



STROUD DISTRICT COUNCIL

Council Offices • Ebley Mill • Ebley Wharf • Stroud • GL5 4UB

Tel: (01453) 754 351/754 321

www.stroud.gov.uk

Email: democratic.services@stroud.gov.uk

COUNCIL

Thursday, 22 February 2024

7.00 - 10.03 pm

Council Chamber

Minutes

Membership

Councillor Doina Cornell (Chair)

Councillor Beki Aldam

Councillor Paula Baker

Councillor Martin Baxendale

Councillor Natalie Bennett

Councillor Catherine Braun

* Councillor Chris Brine

Councillor Gordon Craig

Councillor Kate Crews

* Councillor Laurie Davies

Councillor Stephen Davies

* Councillor Katrina Davis

Councillor Jonathan Edmunds

Councillor Christopher Evans

Councillor Helen Fenton

Councillor Colin Fryer

* Councillor Victoria Gray

Councillor Lindsey Green

Councillor Trevor Hall

* Councillor Jessie Hoskin

Councillor Nicholas Housden

Councillor Nick Hurst

Councillor Steve Hynd

Councillor George James

Councillor Julie Job

*Absent

*** Councillor Martin Brown (Vice-Chair)**

Councillor Christopher Jockel

Councillor John Jones

Councillor Haydn Jones

Councillor Robin Layfield

Councillor Gary Luff

Councillor Jenny Miles

* Councillor Dave Mossman

Councillor Gill Oxley

* Councillor Loraine Patrick

Councillor Martin Percy

* Councillor Keith Pearson

Councillor Nigel Prenter

* Councillor Steve Robinson

Councillor Mattie Ross

Councillor Mark Ryder

Councillor Lucas Schoemaker

Councillor Ashley Smith

Councillor Nigel Studdert-Kennedy

Councillor Haydn Sutton

Councillor Brian Tipper

* Councillor Ken Tucker

Councillor Chloe Turner

Councillor Tricia Watson

Councillor Rich Wilsher

Officers in Attendance

Chief Executive

Corporate Director (Monitoring Officer)

Democratic Services & Elections Manager

Accountancy Manager

Strategic Director of Resources

CL.056 **Apologies**

Apologies for absence were received from Councillors Brine, Brown, Laurie Davies, Davis, Gray, Hoskin, Mossman, Patrick, Pearson, Robinson and Tucker.

CL.057 **Declaration of Interests**

There were none.

CL.058 **Minutes**

RESOLVED That the Minutes of the meeting held on 14 December 2023 and 25 January 2024 were approved as a correct record

CL.059 **Announcements**

Councillor Martin Brown was nominated for the position of Vice-Chair of Council.

RESOLVED That Councillor Martin Brown be elected Vice-Chair of Council for the Civic Year 2023-24

The Leader provided an update on the local plan examination process. Correspondence with planning inspectors had led to a 10-month pause in the examination, with the first seven months allocated for implementing the Joint Action Plan and the subsequent three months for public consultation. The concerns raised by the inspectors were being addressed collaboratively.

CL.060 **Public Question Time**

There were none.

CL.061 **Member Questions**

There were none.

CL.062 **Treasury Management Strategy, Annual Investment Strategy And Minimum Revenue Provision Policy Statement 2024/25**

Councillor Studdert-Kennedy, Chair of Audit and Standards Committee presented the report and drew Members attention to the following key points:

- The capital and treasury management issues which had to be taken into account whilst producing the report were included on page 45, section 1.3
- Table 1 on page 46 included changes to the figures considered by Audit and Standards Committee for the Capital Expenditure 2023/24 and estimates for 2024/25 for Strategy and Resources Committee
- The capital spending plans were included in Table 2 on page 46
- The forecast for the councils need to borrow (Capital Financing Requirement) was set out on Table 6 on page 49
- The Liability Benchmark graph was included in section 2.8
- Table 4 on page 48 showed the expected sharp decrease in available investments between 2022/23 and 2026/27
- Table 5 on page 49 showed the ratio of financing costs to net revenue stream
- At the end of 2024/25 there was an estimated internal borrowing position of £30.228m

- The Section 151 Officer would monitor the MTFP forecast and the forecasted changes in interest rates and adjust the strategy where necessary
- The Council would aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity
- Table 12 on page 54 showed the maximum specified investments to ensure that all funds were not kept in the same bank
- The Council maintained an investment risk reserve to provide a sum to protect the Council General Fund against future changes in capital values, the sum stood at £820k and was reviewed on an annual basis

Councillor Schoemaker stated that there appeared to be very little investment in the UK and that most investments had been made overseas, he asked whether this could be changed. Councillor Studdert-Kennedy advised that the Council had a fundamental duty to get the best possible return for the money invested. The Section 151 Officer confirmed that they had to follow guidelines for security, liquidity and yield and there was nothing in the policies that allowed them to consider country of origin to select investments. He advised that the Council did have an ethical investment policy and they had therefore changed a few investments last year due to the ethical investment reviews.

