committees, the overall position on the service revenue expenditure is a net underspend of **(£410k)**. Appendix A provides an overview of the committee's budget and the other service committees.
5. The forecast for the General Fund is an underspend of **(£612k)** (after additional reserve transfers), as shown in Table 1.
6. As part of the outturn process the S151 Officer will review the reserves position of the authority and recommend appropriate allocations and re-organisation as is deemed necessary and appropriate. These transfers and allocations will be reviewed by this Committee as part of the outturn process.

Table 1 – General Fund Revenue Position

GENERAL FUND	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Community Services Committee		3,554	3,600	3,195	(404)
Housing Committee		503	552	341	(211)
Environment Committee		4,749	4,707	4,780	73
Strategy & Resources Committee		6,212	6,272	6,404	132
Accounting Adjustments		1,752	2,245	2,245	0
Net Service Revenue Expenditure		16,769	17,376	16,966	(410)
Other Operating Income & Expenditure		(1,180)	(1,787)	(1,557)	230
Funding from Govt Grants/Council Tax		(15,589)	(15,589)	(15,881)	(292)
TOTAL General Fund (before transfers)		0	0	(472)	(472)
Transfer from reserve - Waste & Recycling		0	0	(300)	(300)
Transfer from reserve - Workforce Plan		0	0	(193)	(193)
Transfer to Reserve- Environment Committee		0	0	180	180
Transfer to Reserve - Housing Committee		0	0	173	173
TOTAL General Fund (after transfers)		0	0	(612)	(612)

7. Impact of position on reserves – The table above sets out the estimated movement on earmarked reserves and the General Fund which is an overall estimated increase in the General Fund of £612k. In addition to this there are three further transfers to reserves included within the operating income and expenditure line as they are part of the Base Budget. These are

- Transfer to Business Rates Risk Reserve as budgeted in MTFP - £500k
- Transfer to Pilot Reserve to hold Pilot Gain - £792k
- Transfer to Equalisation Reserve as shown budgeted in MTFP - £74k

8. There are two transfers anticipated from earmarked reserves back into the General Fund shown in the table above.

- **Waste and Recycling** – the net overspend position on the Multi-Service contract (£411k) will in part be funded from the Waste Management earmarked reserve. This was established at £600k set in 2017/18 and will be released to the General Fund £300k p.a. in both 2018/19 and 2019/20.
- **Workforce Plan** – The Council has a reserve used to meet the costs of the work force plan. It is currently anticipated that £193k of this will need to be used in 2018/19. Further details are provided in Paragraph 9.

Table 2 – Revenue budgets Strategy & Resources Committee 2018/19

Strategy & Resources Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Investment Assets	16	(78)	(32)	66	98
Other Assets	17	24	47	79	33
Car Parks		(656)	(651)	(632)	19
Head of Property Services	18	82	83	57	(27)
Property Services Team	19	327	330	304	(27)
Facilities Management		761	551	563	12
Democratic Representation and Management	20	426	427	401	(26)
Resources and Finance - Direct Spend		1,859	1,797	1,797	0
Chief Executive		189	191	202	10
Marketing		93	94	96	2
Director (Corporate Services)		47	47	57	10
Human Resources		420	409	401	(8)
Corporate Business Services	21	222	484	555	72
Corporate Services (Legal)	22	575	580	530	(50)
Head of Finance	23	80	81	55	(26)
Financial Services	24	871	858	838	(20)
Information & Communication Technology	25	969	975	1,035	59
Strategy & Resources TOTAL		6,212	6,272	6,404	132

The table below outlines the key variances for this Committee

Table 3 - Headline Budget variances

Strategy & Resources Committee	Para Refs	Overspend / (Underspend) (£'000's)
Investment Assets		
Industrial Units	16	17
Littlecombe site, Dursley	16	75
Other Assets		
Misc properties	17	33
Head of Property Services	18	(27)
Property Services team	19	(27)
Democratic Services & Management		
Members Expenses	20	(21)
Corporate Business Services		
Work Force Plan Savings	21	91
Corporate Services (Legal)		
Legal Services	22	(50)
Financial Services		
Head of Finance -	23	(26)
Information & Communication Technology		
ICT - Salary Overspend	25	59
Strategy & Resources TOTAL		125

9. Work Force Plan

As reported previously the total ongoing savings from posts removed in Phase 1 of the Work Force Plan in 2017/18 is £230k. This was included in the base budget for 2018/19. In addition to this a saving of £100k is included in the budget in order to offset the cost of the Change Team.

To date reviews have been completed and implemented in Phase 2 for the Museum in the Park, HRA, Community Services, Regeneration and Revenues and Benefits. Three vacant posts have been also been removed from the structure across other services not yet reviewed.

Total cost/savings at January 2019:

	2017/18 £000s	2018/19 £000s	2019/20 £000s	Total £000s
Savings	230	489	721	721 (ongoing)
Costs	56	352		409 (one-off)

The net saving in 2018/19 is £137k. When compared to the savings target of £330k in the base budget, this gives an in year cost (overspend) of £193k to date in 2018/19.

It is expected that a transfer from the Workforce Planning earmarked reserve will be made to cover the additional cost of the restructures and so it is forecasted that there is no overall variation to budget. Based on current costs and savings this transfer of £193k would reduce the Workforce Planning reserve from £650k to £457k.

It should be noted that although all the reviews undertaken have been on services in the General Fund, the HRA will receive a share of costs and savings for any support services which it shares with the GF. For example HR provides services to both the GF and the HRA and so any costs and savings associated with the review will be shared in line with current charging splits.

Estimated General Fund share of costs/savings:

	2017/18 £000s	2018/19 £000s	2019/20 £000s
Savings	222	474	687
Cost	44	339	
Net Savings/(Cost)	178	135	687

Capital Programme

10. The 2018/19 Capital Programme of £2.820m was approved by Council in January 2018. This was revised to £6.586m following approval of the carry forwards/slippage and profiling changes by Strategy and Resources Committee at their meeting in May 2018. Council approved a further revision to the budget in January 2019.

Table 4 below shows the Capital Forecast position at the end of February 2019 for Strategy and Resources Committee and shows a projected outturn of £0.532m.

Table 4 – Strategy & Resources Capital Schemes

Strategy & Resources Capital Schemes	2018/19 Revised Budget (£'000)	2018/19 Spend to date (£'000)	2018/19 Projected Outturn (£'000)	2018/19 Outturn Variance (£'000)
Brimscombe Port Redevelopment	311	153	237	(74)
ICT investment Plan	400	153	156	(244)
MSCP Resurfacing	120	0	5	(115)
Ebley Mill works	109	0	10	(99)
Subscription Rooms-Works	125	9	125	0
TOTAL S&R Capital	1,065	311	533	(532)

11. Members will recall that in January 2019 there were two schemes that were withdrawn from the Capital Programme which included Merrywalks Redevelopment and Housing Initiatives. Littlecombe Business Units have been re-profiled to 2019/20. The works to the Subscription Rooms roof has now been included in the Capital Programme.

12. Brimscombe Port Redevelopment

The current forecast spend of £237k for 2018/19 includes surveys and consultancy support to de-risk the site including the design and planning for the infrastructure and support in the procurement process for the selection of a develop partner. This is funded from the original £1million in the Capital Programme together with revenue income from the Port. The funding from Homes England will not be spent until the works to redevelop the site are underway.

13. ICT Investment Plan

The spend to date for ICT capital program has been out of necessity whilst the ICT strategy is produced. A draft ICT strategy as well as Information and Digital strategies are now available and will be assessed by the ICT Task and Finish group. This includes a re-profiling of the remaining spend over the next 3 years which will be presented to S&R in July for approval. The spend profile is scheduled to take place in 2019/20 as we stabilise the ICT infrastructure to support the organisation as it continues to work increasingly smarter and digitally both in its offering to customers and staff.

14. MSCP Re-surfacing

The overall Capital budget for this scheme is £120k, tenders were received and the contract awarded with an overall cost of £89k. Preliminary works have started

attracting costs of £5k 2018/19 with the main programme commencing at the beginning of April, with a planned finish date of early May 2019.

15. Ebley Mill works

Work is underway to replace the windows at Ebley Mill (LB4), with scaffolding being erected in the last week of March 2019. There has been minimal spend of £10k this financial year. The majority of costs will be incurred in the first quarter of 2019/20.

STRATEGY AND RESOURCES COMMITTEE

16. Investment Asset – £98k income shortfall/overspend

(Alison Fisk xtn 4430, alison.fisk@stroud.gov.uk)

Littlecombe Units

75k of the variance is attributable to income shortfall partly relating to the delay in completion of the Littlecombe Units. There has been interest in lettings and purchase of the units, but it will take time for all the units to be occupied. The first letting of a unit was completed in early March.

Stonehouse Industrial Estate

The remainder of the overspend is due to dilapidation works that have been undertaken prior to the end of the council's head lease to limit any claim from the landlord. There have also been 2 vacant units on this estate this has resulted in lower rent and service charges being received as well as the Council being responsible for any outgoings, in particular paying empty business rates.

