



Public Document Pack STROUD DISTRICT COUNCIL

Council Offices • Ebley Mill • Ebley Wharf • Stroud • GL5 4UB
Telephone 01453 766321
www.stroud.gov.uk Email: democratic.services@stroud.gov.uk

03 July 2023

STRATEGY AND RESOURCES COMMITTEE

A meeting of the Strategy and Resources Committee will be held on **TUESDAY, 11 JULY 2023** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **7.00 pm**

Kathy O'Leary
Chief Executive

Please Note: The meeting is being held in the Council Chamber at Stroud District Council and will be streamed live on the Council's [YouTube Channel](#). A recording of the meeting will be published onto the [Council's website](#). The whole of the meeting will be recorded except where there are confidential or exempt items, which may need to be considered in the absence of press and public.

If you wish to attend this meeting, please contact democratic.services@stroud.gov.uk. This is to ensure adequate seating is available in the Council Chamber.

AGENDA

1. **APOLOGIES**
To receive apologies of absence.
2. **DECLARATIONS OF INTEREST**
To receive declarations of interest.
3. **MINUTES (Pages 3 - 12)**
To approve the Minutes of the meetings held on 20 April 2023.
4. **PUBLIC QUESTIONS**
The Chair of the Committee will answer questions from members of the public submitted in accordance with the Council's procedures.

DEADLINE FOR RECEIPT OF QUESTIONS
Noon on Wednesday, 5 July 2023

Questions must be submitted to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud and can be sent by email to Democratic.services@stroud.gov.uk

5. **MEMBER QUESTIONS**
See Agenda Item 4 for the deadline for submission.

6. **GENERAL FUND AND HOUSING REVENUE ACCOUNT OUTTURN REPORT**

2022/23 (Pages 13 - 62)

To present to the Strategy and Resources Committee the final outturn position against the General Fund revenue budgets for 2022/23.

7. **HOUSEHOLD SUPPORT FUNDING DELIVERY PLAN (APRIL 2023-MARCH 2024) (Pages 63 - 78)**

This report sets out the proposed Household Support Fund delivery plan for 2023/24 and requests that authority is delegated for the delivery of the plan to the Strategic Director for Communities.

8. **LEISURE MANAGEMENT RECOMMENDATION (Pages 79 - 210)**

The purpose of this report is to seek approval from the Council to bring Stratford Park Leisure Centre (SPLC) inhouse creating a Leisure Services Team with effect from 1st November 2024.

9. **COMMUNITY WEALTH BUILDING UPDATE (Pages 211 - 214)**

To provide an update on work carried out to date and set out a proposal for future work.

10. **APPOINTMENT OF PERFORMANCE MONITORS**

To appoint two performance monitors for Civic Year 2023-24.

Performance monitors carry out a scrutiny role and are typically a member of the opposition political group or an independent Councillor. These appointed Members will examine the work of the Council and report back to Committee on the progress made against the Council plan.

11. **MEMBER / OFFICER REPORTS (TO NOTE)**

(a) Performance Management - Q4 (Pages 215 - 232)

(b) Leadership Gloucestershire Update (Pages 233 - 236)

(c) Gloucestershire Economic Growth Joint Committee (GEGJC) - 30 May 2023 (Pages 237 - 240)

(d) Regeneration and Investment Board - 24 May 2023 (Pages 241 - 242)

(e) Canal Update (Pages 243 - 244)

(f) Fit For the Future Update (Pages 245 - 246)

12. **WORK PROGRAMME (Pages 247 - 250)**

To consider the work programme.

Members of Strategy and Resources Committee

Councillor Catherine Braun (Chair)

Councillor Beki Aldam

Councillor Gordon Craig

Councillor Stephen Davies

Councillor Katrina Davis

Councillor Robin Layfield

Councillor Lindsey Green

Councillor Natalie Bennett (Vice-Chair)

Councillor Keith Pearson

Councillor Steve Robinson

Councillor Mattie Ross

Councillor Ashley Smith

Councillor Ken Tucker

Councillor Chloe Turner



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

STRATEGY AND RESOURCES COMMITTEE

Thursday, 20 April 2023

7.00 - 8.38 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 Lindsey Green
- *Absent

Councillor Natalie Bennett (Vice-Chair)

- Councillor Martin Percy
- 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)
- Senior Democratic Services & Elections Officer

- Accountancy Manager
- Property Manager
- Senior Policy and Governance Officer

Other Member(s) in Attendance

- Councillor Nick Hurst

SRC.147 Apologies

Apologies for absence were received from Councillors Brine, Laurie Davies and Percy.

SRC.148 Declarations of Interest

There were none.

SRC.149 Minutes

RESOLVED That the Minutes of the meetings held on 2 February 2023 were approved as a correct record.

SRC.150 Public Questions

There were none.

SRC.151 **Member Questions**

There were none.

SRC.152 **Procurement Strategy Review**

The Senior Policy and Governance Officer introduced the report and advised that the current Procurement Strategy had been approved in 2019 and was now due for renewal. The recommended review would help to ensure that the new strategy aligned with the Council Plan and the National Procurement Strategy which had been published in 2022. She drew Members attention to section 2 which detailed the approach they hoped to follow.

Councillor Stephen Davies asked how they could ensure that the procurement strategy was followed. The Senior Policy and Governance Officer confirmed that a report was taken to Audit and Standards Committee on an annual basis where any issues or possible improvements could be raised and discussed.

In response to questions from Councillor Braun it was confirmed that the results of the LGA and Talent, Inclusion and Diversity Evaluation (TIDE) Self-assessments could be reported back to Councillors and that the new corporate governance group would also be involved with the review. It was also confirmed that Members would be involved with setting any performance monitoring objectives.

Councillor Pearson asked for clarification on the key differences between the current strategy and the National Procurement Strategy. The Senior Policy and Governance Officer confirmed that the themes within the National Procurement Strategy had not changed however the examples of actions that the council should be undertaking in each theme had been altered and these would be considered as part of the review.

Councillor Green asked for assurance that appropriate KPIs would be put in place as suggested in section 2.1.6. The Senior Policy and Governance Officer advised that all objectives created would be SMART ensuring that they were achievable and measurable and that Members would be able to be involved with the process.

Proposed by Councillor Tuner and seconded by Councillor Bennett.

Councillor Bennett, Braun and Turner thanked Officers for the report and advised that they were looking forward to seeing the outcome of the assessment later in the year.

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

RESOLVED **To approve the review to update the Council's Procurement Strategy.**

SRC.153 **Budget Monitoring Report Q3 2022/23**

The Accountancy Manager introduced the report and drew Members attention to the following key points:

- The General Fund was expected to have an overspend of £304k at end of year, highlighted in Table 1 on Page 18.