Councillor Turner asked a question in relation to the impact investments section of the ethical policy, she asked if there had been any opportunities for more innovative investments. Councillor Studdert-Kennedy advised that discussions had taken place recently and there were further schemes which would come forward but the return rates were not equal at that time.

Proposed by Councillor Studdert-Kennedy and seconded by Councillor Percy.

Councillor Jockel commended the report and the work of the Audit and Standards Committee, he also raised concerns that the ratings of the investments required further evidence. He advised that he had attended a conference for financial investors regarding sustainability recently and they had advised that the accuracy of ratings agencies was $\pm 25\%$ for the same company and they therefore should view them with some scrutiny and healthy scepticism.

Councillor Braun thanked Councillor Studdert-Kennedy, Councillor Percy and the whole of the Audit and Standards Committee for their work.

Councillor Percy thanked the Section 151 Officer, Principal Accountant and the Finance Team for putting together the forecasts. He stated the Council had ambitious plans to retrofit its housing stock which had a large financial requirement. He advised that they were fortunate to have a strong financial position to allow them to finance various schemes and thoroughly supported the paper and the plans it represented.

Councillor Studdert-Kennedy echoed thanks to the Finance Team, for putting the report together and continuing to keep a watching brief, and the Audit and Standards Committee.

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

RESOLVED To:

- adopt the prudential indicators and limits for 2024/25 to 2026/27;**
- approve the Treasury Management Strategy 2024/25, and the treasury prudential indicators;**
- approve the Investment Strategy 2024/25, and the detailed**

- criteria for specified and non-specified investments; and**
d) approve the MRP Statement 2024/25
e) approve the Ethical Investment Policy
As recommended by the Audit and Standards Committee

CL.063 Council Tax Support Scheme

Councillor Bennett, Vice-Chair of Strategy and Resources Committee, introduced the report which set out the details of the Local Council Tax Support Scheme for the upcoming year. She advised that the Welfare Reform Act 2012 had abolished Council Tax Benefit from 2013 whilst at the same time councils faced cuts on funding for localised support. Since 2013 the Council had adopted the governments default scheme which ensured no changes or reductions to the level of support provided. She confirmed that there were no major changes proposed in the scheme for the current year and support would still be available for up to 100% of the Council Tax Bill for those who needed it.

Councillor Bennett highlighted to Members the two minor administrative changes which had been included in Section 3 and the commitment from Gloucestershire Local Authorities to consider how a joint scheme could work across the County, any revised scheme would be taken to Strategy and Resources Committee and Council for consideration.

Proposed by Councillor Bennett and seconded by Councillor Layfield.

Councillor Layfield urged Councillors to support the scheme as it ensured that those who faced the greatest financial challenges during the cost-of-living emergency were supported.

Councillor Watson expressed her pride that Stroud District Council was able to continue to provide support through the scheme.

Councillor Turner echoed comments made by Councillor Watson and drew on the positive experience the scheme had had on a local resident.

Councillor Wilsher offered his full support for the scheme and drew Members attention to section 2.3 regarding administrative changes and advised that it was an example of pragmatism overcoming bureaucracy.

Councillor Bennett stated that she was proud to be part of a Council that was able to provide that level of support to people who were in financially difficult situations and thanked the Revenue and Benefits Team for their work.

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

FOR: 39 Votes

Councillors

Beki Aldam
 Paula Baker
 Martin Baxendale
 Natalie Bennett
 Catherine Braun
 Doina Cornell
 Gordon Craig

Lindsey Green
 Trevor Hall
 Nick Housden
 Nick Hurst
 Steve Hynd
 George James
 Julie Job

Gill Oxley
 Martin Percy
 Nigel Prenter
 Mattie Ross
 Mark Ryder
 Lucas Schoemaker
 Ashley Smith

Kate Crews
 Stephen Davies
 Jonathan Edmunds
 Christopher Evans
 Helen Fenton
 Colin Fryer

Haydn Jones
 John Jones
 Christopher Jockel
 Robin Layfield
 Gary Luff
 Jenny Miles

Nigel Studdert-Kennedy
 Haydn Sutton
 Brian Tipper
 Chloe Turner
 Tricia Watson
 Rich Wilsher

AGAINST: 0 Votes

ABSTENTIONS: 0 Votes

RESOLVED To adopt the scheme for 2024/25 as recommended by the Strategy and Resources Committee.