In spite of the limited term the council has left (the lease expires in Dec 2019) the service has now successfully let the vacant units, one in mid-June and a lease for the other completed in October 2018.

17. Other Assets – £33k income shortfall/overspend

(Alison Fisk xtn 4430, alison.fisk@stroud.gov.uk)

This variance is principally due to the consultancy costs associated with the due diligence undertaken when the Council was considering entering into a joint venture for the acquisition and renovation of Merrywalks Shopping Centre. There are some additional responsive maintenance costs which by their nature cannot be forecast.

18. Head of Property Services – (£27k) Underspend

(Alison Fisk xtn 4430, alison.fisk@stroud.gov.uk)

This variation is due to a salary underspend. The service was reviewed as a whole and a new approved structure put in place. These savings have been adjusted for the 2019/20 budget.

19. Property Services Team – (£27k) Underspend

(Alison Fisk xtn 4430, alison.fisk@stroud.gov.uk)

This underspend is directly related to salaries. This is an in year salary saving due to vacancies for 2 business support officers posts. As part of the budget setting process these posts have now been removed from the establishment for 2019/20.

20. Democratic Representation and Management – (£26k) underspend
(Hannah Emery, xtn 4383, hannah.emery@stroud.gov.uk)

This variance is a general underspend on Members expenses predominately around courses and seminars, conferences, catering and consumables.

21. Corporate Business Services – £72k overspend
(Tim Power, xtn 4155, tim.power@stroud.gov.uk)

The in year overspend of £72k has arisen largely from the net cost of restructuring in 2018/19, which currently totals £93k. This has been partially offset by some forecasted savings in the running costs of Corporate Business Services. As reported in para 7, it is expected that a transfer from the Workforce Planning earmarked reserve will be made to cover the cost of restructuring (£93k), along with the unachieved savings target (£100k) in 2018/19.

22. Corporate Business Services – (£50k) underspend
Legal - (Patrick Arran, xtn 4369, patrick.arran@stroud.gov.uk)
Democratic Services – (Hannah Emery, xtn 4383, hannah.emery@stroud.gov.uk)

Legal

The salary variation of (£25k) is in relation to two career graded posts and a third post that is currently on phased retirement. There is an apprentice post that is being looked at to potentially remove in budget setting for 2019/20. The remaining variance is minor overspends.

Democratic Services

The underspend on Democratic Services is due to (£11k) underspend on Webcasting (annual maintenance is £4k), the remainder of the expenditure variance is around Printing, Photocopying and Postage where the use of digital formats are being used instead of printing and posting out the majority of reports and communication documents.

A (£6K) underspend on salaries is forecast due to the part year vacancy for Democratic Services/Election Officer post.

23. Head of Finance – (£26k) underspend
(Andrew Cummings xtn 4115, andrew.cummings@stroud.gov.uk)

The underspend on the budget has arisen due to the post holder not starting until late July 2018.

24. Financial Services – (£20k underspend)
(Andrew Cummings xtn 4115, andrew.cummings@stroud.gov.uk)

There is a net saving of (£13k) on the Internal Audit budget arising from the 10% reduction in the audit plan, as approved by Audit and Standards committee in April

2018. The level of ongoing resource required to provide a risk-based internal audit plan will be reviewed as part of the budget setting process. Owing to efficiencies on the Internal Audit shared service over the previous two years, a one-off dividend/saving of (£7k) has been received.

25. ICT – £59k additional expenditure

(Sean Ditchburn xtn 4256, sean.ditchburn@stroud.gov.uk)

This variance is directly related to salaries. 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. A permanent appointment has now been made to the post of IT systems manager. The remaining post (Citrix systems manager) will continue to be filled by a contractor with every effort to find a permanent appointment.

26. Corporate Income and Expenditure – £230k additional expenditure

(Andrew Cummings xtn 4115, andrew.cummings@stroud.gov.uk)

There is an increased transfer to reserves of £292k as a result of the improved performance of the business rates pilot. This increase is fully funded by that business rates income.

A saving of £62k is anticipated as a result of the Council not needing to use all of its contingency budgets in this financial year.

Table 5 – Strategy & Resources Committee Breakdown

Strategy & Resources Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Brunel Mall		(52)	(44)	(41)	3
Industrial Units		(16)	(16)	1	17
Brimscombe Port		50	50	50	0
Littlecombe site, Dursley		(61)	(61)	14	75
Gossington Depot		0	39	43	4
Investment Assets	16	(78)	(32)	66	98
Dursley Bus Station		(3)	(4)	(4)	0
Miscellaneous Properties and Land		27	51	84	33
Other Assets	17	24	47	79	33
Car Parks (NC)		15	11	11	0
Car Parks (MT)		(23)	(15)	(13)	2
Car Parks (Stroud)		(648)	(647)	(631)	17
Car Parks (Managed)		0	0	0	0
Car Parks		(656)	(651)	(632)	19
Head of Property Services	18	82	83	57	(27)
Property Services		263	266	242	(24)
Asset Building Maintenance		64	65	62	(3)
Property Services Team	19	327	330	304	(27)
Facilities Management		212	13	13	0
Ebley Mill		459	479	491	12
Emergency Management		91	60	60	0
Facilities Management		761	551	563	12
Members Expenses		365	365	344	(21)
Democratic Representation and Management		(157)	(157)	(157)	(0)
Electoral Registration		126	127	129	3
Elections		88	89	81	(7)
Youth Councils		3	3	3	0
Democratic Representation and Management	20	426	427	401	(26)
Past Service Pension Costs/Central Budget Alloc		1,861	1,770	1,770	0
Corporate Management		(22)	(22)	(22)	0
Pension Costs		49	49	49	0
Land & Property Custodian		(28)	0	0	0
Resources and Finance - Direct Spend		1,860	1,797	1,797	0
Chief Executive		189	191	202	10
Marketing		93	94	96	2

Strategy & Resources Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Director (Corporate Services)		47	47	57	10
Human Resources		420	409	401	(8)
Work Force Plan Savings		0	260	351	91
Corporate Change Team		100	101	182	82
Business services		122	123	22	(101)
Corporate Business Services	21	222	484	555	72
Legal Services		416	420	396	(25)
Democratic Services		96	96	72	(25)
Procurement		63	63	63	(1)
Subtotal Corporate Services (Legal)	22	575	580	530	(50)
Head of Finance	23	80	81	55	(26)
Financial Services	24	871	858	838	(20)
Information & Communication Technology	25	969	975	1,035	59
Strategy & Resources TOTAL		6,212	6,272	6,404	132

Community Services & Licensing Committee

Table 1 – Community Services & Licensing Committee outturn forecast

Community Services Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Community Safety	1	360	212	190	(23)
Youth Services		100	100	100	0
Grants to Voluntary Organisations		337	337	337	0
Licensing		(68)	(67)	(63)	4
Director (Customer Services)		133	129	127	(2)
Customer Services	2	390	393	381	(12)
Cultural Svcs - Arts and Culture	3	781	703	628	(75)
Cultural Svcs - Sport & Health Dev.	4	165	167	143	(24)
Cultural Svcs - Sports Centres	5	124	166	(9)	(175)
Public Spaces		1,031	1,302	1,302	(0)
Revenues and Benefits	6	202	158	60	(98)
Community Services TOTAL		3,554	3,600	3,195	(404)

1. Community Safety - (£23k) underspend

(Mike Hammond xtn 4447, mike.hammond@stroud.gov.uk)

There are a number of offsetting variances which make up this underspend.

Neighbourhood Wardens

A (£32k) variance has been identified on salaries. This saving has been a result of the service review and two vacant posts (Senior NHW and NHW) which are currently being recruited to.

There is an income shortfall of £16k which is predominately around the removal of the service level agreement with the HRA. This budget has been adjusted as part of 2019/20 budget setting process.

Car parks Enforcement

A (£24k) saving has been forecast within this service. (£12k) is a salary budget underspend due to a lengthy recruitment process for vacant post. The remaining (£12k) is an income surplus that has been realised due to the continued robust approach to parking enforcement across the district.

Community safety

There is an income shortfall of £11k as a result of the removal of the service level agreement with the HRA. This budget has been adjusted as part of 2019/20 budget setting process.

2. Customer Services – (£12k) underspend

(Joanne Jordan xtn 4005, joanne.jordan@stroud.gov.uk)

Whilst the overall variance is insignificant, there are several larger offsetting variances that make up this underspend. A (£36k) saving has been forecast in salaries which relate to two vacant posts which have not been recruited to in this financial year. A compensating overspend of £24k has been identified on software. This is due to an ICON upgrade of the cash receipting system to ensure that the Council are compliant with current regulations, in addition the standard software contacts have increased in cost.

3. Cultural Services (Arts & Culture) – (£75k) underspend

(Joanne Jordan xtn 4005, joanne.jordan@stroud.gov.uk)

Subscription Rooms - (£59k) underspend

A (£78k) underspend is forecast within salaries for this financial year. The Subscription Rooms will transfer to the Town Council Trust on the 28 March 2019. The programme for the Subscription Rooms has been amended this year to reduce the income risk to the Council which has been reflected in the savings on Casual and Contracted Staff. Additional savings across the service have been predicted of (£12k). A shortfall on the sale of food and drink has resulted in a forecast variance of £31k as an under achievement of income.

