



STROUD DISTRICT COUNCIL

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STRATEGY AND RESOURCES COMMITTEE

11 July 2023

7.00 - 8.53 pm

Council Chamber

Minutes

Membership

Councillor Catherine Braun (Chair)

Councillor Beki Aldam
 Councillor Gordon Craig
 Councillor Robin Layfield
 Councillor Lindsey Green
 Councillor Steve Robinson
 Councillor Stephen Davies*
 Councillor Keith Pearson*

*Absent

Councillor Natalie Bennett (Vice-Chair)

Councillor Mattie Ross
 Councillor Ashley Smith
 Councillor Chloe Turner
 Councillor Nick Hurst

Councillor Ken Tucker*

Officers in Attendance

Chief Executive
 Strategic Director of Resources
 Senior Democratic Services & Elections
 Officer

Accountancy Manager
 Head of Community Services
 Community Health & Wellbeing Manager

SRC.001 Apologies

An apology/Apologies for absence was/were received from Councillors Stephen Davies, Pearson and Tucker.

SRC.002 Declarations of Interest

There were none.

SRC.003 Minutes

RESOLVED That the Minutes of the meetings held on 20 April 2023 were approved as a correct record.

SRC.004 Public Questions

There were none.

SRC.005 Member Questions

There were none.

SRC.006 General Fund and Housing Revenue Account Outturn Report 2022/23

The Accountancy Manager introduced the report and confirmed that the Committee was largely being asked to note the report but there was a request to agree some slippage for the Capital Programme. The Accountancy Manager drew Members attention to the following:

- Page 14 highlighted an underspend for the general fund revenue position of £1.272m which included some areas of service variance which were largely in line with Quarter 3 reports.
- There were some year end changes including additional VAT income for The Pulse, additional investment income due to interest rate changes and additional government grants. The full breakdown could be found in the appendices.
- Page 17 showed a breakdown of the allocation for the underspend.
- Page 19 included information about General Fund write offs which the S151 Officer had agreed to.
- General fund general reserve balance remained the same at £2.169m.
- Page 21 included information about the Housing Revenue Account (HRA) position which had already been reported to Housing Committee at their June meeting and showed that there was a net underspend of £0.33m.
- The allocation of the HRA underspend was shown on page 23.
- HRA reserve movements were included on page 24, there had been an overall increase to the HRA earmarked reserves of £649k which included a transfer of just over £1m for the provision of repayment of debt.
- HRA general reserves had reduced to £4.118m which was a better position than expected at budget setting.
- The capital programme was included in Appendix H and I.

Councillor Hurst asked whether the underspend reported represented a lack of resources or staffing. The Accountancy Manager confirmed that the underspend related to those central areas e.g. investment income and business rates pool gain neither of which had an impact on service delivery. With the capital programme it was confirmed that they would expect to see some changes with timing and was not due to not having capacity to deliver.

Councillor Robinson asked for further information about the estate redevelopment reserve. The Accountancy Manager confirmed that the reserve was put a side a number of years ago and had never had any commitments against it which was why it was deemed suitable to repurpose it to the HRA General Reserves. Councillor Robinson also asked for information about the underspend of £513k on refurbished bathrooms. The Accountancy Manager advised that she would need to check the specifics however advised that there had been a reworking of what could be delivered with the contractor capacity and the work programme had been reprofiled due to priorities. She confirmed she would take this away and respond to Councillor Robinson with more information.

Councillor Turner asked whether the money had been received for the purchase of properties due to the Ukrainian Scheme. The Accountancy Manager confirmed that the Local Authority Housing Fund had been received and that the acquisition of properties had started.

Proposed by Councillor Bennett and seconded by Councillor Ross.

Councillor Bennett thanked the Accountancy Manager for the clear report. Councillor Ross confirmed that the HRA report had been through Housing Committee and showed that they were travelling in the right direction.