CL.064 Council Tax - Second Homes Premium and Empty Homes Premium

Councillor Bennett, Vice-Chair of Strategy and Resources Committee, presented the report which gave the required one years notice of the intention to introduce additional Council Tax Premiums effective from 1 April 2025. She advised that they were waiting for further guidance from Central Government for both schemes, with specific details on the operation of the Premium, including exemptions. The proposed reduction of the Empty Homes Premium period from two years to one year aligned with the new powers granted by the Levelling Up and Regeneration Act 2023, and would affect an estimated 152 properties. Additionally, a premium on second homes, addressing loopholes in the current system, was expected to impact 535 properties. For both schemes the final detail would be considered by Strategy and Resources Committee.

Councillor Davies asked whether they had completed any analysis on how much the Council would have to pay for empty properties if the schemes were applied straight away. The Accountancy Manager advised that there were currently 7 properties, including properties that were awaiting development, that were within the 1 to 2 year bracket.

Councillor Studdert-Kennedy asked for clarity as to whether the properties described in section 2.7 of the report were included within the total in section 2.5 of the report. Councillor Bennett confirmed that they were separate figures.

In response to a question from Councillor Smith, the Strategic Director of Resources confirmed that there had been a change in the law in 2023 which made it clear when a property being rented out would be liable for business rates, a formula was used which was based on the number of nights the property was available for rent and how many nights it was rented.

The Strategic Director of Resources also confirmed, in response to a question from Councillor Tipper, that if someone was not occupying the home then this would attract a second homes premium, if the property was rented out on a longer term basis then council tax would be payable at the standard rate and if the property was rented on a periodic basis then there would be a business rates arrangement.

Proposed by Councillor Bennett and seconded by Councillor Layfield.

Councillor Watson advised that she was concerned about what discretionary details might emerge from central government but hoped that the council would be able to review the terms to ensure that compassion could be shown throughout the process for families going

through bereavement. She confirmed that she would probably support the report on the understanding that they would review the discretionary criteria and ensure that the Council were not forced to implement an uncomfortable position dictated from a national level.

Councillor Wilsher also hoped that there would be scope for discretion in the scheme in particular for registered providers who may be going through a regeneration scheme which could take more than a year.

Councillor Ross took on board points raised by Councillor Watson and Wilsher regarding discretion but also raised concerns about the number of people on the list for Council housing and wanted to ensure that homes were provided as quickly as possible.

Councillor Layfield stated that people needed homes and that they didn't want empty homes in the district as they should be available for people to live in.

Councillor Bennett stated that they were in the middle of a housing crisis and that the council should do anything it could do to bring houses back into use and help encourage people to do that. She confirmed that the revenue provided as part of the scheme could help ensure that funding was available to support people on the lowest incomes.

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

RESOLVED That it:

- 1. introduces a Premium on second homes from 01 April 2025**
- 2. amends the empty homes premium to apply after one year from 01 April 2025**
- 3. Delegates to the Strategic Director of Resources the ability to make minor changes to the scheme in accordance with regulations and guidance**

As recommended by the Strategy and Resources Committee.

Notice to be published in at least one local newspaper within 21 days of the determination.

CL.065 COUNCIL TAX DISCOUNT FOR CARE LEAVERS

Councillor Bennett, Vice-Chair of Strategy and Resources Committee, presented the proposal which sought Council approval to extend the 100% Council Tax discount for care leavers, currently available to 18-21 year olds, until their 25th birthday. The extension would include care leavers not under Gloucestershire County Council's care. She confirmed that the County Council would cover the associated costs, typically borne by SDC as the Billing Authority and that all Gloucestershire Districts were looking to adopt the change.

Proposed by Councillor Bennett and Seconded by Councillor Layfield.

Councillor Layfield was pleased to see the Council working in partnership with other Local Authorities on a joint scheme that offered equity of opportunity for care leavers no matter where they lived in Gloucestershire.