Members will recall that the decision was taken at this Committee on the 6 December 2018 to close the TIC in March 2019, with Stroud District Council no longer funding this service. There are redundancy costs of £13k associated with the closure, these have been taken into account in the year end forecast.

The Museum in the Park is forecasting a small underspend of (£10k).

4. Cultural Svcs - Sport & Health Dev – (£24k) underspend

(Jane Bullows xtn 4322, jane.bullows@stroud.gov.uk)

(Jon Beckett xtn 4443, jon.beckett@stroud.gov.uk)

There are a number of small variances that make up this underspend, mostly external funds that will support on-going projects in 2019/20. These are proposed to be carried forward to the new financial year.

5. Cultural Services (The Pulse) – (£177k) income surplus

(Angela Gillingham xtn 01453 540995, angela.gillingham@stroud.gov.uk)

2018/2019 has been another fantastic year of business for The Pulse. Targets are continuing to be 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.

The forecast for this financial year is currently on course to exceed the 2018/19 income targets and create an operational surplus. Income continues to rise but this has been a challenging year for the Pulse with 3 full time members of the team being out of action due to injury and maternity leave. This has caused

further strain on the staffing and marketing budget as we have had to put additional resource into these areas to provide a consistent service. As a result of the staffing issue we have had to pull back on some of the 'learn to swim' activities which has impacted the income in this area this year. Utilities have also increased this year due to a meter change, which has meant that the expenditure budget has increased from our planned spend that we predicted in the last budget monitoring report.

The budget setting process for 2019/20 has taken into consideration the performance of The Pulse over last two financial years and budgets have been adjusted accordingly.

6. Revenues and Benefits – (£98k) underspend

(Simon Killen xtn 4013, simon.killen@stroud.gov.uk)

The current forecast has identified (£70k) of salary savings within Revenue and Benefits. These are posts that have been vacant throughout the year. The service has now completed its workforce plan review which has resulted in the structure being reduced from 33 to 28. Full year salary savings have been incorporated into the 2019/20 budget.

The remaining variance is largely due to additional income received from the Government in its drive to combat income related fraud.

Estimates indicate that we are ahead of the forecast but any variation at outturn may look to be a significant figure due to the large sums involved, but will be a minor percentage of the overall value. Overpayment income is likely to decrease over time as the case load continues to reduce. Managed migration to UC has been deferred for a further year but natural migration as a result of change of circumstances continues. There has been a 12% reduction in Housing Benefit case load during 2018/19.

Due to legislative changes in 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. Demand for supported accommodation in the district is growing resulting in subsidy loss increasing year on year.

Table 2 – Community Services and Licensing Breakdown

Community Services Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Community Safety		63	18	33	16
Abandoned Vehicles		5	(2)	3	4
Careline Services		(32)	(73)	(77)	(4)
Neighbourhood Wardens		236	185	171	(14)
Car Parks Enforcement		47	43	20	(24)
Stroud and Dursley CCTV		41	41	41	0
Community Services	1	360	212	190	(23)
Hear by Right / Youth Services		100	100	100	0
Grants to Voluntary Organisations		337	337	337	0
Licensing		(68)	(67)	(63)	4
Director (Customer Services)		133	129	127	(2)
Customer Service Centre	2	390	393	381	(12)
Museum in the Park		406	384	374	(11)
Subscription Rooms		227	215	156	(59)
Tourism		148	104	99	(5)
Cultural Services - Arts and Culture	3	781	703	628	(75)
Health and Wellbeing		35	35	35	0
Sport and Health Development		131	132	108	(24)
Cultural Services - Sports and Leisure	4	165	167	143	(24)
The Pulse Dursley		(49)	6	(171)	(177)
Joint Use Sports Centres		49	41	42	1
Stratford Park Leisure Centre		124	119	119	0
Cultural Services - Sports Centres	5	124	166	(9)	(175)
Public Space Service		293	553	549	(4)
Cemeteries		25	26	30	4
Amenity Areas		127	126	123	(3)
Commons and Woodlands		14	14	14	0
Stratford Park Grounds Maintenance		180	199	207	8
Grassed Areas Contribution to HRA		170	170	170	0
Public Conveniences		222	215	210	(5)
Public Spaces		1,031	1,302	1,302	(0)
Business Rate Collection		(109)	(108)	(96)	12
Council Tax Collection		239	240	229	(11)
Council Tax Support Admin		65	58	1	(57)
Rent Allowances and Rebates		(77)	(77)	(77)	0
Housing Benefit Administration		84	44	2	(42)
Revenues and Benefits	6	202	158	60	(98)
Community Services TOTAL		3,554	3,600	3,195	(404)

Housing Committee

7. General Fund Revenue Budget Position

Council approved the original General Fund revenue budget for 2018/19 in January 2018, and approved a revised budget in January 2019. The latest budget for Housing Committee is £552k.

The budget monitoring position for the service at 31 January 2019 (month 10) shows an underspend of £211k, as summarised in Table 1.

This underspend is before a potential transfer to earmarked reserves of £33k for Homelessness, and carry forwards of £140k in Housing Strategy. Further detail is included in paragraphs 8 and 9.

This gives a net underspend of £38k (6.8%). Any transfers would be subject to the overall position of the General Fund at Outturn.

Table 3 – Housing Committee Revenue Budget Outturn Position

Housing Committee	Para Refs	2018/19 Original Budget £k	2018/19 Revised Budget £k	2018/19 Forecast Outturn £k	2018/19 Outturn Variance £k
Homelessness	8	261	263	230	(33)
Housing Strategy	9	90	136	(35)	(171)
Private Sector Housing		152	153	146	(7)
Housing (General Fund) TOTAL		503	552	341	(211)
Potential transfer to EMR – Homelessness (MHCLG grant)					33
Carry forward request – Self Build (MHCLG grant)					45
Carry forward request – Community Housing Fund (MHCLG grant)					95
Net outturn forecast					(38)

8. Homelessness – (£33k) underspend, £33k transfer to earmarked reserves (MHCLG grants)

As previously reported, spend on Bed and breakfast continues to be higher than budgeted. Corresponding income is being received through Housing Benefit, although as the cost of placements is higher than Housing Benefit levels not all of this is reimbursed by central Government, and so is being topped up by SDC. The budgets have been amended to reflect the increased use of temporary accommodation from 2019/20.

In line with 2017/18 additional grant income has been received from the Ministry of Housing, Communities and Local Government (MHCLG). These grants are being used to support additional posts within the team. Subject to the overall position of the General Fund, any remaining grant at the end of the year, currently estimated to be £33k, will be requested to transfer to the Homelessness earmarked reserve to fund these posts and other homelessness costs in future years.

9. Housing Strategy - £171k underspend, carry forwards of £140k (MHCLG grants)

Carry forwards are to be requested for two MHCLG grants - £45k for self build, and £95k for Community Housing. This will allow the external funding to be used in 2019/20, and into 2020/21 for the Community Housing Fund (for the three year Community Housing Enabler post as approved by Housing Committee in March 2017).

The remaining £31k underspend relates to additional budget of £45k that was approved during the year. Although this will be utilised in future years, it has only been partially allocated in 2018/19 as it was only approved by Council in January 2019.

Environment Committee

Table 4 – Environment Committee Revenue budget outturn forecast

Environment Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Canal		7	7	7	0
Director (Development Services)		116	117	117	0
Head of Health and Wellbeing		70	71	71	0
Environmental Health	11	751	757	535	(223)
Statutory Building Control	10	117	126	78	(48)
Planning Strategy/Local Plan		306	311	314	3
Development Control	12	7	15	8	(7)
Land Charges & Street Naming		(4)	(31)	(48)	(17)
Economic Development	13	161	116	80	(36)
Carbon Management		71	71	62	(9)
Waste and Recycling: MSC	14	3,128	3,136	3,546	411
Waste and Recycling: Other		19	11	11	0
Environment TOTAL		4,749	4,707	4,780	73

10. Statutory Building Control – (£134k underspend (for info only)

(Paul Bowley xtn 4250, paul.bowley@stroud.gov.uk)

This variance is reported for information only as any surplus/overspend will be transferred to the Building Control Partnership reserve.

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 1st July 2015 and has resulted in an increase in income due to receiving applications from both Stroud and Gloucester areas.

An underspend is forecast on salaries (£48k) as a result of two vacant posts within the service. A service review is underway which will help inform the establishment going forward. An overspend is also anticipated on mileage following the trend on last year's actuals.

11. Environmental Health – (£223k underspend)

(Jon Beckett xtn 4443, jon.beckett@stroud.gov.uk)

(£80k) of this variance is concerned with Land Drainage. This 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.

A (£60k) income surplus has been forecast. This 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.

