



STROUD DISTRICT COUNCIL

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STRATEGY AND RESOURCES COMMITTEE

Thursday, 2 February 2023

7.00 - 9.31 pm

Council Chamber

Minutes

Membership

Councillor Catherine Braun (Chair)

Councillor Chris Brine

Councillor Doina Cornell

Councillor Gordon Craig

Councillor Stephen Davies

Councillor Laurie Davies

* Councillor Nicholas Housden

*Absent

Councillor Natalie Bennett (Vice-Chair)

Councillor Nick Hurst

Councillor Martin Pearcy

Councillor Keith Pearson

Councillor Mattie Ross

Councillor Ken Tucker

Councillor Chloe Turner

Officers in Attendance

Chief Executive

Strategic Director of Resources

Corporate Director (Monitoring Officer)

Principal Accountant

Senior Democratic Services & Elections
Officer

Accountancy Manager

Senior Community Infrastructure Officer

Revenue & Benefits Manager

Human Resources Manager

SRC.131 Apologies

An apology for absence was received from Councillor Housden.

With agreement from the Committee, the Chair advised that the Community Infrastructure Levy would be moved to the beginning of the meeting following Agenda Item 5.

Councillor Davies asked whether anything on the agenda could have been considered at an earlier or later meeting due to the length of the agenda. The Chair and Chief Executive confirmed that as the items related to the budget they needed to be discussed at this meeting.

The Strategic Director of Resources advised that Agenda Item 13, Council Tax Premium – Second Homes, had been withdrawn from the agenda as the Levelling Up and Regeneration Bill was unlikely to receive Royal Assent before the 31st March 2023.

SRC.132 **Declarations of Interest**

There were none.

SRC.133 **Minutes**

RESOLVED **That the Minutes of the meetings held on 24 November 2022 were approved as a correct record.**

SRC.134 **Public Questions**

There were none.

SRC.135 **Member Questions**

There were none.

SRC.136 **Strategy and Resources Budget Monitoring Report Q2 2022/23**

The Accountancy Manager drew Members attention to the following sections of the report:

- Table 1 on page 16 showed that the general fund was expected to have an overspend of £319k.
- Key areas of variance were set out in the report, they looked at ways to include these in the budget which would be highlighted in the budget setting report.
- Table 3 on page 19 gave a summary of the Strategy and Resources Committee budget areas which showed a current variance of £138k underspend.
- The HRA was expected to have an overspend of £559k.
- The Capital Programme was highlighted on page 23 in the summary table. Within the General Fund there was an area of expected slippage for the multi service contract vehicles and an area of additional in year spend for the Brimscombe Port Development.

In response to Councillor Davies, the Accountancy Manager confirmed that she would respond outside the meeting regarding whether it was a record low overspend on the ICT budget and whether any electric vehicle chargers had been installed. Councillor Turner confirmed that the Electric Vehicle Strategy was expected to be discussed at Environment Committee in March 2023 and that electric vehicle chargers hadn't yet been installed. They had been waiting for the strategy to be in place and to have clearance from the County Council and their supplier to have access to their strategy.

Councillor Hurst questioned whether the move to hybrid working would allow more areas within Ebley Mill to be rented out. The Strategic Director of Resources confirmed that they were looking to condense working space to the Long Block at Ebley Mill so additional opportunities to rent areas within Bodley Block could emerge.

In response to a further question from Councillor Hurst, the Accountancy Manager confirmed that the business case for the in-house service and maintenance was produced a number of years ago, prior to Covid-19 and the current period of high inflation. Due to this, a number of the assumptions had changed but they would be continuing to review this.

Proposed by Councillor Bennett and seconded by Councillor Percy.

Councillor Percy thanked the finance team for the comprehensive report. Councillor Bennett echoed Councillor Percy's comments.

Councillor Tucker left the meeting and gave his apologies.

On being put to the vote, the motion was carried unanimously.

- RESOLVED**
- a) To note the outturn forecast for the General Fund Revenue budget.
 - b) To note the outturn forecast for the Housing Revenue Account
 - c) To note the outturn forecast for the Capital Programme.