Councillor Davies spoke about the concept used at the County Council that every Councillor was a corporate parent and so they all had a corporate responsibility to do whatever they could to provide support. He advised that he had regularly met with care

leavers and that they were incredibly impressive individuals. He hoped that all Councillors would support the proposal.

Councillor Turner echoed comments from Councillor Davies and stated that she was shocked to learn that there were over 800 children in care in Gloucestershire and how much worse the outcomes were for care leavers. She was pleased to see all of the different packages of work that were being put in place for care leavers and offered her support for the scheme.

Councillor Jockel stated that as a former residential social worker he had witnessed the lifelong disadvantage that people growing up in care could experience and that they had a moral duty to balance out any disadvantage.

Councillor Bennett stated that they should support the scheme to help give care leavers the best start to their adult life.

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

RESOLVED To adopt the scheme to be effective from 1st April 2024 as recommended by the Strategy and Resources Committee.

CL.066 THE FAIR PAY AND SENIOR PAY POLICY STATEMENT

Councillor Braun, Chair of Strategy and Resources Committee introduced the report and advised that the Council was required, under section 38 of the Localism Act 2011, to have a pay policy statement for each financial year. She confirmed that the ratio between the highest and lowest paid employees was 1 to 9 and that Government guidance was that the ratio in the public sector should not exceed 1 to 20. A comparison between the lowest staff grade Stroud 1 which included the living wage, and Stroud 12, was a ratio of 1 to 6, which was well within the national guidelines. She clarified that the report detailed the current levels of remuneration for staff, the Council paid spot salaries and there were no bonuses, annual increments, nor performance related payments. She affirmed that in 2022, the Council proactively opted to implement the living wage increase in December 2022 instead of April 2023 for those employees who were on the lowest grade, and that the same principal was followed in 2023 to help support those staff who were at the lower end of the pay scales.

Proposed by Councillor Braun and seconded by Councillor Bennett.

Councillor Bennett stated that it was good to see the Council were well within the guidelines in relation to pay ratios and the report ensured they were open and transparent.

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

RESOLVED That this Statement is approved as recommended by the Strategy and Resources Committee.

CL.067 Stroud District Council Capital Strategy

Councillor Braun, the Chair of Strategy and Resources Committee, presented the report and advised that the Chartered Institute of Public Finance and Accountancy Prudential Code required the Council to have a Capital Strategy and that the strategy was reviewed annually. The strategy set out the general principles that the Council followed with the

capital programme, as well as how capital schemes were approved and monitored. She highlighted the amendments to the Capital Strategy to link it to the agreed refreshed Council Plan and the change to the way that the Council must account for leases set out on page 124.

Proposed by Councillor Braun and Seconded by Councillor Schoemaker

Councillor Schoemaker thanked Officers for the strategy and commended it to all Councillors.

Councillor Braun stated that it was a very clearly presented strategy and that it was important to recall the lines of work that they were undertaking in relation to the capital schemes.

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

RESOLVED To approve the Capital Strategy at Appendix A as recommended by the Strategy and Resources Committee.

CL.068 General Fund Budget 2024/25, Capital Programme and Medium-Term Financial Plan

Councillor Braun, the Chair of Strategy and Resources Committee, introduced the report and highlighted the following key points:

Estimates of Major Funding

- Table 3 on page 138 provided an overview of the main funding sources and their relative proportions as estimated over the next 5 financial years.
- A Council Tax increase is proposed of 2.99% for the year.
- The Government core spending power calculations assume that the Council will increase by the maximum amount allowable and therefore that is built into the local funding settlement.
- The Local Council Tax support scheme will continue at 100%
- Council Tax base growth has been 1.6% for the upcoming year but there has also been a further downward change has also been made in the estimated amount of tax collected from 98.5% to 98%.
- For Business Rates, the multiplier for small business has been frozen by Central Government but larger business will see an inflation based rates increase.
- The Gloucestershire Business Rates Pool is again continuing. As with previous years it is not included in the base budget but will be allocated by Strategy and Resources Committee at year end.
- The position on other grants is set out in a table 2 on page 138.

Financial Adjustments

- In terms of inflationary pressures, pay and contracts were the regular items included for increases.
- The pay award for 2023/24 was agreed at £1925 or 3.88% whichever was higher, for most staff.
- The budget included an allowance of 5.6% for the upcoming year
- The single largest contract was Ubico and the report included the detail of those changes.
- Following discussions with Stroud Town Council they were proposing to freeze all parking tariffs in the flexible stay car parks and the free after 3pm proposal would be extended to free after 2pm.