The Rural SuDS Project budget is the funding we receive from the EA to mainly pay for the project officer. There is a significant underspend on this budget this year as the post was vacant for nearly 6 months and the salary level was dropped from a Stroud 6 to a Stroud 5 when the new officer was appointed. This is a deliberate decision to try to stretch this funding so that the post can be maintained until March 2021 when a new funding stream will become available for this type of work. There will be a proposed carry forward of (£40k).

There are some additional small underspends predicted across The Environmental Health Service.

12. Development Control – (£7k) underspend

(Geraldine LeCointe xtn 4233, geraldine.lecointe@stroud.gov.uk)

Overall the underspend is insignificant but there are some larger offsetting variances.

Within salaries a (£62k) underspend is predicted. This is due to vacant posts not being recruited to in this financial year. The service has recently undergone its workforce plan review which has led to a new structure now in place.

A £17k overspend is predicted in Appeals which is predominately consultants fees for a public inquiry and an award of costs against the Council for a High Court challenge for Land East of Canonbury Street, Berkeley. An income shortfall of £33k will also be realised due to historic budget for sale of documents to the public. This budget is no longer relevant because the information is available online. The remaining overspend is in respect of pre-application fees was an estimate of the likely take up of this service, it has proved to be less than previous years and the anticipated increase in these charges has not be rolled out due to staffing issues.

13. Economic Development – (£36k underspent)

(Pippa Stroud xtn 4099, pippa.stroud@stroud.gov.uk)

This variance has arisen due to the service having gone through the work force plan project and the post of Economic Development Officer being made redundant. As a result there is no capacity for the investment of this budget on projects related to economic development, apart from those commitments already made to the Princes Trust and the Wotton Greenway.

14. Waste & Recycling – £411k overspend

(Michael Towson xtn 4336, michael.towson@stroud.gov.uk)

The overall financial position on the Multi Service contract is explained by the 2018/19 gross cost of the contract (£5.639m) significantly exceeds the available budget. Although action has been taken during the financial year to reduce the level of expenditure, there remains a significant funding gap before any income streams are taken into account. The level of ongoing resource has been addressed by the Council through the MTFP. Taking into account the additional income from Recycling Credits and the JWP Incentive Payment, there is a projected net overspend on Multi-Service budgets within this Committee of £0.411m.

Indicative figures from Ubico 18/19 suggest the forecast spend will be £80k over the original budget figure of £5.639m. This includes efficiency savings made earlier in the financial year.

Garden waste subscriptions for the 2019 scheme have increased to £45 (previously £39) and this is expected to generate additional income. The full impact of this will be felt in the 19/20 figures.

A number of fleet vehicles have been replaced and a capital replacement programme has been formulated to account for ageing fleet and property growth. This investment is mitigating un-budgeted cost pressures borne out of the high cost of specialist hire vehicles which has been reflected in Ubico's 19/20 budget.

Multi Service Income Streams

Recycling rates in the Stroud District are the best in the south west at 61%. New recycling contracts came in to force in July 2018 and these have had a positive impact on the overall financial position. Currently income from the sale of recyclates is forecast to be around £612k, well above original income targets and above the forecast previously reported by £70k. Markets for the sale of this material remain volatile.

In this financial year incentive and recycling credit payments made via the County Council remain relatively unchanged. However the County Council are expected to serve 12 months notice on an amendment to food waste incentive payments. These proposals would limit the maximum payment to Stroud at £100k per annum which would have a significant impact on the 20/21 budget and the MTFP. This would represent a reduction of circa. £275k per annum. Representation to reconsider these proposals has been made to the County Council.

APSE Review

The Association for Public Service Excellence (APSE) Review referred to previously, has been completed and the report has been distributed to members. The report indicated that the Ubico contract is offering good value for money. A number of recommendations were made and an officer led Service Review Working Group has been set up to prioritise

this work. Regular updates on progress will be provided to the Environment Committee.

Table 5 – Environment Committee Breakdown

Environment Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Canal Partnership		7	7	7	0
Director (Development Services)		116	117	117	0
Head of Health and Wellbeing		70	71	71	0
Environmental Health Team		149	149	133	(16)
Contaminated Land		32	32	26	(6)
Dog Warden Service		78	78	75	(3)
Environmental Protection		153	154	147	(7)
Food Safety		150	151	151	(1)
Health and Safety		86	87	91	4
Land Drainage	11	38	39	(141)	(180)
Public Health		43	43	43	0
Pest Control		6	7	(4)	(11)
Port Health		2	2	(1)	(3)
Planning Liaison		14	14	14	0
Environmental Health	11	751	757	535	(223)
Planning and Building Control Admin		258	261	209	(52)
Building Control		(186)	(202)	(201)	1
Securing Dangerous Structures		9	10	9	(1)
Building Regulation Enforcement / Advice		36	58	62	4
Building Control	10	117	126	78	(48)
Street Naming		(4)	(4)	(24)	(20)
Land & Property Custodian		0	(28)	(24)	3
Land Charges & Street Naming		(4)	(31)	(48)	(17)
Planning Strategy		306	311	314	3
Preparation of Core Strategy		0	0	0	0
Planning Strategy/Local Plan		306	311	314	3
Development Control		(267)	(261)	(230)	31
Trees		42	43	43	0
Conservation		59	59	71	12
Appeals		0	0	17	17
Planning Appeal Costs		69	70	26	(44)
Enforcement		106	107	86	(21)
Footpath Diversion		(2)	(2)	(5)	(3)
Development Control	12	7	15	8	(7)

Environment Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Economic Development		54	35	21	(14)
Market Town Projects		24	16	0	(16)
Regeneration		82	65	59	(7)
Economic Development	13	161	116	80	(36)
Carbon Management		71	71	62	(9)
MSC: Refuse Collection		1,116	1,116	1,280	164
MSC: Food Waste		341	341	475	134
MSC: Recycling		1,181	1,181	1,159	(21)
MSC: Bulky Waste		45	45	1	(44)
MSC: Garden Waste		(153)	(153)	(18)	135
MSC: Street Cleansing		599	607	649	42
Waste and Recycling: MSC	14	3,128	3,136	3,546	411
Waste and Recycling: Other		19	11	11	0
Environment Total		4,749	4,707	4,780	73

	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Spend to date (£'000)	2018/19 Projected Outturn (£'000)	2018/19 Outturn Variance (£'000)
Capital Programme Outturn					
Community Services					
Stratford Park Lido	80	0	0	0	0
Community Buildings Investment	100	138	17	17	(121)
Subtotal Community Services	180	138	17	17	(121)
Environment Capital Schemes					
Canal	500	1,474	217	250	(1,224)
Stroud District Cycling & Walking Plan	100	100	0	100	0
Market Town Centres Initiative fund	100	100	0	100	0
Wallbridge - Gateway	190	100	0	0	(100)
MSC - Vehicles	250	619	460	460	(159)
Subtotal Environment	1,140	2,393	677	910	(1,483)
Strategy & Resources Capital Schemes					
Housing Initiatives	600	0	0	0	0
Littlecombe Business Units, Dursley	100	0	(4)	0	0
Brimscombe Port Redevelopment	1,600	311	153	237	(74)
ICT investment Plan	400	400	153	156	(244)
MSCP Resurfacing	120	120	0	5	(115)
Ebley Mill works	0	109	0	10	(99)
Subscription Rooms - Works	0	125	9	125	0
Subtotal Strategy & Resources	2,820	1,065	311	533	(532)
Housing General Fund					
Affordable Housing - Support to Registered Providers	119	149	0	0	(149)
Disabled Facilities Grant Scheme	330	330	66	80	(250)
Park Homes	0	76	0	0	(76)
Private Sector Housing Loans	0	0	8	28	28
Warm Homes	0	500	380	650	150
Health through Warmth Grant	0	340	298	340	0
Subtotal Housing General Fund	449	1,395	752	1,098	(297)
TOTAL General Fund Capital Schemes	4,589	4,991	1,757	2,558	(2,433)
HRA Schemes	11,720	10,153	6,508	8,491	(1,662)
TOTAL Capital Schemes	16,309	15,144	8,265	11,049	(4,095)

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

11 APRIL 2019

8

Housing Committee held on 9 April 2019 – Agenda Item 11

Report Title	REPAIRS AND MAINTENANCE SERVICE 2020
Purpose of Report	To share with Housing Committee the outcome of the detailed service review and to seek authority to in-source the Repairs and Maintenance Services function from 1 April 2020
Decisions	<p>The Committee RESOLVES to:</p> <ol style="list-style-type: none"> 1. Approve the in-sourcing of the Housing Reactive Repairs and Maintenance (R&M) Service from 1 April 2020. 2. Approves Option 10 (App L) of the cost benefit analysis (CBA) report, and taking into account the risks and mitigations the potential contracting-out of a small proportion of the service delivery as described in Option X. 3. Recommend to Strategy and Resources Committee and Council an additional revenue budget of £53k in 2019/20 and £132k in 2020/21 to cover the one-off implementation and set-up costs, and a new capital programme for HRA IT systems totalling £175k over 2019/20 and 2020/21. 4. Agree delegated authority to the Head of Contract Services to progress and implement the insourcing of the R&M Service, and procurement of all other support services as required in consultation with the Chair and Vice Chair of Housing Committee, Head of Legal Services and the Section 151 Officer.
Consultation and Feedback	<p>Consultation consisted of:</p> <ul style="list-style-type: none"> • Two workshops with a wide range of Council Officers, tenants and members in attendance • A presentation with Q&A at Housing Review Panel • Briefings with the Chief Executive • Briefings with The Leader • Briefings with the Chair and Vice Chair of Housing Committee • Discussions with Finance • Discussions with the Head of Housing Services

Financial Implications and Risk Assessment

The financial appraisal has been undertaken by an external specialist. It indicates that the proposed method of delivering repairs and maintenance would, after initial investment, be at a lower cost than alternative options.