2022/23

- Key variances had been listed in the report and were in line with previous budget reports.
- Revenue and Benefits expected an overspend of £415k largely due to Housing Benefit payments for higher cost supported housing. Additional budget had been allocated in 2023/24 to help address the issue.
- There were various pressures on the sports centres including the increase in cost of utilities.
- DCC income budget for next financial year has been reduced by £100k to reflect the reduction in planning income.
- The waste and recycling budget had been revised due to various pressures including the cost of bins and recycling receptacles.
- The Ubico contract was expecting an overspend.
- Adjustments had been made to the Planning Strategy and Housing Advice budgets for the next financial year.
- Budgets had been amended in 2023/24 to reflect the reduction in car parking revenue.
- The New Build area at Ebley Mill had been let, it would therefore not be a pressure on next year's budget.
- The budget for utilities had been adjusted in future to reflect the higher costs that the Council was experiencing.
- Corporate Expenditure and Income was showing a variance which was expected due to the difficulties in predicting spend.
- An estimated £500k of vacancy savings by the end of the year. Reasons for vacancies varied and included natural turnover, difficulty recruiting to positions and delaying recruitment in order to attract the right candidate or to make changes to the position.
- The Housing Revenue Account (HRA) showed an expected overspend of £46k which was an improvement on the predictions highlighted at Q2.
- Rents and service charges and the reduction in void properties had helped to reduce the overspend.
- Some savings had been made due to vacancies.
- They were still seeing a high cost of labour and materials which would impact the budget.
- The increase in utilities had impacted independent living schemes and shared spaces such as in blocks of flats. This had been addressed in the budget for 2023/24.

In response to Councillor Turner, the Accountancy Manager confirmed that she would respond outside the meeting to provide further information regarding the slippage on the Stratford Park Lido.

Councillor Stephen Davies asked if there was anything more that could be done to reduce the number of vacancies, in particular for key posts such as the Neighbourhood Wardens. The Accountancy Manager confirmed that the HR team were working on recruitment and that some of the vacancies were due to natural turnover. The Strategic Director of Resources confirmed that they would be looking at the length of notice periods for certain posts and that a new member of the HR team was helping specifically with the council's recruitment. He confirmed that they would continue to look at ways to make sure that vacancy savings didn't turn into service impacts.

The Chair, Councillor Braun, asked for additional information regarding the budget for temporary accommodation. The Accountancy Manager confirmed that they had received

additional grant income and were now expecting an underspend. She advised that the budget had been significantly increased a few years ago with the intention of lowering it over coming years. She also advised that some of the Councils housing stock had been used as temporary accommodation which had helped to reduce costs and meant nicer living conditions for residents who required temporary accommodation.

Proposed by Councillor Turner and seconded by Councillor Ross.

Councillor Pearson raised concerns regarding the timing of the quarterly budget reports and questioned how Members would be informed quickly enough should there be any major problems. Councillor Braun stated that there was a difference between Members oversight and the day-to-day management, which was carried out by Officers, she also confirmed that the administration had regular meetings with Officers and would be able to alert members to any serious issues.

Councillor Ross and Turner commended the Accountancy Manager for the report.

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.154 Kingshill House

The Property Manager introduced the report and gave a brief background of Kingshill House. She advised that Kingshill House was currently run by the Kingshill House Ltd Charity and that the 25-year full repairing and insuring lease that had been granted in 1999 was due to expire in October 2024. She confirmed that Kingshill House was a surplus asset which the Council had no operational use for. It was advised that the Council currently provided Kingshill House Ltd with a general revenue grant on a sliding scale and that Strategy and Resources Committee had agreed a freeze in the grant reduction and an additional £20k grant. The Council had also released £17k over and above the grant funding to assist with urgent repairs to the drains in the 2022/23 financial year. The Property Manager recommended that negotiations should be entered into for a new short-term lease subject to a further report to Strategy and Resources Committee.

The Corporate Director (Monitoring Officer) highlighted the legal implications contained within the report and confirmed that the current lease benefitted from the rights to re-new the tenancy under the Landlord and Tenant Act 1954 and therefore there were limited grounds to oppose such renewal. Furthermore, she highlighted that there could be situations in which compensation would need to be paid.

Councillor Ross asked whether Kingshill House had received grants from Dursley Town Council or any other organisations. Councillor Cornell confirmed that Dursley Town Council had provided a small grant in the past. The Property Manager confirmed that she would seek further confirmation and respond to Councillor Ross outside of the meeting.

Councillor Turner asked if there was any further support that could be offered to the trust to help them bring forward the fully costed business plan. The Strategic Director of

2022/23

Resources advised that there had been a large change over of personnel both on the Board and with the management team. However, both the new manager and Chair were highly experienced and had been very grateful for the Councils support so far.

In response to Councillor Stephen Davies the Property Manager confirmed that a condition survey had been carried out in 2019 by the Trust and prior to that by the Council, the condition survey suggested that the necessary works would cost approximately £400k - £500k over a 10-year period.

In response to a question regarding timings from Councillor Craig, the Corporate Director (Monitoring Officer) advised that they hoped to have made progress with the new lease by Christmas as they would need to give 6 months' notice for the end of the lease period.

The Chair, Councillor Braun, asked for further clarification on the Landlord and Tenant Act 1954 which had been referred to in the legal implications. The Corporate Director (Monitoring Officer) advised that they would need to have particular grounds in order to end the lease, either mandatory grounds or discretionary grounds. If the Council wished to reoccupy the property this could be a mandatory ground and if the occupiers had not been keeping up with rent payments this could be considered a discretionary ground.

Councillor Pearson asked if there was any reason that a short-term lease couldn't be granted as the amount that was currently paid was low. The Property Manager advised that there were other terms and conditions that would need to be agreed not just the rent and that the process could be time consuming.

Councillor Craig asked for further information regarding any community benefit. The Property Manager confirmed that Kingshill House had been successfully run as a community centre for 20 years. Councillor Cornell, Ward Member for Dursley, advised that it was a valued community space which focused on the arts.

Councillor Green asked whether Kingshill House Ltd had contributed towards any repairs. The Property Manager confirmed that they had been successful in the past at applying for grants, but the Council had made significant contributions.

The Property Manager confirmed in response to Councillor Pearson that Kingshill House had been eligible for some grants during the Covid-19 Pandemic.

Proposed by Councillor Cornell and seconded by Councillor Tucker.

Councillor Tucker stated that centres such as Kingshill House were a valuable community asset and drew on his own experiences of having learnt Spanish at the venue.

Councillor Stephen Davies advised that if they didn't negotiate the lease, they would be solely responsible for a property that required half a million pounds to bring it up to standard and if they did enter into a new lease they would probably end up contributing towards the repairs anyway.

Councillor Ross thanked the Property Manager for the report and drew on her own experiences having attended the venue previously.

Councillor Turner suggested that the property had been in worse condition at the start of the lease and that it was gradually being repaired to bring it back into good condition.

The Chair, Councillor Braun, stated that she had met with the trustees and employees at Kingshill House and that the Trust recognised that they were not in a position to take on the asset transfer. She acknowledged that it would be an important year for the Council and the Trust to ensure that there was a joint agreement on the best way forward for Kingshill House.

Councillor Cornell recognised the complexity of the issue but hoped that a new lease would help to provide some security to the Trust and encouraged everyone to look at the events schedule on the Kingshill House website.