- Additional savings and pressures on services were detailed in the report and Appendix B.

Medium Term Financial Plan (MTFP)

- General Fund reserves have fallen slightly in the last couple of years.
- Reserves had been grouped into three categories to make it easier to review; reserves which had been allocated to specific projects within the councils budget, reserves held against specific and known risks and reserves held to mitigate the impact of future funding reform.
- The budget gap at the end of the MTFP now assumed to be £2.5 million even after applying reserve balances.

The Capital Programme

- The major new scheme included in the budget for 2024/25 is the programme for improvements around Stroud Train Station at £200k and will be fully funded from existing capital receipts.

Chief Financial Officers report

- The S151 Officer has confirmed that estimates are robust, and reserves are adequate. It also includes my commentary on major risks.
- The major risk to the Council, and to all District Councils, is the reform of the Local Government finance system and this is expected after the General Election.

In response to questions from Councillor Studdert-Kennedy, Councillor Braun and the Strategic Director of Resources confirmed the following:

- The Goods Shed was being purchased by the Council but ownership would be transferred to Stroud Valley Arts so it would not remain in the Councils ownership, the Council would be contributing a proportion of the purchase price.
- Assurances were provided that the reserves would be robustly monitored and reserves would be allocated to projects cautiously.

Proposed by Councillor Braun and Seconded by Councillor Bennett

Councillor Green advised that she was pleased to see the Market Town Vitality Fund but didn't think that the amount assigned was enough and therefore proposed the amendment to section a. of the decision box as laid out in red below:

- To approve the updated Medium-Term Financial Plan as set out in Appendices A-D **and double the funding for the Market Towns Vitality Fund from £200k to £400k. The additional funding to come from the Business Rates Pilot Reserve.**

The amendment was seconded by Councillor Craig.

Councillor Braun welcome Councillor Green's enthusiasm for the Market Town Vitality Funds. She advised that they wanted the fund to be used to respond to some of the challenges that have arisen from the changing nature of the high street and that there may be opportunities for projects that spanned a wider geographic area and therefore the fund could be shared more widely. They would be able to consider additional funds or changes ahead of the budget setting in 2025.

Councillor Davies stated that they should consider increasing the budget for the fund as they hadn't agreed any criteria for use of the fund and therefore additional funds may be needed to deal with requests.

Councillor Turner advised that the amount was modest but has been very positively received as a part of a suite of funding opportunities available to market towns and parishes which included the Community Infrastructure Levy, Rural England Prosperity Fund, Crowdfunding and the National Heritage Lottery Fund.

Councillor Bennett advised that they would have opportunities to look at the fund over the next year to review how it's used and consider the allocated budget in 2025.

Councillor Craig stated that there was a danger that one market town could use the whole of the budget allocated to the fund on one scheme and that additional money would help ensure that the market towns had more opportunities.

Councillor Green understood some of the reasoning behind the comments made but felt that the Council could go the extra mile for the Market Towns.

Councillor Jockel briefly left the meeting during the vote.

On being put to the vote the amendment was lost with 14 votes in favour, 23 against and 1 abstention.

Councillor Green proposed a further amendment to section a. of the decision box as laid out in red below:

- a. To approve the updated Medium-Term Financial Plan as set out in Appendices A-D and increase the addition to the Planning and Enforcement Budget from £43k to £250k for the next two years only. This proposal adds extra resource into the planning team until such time as a review of local government finance takes place.

Councillor Green advised that the planning enforcement teams had had a difficult couple of years and were doing an amazing job under tough circumstances. The amendment was proposed to try and provide them with additional support and resource should they need it.

The amendment was seconded by Councillor Jones.

Councillor Baxendale advised that they needed to boost the capacity of the enforcement team and that the capacity issues had been down to how difficult it was to recruit experienced enforcement. He confirmed that they had now recruited a Senior Enforcement Officer and had budget for an additional officer. The Planning and Enforcement Team confirmed that the additional officers included in the budget would bring them up to capacity. The team needed to focus on building expertise in the team and this would be an ongoing process.

Councillor Studdert Kennedy suggested that a temporary reserve could be created so that the team could draw on additional resource if needed.

Councillor Watson advised that the Council operated an open inclusive committee system where all Members could take part and take time to consider changes. She stated that last minute amendments like the one proposed risked a knee jerk amendment and undermined the work that the council and councillors did to make sure everything balanced.

Councillor Hurst echoed comments from Councillor Studdert-Kennedy regarding setting up a reserve fund that could be accessed if needed.