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

RESOLVED To note:

- a) the General Fund Revenue Outturn position for 2022/23, as shown in Table 1.
- b) the Housing Revenue Account outturn position for 2022/23, as shown in Table 7
- c) the transfers to and from earmarked reserves for the year, as detailed in Sections 6 and 10 and Appendix G
- d) the Capital Programme outturn position for 2022/23, as shown in Appendix H
- e) the slippage of the Capital Programme budget and approved a revised Capital Programme budget for 2023/24, as shown in Appendix J
- f) write off sums owed, as shown in Section 5.

SRC.007 Household Support Funding Delivery Plan (April 2023-March 2024)

The Community Health and Wellbeing Manager introduced the report and confirmed that the County Council had provided a years worth of funding which allowed SDC to put together an annual plan. The Cost of Living Working Group had oversight of the fund. They had received smaller iterations of the fund in the past so had already built up a good delivery network with partners in the community. There is criteria for how the fund can be used and had to be allocated against certain elements including food, energy and water.

Councillor Craig asked whether SDC were aware that a Community Hub was due to open in Berkeley called GL13. The Community Health and Wellbeing Manager confirmed that they had been able to provide some funding to GL11 to help support GL13.

Councillor Robinson asked whether it was possible for other supermarket vouchers to be provided for those who many not live near to certain supermarkets. The Community Health and Wellbeing Manager confirmed that they had purchased Morrisons and Iceland vouchers for the first time in order to ensure that there were additional options for residents.

In response to Councillor Hurst the Community Health and Wellbeing Manager confirmed that the fund was provided by the government to the County Council who distributed it across the County.

In response to Councillor Ross the Community Health and Wellbeing Manager confirmed that a members briefing report could be provided to members of the Housing Committee as well as the Community Services & Licensing Committee.

The Chair, Councillor Braun stated that it felt like the situation with the Cost of Living Crisis was worsening and asked whether they had seen any changes to support this or whether the situation was starting to stabilise. The Community Health and Wellbeing

Manager advised that the data they had received had been contradictory as the Community Hubs were reporting high numbers whereas the foodbank usage seemed to have reduced. They wanted to ensure that the food voucher system was not masking poverty and that people were being referred so that they could access necessary help.

Proposed by Councillor Aldam and seconded by Councillor Layfield.

Councillor Layfield acknowledged the amount of work the Community Health and Wellbeing Manager had done to help support households and was pleased to see Homestart and financial advice provision being funded.

Councillor Aldam advised that the Cost of Living Working Group was really effective and that the Council were carrying out important work in helping to supporting its partners.

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

**RESOLVED a) To approve the Household Support Funding Delivery Plan for 2023/24; and
b) To delegate authority for delivery of the plan to the Strategic Director for Communities.**

SRC.008 Leisure Management Recommendation

The Head of Community Services introduced the report and gave a brief history of how the recommended decision had come about. It was advised that:

- In December 2021 Community Services & Licensing (CS&L) Committee delegated authority to the Strategic Director of Communities in consultation with the Chair of CS&L to explore a Local Authority Trading Company and report back to CS&L Committee.
- In March 2023 Officers were ready to report back to CS&L Committee with a fully costed LATC Business Case. However the HMRC changed its ruling on VAT and Local Authority leisure provision.
- Following the updated HMRC ruling on VAT Officers tasked the consultant to explore the impact of the ruling and compare this against the LATC business case.
- The updated ruling meant that Local Authority Leisure was classed as a non-business activity and this had a large impact as the council would be able to keep VAT on a large proportion of the income and would save approximately £190k on goods and services purchased. This would not be possible if the Council proceeded with the LATC model.
- The evaluation scores had been included in Appendix 2 and the priorities had been set and agreed by the Task and Finish Group. Before the HMRC ruling the scoring for LATC and in-house models were equal and all other options were discounted at this stage.
- Following the VAT ruling the models were considered again against the options appraisal and priorities.
- The review following the VAT ruling was outlined in Appendix 3.
- The in-house model came out cheaper once the information was reviewed following the VAT ruling changes.
- It was an Officer decision to change the recommendation based upon the evidence.