SRC.137 General Fund Budget 2023/24, Capital Programme and Medium-Term Financial Plan

The Strategic Director of Resources introduced the report and highlighted the following key areas:

- Paragraph 2.1 included the main highlights of the local government financial settlement and the finance policy paper issued in December 2022. The settlement received was slightly better than expected.
- The report proposed a 2.99% increase in Council Tax.
- The Council Tax Base had been recalculated using 98.5% collection.
- Appendix A had been adjusted following the withdrawal of Agenda Item 13, Council Tax Premium – Second Homes.
- On average across Stroud District the rateable value of businesses had increased by 21.9% meaning that many businesses would see increases. The government had introduced a transitional scheme which meant the increase would be phased over a number of years.
- The increase in business rates would not bring additional income to the Council as they would be required to pay a higher tariff to Central Government.
- The New Homes Bonus was expected to continue to decrease.
- Other non-ringfenced grants were set out in the report and it was confirmed that the Council would receive an element of Revenue Support Grant again.
- The council were still expecting a fundamental review of Local Government finance and a reset of business rates growth, this would lead to an expected decrease in funding received.
- Inflation was high and therefore adjustments were being made to the amounts for the government pay award and contracts.
- Additional budget allocations were set out in the report and Appendix B, these included:
 - An additional £250k for walking and cycling schemes as requested at Environment Committee.
 - Additional support for the Regeneration and CN2030 Teams.
 - Additional support for the Climate Leadership Gloucestershire.
 - A Damp and Mould officer to look at issues in private sector housing.
 - Proposal for replacing heating systems at the leisure centre and Museum in the Park. A full report would be taken to Council including a business case.
 - Reserves had been highlighted in Section 4 of the report.
 - The Statement of the Chief Financial Officer had been included in Section 6.

Councillor Davies asked whether there had been any feedback given to Members on the consultation with residents and businesses. The Strategic Director of Resources confirmed

that the information had been provided during a Members Briefing and published on the Members Hub. The Council had not carried out a separate consultation regarding the budget as this was included as part of the annual residents and business survey.

In response to further questions from Councillor Davies, the Strategic Director of Resources confirmed that he would send a copy of the financial implications included in the previous Political Balance Report which laid out the changes to the political structure and number of Group Leaders. It was also confirmed that the planning application fees were set by statute and could not be altered by the Council.

The Strategic Director of Resources confirmed, in response to Councillor Hurst, that section 2.11 should refer to Band 'D' properties and that the last sentence in 4.2 should have advised the increase was to mitigate the risk created by the funding reductions which were anticipated in the later years of the Medium Term Financial Plan.

Councillor Craig asked whether competitive quotes for the Ubico contract were sought. The Strategic Director of Resources advised that as they were a shareholder they did not seek competitive quotes but would carry out a value for money check when the contract was due for renewal.

Proposed by Councillor Braun and seconded by Councillor Turner.

Councillor Turner referenced other Councils who were having to make tough decisions regarding their finances and thanked Officers for the careful financial management at the Council that allowed them to invest in the Councils priorities and maintain Council Tax Support for residents.

Councillor Davies asked the Committee to acknowledge the good settlement they had received from Central Government and was happy to see that car parking charges had been frozen. He advised that Members of the Conservative Group would be abstaining as they had not yet discussed the contents of the budget at their group meeting.

Councillor Hurst welcomed the report to council regarding the proposed heating system at the leisure centre and Museum and asked whether there was an opportunity to look at the insulating qualities of the building.

Councillor Cornell was pleased to see the additional investment into play areas and Kingshill House.

The Chair, Councillor Braun, advised that it was a challenging time due to inflationary pressures on the Council and that although they were not facing some of the cuts like other Local Authorities they would need to be careful because of the threats to their longer term funding.

On being put to the vote, the Motion was passed with 8 votes in favour, 0 against and 4 abstentions.