Councillor Braun reiterated points raised by Councillor Baxendale and advised that they had listened to the planning and enforcement team to understand if there was any additional support that could be provided whilst creating the budget.

Councillor Jones advised that planning and enforcement were really important aspects of what residents contact councillors about and they needed to ensure that the team could react quickly to resolve planning / enforcement matters. He suggested that the additional budget proposed could be used to bring in experienced officers to help mentor staff.

Councillor Green stated that she felt passionately about making sure staff felt supported and that this was the main driver for the proposed amendment.

On being put to the vote the amendment was lost with 14 votes in favour, 25 against and 0 abstentions.

Councillor Aldam drew Members attention to the productivity plans on page 143 and raised concerns with the funding made available to local government.

Councillor Layfield highlighted the work that was being carried out around Brunel Mall and the step free access to the Station.

Councillor Bennett welcome the budget and stated that despite the additional pressure the Council was facing with more cuts it was brilliant that they had been able to allocate budget to additional areas and projects.

Councillor Braun hoped that everyone would be able to support the budget as Members had supported the Council Plan which had been reflected in the budget.

On being put to the vote the Motion was carried with 32 votes in favour, 4 against and 3 abstentions.

FOR: 32 Votes

Councillors

Beki Aldam	Trevor Hall	Nigel Prenter
Paula Baker	Nick Hurst	Mattie Ross
Martin Baxendale	Steve Hynd	Mark Ryder
Natalie Bennett	George James	Lucas Schoemaker
Catherine Braun	Julie Job	Ashley Smith
Doina Cornell	Christopher Jockel	Nigel Studdert-Kennedy
Gordon Craig	Robin Layfield	Haydn Sutton
Kate Crews	Gary Luff	Chloe Turner
Jonathan Edmunds	Jenny Miles	Tricia Watson
Helen Fenton	Gill Oxley	Rich Wilsher
Colin Fryer	Martin Pearcy	

AGAINST: 4 Votes

Councillors

Stephen Davies	John Jones	Lindsey Green
Christopher Evans		

ABSTENTIONS: 3 Votes

Councillors

Nick Housden	Haydn Jones	Brian Tipper
--------------	-------------	--------------

- RESOLVED**
- To approve the updated Medium-Term Financial Plan as set out in Appendices A-D
 - To increase the council tax by 2.99% (£6.85) to £236.02 at Band D, an increase of approximately 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

In addition to the recommendations from the Strategy and Resources Committee:

- g. To approve the Council Tax Charges for the District as set out in Appendix I

CL.069 **Housing Revenue Account – Revised 2023/24 And Original 2024/25 and Housing Revenue Account (HRA) Medium Term Financial Plan 2023/24 – 2027/28**

Councillor Ross, Chair of Housing Committee, presented the report and advised that following on from the position reported in the previous year the financial outlook continued to be challenging. She highlighted the following key points:

- A balanced budget was being proposed for 2024/25.
- Changes to regulation would put additional pressure on the housing service.
- Rents were proposed to increase by Consumer Price Index plus 1%, which was 7.7%. This equated to an average of £102.62 per week which was an increase of £7.34.
- Shared ownership rents would increase in line with the lease agreements which would be between 5.4% and 9.4%, depending on the individual lease.
- Service charges and garage rents were to rise in line with rents.
- Where there were increased costs, Independent Living Service charges and District Heating charges had been limited to overall increases of 10% to protect tenants.
- A decision had been included in the report to charge 105% of formula rent in social housing and up to 80% of the market rents in affordable properties where the property had a SAP rating of A. This would only be for new tenancies.
- Pay inflation had been adjusted in 2023/24 as well as an uplift in 2024/25, in line with the General Fund.
- A summary of changes to the budget was set out in Table 1 on page 279.
- Overall the amount being taken out of HRA general reserves was reducing from £1.814m in 2023/24 to £0.648m in 2024/25.
- The medium-term position set out on page 286 showed that HRA reserves were due to drop to negative values in 2025/26 and therefore changes would need to be made.
- There were options to prevent the reserves dropping into negative values in the short term and there was not a significant concern from Officers about being able to set a balanced budget for 2025/26.
- Options to be considered were:
 - Reviewing capital works including major works such as kitchens and bathrooms as well as the sustainable energy programme
 - Reviewing revenue repairs, cyclical works and the lettable standard
 - Establishing the level of service offered to tenants
 - Reviewing charges for supplementary services where appropriate (*depooling*)
 - Maximising grants and other income, especially for the sustainable energy programme
 - Reviewing the repayment of borrowing