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

- RESOLVED**
- a) **To note the current position in respect of Kingshill House**
 - b) **To note that a Community Asset Transfer is no longer feasible**
 - c) **To delegate authority to the Head of Property Services to enter into negotiations with Kingshill House Limited with a view to agreeing Heads of Terms for a revised Lease of Kingshill House;**
 - d) **That no Lease shall be entered into until such time as the Heads of Terms have been reported to and approved by the Strategy and Resources Committee**

SRC.155 Stroud Cemetery Chapel

The Property Manager introduced the report and confirmed that the cemetery had been transferred to Stroud Town Council in 2017 but the Chapel, a Grade II listed building, had been retained by the District Council. The Chapel was currently a vacant asset with no operational use. A previous decision by Strategy and Resources Committee had led to an agreement to dispose of the Chapel on the open market. Many objections were received following the advertising of the intention to dispose of the Chapel on the open market. Following the public consultation event in 2019, the Council offered the community time to formulate a proposal. In October 2020 Committee resolved to agree terms for a transfer of the Cemetery Chapel to the Stroud Preservation Trust (SPT) for £1 subject to detailed feasibility studies. Over the last 2 years the SPT commissioned a feasibility study and concluded that it wouldn't be financially viable to fully repair and convert the Chapel to best contemporary standards. However, the feasibility study suggested that short term uses would be possible if essential works (estimated at £29-50K) were carried out. The SPT had since approached the Council and requested a lease of between 5 and 7 years. They also advised that the works would only be possible with a Grant of £75K from the Council, this would allow the Trust to raise funds by using it as match funding.

Councillor Turner asked for further information regarding the £5k per annum for the planned maintenance programme which the SPT had asked the Council to continue paying. The Property Manager confirmed that it would cover a range of activity including electrical checks, graffiti removal, gutter and septic tank clearance.

Councillor Stephen Davies asked whether the SPT had advised what they had hoped to use the building for. The Property Manager advised that the use had not been decided but considerations were being made for exhibitions, pop up café's and open days etc. In response to a further question regarding the cost of repairs the Property Manager advised that the feasibility study had included all of the expected costs and that the building was in a relatively good condition but would require a lot of money for repairs and maintenance in the longer term.

In response to Councillor Craig, the Property Manager confirmed that they could build annual reviews of progress into the terms of lease and could look at this during the negotiations.

Councillor Pearson asked what the Council would need to do if they were unable to agree a further lease after 5 years. The Property Manager advised that they would consider all options but it would be likely that the Chapel would need to be put on the open market.

Proposed by the Chair, Councillor Braun, and seconded by Councillor Bennett

Councillor Turner drew Members attention to Paragraph 2.3 and stated that it was a fantastic opportunity to work with a dedicated Trust who would help to bring the building back into a useable condition.

Councillor Craig also confirmed he was happy to support the proposal and requested that Officers ensured that regular reviews took place to provide assurance that the required works were being carried out.

The Chair invited Councillor Hurst to speak during the meeting. Councillor Hurst advised the Committee that due to the position of the Chapel within the Cemetery it would be difficult to find alternative uses for the building. He stated that it was the responsibility of the Council to ensure the ongoing wellbeing of the building and that he was pleased that a workable scheme had been proposed.

Councillor Bennett thanked Officers for the report and was pleased that the opportunity proposed would allow time for the SPT and Council to consider further options for the building.

Councillor Braun advised that the community had clearly told the Council that they did not want the building to be sold on the open market and hoped that there would be a positive future with SPT.

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

- RESOLVED**
- TO**
- a) **Grant a Lease of the Cemetery Chapel to the Stroud Preservation Trust on terms to be agreed by the Head of Property Services (subject to any objections received in response to the advertisement referred to in the legal implications being satisfactorily dealt with);**
 - b) **Subject to the advice from One Legal on Subsidy Control, agrees to use the Repairs and Replacements reserve to fund a Grant of £75,000 payable over a 5-year period to the Stroud Preservation Trust for essential works to the Cemetery Chapel during the Lease period; and**
 - c) **Delegate authority to the Director of One Legal in consultation with the Head of Property Services and the Director of Resources to enter into the relevant legal documents in respect of the Lease and Grant funding.**

SRC.156 Member / Officer Reports (To Note)

a) Performance Management

Councillor Tucker asked to speak with the Strategic Director of Resources outside the meeting regarding missing information within the report, he wanted to ensure that if projects were overdue that detail was included to confirm new timescales.

Councillor Turner echoed Councillor Tucker's comments and stated that the Committee needed an additional Performance Monitor due to the low attendance at the Performance Monitoring meetings.

The Strategic Director of Resources advised that he believed an additional Performance Monitor was needed and that they could appoint Members at the next Committee Meeting. He also gave credit to the Youth Council Members who had attended the meeting. He advised Members that this would be the last report from the Excelsis system and reports going forward would be produced from the new Pentana Performance Management system. He reminded Members of the training dates for Pentana.

Councillor Braun asked whether the reports would be more up to date once they had switched to using Pentana. The Strategic Director of Resources advised that he hoped this would be the case but there would be time needed to ensure they could hold a Performance Monitoring meeting and draft the report.

Councillor Green drew Members attention to the items which contained 'target under review' and asked for an update to be provided. The Strategic Director of Resources advised that some of the projects were not yet underway but a full review of KPIs and Milestones was going to take place in consultation with Members to ensure that they had set measurable targets.

Councillor Pearson gave his apologies and left the meeting.

Councillor Craig requested that they look at CW3 and ER3 during the next Performance Monitoring Meeting.

b) Gloucestershire Economic Growth Joint Committee (GEGJC) - 9 February and 15 March 2023

There were no questions.

c) Gloucestershire Economic Growth Scrutiny Committee (GEGSC)

There were no questions.

d) Canal Update

There were no questions.

e) Fit For the Future Update

There were no questions.

f) Regeneration and Investment Board

There were no questions.

g) Leadership Gloucestershire

There were no questions.

SRC.157 Work Programme

The Chair confirmed that it was hoped that the report regarding Community Wealth Building would be brought to the July Committee and advised that they expected an additional report regarding the Bath Place site.

RESOLVED To note the above update to the Work Programme.