Mobilisation costs of £430k have been identified in the report.

The revenue costs are expected to be £123k in 2019/20 and £132k in 2020/21. £70k is already included in the 19/20 budget as approved by Council in January 2019 and so the allocation of an additional budget of £53k is being requested. This could be funded from HRA general reserves.

The need for a new capital programme of £175k over two years for IT systems has also been identified. This could be funded from the Major Repairs Reserves.

All additional budgets would need to be approved by Council.

There is a potential cost of redundancy, but this will not be known until the structure and TUPE list is finalised.

Although a potential reduction in cost has been identified in future years, it is recommended that any surpluses are kept in a holding reserve over the short term to mitigate against any unforeseen costs.

There are significant risks associated with delivering parts of the service in house, and these would need to be closely managed. If successful it would provide more control of service delivery and better data on our housing and repairs.

Analysis of the costs will continue throughout the process.

Lucy Clothier, Principal Accountant

Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk

Risk assessment by the report author

Risks associated with the project but in particular those relating to insourcing are: - a decrease in productivity; greater health-and safety responsibilities; fluctuating costs of materials; equality of pay; and having the necessary resources to implement the transfer of services. Strong management of the transfer and robust implementation plans will ensure that these risks are effectively mitigated. Risks will be monitored through Excelsis for transparency.

Legal Implications	<p>The Committee has delegated authority to make this decision save that any additional budget must be approved by the Strategy and Resources Committee.</p> <p>There will be a number of additional legal implications relating to the actual mechanics of bringing any decision into effect but these do not impact upon this decision and will be dealt with by officers as part of the delegations set out in paragraph 4 of the recommendations.</p> <p>Patrick Arran, Interim Monitoring Officer Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk</p>
Report Author	<p>Joe Gordon, Head of Contract Services Tel: 01453 754190 Email: joe.gordon@stroud.gov.uk</p>
Options	<p>Re-procure an outsourced service provision based on a split delivery model. Planned Repairs being delivered by a single contractor across the district and Reactive Repairs and Voids being delivered by a different contractor. Or delivery through any of the models outlined within the main report.</p>
Performance Management Follow Up	<p>A performance framework will be developed in line with sector norm, to reflect service, corporate and end users objectives. An integrated software system will provide enhanced levels of transparency for the service and will deliver a significant return on investment through a range of direct and indirect benefits.</p>
Background Papers/ Appendices	<p>Appendix A – Repairs & Maintenance Option Appraisal and Cost Benefit Analysis (Appendices A - T relating to this report have been published onto the Council's website and a hard copy is available in the Members' Lounge)</p> <p>Appendix B – IT Systems Costs</p>

1.0 Introduction

- 1.1 The Council is currently undertaking an extensive business transformation programme, aimed at improving efficiencies, providing value for money, and improving customer satisfaction.
- 1.2 Tenant Services have a number of contracts in place to deliver asset related services for the upkeep of its retained stock. The major spend elements being related to day to day Responsive Repairs, Planned Programmes of work, Cyclical Painting, and smaller elements relating to Mechanical and Electrical functions.
- 1.3 Annually the service spends in excess of £3.5 million on repair and maintenance delivering a broad range of services.

- 1.4 Tenant Services have already successfully in-sourced its Gas Heating, service, following a decision made at an Executive meeting on Monday 8 April 2013.
- 1.5 The service has recently let a short term contract (2 years) for the provision of the repairs, and planned maintenance services in the south of the district following the early departure of Mears.
- 1.6 A review of ICT systems and software has been undertaken as part of the service review as it was prudent to do so.
- 1.7 This report sets out the options available to the Council for the provision of the repairs and maintenance service from April 2020 onward.
- 1.8 Limitations and scope of the review have been highlighted within the main supporting report at Appendix A.

2.0 Background

- 2.1 Across all social housing providers nationally, repairs and maintenance is almost exclusively the number one priority for tenants.

It is generally considered that there is no 'one size fits all' operating model for the delivery of day-to-day housing repairs and associated services.

A lot has changed locally, and on a national level. The local government 'landscape', and that for social housing, looks very different. To ensure we continue to deliver the best possible service to our tenants we need to rethink how the R&M Service is delivered and consider the options available to us.

- 2.2 In 2014 a report presented to Stroud District Council Housing Committee indicated that Tenant Services would look at options to insource work streams as contracts came to an end.
- 2.3 In 2015 Stroud brought its Heating Servicing and repairs function in house. Over the past three years the organisation has seen increased levels of satisfaction in this area. This has largely been achieved through having a greater degree of control over the service and the flexibility to deliver a service which better suits the needs of our tenants.

SDC overall experience with internalising the heating servicing and repairs has been positive for both tenants and the Council. Feedback received suggests there is a greater degree of confidence experienced by tenants when the Council delivers services directly.

However while the internalisation of the heating service has been positive, we cannot look at this in isolation, excluding what may be other viable options including to continue delivery of the service using similar or existing models as present.

- 2.4 Provision of the repairs and maintenance service is currently split North and South across the district, provided by two separate organisations. The Council currently has differing arrangements with each of the two contractors due to the early termination of an existing arrangement.
- 2.5 Contractual arrangement for the delivery of the repairs and maintenance function with one of two incumbent contractors comes to an end on 31 March 2020, with no option to extend beyond the end date. The Second arrangement has a break clause aligned, with the above as a result of the initial term coming to an end; however in this instance an option exists to extend for a further six years by two terms of three years each.
- 2.6 Successive service providers have been unable to consistently provide a level of service provision which delivers high levels of customer satisfaction and which adequately protects the brand and reputation of the organisation. High levels of administration, supervision, and intervention have been required where adequate service provision has been achieved.
- 2.7 A review of IT Systems and processes was undertaken which highlighted that a disproportionate level of manual interventions is required to ensure transparency and efficiency of management processes.

Irrespective of the service delivery model chosen, it is clear that significant investment is required in ICT to ensure that the management tools and expertise required are in place. This would create the foundations needed to generate the performance levels expected of a top quartile repairs and maintenance service.

- 2.8 Workshops were undertaken with a range of stakeholders to look at, and evaluate a long list of eighteen viable options, which were eventually reduced to seven. Details are set out within the report Repairs & Maintenance Option Appraisal and Cost Benefit Analysis at Appendix A (See Appendix B&C within).

3.0 Stakeholder Engagement

- 3.1 In order to identify the drivers and priorities for any new arrangements, stakeholders have been engaged to explore the benefits and issues experienced with the existing arrangements. This has helped to develop an understanding of the needs and aspirations of tenants and councillors in shaping the future provision.

Staff, Councillors and tenants came together to review the positives and negatives of a range of models for delivery.

3.2 Feedback from the two workshops which took place was used to reduce a long list of eighteen options down to four main types of delivery model, of which three included modified options making a total of seven models which were considered. Detailed descriptions of all delivery models are again set out within the main report at Repairs & Maintenance Option Appraisal and Cost Benefit Analysis Appendix A (see Appendix D within).

3.3 The final options considered were:

- a) Option **3** – Out sourced, traditional procurement, SOR, two contractors, one to deliver repairs and voids only and one to deliver planned works only
- b) Option **6** – Out sourced, traditional procurement, Open Book, two contractors, one to deliver repairs and voids only and one to deliver planned works only
- c) Option **10** – Hybrid, traditional procurement, Open Book, Two contractors, DLO to deliver repairs and voids, and out sourced contractor to deliver planned works - *includes modified options for DLO to start gradually on the volume of repairs, include modified options for the DLO to have a different constitution (WOS etc) – include modified options for the DLO to be managed by a management consultant/agent (through a procured route)*
- d) Option **15** – Fully in-sourced Wholly Owned Subsidiary delivering planned and repairs to all areas

Each option above to consider “dialogue aspects” during the procurement, not full competitive dialogue, but engagement through interview and presentations during the process

3.4 It is worth noting that the top six key drivers gleaned from workshop feedback were:

1. Control
2. Partnership and Collaborative Working
3. Value for Money
4. Skills and Behaviours
5. Customer Service
6. IT Systems

3.5 While we have made good progress in getting costs under control, these key themes taken from the workshops indicate that there is still some work required in a number of key issues largely characterised by silo working, trust, and value for money.