- The current 10 year rent agreement would end in March 2025 and the forecast included rents increased at inflation (CPI) only. They expected to hear from government on future rent guidance for April 2025 later in the year.
- The 10 year rent agreement in place was for rent increases of CPI plus 1%. Of the 10 years, only five years had been allowed at CPI plus 1%. 5 years had been lower than this, with a four year period of -1% rent reductions and a rent cap at 7% in 2023/24.
- Had rents raised with inflation over the 10 year rent agreement period rents would be over 8% higher, which would have been over £2 million a year and if rents had risen in line with the full rent guidance of CPI plus 1%, the rents would be over 19% higher, or nearly £5 million per year.
- The sustainable energy works and the new build and acquisition programme were proposed to continue.
- Work had been carried out to prepare for the introduction of the regulator and to strengthen the housing service, which although having a cost would improve the service offered to tenants.
- Housing Committee would receive 2 reports over the next year to update on the position and monthly reports would be provided to the Chair and Vice-Chair of Housing Committee.

Councillor Ross advised that the current staffing restructure for the Housing team was ongoing and staff had been refocused under the guidance of the Strategic Head of Housing. She thanked the Accountancy Manager and the Section 151 Officer for all the work they had done to produce a balanced budget for that year.

Councillor Studdert-Kennedy asked how much it cost for the maintenance of a heat pump per unit. Councillor Ross confirmed that she would be able to provide the cost outside of the meeting.

Proposed by Councillor Ross and seconded by Councillor Schoemaker

Councillor Stephen Davies proposed an amendment to section a of the decision as laid out in red below:

- a) The revised HRA revenue budget for 2023/24 and original budget 2024/25 are approved **with the addition of up to £50,000 to be spent on investigating all of the options available including establishing whether there is any benefit in establishing a Housing Association as an alternative**

Councillor Davies proposed that the Council used up to £50k to establish whether there would be any benefits from a Housing Association as an alternative to the current point of view. He advised that the Conservative Group had consistently supported the Councils own housing stock and believed it was a good thing. He confirmed that the amendment was not proposed to push a political point but instead to address concerns that the Council was approaching a cliff in terms of the HRA finances and that the victim of the cliff could be the retrofit programme. He believed that the changes made as a result of the retrofit programme would be essential to tackle the climate emergency which Councillors had all agreed was important. He stated that they were not prejudging the outcome of the report but wanted to explore whether, if the Council moved its housing stock to a housing association, they could reduce the HRA debt. He reiterated that the amendment would provide funding to allow them to look at alternative options and models to help address the issues.

The amendment was seconded by Councillor Hurst.

Councillor Hurst advised that he had previously been a director of a Housing Association for approximately 30 years and confirmed that the suggested amendment was not to necessarily look at changing the way things were currently done but could allow them to look at producing something that would sit alongside it e.g. council housing stock and a housing association. He believed that the decision to hold on to the Councils Housing stock, taken many years previously, was the right decision however advised that the housing stock was under challenge from right to buy and the ageing nature of the fabric and the Council therefore needed to take the opportunity to have a look at alternative options. He advised that a housing association would be a separate entity from the council which would allow it to bid for development opportunities.

Councillor Bennett stated that the Council had a Committee system in place and therefore detailed discussion should have gone through Housing Committee before being amended at Council. She raised concerns about what impact a Housing Association would have on tenants.

Councillor Tipper advised that he believed the amendment made sense, he advised that from a business point of view the old stock should be sold and the money used to invest in better assets to serve the public.

Councillor Miles highlighted that when Tenants had been consulted in the past had not been in favour of having their homes sold off. She further advised that the Social Housing Regulator Act would come into place in April and they would be inspected for stock condition and be able to see how they benchmark against other social housing providers, therefore it would be a rash decision to approve the amendment.

Councillor Luff advised that they had no guarantee that they would receive market value for the properties and therefore they may not see the returns that would be needed. He stated that although the amendment was only to explore options this could be very worrying for tenants in the Stroud District.

Councillor Aldam stated that £50k was a large sum of money that could be spent elsewhere especially during the cost of living crisis.

Councillor Wilsher stated that the Housing Committee would have been the correct place to have a full and frank discussion of all options.