The meeting closed at 8.38 pm

Chair

This page is intentionally left blank

STROUD DISTRICT COUNCIL

STRATEGY AND RESOURCES COMMITTEE

11 JULY 2023

Report Title	General Fund and Housing Revenue Account Outturn Report 2022/23			
Purpose of Report	To present to the Strategy and Resources Committee the final outturn position against the General Fund revenue budgets for 2022/23			
Decision(s)	<p>The Committee RESOLVES to note:</p> <p>a) the General Fund Revenue Outturn position for 2022/23, as shown in Table 1.</p> <p>b) the Housing Revenue Account outturn position for 2022/23, as shown in Table 7</p> <p>c) the transfers to and from earmarked reserves for the year, as detailed in Sections 6 and 10 and Appendix G</p> <p>d) the Capital Programme outturn position for 2022/23, as shown in Appendix H</p> <p>e) the slippage of the Capital Programme budget and approved a revised Capital Programme budget for 2023/24, as shown in Appendix J</p> <p>f) write off sums owed, as shown in Section 5</p>			
Consultation and Feedback	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated into the report to explain difference between budgets and actual income and expenditure.			
Report Author	<p>Lucy Clothier, Accountancy Manager Email: lucy.clothier@stroud.gov.uk</p> <p>Adele Rudkin, Accountant Email: adele.rudkin@stroud.gov.uk</p> <p>Jon Coldridge, Principal Accountant Email: Jon.coldridge@stroud.gov.uk</p>			
Options	None			
Background Papers	None			
Appendices	<p>Appendix A – Strategy and Resources Committee Revenue Detail</p> <p>Appendix B – Community Services and Licensing Committee Revenue Detail</p> <p>Appendix C – Housing Committee (General Fund) Revenue Detail</p> <p>Appendix D – Development Control Committee Revenue Detail</p> <p>Appendix E – Environment Committee Revenue Detail</p> <p>Appendix F – Housing Revenue Account Revenue Detail</p> <p>Appendix G – Earmarked Reserve Detail</p> <p>Appendix H – Capital Outturn Detail</p> <p>Appendix I – Capital Financing</p> <p>Appendix J – Capital Budget 2023/24</p>			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	No	No	No

Background

- 1.1 This report sets out the final outturn position for the 2022/23 financial year and considers changes to balances and reserves.
- 1.2 This report is to provide members with a more detailed view of the performance against the General Fund revenue budget, Housing Revenue Account revenue budget and Capital Programme for 2022/23.
- 1.3 **Due to the volume of information contained in the report, it would be helpful where members have questions on matters of detail that they could be referred to the report author or the appropriate service manager before the meeting.**

Key

1,000 Expenditure / Overspend (higher spend or lower income)
 (1,000) Income / Underspend (lower spend or additional income)

2. Summary

- 2.1 The **General Fund** has an **underspend of £1.272million**, as set out in Section 3. This has been allocated to a number of reserves for future use. A full breakdown of the allocation can be found in Section 4.
- 2.2 The **Housing Revenue Account (HRA)** has a net **underspend of £0.330million**, as set out in Section 8. This has been allocated to HRA earmarked reserves, as set out in Section 9.
- 2.3 There is total **Capital expenditure of £16.434million**, giving net underspend/slippage of £12.809million. It is proposed that £9.715million is carried forward and added to the 2023/24 Capital Programme budget.

3. General Fund Revenue Outturn 2022/23

- 3.1 The final General Fund Revenue budget for 2022/23, including corporate items and reserve transfers, was £16.039m. The final outturn position for the year is £16.400m with a transfer from reserves of £2.900m. Total funding was £14.7725m, generating an underspend of £1.272m.
- 3.2 Table 1 shows a breakdown of the outturn position, by Committee.

Table 1 – General Fund Outturn Summary

Committee Service Area	Original Budget 2022/23 £k	Revised Budget 2022/23 £k	Outturn 2022/23 £k	Reserve Transfers £k	Outturn Variance £k
Community Services and Licensing	3,307	3,747	3,306	759	317
Development Control	220	278	717	(100)	340
Environment	6,465	6,742	6,233	378	(131)
Housing General Fund	890	1,122	527	495	(101)
Strategy and Resources	8,807	8,675	7,888	(207)	(994)
Charges to HRA	(2,408)	(2,408)	(2,271)	0	137
NET SERVICE REVENUE EXPENDITURE	17,281	18,156	16,400	1,325	(431)
Funding from Govt Grants/Council Tax	(16,039)	(16,039)	(14,772)	(2,072)	(805)
Transfers to/(from) reserves	(1,242)	(2,117)	(2,900)	747	(36)
TOTAL GENERAL FUND (after reserve transfers)	0	0	(1,272)	0	(1,272)

- 3.3 The underspend of £1.272m for the year is made up of items relating to the Service Committees as well as specific additional income sources and cost savings. This is after a net transfer of £2.900m from earmarked reserves, including a net transfer of government funding from the Collection Fund smoothing reserve. Further detail on reserve transfers can be found in Section 6. The predicted position at the Quarter 3 monitoring was an overspend of £304k. There were three significant additional income sources during Quarter 4 which took the final position to an underspend. These were additional investment income of £510k, government grant of £178k and the Business Rates Pool income of £494k.
- 3.4 A summarised table of the significant variances is shown below.

Table 2 – Summary of General Fund significant variances

Service Area	Para	Variance (under)/ overspend £k
Community Services and Licensing		
Housing Benefit subsidy	3.5	242
Council Tax	3.6	198
The Pulse - VAT adjustment	3.7	(158)
Development Control Committee		
Development control	3.8	340
Environment		
Waste and recycling	3.9	(184)
Strategy & Resources		
Covid-19/car park loss of income	3.10	(217)
Facilities Management	3.11	161
Investment income	3.12	(827)
Vacancy Savings	3.13	(118)
Support charge income from HRA	3.14	137
Government grants	3.15	(311)
Business Rates Pool	3.16	(494)
Other variances (net)		(41)
Total		(1,272)

- 3.5 Housing Benefit Subsidy - £242k overspend
As previously reported, there is a shortfall on housing benefit subsidy claims, principally for supported accommodation, where the additional cost of the rent is only reimbursed by Government at 60%. The remaining 40% is borne by SDC.
- 3.6 Council Tax – £198k overspend/reduced income
The administration of the Council Tax Energy Rebate scheme required changes to the software, which including additional resources required, cost £70k. This also restricted being able to carry out normal statutory recovery of Council Tax, reducing income from Council Tax. This cost has been covered by new burdens grant funding.
- 3.7 The Pulse – (£158k) reimbursement
Changes were made to the VAT regulations for local authority leisure centres in March 2023 which allows local authorities to provide many leisure services, such as swimming and gym membership, without charging VAT. A claim to HMRC for VAT paid over the last four years is estimated at £158k. This will be transferred to the Arts, Culture and Leisure reserve to help fund the implementation costs of the new leisure service.

3.8 Development Control – £340k overspend/reduced income

Income received was £263k lower than budget, and there have been additional costs of £169k, primarily associated with planning enforcement and appeals. To offset some of this cost £100k has been transferred out of the Planning Enforcement earmarked reserve.

3.9 Waste and Recycling – (£184k) net reduced costs/additional income

Significant additional income from the sale of recyclates and recycling credits (£72k) and garden waste subscriptions (£154k) has supplemented a reduced cost of a recycling contract (£288k).

The Ubico contract spend was £430k over the original budget for 2022-23 across all committees. This predominantly relates to the increased pay award (in line with the Local Government pay award) in December 2022 of £216k, and the rising cost of fuel causing a pressure of £143k. These costs were largely expected and an amount of £311k was put aside for Ubico inflationary pressures from the 2021/22 underspend.

Further detail can be found in Appendix E.

3.10 Covid-19/Car Parking – (£217k) underspend

A budget allowance of £500k was included in the base budget for pressures relating to Covid-19. Car parking income, which was £283k lower than budget, has not recovered to pre-pandemic levels. As it is now expected that usage will remain lower, the budget has been revised for future years.