3.6 The workshops facilitated by Impart Links Consultancy made clear at the outset that Tenant Services had no particular view about which

delivery model is most appropriate other than, a pragmatic view would be taken based on each models ability to deliver quality services for stakeholders and represents value for money for the Council.

4.0 Options Appraisal

- 4.1 We have looked at the contracting options available to the Council. Seven options for the re-provisioning of repairs and maintenance were considered as set out in 3.3 above.

Each of the different service models can be seen to be working successfully given the right situation in different organisations. Best practice advice is that the optimal solution is one which will best serve the needs of the organisation's customers, its business drivers, and its stakeholders.

- 4.2 It was established that whilst a number of the options are relatively balanced in respect of cost, value for money and quality, Option 10 Hybrid (direct delivery/contractor approach) is seen as the best match for the Council's overall objectives for this service.
- 4.3 Insourcing the Service would strengthen partnership working with other Services. For example, it would enable the Service to support the new approach to housing management and to be an integral part of locally-based neighbourhood management.
- 4.4 The overarching reason for bringing repairs and maintenance in-house is the need to have more control to mitigate potential risks. There is a risk to reputation which is outside of our control when using larger contractors. When problems arise with an outsourced operation, it is difficult to affect change quickly especially with larger service organisations as we are often seen as small fish in a big pond.
- 4.5 The other reason for in-sourcing is to have greater control and sight of the costs associated with repairs and maintenance. Internalising the heating service has realised efficiencies of over £300k in less than three years which is a saving of over 18% when compared to outsourcing the works to an external organisation. (Figures are based on 2014/15 financial years figures, and uplifted by inflation).
- 4.6 Having greater control over the service provision means we would be able to react to the customers priorities more quickly, and gain much improved customer insight. There is also an opportunity to communicate a message of intent to stakeholders that SDC has recognised performance, service, and accountability is central to our relationship with them and extremely high on their agenda.

5.0 Finance

- 5.1 As with most projects, some investment will be required at the outset to support project delivery.
- 5.2 The initial one-off implementation costs involved in insourcing the Service would amount to £430,645. However, in the long-term insourcing is the reactive maintenance element of the service is the most cost-effective option expected to achieve year-on-year sustainable savings for the Housing Revenue Account (HRA). Anticipated efficiencies are set out within the options appraisal.
- 5.3 Of the total set up cost, the insourced service would require £123,000 of revenue and £88,000 of capital in year one (19/20), and the balance in year two (20/21). This includes costs for the provision of or upgrading of the existing IT software, and early transfer or provision of key trades operatives to ensure there is no dip in service provision at the point of transfer.
- 5.4 The business model for a modern Insourced service is very different to the old days. Transparency is key and therefore ongoing financial appraisal and analysis will form part of the reporting mechanism to ensure Members and the Executive Team can remain reassured of commerciality of service.
- 5.5 For the benefit of comparison VAT for the insourced service when compared against an externalised provision is cost neutral.
- 5.6 The initial five year projections are set out on page 10 of the Repairs & Maintenance Option Appraisal and Cost Benefit Analysis report at Appendix A.

6.0 Opportunities

- 6.1 Subject to legal and financial due diligence there would be opportunities for income generation not only in terms of Council budgets but also being able to provide services for third party organisations, leaseholders, and local businesses.
- 6.2 The neighbourhood benefits because the insourced service will be a local contractor, and will draw its workforce from the local community creating local sustainable employment and training opportunities.
- 6.3 Collaboration – growing a successful in-house team gives us the potential to work closely with other Social Housing providers across the region providing shared savings and efficiencies.
- 6.4 The option to bring the repairs service in-house, with certain elements contracted out to local specialist businesses where possible, should have a positive impact and give us some influence in terms of

economic growth and encouraging job creation. Delivering services through the 'Stroud Brand'.

- 6.6 Any contractual arrangement for the delivery of services including the current arrangements for the R&M Service, involves a degree of contractual inflexibility in how that service is delivered. Bringing the R&M Service in-house for direct delivery will enable the Council to use these resources collectively - exploring opportunities for joint benefits and better integration, thereby achieving efficiency savings for other Council Services.

7.0 Risks

- 7.1 There are of course risks associated with the option to insource the Service (as indeed there are with all the other alternative delivery options discussed in the report), and some of these risks are significant. However, measures are and will continue to be in place to mitigate these, and if any of significantly escalate, or any significant new risks (including financial ones) emerge, a further report would be brought back to Housing Committee.

- 7.2 Key risks associated with insourcing the Service relate to: - a decrease in productivity; greater health-and-safety responsibilities; reputational; fluctuating costs of materials; pay; and having the necessary resources to implement the transfer of service. Strong management of the transfer and robust implementation plans will ensure that these risks are effectively mitigated.

- 7.3 As part of the risk mitigation strategy an overarching risk management plan will be developed and implemented for the duration of the project.

8.0 Conclusion

- 8.1 There is increasing pressure from the Regulator of Social Housing to deliver value for money (VFM) and this is particularly relevant for the procurement and delivery of the repairs service. The size and value of repairs expenditure provides the Council with considerable opportunities to maximise the contribution that R&M can make to community sustainability through innovative procurement.

It is more important than ever that all Council Services are efficient and represent value-for-money, achieving better outcomes for customers with limited resources.

- 8.2 There are opportunities to apply a more agile approach to managing and future proofing the services we deliver. Not only will this be of benefit to stakeholders, through the delivery of a service they should rightly expect from their landlord, but there will also be a financial benefit to the organisation.

- 8.3 We recognise that there are a range of potential benefits and challenges to different types of arrangement, and have considered these carefully in coming to a view about the best model for the housing repairs service. Once fully integrated into the Council there will be further opportunities to create efficiencies within the service.
- 8.4 Notwithstanding the wish to have more control and influence over service provision, we believe that a well managed insourced service can make strong contribution to the community. For many of our stakeholders it may be the only face to face contact they have with the Council, and the service we provide is a direct reflection of us.
- 8.5 We realise that a huge cultural shift is required, as insourcing the service will involve transferring the current Mi-Space and NKS workforce delivering the R&M Service, into the Council, but believe that we will be able to realise our goal of providing great customer service by having direct control over service delivery.
- 8.6 Increasing customer satisfaction is a priority for us, and therefore insourcing gives us a unique opportunity to customise service delivery based on what our stakeholders say.

9.0 Recommendation

- 9.1 We recognise that a number of key elements of the service would be best delivered by external contractors, and therefore do not intend to directly deliver internal or external planned works, cyclical painting, or other specialist work.
- 9.2 Internalise the delivery of reactive repairs.
- 9.3 Implement a suitable ICT system which brings together the R&M, Asset Management, and Contractor workforce functions on a single platform.
- 8.4 Develop in consultation with key stakeholders a Repairs Charter to meet the needs of all stakeholders.

This report should be read in conjunction with the Repairs & Maintenance Option Appraisal and Cost Benefit Analysis at Appendix A, along with the Appendices contained within.

Providing Temporary Accommodation for Homeless Households Purchase of Salvation Army Building

Additional Financial Information March 2019

Current Temporary Accommodation Provision

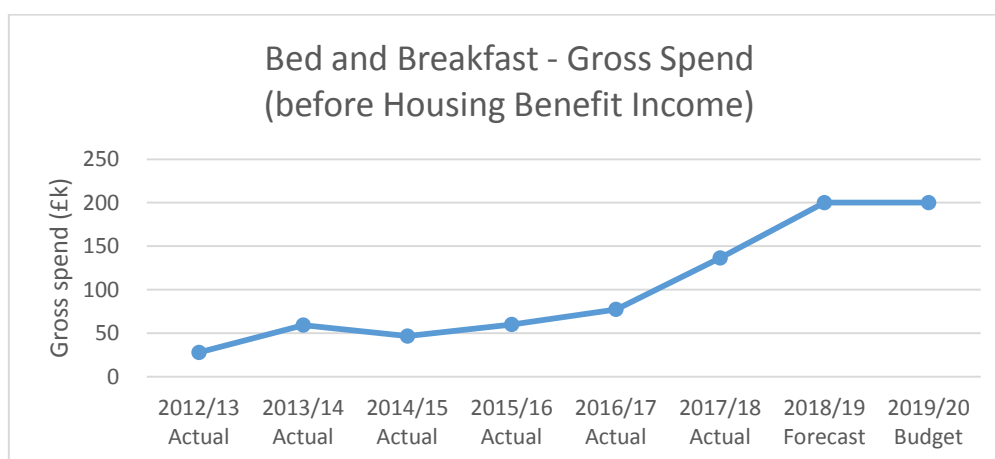
Temporary Accommodation is currently provided in a variety of ways, ranging from emergency accommodation in a Travelodge or similar, Bed and Breakfast accommodation, and self-contained family accommodation. It generally only includes low level, if any, support.

The number of households in temporary accommodation fluctuates, with an average of 14 (ranging from 7 to 19) over the analysis period of 43 weeks (November 2017 to August 2018). There is predominantly a one bedroom need (single person or couple), averaging 11 at any one time, with an average of 3 families.