Councillor Studdert-Kennedy advised that the chamber was the sovereign council and that Members were within their rights to have a full debate at Full Council meetings and decisions were made by Council in the Council Chamber. He advised that the Council paid a lot of interest on the capital it used and considered whether they could explore if there was a way of reducing that whilst maintaining the service.

Councillor Braun advised that owning housing stock allowed the Council to do much more in terms of reaching tenants and engagement and provided many benefits which other options wouldn't provide.

Councillor Davies reinforced that the amendment was not a proposal to move the housing stock to a housing association but to explore available options. He stated that he didn't see a clear plan to address the issues that they were facing with the HRA and wanted to ensure that the retrofit programme was able to continue.

On being put to the vote the amendment was lost with 14 votes in favour, 25 against and 0 abstentions.

Councillor Davies stated that the change to the law in April created a greater requirement for performance monitoring at Housing Committee and was glad that it was now making a difference. He thanked council staff for their hard work, and advised that when the law changes they should welcome the feedback.

Councillor Studdert-Kennedy drew Members attention to paragraphs 6.13 and 6.14 which included the risks to the Housing Revenue Account, he recommended that all Councillors read it.

Councillor Turner advised that there had been a net loss of 165k social homes over the last 10 years in the UK. The houses that the Council owned in the district were precious and they shouldn't consider leaving their communities in the lurch.

The Chair asked members if they wished to continue the meeting given that the time was approaching 10pm and in accordance with the Councils' Constitution section 3 paragraph 6, members would need to vote in order to continue the meeting.

After being put to a vote, the Motion was carried.

RESOLVED To continue the meeting beyond 10pm.

Councillor Schoemaker stated he had full confidence in the officers and that they could make great strides in the coming years.

Councillor Ross advised that they would face the challenges and that the Committee and Officers were aware of the challenges which they had been making plans for for some time. She stated that she was proud that they had retained their housing stock. She believed that everyone should be entitled to a warm and safe home and they had gone a long way to helping lots of people in the Stroud District over the years.

On being put to the vote, the Motion was carried with 27 votes in favour, 11 votes against and 1 abstention.

FOR: 27 Votes

Councillors

Beki Aldam	Colin Fryer	Martin Percy
Paula Baker	Trevor Hall	Nigel Prenter
Martin Baxendale	Nick Hurst	Mattie Ross
Natalie Bennett	Steve Hynd	Lucas Schoemaker
Catherine Braun	George James	Ashley Smith
Doina Cornell	Christopher Jockel	Nigel Studdert-Kennedy
Kate Crews	Robin Layfield	Chloe Turner
Jonathan Edmunds	Gary Luff	Tricia Watson
Helen Fenton	Jenny Miles	Rich Wilsher

AGAINST: 11 Votes

Councillors

Gordon Craig	John Jones	Haydn Sutton
Stephen Davies	Lindsey Green	Brian Tipper
Christopher Evans	Nick Housden	Gill Oxley
Haydn Jones	Mark Ryder	

ABSTENTIONS: 1 VoteCouncillor

Julie Job

RESOLVED That:

- a. The revised HRA revenue budget for 2023/24 and original budget 2024/25 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 2024:
 - i. Social rents and affordable rents are increased by 7.7%, in line with national rent guidance
 - ii. Garage rents are increased by 7.7%
 - iii. Landlord service charges are increased by 7.7%, except Independent Living Scheme charges and district heating charges which are increased as set out in Appendix A
 - iv. Shared ownership rents are increased as set out in each lease
- d. That the HRA Capital Programme for 2023/24 to 2027/28, as detailed in Appendix C, be included in the Council's Capital Programme.
- e. That rents for new tenancies in dwellings with energy ratings of SAP A are charged at 105% of formula rent for social housing or 80% of market rents for Affordable Rented properties, where allowable.

As recommended by the Strategy and Resources Committee.

CL.070 Civic Timetable 2024/25

The Leader, Councillor Braun, advised that consideration had been given to avoid the Gloucestershire School term dates for all meetings in the Civic Timetable.

On being put to the Vote, the Motion was carried with 35 votes in favour and 4 abstentions.

RESOLVED To agree the Civic Timetable for 2024/25**CL.071 Changes to Committee Membership**

The Chair announced the following changes to Committee memberships:

Development Control Committee

Councillor Christopher Evans replaced Councillor Haydn Jones

Audit and Standards Committee

Additional Members:

- Councillor Martin Brown
- Councillor Nick Hurst
- Councillor Ashley Smith

RESOLVED To note the changes to Committee Membership

The meeting closed at 10.03 pm

Chair