- Lessons learnt from research into the LATC model would be included as part of the in-house model including ensuring that a leisure services manager is recruited to work towards set targets, create a leisure specification which will state how the centre will operate and include Key Performance Indicators.
- Performance would be reported back to CS&L and Audit and Standards Committees.

Councillor Smith asked whether there was a chance that the ruling on VAT by HMRC would be reversed. The Head of Community Services advised that this would be unlikely and that Councillors would need to use the information that was available to them at the current time in order to make a decision.

In response to Councillor Green, who queried why the recommendation had been changed, the Strategic Director of Resources confirmed that the Task and Finish Group had clearly set out the priorities and scoring for options which meant they could re-evaluate the options again once the HMRC ruling had changed. Officers needed to make sure that Members had up to date information in order to make their decisions and it would have not been right to allow Members to make a decision based on factors that were not correct with regards the financials. None of the weighting had been changed but the changes to the financials had made it necessary to change the advice and support the alternative option.

Councillor Hurst asked for further information about how the company would be managed. The Head of Community Services advised that the recommendation was not for a separate company but for a council service which would have a Leisure Services Manager to oversee the 2 centres. She confirmed that they were in a privileged position of already having an inhouse operation with a professional team in place. Many of the policies that the Pulse currently run under would be adapted and used at Stratford Park and the Leisure Services Manager would help to bring in additional quality standards.

In response to Councillor Robinson the Head of Community Services confirmed that the current contract ran until October 2024, the first step would be to look at appointing a Leisure Services Manager who could start working with the Managers at the Pulse and Stratford Park Leisure Centre.

Councillor Craig asked who had discounted the alternative options. The Head of Community Services confirmed that the Task and Finish Group had discounted the other options based upon the priorities which they had set. Consultants had been brought in to help with the appraisal. Appendix 1 included the appraisal for all of the alternative options considered but they had scored lower.

In response to Councillor Smith the Head of Community Services confirmed that there would be improvements to energy useage and work was already underway to install air source heat pumps at The Pulse, Stratford Park Leisure Centre and the Museum in the Park.

Proposed by Councillor Aldam and seconded by Councillor Braun.

Councillor Robinson advised that he was pleased to support the recommendation and that the Labour Group had faith in the Officers who had a proven track record at the Pulse and in leisure service provision.

Councillor Turner stated that she was impressed with the rigour of the Task and Finish Group and with the VAT decision the recommendation became clear. She was also excited by the improvements that would come as a result of the service being in-house including the reduction in single use plastic.

Councillor Ross thanked the Head of Community Services for the report and looked forward to seeing the benefits of bringing the service inhouse. She also paid tribute to Members of the Task and Finish Group for their hard work in consideration of the options.

Councillor Hurst shared concerns with the recommended route and advised that he would be unable to support it without another thorough look through the details.

Councillors Bennett and Layfield offered their support for the recommendations.

The Chair, Councillor Braun stated that there was plenty of evidence for the recommendations included within the report and advised that Officers were duty bound to reexamine the recommended options when new evidence emerged around VAT.

Councillor Aldam thanked the Head of Community Services and the whole team for their work on the project and advised that it would have been negligent to carry on with the initial expected recommendation once HMRC had altered advice regarding VAT and leisure services. She confirmed that the in-house option would be a lower annual cost to the council and was the option which had lower risks. She urged Members to support the recommendation for local people who deserve the best leisure facilities.

On being put to the vote, the Motion was carried with 9 votes in favour and 2 abstentions.