- RECOMMENDED TO COUNCIL**
- a) To approve the updated Medium-Term Financial Plan as set out in Appendices A-D
 - b) To increase the council tax by 2.99% to £229.17 at Band D, an increase of less than 13p per week for the services provided by Stroud District Council;
 - c) To note the uncertainty around the impact of changes to

- future local government funding
- d) To approve the Capital Programme, as set out in Appendix E
 - e) To approve the planned changes to the reserves as set out in Section 4 of the report and Appendix F
 - f) To approve the fees and charges policy and list of Council fees and charges as set out in Appendices G and H

SRC.138 Housing Revenue Account Budget Estimates – Revised 2022/23 and Original 2023/24 and Medium Term Financial Plan 2022/23 – 2026/27

The Accountancy Manager introduced the report and advised that the position had worsened since the previous year. She highlighted the following key areas:

- Rent increases had been limited by Central Government to 7% which was lower than the normal amount which would have been 11.1%.
- This lower increase would have an impact of how we could support the maintenance and tenancy management of the properties.
- New tenancies were not limited to 7% and it was recommended that these were increased by 11.1%.
- Proposed that Shared Ownership Rents were increased by 7% instead of 13.1%
- There were five Independent Living schemes that had district heating systems, a cap had been introduced to protect tenants from the increase in costs in the short term. Changes in gas prices would be reviewed during the year, and if necessary, a revised charge would be applied in year.
- Exceptionally high increase in costs in repairs and maintenance due to the cost of labour and materials.
- The New Build and Development programme budget had been realigned, this would result in an increase in the budget and an effect on the viability of some schemes.
- Proposed increase to the acquisitions budget in line with the local authority housing fund.
- Increases in charges for tenants were unavoidable due to the increase in cost of providing services.
- Section 11 highlighted the MTFP position for the HRA, which showed a negative forecast for future years.

In response to Councillor Pearson regarding the Capital Programme and the New Build and Regeneration Programme, the Accountancy Manager confirmed that there had been some slippage from 2022/23 however there was a good chance that the schemes would be delivered next year. She advised that she could get more detail if Members required.

The Accountancy Manager confirmed in response to Councillor Hurst that she could provide a further breakdown on the works related to Radon which were included in the overall repairs and maintenance budget.

Proposed by Councillor Ross and seconded by Councillor Cornell.

Councillor Davies thanked the Accountancy Manager for their hard work and stated that he was glad they were making difficult decisions in terms of increasing rent by 7%.

Councillor Ross offered her thanks to the finance team and budget holders for putting the report together. She endorsed the difficult decision that had been made and drew Members attention to the difficult decisions which would have to be made in the future.

On being put to the vote, the Motion was carried unanimously.

- RECOMMENDED TO COUNCIL**
- a) The revised HRA revenue budget for 2022/23 and original budget 2023/24 are approved
 - b) The movement to and from HRA balances and capital reserves as detailed in Appendix B and section 9 are approved
 - c) That from 1 April 2023:
 - i. Social rents and affordable rents are increased by 7%, in line with national rent guidance
 - ii. Garage rents are increased by 7%
 - iii. Landlord service charges are increased by 7%, except Independent Living Scheme charges and district heating charges which are increased as set out in Appendix B
 - iv. Shared ownership rents are increased by 7%
 - d) That the HRA Capital Programme for 2022/23 to 2026/27, as detailed in Appendix C, be included in the Council's Capital Programme.

The meeting adjourned at 8.47pm and resumed at 8:58pm.

SRC.139 Stroud District Council Capital Strategy

The Principal Accountant introduced the report and drew Members attention to the following key points:

- This was the 5th annual update of the Strategy.
- CIPFA had changed the Prudential Code in 2021 and the strategy had been updated and agreed by Council in February 2022.
- There were no significant recommended changes to the strategy.

Councillor Percy asked whether Environmental, social and governance (ESG) needed to be included in the Capital Strategy. The Principal Accountant advised that it had to be included in the Treasury Strategy. Councillor Percy advised that he would check the recording of the training to confirm this.

Proposed by Councillor Turner and seconded by Councillor Cornell.

On being put to the vote, the Motion was carried unanimously.