3.11 Facilities Management – £161k overspend/reduced income

Due to vacant office space at Ebley Mill there is reduced income from rents and service charges. The increase in electricity costs also contributed £71k to the overspend.

3.12 Investment Income – (£827k) additional income

The continued increase in interest rates throughout the year has led to a significant increase in investment income from balances held in short and long term investments.

3.13 Vacancy Savings – (£118k) underspend

In line with previous forecasts, there have been vacancy savings of £118k over budget. These savings have been generated where there is a gap in recruitment, or if a post has been actively held vacant for a period and a level of vacancy savings would be expected in every year. Further detail is included in Appendix A.

3.14 Support Charges to the HRA - £137k reduced income

The recharges to the HRA were £137k lower than budgeted. This predominantly relates to the HRA's share of vacancy savings and reduced spend on IT, Property Services and the Fit for the Future programme.

3.15 Government Grants – (£311k) additional income

There has been one-off new burdens grant funding from Government of £289k. This is mainly related to the different schemes relating to energy support. This income was not included within the Council Budget set in February 2021 and there creates a resulting underspend.

3.16 Business Rates Pool gain – (£494k) underspend

There has been a benefit of £494k from being in the Gloucestershire Business Rates Pool. As a result of the inherent risks in pooling of business rates the income is not included in the base budget. Therefore, when income is received at year end it creates an underspend to be allocated.

3.17 Further detail on the year end variances can be found, by Committee, in the appendices.

4. Allocation of General Fund Underspend

4.1 The underspend position allows funding to be put in reserves to cover future costs and fund priority works. Delegations exist for the S151 Officer to place funding in reserves to meet the expected pressures upon the Council and existing services. This forms part of the process of completing the end of year Statement of Accounts. It is then good practice for the committee to consider those allocations at a later date.

4.2 The Section 151 Officer has allocated the funding as set out below.

Table 3 – allocation of General Fund underspend

Reserve	Allocation to Reserve £k
Culture and Leisure Reserve	367
Investment Risk Reserve	510
Business Analyst (Fit for the Future) (1 year)	60
Economic Development support (1 year)	64
Planning Strategy Support (7 months)	70
Revenues and Benefits Support	122
Planning Appeals Reserve	50
Repairs and Replacement Reserve	50
Collection Fund Smoothing	238
Allocate from MTFP Equalisation Reserve	(259)
Total Allocation	1,272

4.3 Details of these reserves:

4.4 Arts, Culture and Leisure Reserve - £367k

A proposal on the future of the leisure service has been recommended by Community Services and Licensing Committee, to Strategy and Resources Committee, in their June 2023 meeting. This proposal includes one-off implantation costs of £367k and it is proposed that this cost is met from the expected £158k VAT refund, due to the change in VAT regulations in local authority leisure centres, with the remaining £209k to be funded from the Gloucestershire Business Rates Pool gain.

4.5 Investment Risk Reserve - £510k

Although the economic environment has led to a large surplus in investment income, there has been a reduction in the capital value of the property and multi asset funds. These funds have been held as long term assets, and the current value of the funds does not hit the bottom line of the general fund, until the point that they are redeemed. It should be noted that the investment income received over the term they have been held, is higher than the loss in capital value and so there still is a net gain from these assets.

In order to mitigate against any capital reductions hitting the general fund financial position on redemption, an amount of £510k, which is the increase in investment income from Quarter 3, has been transferred to the Investment Risk Reserve. The total amount held in the reserve after this movement is £820k. The reduction in capital value at 31 March 2023 is £1.039 million.

Since the end of the financial year, advice has been issued by our treasury advisors to redeem one of the long term funds held by the council. This redemption will likely take considerable time to be fulfilled. Once redeemed, it is expected a loss of capital value will be realised, and funding could be made available from this reserve in order to mitigate an impact on the general fund.

4.6 Business Analyst - £60k

Funding for a Business Analyst post for one year to support the Fit for the Future programme. This is part of the process of modernising our services and ensuring that they are efficiently meeting the needs of our residents.

4.7 Economic Development support - £64k

The current economic development team was established through past ringfencing of Business Rate Pool Gains. A further allocation has now been made as funding for the Economic Development Specialist for an additional year to support Economic Development and Tourism in the district.

4.8 Planning Strategy support - £70k

Continued funding for an Interim Housing Strategy Manager to support the Council through the review process of the Draft Local Plan.

4.9 Revenues and Benefits support - £122k

The Revenues and Benefits Team have continued to support government schemes, which include the Council Tax energy rebates, Alternative Fuel payments and payments to Homes for Ukraine hosts. This has stretched the team and reduced resource available to deliver Business as Usual. Funding has been put aside from the new burdens grants associated with some of these schemes, in order to support recovery.

4.10 Planning Appeals Reserve - £50k

Due to an increase in the cost of planning appeals, the existing earmarked reserve of £100k held to cover excess planning appeal costs, has been fully allocated in 2022/23. A new allocation of £50k has been made from the General Fund underspend to support costs in future years.

4.11 Repairs Reserve - £50k

An allowance is added each year to ensure that there is sufficient budget to replace the Council's low emission Community Services fleet when it reaches the end of its useful life.

4.12 Collection Fund smoothing - £238k

There is a legislated timing difference in the way that Council Tax and Business Rates income is transferred from the Collection Fund to the General Fund, meaning that the impact of some variances in 2022/23 will not hit the financial position until 2023/24 and 2024/25. It is therefore prudent to put aside funding to cover any known deficits in the Collection Fund that will hit the General Fund in future years.

4.13 MTFP Equalisation Reserve allocation – (£259k)

The Quarter 3 forecast showed an overspend of £304k, and this overspend would have been funded from the MTFP Equalisation Reserve. As much of the final underspend position is linked to central income such as investment income and the Gloucestershire Business Rates pool gain, rather than on service provision, an amount of £259k has been taken from the MTFP Equalisation Reserve in order to put funding towards priority areas. As an overspend position was forecast, the reserve is in no worse position than previously expected.

5. General Fund Write-Offs

- 5.1 The Financial Regulations in the Constitution, give delegated authority to the Section 151 Officer to write-off amounts between £10k-£50k. These should then be reported to the relevant committee retrospectively.
- 5.2 There were a total of 5 write-offs which have been written-off under this delegated authority, as summarised below.

Table 4 – Write-offs over £10k

Type of debt	No. of Accounts	Total Write-offs £k
Business Rates	1	39
Council Tax	1	32
Housing Benefit	3	45

- 5.3 The Section 151 Officer is satisfied that these debts were not collectable and therefore write off procedures were appropriate. These sums are included in the overall outturn position.