RESOLVED To:

- a) **Acknowledge the recommendation from Community Services and Licensing Committee and recommend to Full Council to bring Stratford Park Leisure Centre inhouse operating both leisure centres and creating a Leisure Service for Stroud District Council as the preferred option as identified in the management options appraisal and business case.**
- b) **Acknowledge the recommendation from Community Services and Licensing Committee to Full Council to delegate authority to the Strategic Director of Communities in consultation with the Chair of Community Services and Licensing to produce a detailed capital investment plan to support the development of the existing centres and future provision within the district. This plan would then be considered by Council for inclusion within the capital programme when required.**
- c) **Acknowledge the recommendation from Community Services and Licensing Committee to Full Council to delegate authority to the Strategic Director of Communities in consultation with the chair of Community Services and Licensing to set up the service within an agreed operating framework, quality assurance programme and reporting mechanism.**
- d) **Acknowledge the recommendation from Community Services and Licensing Committee that Full Council delegates authority to the**

Monitoring Officer to update the Terms of Reference for the Audit and Standards Committee to enable them to receive relevant assurances in relation to internal control and risk management within the inhouse option.

- e) **Ringfence the required element of the 2022/2023 Stroud District Council gain from the Gloucestershire Business Rates Pool for the set up costs of the inhouse provision.**

SRC.009 Community Wealth Building Update

The Strategic Director of Resources introduced the report which provided an update on the Councils actions in terms of Community Wealth Building. In October 2018 there had been a Motion to Council to support local wealth building, since then the principles of community wealth building had been embedded into the Councils strategic plans. The report detailed specific actions which had already been taken however they were requesting that a specialist was procured in order to progress the work further.

In response to Councillor Turner the Strategic Director of Resources confirmed that historically Stroud District Council had done quite well with regards local spend and that last year there had been a large increase in capital spend which wasn't local so the local spend totals had dropped.

In response to Councillor Craig the Strategic Director of Resources advised that the investment in the principle of local banking through an allocation of £50k of Business Rates Pilot funding in the Avon Mutual Project was a purchase of initial investor shares. The report to Committee in 2019 made it clear that the Council should consider the £50k as a grant and it wasn't currently held in any of the budgets. He confirmed that he would request that an update was provided to Members on their work towards developing a Community Bank.

Councillor Layfield asked if they had considered doing any work in partnership with Credit Union. The Strategic Director of Resources confirmed that they had funded Credit Union and he would be happy to request an update from them.

Proposed by Councillor Layfield and seconded by Councillor Bennett.

The Chair, Councillor Braun stated that it would be interesting to look at how they can take the work already being carried out to the next level to keep wealth and prosperity within the district, help support young people to stay in the District and support local businesses.

Councillor Bennett stated that the case for community wealth building was even stronger now and supported the recommendation to procure a specialist.

Councillor Layfield echoed comments made by Councillor Bennett.

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

- RESOLVED**
- a) **To note the community wealth building work completed to date**
 - b) **To delegate authority to the Strategic Director of Resources in**

consultation with the Chair and Vice-Chair of this Committee, procurement and One Legal to procure a contract for additional support, funded from the Business Rates Pilot Reserve, to provide further options for Community Wealth Building.

SRC.010 Appointment of Performance Monitors

Councillors Gordon Craig and Stephen Davies were appointed as Performance Monitors.

SRC.011 Member / Officer Reports (To Note)

- a) Performance Management - Q4

There were no questions.

- b) Leadership Gloucestershire Update

There were no questions.

- c) Gloucestershire Economic Growth Joint Committee (GEGJC) - 30 May 2023

Councillor Turner asked whether there was anything Stroud District Council could do to ensure that concerns around national grid capacity were resolved. The Chief Executive advised that reassurance had been provided that the National Grid were looking to change the way they worked to reduce hold ups. At the moment they were waiting to see what changes would be made at a national level and would continue to review this as part of the GEGJC.

- d) Regeneration and Investment Board - 24 May 2023

There were no questions.

- e) Canal Update

There were no questions.

- f) Fit For the Future Update

There were no questions.

SRC.012 Work Programme

RESOLVED To note the Work Programme.

The meeting closed at 8.53 pm

Chair