RECOMMENDED TO COUNCIL **To approve the Capital Strategy at Appendix A.**

SRC.140 The Fair Pay and Senior Pay Policy Statement 2022/23

The Head of Human Resources (HR) presented the report and explained that the Council were required under section 38 of the Localism Act 2011 to approve and publish a policy statement on Senior Pay for each financial year. The following points, that the statement must address, were also highlighted:

- The Council's policy on remuneration of its chief officers for the financial year.
- A definition of its lowest paid employees and their remuneration.
- Make clear the relationship of the higher and lowest paid group of employees.

Councillor Cornell asked whether there was only one apprentice as the report stated there was only one person on the apprentice grade. In response to this the Head of HR stated that there was only one person on this grade because once the apprentices progress through their qualification they move onto Stroud 1 or Stroud 2.

Proposed by Councillor Turner and seconded by Councillor Pearson.

Councillor Pearson commented that it was good to see that the Council maintained a much lower ratio between the lowest grade and the top grade compared to other Councils.

Councillor Braun also stated that it was pleasing to see that there was a smaller ratio between the pay grades.

Councillor Turner added that she was always grateful for the transparency of this report and echoed the comments made regarding the ratio. She also said she was pleased to see that the Council had brought forward the living wage uplift to December rather than waiting for April for the lower income staff as it would have made a difference for them.

On being put to the vote, the motion was carried unanimously.

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

SRC.141 Council Tax Support Scheme

The Revenue and Benefits Manager introduced the report and advised that they were not recommending any change or reduction in the support that the council currently provided. The current scheme allowed them to provide up to 100% support to help protect the most vulnerable residents. At present it was not felt appropriate to reduce the levels of support however they would look at other options in future years.

Proposed by Councillor Bennett and Seconded by Councillor Cornell.

Councillor Cornell, Davies, Percy and Bennett offered their support for the scheme.

On being put to the vote, the Motion was carried unanimously.

**RECOMMENDED That it adopts the scheme for 2023/24.
TO COUNCIL**

SRC.142 Council Tax Support Fund

The Revenue and Benefits Manager advised that the government had announced £100m additional funding for councils to support vulnerable households, the allocation for Stroud District Council was £148,746 for the 2023/24 financial year. The additional award would be for working and pension age claimants, they would make automatic awards to those who were eligible. As the fund and the software to issue the funds was new he requested that the Committee approve the delegation to the Strategic Director of Resources to make minor changes to the scheme.

In response to questions from Councillor Hurst and Cornell the Revenue and Benefits Manager confirmed that this fund would only be for those who are already in receipt of Council Tax support and that it could be used to further top up their support. They would review the scheme later in the year to ensure they were utilising all of the fund received.

Proposed by Councillor Bennett and seconded by Councillor Cornell.

Councillor Cornell was pleased that the decision allowed flexibility so that the team could revisit the scheme later in the year.

Councillor Davies noted the generosity of Central Government and recognised the hard work of the Revenues and Benefits Team in distributing the funds.

Councillor Bennett thanked the Revenue and Benefits Manager and stated that she would be interested to see the results of the scheme.

On being put to the vote, the Motion was carried unanimously.

RECOMMENDED TO COUNCIL a) That it adopts and implements the scheme for 2023/24
b) Delegates to the Strategic Director of Resources the ability to make minor changes to the scheme to ensure funding is used effectively.

SRC.143 Council Tax Premium - Second Homes

As advised by the Chair and Strategic Director of Resources at the beginning of this meeting, the item was withdrawn.

SRC.144 Community Infrastructure Levy (CIL) - Spending Allocations For 2023/2024

The Senior Community Infrastructure Officer advised that the results of allocations made during previous years could be found in Appendix C. She confirmed that there was just over £1m which could be allocated during this financial year however they were recommending that some was rolled over to be allocated in following years. Following the close of the bids in September 2022, Members were invited to attend a members briefing to discuss the project bids which had been received, copies of the bids were also posted on the Members Hub. Officers assessed the bids according to their ability to support the delivery of priority planning objectives, the recommended projects had been included in Appendix A and included the following:

- Berkeley Town Improvement Project
- Dudbridge to Ryeford Cycle Trail Surface Improvement
- SGS Stroud College 14-16 Create Centre (toilet provision)
- Wotton Community Sports Foundation – The New Barn

Councillor Davies asked whether they were spending CIL fast enough and whether enough projects were coming forward. The Senior Community Infrastructure Officer confirmed that they worked closely with all of the strategic infrastructure provider organisations and that there was a thorough awareness across the organisations of CIL. However due to the sizes of the capital projects involved many of the projects had long lead in times. She advised Members that many capital projects had been included in Appendix B which may require CIL allocations in future years.