6. General Fund Earmarked Reserve Movements

- 6.1 The following section sets out the impact of the outturn on the earmarked reserves held by the Council. These are held for specific purposes and are in addition to the General Fund balance. The normal operation of Council business includes movements on earmarked reserves including spending existing reserves or placing new funding aside for use in future years.
- 6.2 General Fund earmarked reserves have reduced from £24.032m at 1 April 2022 to £22.405m at 31 March 2023. The in year movement of £1.628m is made up of budgeted transfers to or from reserves (including those approved during the year), transfers included in the year end position, the planned use of the capital reserve to finance the capital programme, and the allocation of the General Fund underspend to reserves for future use.
- 6.3 This includes a net transfer of £2.630m from the Collection Fund smoothing reserve as anticipated as a result of a three year release of funding related to Covid discounts on business rates. The transfer to the Business Rates Safety Net Reserve of £500k is part of the agreed Medium-Term Financial Plan. This is intended to protect the Council from the anticipated loss of income from future reduction in permitted levels of retained Business Rates.
- 6.4 A number of service related reserves are in place to support council plan actions and priorities. These include the Projects Reserve and the Recovery Reserve. Earmarked reserves are also used to hold funding for specific projects, such as the Leisure Review and funding for Fit for the Future.
- 6.5 A summary of all movements is included in the below table.

Table 5 – Movements to/(from) earmarked reserves during 2022/23

Reserve	Budgeted Transfers £k	Capital Financing £k	Other Transfers £k	Underspend Allocation £k	Total Reserve Movement £k
<i>Project reserves:</i>					
Brexit reserve			(53)		(53)
Building control shared service	(96)		31		(65)
Brimmscombe Port Redevelopment	23	(538)	56		(459)
Business rates pilot	(104)		(170)		(274)
Capital		(177)	(351)		(528)
Climate change	73		103		176
Culture, arts and leisure reserve	101		8	367	476
General Fund carry forwards	(566)		1,096		530
Homelessness prevention	92		10		102
Projects	(807)		988	256	437
Recovery Reserve	(53)		(4)		(57)
Repairs and replacement			(11)	50	39
Transformation	(307)		427	60	180
Waste management	(180)		20		(160)
<i>Specific Risk Reserves:</i>					
Collection Fund Smoothing reserve	(796)		(2,072)	238	(2,630)
Investment risk			0	510	510
Local Plan Reserve			(31)		(31)
Neighbourhood planning grant	(6)		(6)		(12)
Planning appeal costs			(100)	50	(50)
<i>Medium Term Risk Reserves:</i>					
Business rates safety net	500		0		500
MTFP equalisation	9		(9)	(259)	(259)
Total	(2,117)	(715)	(68)	1,272	(1,628)

6.6 A full breakdown of the earmarked reserves can be found in Appendix G.

6.7 Included within the earmarked reserves is the Carry Forward Reserve, used where services need to transfer external funding or budget for specific projects from one year to the next. The reversals from 2021/22 and amounts carried forward from 2022/23 are shown in the table below.

Table 6 – Movement on General Fund Carry Forward Reserve

Committee Sub-Heading	Detail	2021/22 Carry Forwards £k	2022/23 Carry Forwards £k
Community Services and Licensing Committee			
Community Safety	PCC External funding	8	33
Public Spaces	External funding for play areas	19	0
Cultural Services - Community Health & Wellbeing	External funding for health and inequalities projects	129	374
Environment Committee			
Environmental Health	Support for covid related work	23	0
Health & Wellbeing	Land drainage, joint flood alleviation and rural SUDS	28	28
Planning Strategy/Economic Development	Funding carried forward to support the Local Plan	129	79
Land charges		0	30
Housing Committee			
Private Sector Housing	Funding for Glos. Private Sector Housing Condition Survey	50	251
Private Sector Housing	Funding for the inspection of properties for the Homes for Ukraine scheme	0	24
Housing Strategy	Community Housing Fund, Custom Build grant funding and Resettlement funding	167	153
Strategy and Resources Committee			
Human Resources	Health and wellbeing development and apprenticeship schemes	14	30
IT	New AV equipment for the Council Chamber	0	16
RCCO	Top up funding for Ubico electric vehicles purchase	0	106
Total		566	1,096

7. General Fund General Reserves

7.1 The General Fund balance has been maintained with no change at £2.169 million.

8. Housing Revenue Account

8.1 The HRA is a self financing account for the Council's landlord function, which must be budgeted to break even (net of transfers to/from HRA reserves).

8.2 The revenue outturn position of the HRA shows a **net underspend of £0.330m** (1.3% of gross expenditure budget).

8.3 A summary of the HRA position follows in Table 6. The HRA position has also been considered by Housing Committee at its meeting on June 27th.

Table 7 – Summary of HRA Outturn Position

	2022/23 Original Budget £k	2022/23 Revised Budget £k	2022/23 Amount £k	2022/23 Reserve Transfers £k	2022/23 Outturn Variance £k
Housing Revenue Account					
Total Income	(24,058)	(24,058)	(24,299)	0	(241)
Total Expenditure	11,551	11,741	11,891	281	431
Support Service Charges from the GF	2,408	2,408	2,271	0	(137)
Total Other Costs and Income	12,265	11,611	12,200	1,269	(550)
Total Expenditure/Income	2,166	1,702	(207)	1,550	(359)
Transfers to/from HRA Earmarked reserves	(1,158)	(90)	1,489	(1,550)	29
Transfers to/from General Reserves	(1,008)	(1,612)	(1,612)	0	0
Total Housing Revenue Account	0	0	(330)	0	(330)

- 8.4 The outturn variance of £330k includes transfers to and from earmarked reserves. Further detail can be found on these transfers in Section 9 and Appendix G.
- 8.5 Below is a summary of the key variances within the HRA outturn position.

Table 8 – Summary of HRA key variances

Area	Para	Variance (under)/overspend £k
Rents, charges and other income	8.6	(241)
Salary underspends (excluding Property Care)	8.7	(404)
HRA IT	8.8	(135)
Void properties including Council Tax	8.9	223
Property Care	8.10	607
Utilities – gas and electricity	8.11	239
Support charges from General Fund	8.12	(137)
Investment income	8.13	(436)
Other variances (net)		(46)
Total Overspend		(330)

- 8.6 Rents, charges and other income – (£241k) additional income
 Due to the level of void works undertaken, the number of vacant properties has reduced significantly from the start of the financial year, and rents and service charges were on target. Other income, which includes garage rental income and charges for rechargeable repairs, was £110k over budget (additional income), and provision for non payment of debts was £121k lower than budget.
- 8.7 Salary underspends – (£404k) underspend
 There have been a number of vacant posts during the year, in particularly across the New Build and Development Team, Contract Services and the Income and Systems Teams.
- 8.8 HRA IT Costs – (£135k) underspend
 Pending the implementation of the new Housing Management System, there is an underspend on HRA IT costs.

8.9 Voids - £223k overspend

In order to support the reduction in vacant properties, additional spend of £120k was required. This was in part due to the increased cost of labour and materials. Additional council tax of £102k has been payable on the vacant properties held by the HRA.

8.10 Property Care - £607k overspend

The cost of providing the repairs and maintenance service is increased against budget, primarily due to the increase in the cost, and constraints in supply, of labour and materials.