Placements are usually found within Gloucestershire (91% of nights accommodation, including 9% in the Stroud District Council area), with 9% out of the county, for example in Bristol. Out of county placements are usually family accommodation.

The cost of placements varies significantly with an average weekly cost of £190 per week for a single or couple (ranging from £120 to £659 per week), and an average of £415 per week for a family (ranging from £160 to £767 per week).

Overall spend on temporary accommodation has increased significantly in recent years, and it is expected to stay at a higher level over the short term.



The income received through Housing Benefit varies depending on the type and size of accommodation and household. It is generally significantly lower than the cost of the placement. This has been 'topped up' by the Benefits service at SDC, and so although there is only a small variance reported on Bed and Breakfast, there is a net cost to the Council.

Purchase of a property and conversion to temporary accommodation units

The proposal includes the purchase of a building owned by the Salvation Army and conversion into six temporary accommodation units, two for families and four for singles.

It is currently estimated that the purchase and conversion would cost in the region of £500k.

It is proposed that this is financed through borrowing. Assuming borrowing over 30 years, the annual cost of Minimum Revenue Provision (MRP) and interest payments would be £29k in the first year. This would need to be supported by savings in the ongoing provision of temporary accommodation.

Supported Accommodation

The cost of providing supported accommodation is much higher than providing basic bed and breakfast, and is estimated at £80k per year for a property of this size. Costs have been assumed for a management charge, as well as repairs on the property and the cost of utilities. A charge for utilities would be charged directly to the households, as is the case in some existing temporary accommodation.

Although full recovery of the cost is still not possible, supported accommodation is eligible for a higher level of Housing Benefit when provided by a registered provider, such as a Housing Association. District Councils do not qualify under the regulations and therefore the accommodation would need to be run by a registered provider, and could not be operated directly by SDC without large financial loss.

Based on the current levels of households in temporary accommodation it is not envisaged that there would be an issue with void periods. Some levels of void would be expected due to turnover, but households could be moved from other temporary accommodation should there be a vacancy. If no households from Stroud district need supported accommodation it could be made available to neighbouring local authorities, but this is not expected on a regular basis.

Impact on Budgets

As previously reported the cost of providing supported accommodation is expected to be much higher than providing basic bed and breakfast. However, the increase in support provided through a registered provider would allow a higher level of Housing Benefit to be claimed. This means that the net cost to SDC of the new temporary accommodation units is expected to be the same as the cost of providing the existing bed and breakfast accommodation.

Table 1 - Annual cost of provision:

Estimated Cost of New Provision (6 units)	£k	Estimated Costs of B&B (6 households)	£k
Borrowing Costs (MRP and interest)	29		

Running Costs (management charge, utilities, repairs and renewals)	80	Expenditure (Bed and Breakfast)	66
Income (Housing Benefit and service charges)	(67)	Income (Housing Benefit)	(24)
Net Cost to SDC	42	Net Cost to SDC	42

Risks

The key financial risks lie with the cost of bringing the property into use, or the cost of running the service being higher than expected. This will be further investigated as part of the due diligence process and be monitored closely.

The level of income receivable is based on the current regulations for Housing Benefit. Should this position change it could have a significant impact on the financial appraisal. It should be noted that this is also true of all temporary accommodation.

The risk of operational obsolescence should be considered as although the property would be owned by the Council, the open market value of the converted asset may be lower than the total cost of purchase plus conversion. As the purchase is for the purpose of service provision rather than financial gain this is not considered a significant risk.

Summary

The purpose of the proposed provision of temporary accommodation is not financial, but rather to provide an improved service.

The estimated ongoing cost of providing the accommodation, including the cost of borrowing, could be provided at no additional cost to the Council, with the borrowing paid off over 30 years. The report to the Council will include a request to approve a £500k capital budget.

The assumptions and key risks would need to be updated throughout the due diligence period as further information becomes known about the project to ensure it remains viable.

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

11 APRIL 2019

10

Report Title	RECOMMENDATIONS OF THE CONSTITUTION WORKING GROUP
Purpose of Report	To set out the recommendations of the Constitution Working Group
Decision(s)	The Committee RECOMMENDS to Council that the Role Profiles for Councillors section of the Council’s Constitution be amended as shown in the Appendix to this Report, in accordance with the recommendations set out in this report
Financial Implications and Risk Assessment	There are no financial implications arising from this report. Andrew Cummings - Head of Finance & Section 151 Officer Email: andrew.cummings@stroud.gov.uk Risk assessment – the risk of not keeping this section of the constitution up to date with current practices is that it may become increasingly irrelevant.
Legal Implications	Changes to the Constitution must be approved by full Council; as such, any changes recommended by the Committee on the basis of this report will need to be approved at a Council meeting. Mike Wallbank, Solicitor Email: mike.wallbank@stroud.gov.uk
Report Author	Mike Wallbank, Solicitor Email: mike.wallbank@stroud.gov.uk
Options	The Committee may chose to adopt some, all or none of the recommendations set out in this report.
Background Papers/ Appendices	Constitution section 16 – Role Profiles for Councillors Appendix 1 – draft amended Role Profiles for Councillors document.

1. INTRODUCTION / BACKGROUND

1.1 The Constitution Working Group (CWG) was set up by this committee on 12th July 2018. The CWG was tasked with considering the following areas and making recommendations to the committee as to whether any amendments to the Council’s Constitution would be appropriate:

- 1.1.1 Whether a further redistribution of functions between committees should take place to reduce the number of committees;
 - 1.1.2 A review of the Council's financial Regulations to assess how best to engage committees and Members in the budget setting process; and
 - 1.1.3 A review of the Role Profiles for Councillors to further promote and improve Member involvement in the decision making process.
- 1.2 The CWG has already reported back to Committee on 1.1.1 and 1.1.2 above. The CWG met on 24th January and 19th and 28th February 2019 to consider 1.1.3 above. The purpose of this report is to set out the observations and recommendations arising from those meetings.

2. ISSUES FOR CONSIDERATION

- 2.1 The CWG reviewed each section of the Role Profiles for Councillors document. It considered in particular whether each aspect of the role description remained relevant and whether any duties were no longer relevant and should therefore be removed; it was also considered whether anything could be added which might serve to assist Member participation in decision making.
- 2.2 The amendments proposed by the CWG are set out in the appendix to this report.

INDIVIDUAL ROLES

3. CHAIR OF COUNCIL

- 3.1 It was noted that this role has changed somewhat in recent times; it was proposed that the role description should be amended to reflect these changes. It was also considered that the role description should be reflective of the fact that the role is, to some extent, what the individual holder makes of it.
- 3.2 The town twinning arrangement has now been in abeyance for some years; it was therefore proposed to remove reference to this.
- 3.3 The nature of civic awareness events within the community has changed in recent years and the group noted that the Chair does not hold the budget for such events: it was therefore proposed to amend the role description to reflect the Chair's participation in such functions where appropriate rather than being to initiate them.
- 3.4 It is not clear as to whether the Chair is still chairing briefings for Council meetings; Committee may wish to consider the format of these meetings going forward and in particular, whether they should continue to be chaired by the Chair of Council.

- 3.5 The group considered that the reference to supervision of an annual civic service should be deleted, given that in recent years such an event has not take place and that in any event, this aspect of the role is covered in other parts of the description.
- 3.6 The reference to the spending of the Civic Fund was no longer considered to be applicable, given that this is no longer administered by the Chair.
- 3.7 The group discussed the length of the Chair's term of office and there was a consensus that a 1 year term is insufficient to enable to an individual to develop in the role. It was therefore suggested that the current stated expectation that the Chair shall serve a 1 year term should be abandoned. This would also enable an incoming Chair to make best use of any training received upon taking up the role, which may not be available immediately.
- 3.8 It was suggested that the role description should have an additional bullet point added with the wording "*To sit on the Standards Panel when considering disciplinary matters*", in order to reflect the Investigations Procedure set out elsewhere in the Constitution.

4. VICE-CHAIR OF COUNCIL

The Group did not conclude that any alterations to the existing role description were necessary.

5. CHAIR OF A COMMITTEE

The Group concluded that this role description is largely adequate. However, it did consider that the requirement to produce annual reports to Council was often not being fulfilled. It was felt this should be noted by Committee in order to remind committee chairs of this requirement, which the group considered to be an important one.

6. COMMITTEE CHAIRS – SPECIFIC TERMS OF REFERENCE

Again, these were considered to be largely satisfactory. The Group suggests that it would be appropriate to add the words "*and having regard to the Corporate Delivery Plan*" after the second bullet point referring to role of the Strategy and Resources Chair.

7. COMMITTEE VICE-CHAIRS

No amendments were considered necessary.

8. LEADER OF THE COUNCIL

No amendments were considered necessary.

9. POLITICAL GROUP LEADER

The existing profile covers most aspects of the role, however, it was suggested that the words *“to promote good working relationships between political parties and between members and officers of the Council for the benefit of the District as a whole.”* should be inserted added to the role description, to reinforce the need to ensure that the overarching objectives of the Council are taken into account.