Councillor Davies asked for further information regarding paragraph 2.9 in relation to conversations had with Gloucestershire County Council (GCC). The Senior Community Infrastructure Officer confirmed that positive discussions had been held with GCC and they were taking steps forward to develop project bids. The Chief Executive advised that they had reminded GCC of the protocol in place that highlighted the collaboration needed and have suggested a further meeting to help the County understand how CIL works. The Chief Executive affirmed that they were responding to GCC in a constructive and positive way.

In response to questions from Councillor Hurst the Chief Executive advised that CIL was set to transform into the National Infrastructure Levy however this had not yet passed through parliament. They therefore would not be able to confirm how many further rounds of CIL there would be but expected some transitional arrangements to be put in place.

Councillor Craig asked questions regarding the reduction in the allocation offered to Stroud College. The Senior Community Infrastructure Officer advised that CIL was allocated to address additional pressure due to housing growth and as they were unable to base the need for the whole project on housing growth they contacted Stroud College to see whether a partial allocation would still be meaningful. The College agreed that a partial funding offer would help to attract further investment which had now started to come forward.

Proposed by Councillor Turner and seconded by Councillor Brine.

Councillor Davies thanked Officers for all of the work that had been carried out as CIL was hugely important to committees.

Councillor Ross offered thanks to the Senior Community Infrastructure Officer and reflected on the funding which had been allocated in previous years.

The Chair, Councillor Braun, confirmed that she had attended a meeting of Wotton Town Council Planning Committee regarding the New Barns planning application and stated that there had been enthusiasm from the whole community for the project.

Councillor Turner stated that there was a large range of high quality projects proposed for funding in this round and echoed the Committees thanks to Officers.

On being put to the vote, the motion was carried unanimously.

RESOLVED

- a) **To note the Community Infrastructure Levy (CIL) funding recommendations made by Environment Committee; and**
- b) **agree to the individual project funding allocations according to the report below.**

SRC.145 Member / Officer Reports (To Note)

a) Leadership Gloucestershire Update

The report had been included in the reports pack.

Councillor Cornell informed the Committee that she would be reporting back to Committee or Council regarding the Strategic Migration Partnership.

The Chief Executive advised that there would be a report to Council regarding an extension to the Gloucestershire Economic Growth Joint Committee.

b) Gloucestershire Economic Growth Scrutiny Committee (GEGSC)

The report had been circulated to Members and published on the website prior to the meeting, there were no questions.

c) Regeneration and Investment Board

The report had been included in the reports pack, there were no questions.

d) Brimscombe Port Redevelopment

Councillor Hurst asked for further information regarding costs and compensation for the asbestos at Brimscombe Port. The Strategic Director of Resources advised he would ask the team to respond to Councillor Hurst outside of the meeting.

e) Canal Update

Councillor Davies asked for an updated on the planning permission. Councillor Braun advised that they were waiting on further information but would ask the Canal Manager to respond outside of the meeting.

f) Fit For the Future Update

The report had been included in the reports pack, there were no questions.

SRC.146 **Work Programme**

Councillor Cornell asked for dates for the next civic year to be added to the Work Programme. The Chair confirmed that these would be added following approval at Council in February 2023.

Councillor Pearson questioned whether the next meeting of Strategy and Resources could be cancelled due to lack of business. The Chair advised that they would consider this request and ensure there were no items of business that needed to be added.

RESOLVED To note the above updates to the Work Programme.

The meeting closed at 9.31 pm

Chair