8.11 Utilities – £239k overspend

The increase in the cost of gas and electricity has led to an overspend of £239k from the cost of heating and lighting communal areas in general needs and independent living blocks, and also the gas for communal boilers which provide heating for the homes in five independent living schemes. Tenants were protected from the increased charges for this period and so the cost must be covered from the wider HRA.

8.12 Support charges from General Fund – (£137k) underspend

Charges from the General Fund for shared support services (eg HR, IT, Finance and also democratic costs such as members allowances and the cost of council and committee meetings) are lower than budget by £137k. This largely relates to the HRA's share of the vacancy savings in the General Fund.

8.13 Investment income – (£436k) additional income

A combination of considerably increased interest rates, along with higher than expected HRA balances, has significantly increased investment income to the HRA.

8.14 Further detail on the HRA outturn position and variances can be found in Appendix F and in the report to Housing Committee in June 2023.

9. **Allocation of Housing Revenue Account Underspend**

9.1 The underspend position allows funding to be put in reserves to cover future costs and fund priority works. Delegations exist for the S151 Officer to place funding in reserves to meet the expected pressures upon the Council and existing services. This forms part of the process of completing the end of year Statement of Accounts. It is then good practice for the committee to consider those allocations at a later date.

9.2 The Section 151 Officer has allocated the funding as set out below.

Table 9 – Allocation of HRA underspends

Reserve	Allocation to Reserve £k
Survey equipment	50
Staffing	240
Professional training	40
Total Allocation	330

9.3 Details of these reserves:

9.4 Survey equipment - £50k

Additional equipment to assist with damp and mould, and other surveys.

9.5 Staffing - £240k

To include an additional Stock Condition Surveyor for one year, to support the Damp and Mould Strategy, an additional Electrician for up to three years, to support this important area of compliance, and £30k administration support.

9.6 Professional Training - £40k

An additional training pot to support changes requiring all housing managers to be Chartered Institute of Housing (CIH) qualified.

10. Housing Revenue Account Earmarked Reserves

10.1 These are held for specific purposes and are in addition to the HRA general reserves. The normal operation of Council business includes movements on earmarked reserves including spending existing reserves or placing new funding aside for use in future years.

10.2 HRA earmarked reserves have increased from £6.787m at 1 April 2022 to £7.436m on 31 March 2023.

10.3 The in year movement of £0.649m is made up of planned transfers to and from the reserves, which include the provision for the repayment of HRA borrowing, a £1.0m contribution towards the Independent Living Modernisation Programme less a transfer from the reserve to fund works in year, and a transfer of the £1.17m Estate Redevelopment Reserve, which has been reallocated to HRA general reserves in line with the approval from Council in February 2023.

10.4 There are also transfers to earmarked reserves of £232k for HRA carry forwards and allocation of the 2022/23 underspend of £330k to support the housing service as detailed in Section 9.

Table 10 – Movements to/(from) HRA earmarked reserves during 2022/23

Reserve	Budgeted Transfers £k	Provision for repayment of Debt £k	Year end Transfers £k	Total Reserve Movement £k
Independent Living Modernisation	(90)	0	296	206
Estate Redevelopment	(1,170)	0	0	(1,170)
HRA Carry forwards	0	0	232	232
Provision for repayment of debt	0	1,012	0	1,012
Transformation	0	0	39	39
Allocation of HRA Underspend 22/23	0	0	330	330
Total	(1,260)	1,012	897	649

10.5 A full breakdown of earmarked reserves can be found in appendix F.

11. Housing Revenue Account General Reserves

11.1 The opening balance of HRA general reserves at 1 April 2020 was £4.560m. The revised budget included a transfer of £1.612m from reserves, but a transfer of £1.170m from the unallocated Estate Redevelopment earmarked reserve was approved by Council in February 2023.

11.2 There is an additional £1.814m transfer from HRA general reserves budgeted in 2023/24.

Table 11 – HRA General Reserves

	2022/23 £k	2023/24 £k
Opening balance	4,560	4,118
Budgeted transfer to/(from) general reserves – Council Feb 2023	(1,612)	(1,814)
Transfer from Estate Redevelopment EMR – Council Feb 2023	1,170	0
Closing balance	4,118	2,304

12. Capital Programme

- 12.1 The 2022/23 Capital Programme of £29.243m was approved by Council in February 2023.
- 12.2 The full capital outturn position is included in Appendix H, along with detail of the variances. The financing of the Capital Programme is shown in Appendix I.
- 12.3 The **General Fund Capital Programme**, following the addition of slippage from 2021/22, and changes to budgets as part of the revised budget for 2022/23 is £12.854m. The total spend against this budget is £6.714m, a net underspend of £6.140m.
- 12.4 This variance is made up of many items, primarily where there are changes in the timing of delivery as the projects span more than one financial year. There are some areas of forecast slippage, including Stratford Park Lido, the Stroud and District cycling and walking plan, Multi Service Contract Vehicles, Canal (Phase 1B of Cotswold Canals Connected), Temporary Accommodation and private sector housing grants. There is also additional spend on Brimscombe Port and Stratford Park Tennis Courts, where spend has happened earlier than expected. These are all only timing differences and will not affect the overall costs.
- 12.5 Net slippage of £5.020m has been requested to be carried forward to the 2023/24 capital programme.
- 12.6 The **Housing Revenue Account Capital Programme** has a revised budget of £16.389m.
- 12.7 Following capital slippage from 2022/23 Major Works has a budget of £11.093m, with spend of £7.759m, giving net slippage of £3.334m. This predominantly relates to the Social Housing Decarbonisation Fund 2, which has been awarded an extension of time to June 2023 to deliver the grant funded part of the programme. Overall slippage of £3.752m has been requested.
- 12.8 The New Build and Development programme has a net underspend of £0.805m against a budget of £2.213m. Two schemes completed during the year - Broadfield Road and Ringfield Close, delivering 29 affordable properties (24 affordable rent, 3 shared ownership and 2 Older person's shared ownership).
- 12.9 Slippage of £0.257m is being requested for the Independent Living Modernisation Programme, and £0.470m for the acquisition of three Section 106 properties at Wotton-under-edge, which are expected to complete in the new financial year.
- 12.10 A copy of the revised capital programme for 2022/23, taking into account slippage from 2022/23 is in Appendix J.

13. IMPLICATIONS

13.1 Financial Implications

The whole report is financial in nature, reporting the General Fund and Housing Revenue Account revenue and capital position for 2022/23.

Lucy Clothier, Accountancy Manager
Email: lucy.clothier@stroud.gov.uk

13.2 Legal Implications

There are no legal implications arising from the content of this report.

One Legal
Email: legalservices@onelegal.org.uk

13.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision.

13.4 Environmental Implications

There are no direct environmental implications arising from this report.