10. ALL COUNCILLORS

10.1 The Group recommends that the words *“and ensure regular attendance and ensure that they are adequately briefed and prepared for the meeting.”* should be added at the end of the second bullet point in the existing description, to reinforce the expectations of members.

10.2 In addition, the addition of the words *“as appropriate”* after the final bullet point would assist in catering for areas where there are a number of parish councils in a single ward.

11. OTHER MATTERS

A query was raised as to the status of working groups and whether they should be regarded as sub-committees. The Court of Appeal has made it clear that task and finish and working groups are an accepted and justified part of the conduct of Council business, provided that such groups do not have any delegated decision making powers. As such, the setting up of a group (such as this one) to consider matters and make recommendations to the Council or a committee is lawful.

12. FURTHER ACTIONS AND POTENTIAL FUTURE BUSINESS

This report concludes the work of the Group as defined by the resolution of 12th July 2018. It is expected that the report of the forthcoming peer review may identify areas for consideration or improvement in the existing constitution. It is anticipated that a report regarding such will be presented to a future committee meeting.

ROLE PROFILES FOR COUNCILLORS

This section explains what is expected of Councillors in undertaking their duties.

| [May 2013](#)[April 2019](#)

| Version: [May 2013](#) (~~[Nov 2016](#)~~)[April 2019](#)

Role Profiles for Councillors

CHAIR OF COUNCIL

The Chair of Council will be the Civic Head of Stroud District Council and will chair full Council Meetings.

Duties and Responsibilities

- To chair meetings of the Council ensuring among other things that all points of view have a fair opportunity to be heard, that procedure rules are applied and observed, and that debate is guided towards clear and relevant decisions.
- To represent the Council in the District and elsewhere on occasions where a civic representative is invited or otherwise required, ~~including civic links with our twin district.~~
- To ~~initiate~~participate in events, receptions, programmes and activities designed to recognise and encourage civic awareness in the community, where appropriate.
- To attend and chair briefings for Council meetings, involving leaders of the political groups and to be proactive in making proposals for the effective conduct of the agenda.
- To host Council events of a non-party-political nature as required.
- ~~To supervise the organisation of an annual Civic Service.~~
- To promote good relationships between Councillors, between political groups and between Councillors and officers.
- To ~~ensure that the~~oversee the spending of money from the Civic Fund ~~is spent to the best advantage of the~~ for the benefit of the whole District.
- To ensure that the Vice-Chair is kept informed of all relevant civic matters and has a useful civic role during his/her period of office.
- To attend Chairmanship Skills training as appropriate, usually at the start of the term of office.
- ~~The Chair of Council shall normally serve for a 1 year term in office and shall then vacate the position of Chair of Council~~
- To sit on the Standards Panel when considering disciplinary matters.

VICE CHAIR OF COUNCIL

The Vice-Chair of Council will support the Chair of Council in his role and in his absence undertake the duties within the role profile for the Chair of Council.

CHAIR OF A COMMITTEE

Chairmen of committees will be elected annually at the annual Council meeting.

The role of Chair is an important one. They are the functional lead for their committee's area of work. They will be supported by the Vice-Chair who they will involve and work with.

The Chair is responsible for the effective management and running of the Committee's business. This involves directing the Committee's business agenda, the effective management of Committee deliberations and maintaining effective consideration of the Council's business.

The Chair of each Committee is expected to identify areas for inclusion in the Committee's work programme and will ensure that the Committee Members are both involved in setting the work programme and take part at all stages in deliberations.

The Chair of each Committee shall work with officers and will have responsibility for the agenda preparation of their Committee.

Part 1 - Terms of Reference for Chair of Committee (whichever committee)

- To chair meetings.
- To present to Council reports of the Committee when required and to present an annual report on the work of the Committee at the last meeting of the municipal year.
- To monitor progress in respect of the Committee's work programme.
- To maintain high standards of probity and adherence to standards of conduct and protocols.
- In conjunction with the Vice-Chair to determine appropriate means of inviting and involving public comment and representations on matters under consideration.
- In conjunction with the Vice-Chair to ensure appropriate expert and specialist advice is made available to the Committee when appropriate.
- To ensure, in liaison with the Chief Executive, that Committee Members benefit from appropriate training and development to deal effectively with the Committee's business.
- To attend chairmanship skills training as appropriate.

Part 2 – Terms of Reference Specific to Certain Chairmen

A Strategy and Resources Chair will also:

- Be the Council Leader.
- Will have the lead role in co-ordinating the work of the Committees across the Council, liaising with other committee chairmen as needed to ensure the work of all committees is undertaken in a holistic manner [and having regard to the Corporate Delivery Plan](#).

B Communities, Environment and Housing Committee Chairmen will also:

- Sit on the Strategy and Resources Committee.
- Will champion the function of their individual committee but in doing so will recognise their part in the holistic purpose of the Strategy and Resources Committee as a body comprised of key leading members from across all functions of the Council.

C Development Control Committee Chair will also:

- Chair meetings of the Sites Inspection Panel.
- Maintain the non-party political status of committee proceedings and meeting management.

D Community and Licensing Committee Chair will also:

- When sitting as a member of a Licensing Panel chair that panel hearing.
- Promote good relationships between the Council, the various licensing trade groups and communities within the District.
- Maintain the non-party political status of committee proceedings and meeting management.

E Audit and Standards Committee Chair will also:

- Maintain the non-party political status of committee proceedings and meeting management.

VICE-CHAIR OF COMMITTEE

Vice-chairmen of committees will be elected annually by Council. The role of Vice-Chair is an important role. They holders of the post are responsible for supporting the chairmen of the committees with the effective management and running of the committees' business. When appropriate and necessary, they will take a lead in some areas of work as agreed with their Chair.

In the absence of the Chair, the Vice-Chair will chair committee meetings and conduct its business in accordance with the provisions set out in the role profile for the Chair.

The Vice-Chair is expected to support the Chair in ensuring that Committee Members are taking part at all stages of deliberations.

LEADER OF COUNCIL (CHAIR OF STRATEGY AND RESOURCES COMMITTEE)

- Act as the principal spokesperson and advocate for the Council and will at all time promote the good reputation of Stroud Council both locally and nationally.
- Represent the Council politically at a national, sub regional and local level on outside bodies, on partnerships and with other agencies unless delegated to another.
- Act as the lead member for Emergency Planning to work with the Chief Executive.

POLITICAL GROUP LEADER

- To provide leadership and speak on behalf of the political group.
- To co ordinate the role of the political group within the Council.
- To liaise with other group leaders when required and appropriate.
- To liaise with senior officers of the Council.
- To promote good working relationships between political parties and between members and officers of the Council for the benefit of the District as a whole.

ROLES AND FUNCTIONS OF ALL COUNCILLORS

Councillors will participate constructively in the good government of the District in the interests of all residents. They will contribute actively to the formation and review of the Authority's policies, budget, strategies, plans and service delivery.

Councillors will deal with constituents' enquiries and representations, and will effectively represent the interests of the Ward for which they were elected and the views of constituents.

Terms of Reference

- To fulfil the statutory and locally determined requirements of an elected Member of a Local Authority. This includes the Council's E-communications Policy.
- To participate effectively as a Member of any meeting to which the Councillor is appointed, for example by regular attendance at meetings and ensuring that he or she is adequately briefed and prepared for the meeting.-
- To participate in the activities of an outside body to which the Councillor is appointed.
- To act as community champion for their ward. To provide a voice and advice for local individuals and interest groups in their dealings with the Council and, where appropriate, to advise them on the pursuit of complaints.

Version: [May 2013 \(Nov 2016\)April 2019](#)

Section 16:
Role Profile for Councillors

- To develop and maintain a working knowledge of the Authority's services, management arrangements, powers/duties and constraints and to develop good working relationships with relevant Officers of the Authority.
- To develop and maintain good working relationships with the local Town or Parish Council and with local County Councillors.
- To contribute constructively to open government and democratic participation by encouraging community engagement in the governance of the area.
- To keep up to date with all developments affecting the District and the Council including Government policies and prospective legislation.
- Attend meetings of Parish Councils within the ward, [as appropriate](#).

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

11 APRIL 2019

11

WORK PROGRAMME

Date of meeting	Matter to be considered	Reporting Member/Officer
23.5.19	Appointments:- Performance Monitoring Champions Investment and Development Panel	Committee to make annual appoints
	Member reports: a) Performance Monitoring b) Investment and Development Panel	Councillor Whiteside Leader
	Asset Management Plan	Head of Property Services
	Leadership Gloucestershire Update	Chief Executive
	ICT Strategies	Head of Business Service Planning
	Business Rates Pilot Principles of Distribution	Head of Finance
11.7.19	Brimscombe Port Redevelopment	Head of Property Services
3.10.19		
16.1.20		
5.3.20		
16.4.20		

Information Sheets

Ref/Date	Topic	Author(s)
S&RC- 2018/19-001 7.1.19	Developing an IT Strategy	Head of IT and Head of Business Service Planning

Topics for future discussion:

- Stroud Carbon Neutral 2030 Commitment