STRATEGY AND RESOURCES COMMITTEE REVENUE DETAIL**Table 1 Strategy & Resources Outturn Detail**

Strategy & Resources Committee	Para Refs	2022/23 Revised Budget £k	2022/23 Actual £k	2022/23 Reserve Transfers £k	2022/23 Outturn Variance £k
Car Parks	1.1	(653)	(370)	0	283
Commercial Properties	1.2	(123)	(157)	0	(33)
Communications		173	174	0	1
Corporate Expenditure & Income	1.3	1,178	931	(567)	(815)
Corporate Policy & Governance	1.4	1,181	1,132	0	(50)
Corporate Services (Legal)		512	496	0	(15)
Covid-19	1.5	500	(0)	0	(500)
Facilities Management	1.6	448	609	0	161
Financial Services	1.7	889	912	30	53
Fit for the Future	1.8	427	358	70	1
Human Resources	1.9	680	615	59	(5)
Information & Communication Technology	1.10	1,918	1,793	99	(26)
Other Properties	1.11	(757)	(825)	55	(13)
Pension Lump Sum		1,156	1,156	0	(0)
Property Services	1.12	554	481	47	(26)
Senior Leadership Team		589	581	0	(7)
Youth Councils		3	2	0	(1)
Strategy and Resources TOTAL		8,675	7,888	(207)	(994)

1.1 Car Parks - £283k unachieved income

(Angela Gillingham xtn 4452, angela.gillingham@stroud.gov.uk)

The £283k variance relates to a shortfall in car park income for this Financial Year. User numbers remain suppressed post pandemic, as people work in different ways, with less reliance on town centre locations. We now believe the current levels are likely to illustrate a new normal. However, the revenue levels continue to represent a significant income.

A salary underspend has also been recognised in Car Parks Enforcement (£23k); this amount will contribute to the overall corporate vacancy saving reported to this Committee.

1.2 Commercial Properties – (£33k) underspend

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

The underspend relates to corporate maintenance at Gossington Depot, where we are working through a suitable specification for the necessary repairs to the waste transfer floor and food waste ramp but will be instructing a consultant engineer in 2023/24 to specify the works. Additional underspend has been identified within the corporate maintenance budget at Littlecombe, this will be addressed as part of the budget setting process for 2024/25.

Appendix A

1.3 Corporate Expenditure & Income – (£815k) additional income(Lucy Clothier xtn 4343, lucy.clothier@stroud.gov.uk)

The biggest area of variance is for investment income, where due to rates rising significantly since the budget was set in February 2022, there has been £827k of additional investment income during the year. This is from short term investments with banks and money market funds, as well as long term investments with property and multi asset funds.

The base budget assumes that modernisation savings of £350k will be made during the year. For 2022/23 this savings target has been reached using in year vacancy savings where there is a delay in recruitment or a post is held empty for a period. Vacancy savings totalled £468k, as set out in the below table which overachieved the budget by £118k.

Table 2 – Vacancy Savings

Service	Vacancy Saving £k
Neighbourhood Wardens	19
Customer Services	52
Revenues and Benefits	83
Youth service	38
Land Charges	13
Biodiversity	43
Planning Strategy	10
Housing Advice	31
Finance	29
HR	46
ICT	83
Property Services	21
Total	468

Provision for bad debt of £94k has been made to account for the non-payment of monies owed to SDC.

1.4 Corporate Policy & Governance - £50k underspendHannah Emery xtn 4383, hannah.emery@stroud.gov.uk

There are a number of variances that contribute to the overall underspend.

Following a review of the Members' Scheme of Allowances, Council approved the Independent Remuneration Panel's recommendations in July 2022 to increase the Basic Allowance for 2021/22 by £132 and 2022/23 by £250 Special Responsibility Allowances were also increased which has resulted in a an overspend of £40k.

A small underspend within Democratic services due to savings on printing where more reports being produced electronically, and within salaries where we have moved towards a multi-disciplined team that cover both elections and democratic services this will be addressed at budget setting later in the year.

A saving within Elections has arisen due to two possible district ward by-elections but only one took place towards the end of the financial year. In addition, a delay in the recruitment of the Elections Support Officer meant the post was not filled until the end of the financial year.

(£37.5k) of income was also received in November which was the settlement for the remainder of the costs of the PCC Election held in 2021.

1.5 COVID 19 – (£500k) underspend

(Lucy Clothier, xtn 4343, lucy.clothier@stroud.gov.uk)

A budget allowance of £500k was approved by Council in February 2022. The only draw against this budget is the reduction in car park income as set out in para 1.1.

1.6 Facilities Management – £161k unachieved income/underspends

(Brian McGough xtn 4411, brian.mcgough@stroud.gov.uk)

The variance is primarily a consequence of the lack of income from rental and service charges in respect of both the New Build and ground floor Bodley Block spaces. In addition the rising cost of wholesale electricity supplies and the Mill's greater reliance on electricity to heat the building has compounded the variance.

The New Build has however been successfully let to a new tenant in March 2023, whilst the Bodley Block continues to be actively marketed through a commercial agent.

1.7 Financial Services – £53k overspend

(Lucy Clothier xtn 4343, lucy.clothier@stroud.gov.uk)

The additional cost in Financial Services predominantly relates to an increase in the audit fee for 2021/22.

1.8 Fit for the Future - £70k reserve transfer

(Adrian Blick, adrian.blick@stroud.gov.uk)

This reserve transfer is directly attributable to an underspend on the project. API work has been re-scheduled to later in 2023 as part of the Technology & Digital workstream to support process re-engineering work (£40k).

A delay in filling the OD Consultant vacancy in People & OD workstream following a resignation in the team, but has now been recruited to (£34k)

1.9 Human Resources – £59k reserve transfer

(Lucy Powell xtn 4286, lucy.powell@stroud.gov.uk)

The reportable variance remains insignificant, however an underspend has arisen due to the service carrying several vacancies in this financial year. This saving has been included in the overall vacancy savings reported to this Committee. A carry forward is also proposed for external funding and underspends within the Apprenticeship budget.

1.10 ICT – (£26k) underspend

(Adrian Blick, adrian.blick@stroud.gov.uk)

A planned upgrade of licensing did not go ahead as it no longer provided value for money.

A carry forward of £16k has been requested relating to upgrade audio visual equipment in the Council Chamber, which has slipped to early in the new financial year.

A £83k in year variance on staffing has been identified due to in year vacancies that are actively being recruited to. This saving has been currently included in the overall vacancy savings reported in this committee.

1.11 Other Properties - £55k reserve transfer

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

The net running costs/income from the Brimscombe Port site have been transferred to the Brimscombe Port earmarked reserve at the end of the year. This reserve is used to fund the redevelopment of the site.

1.12 Property Services - £26k underspend

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

A few smaller variances contribute to this underspend. There are salary savings in the service as a result of maternity cover and flexible retirements. These savings will be included in the overall vacancy savings reported in this committee.

COMMUNITY SERVICES AND LICENSING COMMITTEE REVENUE DETAIL

Community Services and Licensing	Para Refs	2022/23 Revised Budget £k	2022/23 Actual £k	2022/23 Reserve Transfers £k	2022/23 Outturn Variance £k
Community Safety	1.1	192	88	52	(52)
Cultural Services - Arts and Culture	1.2	419	461	(26)	16
Cultural Services - Community Health & Wellbeing	1.3	301	(230)	524	(6)
Cultural Services - Sports Centres	1.4	51	14	(37)	(74)
Customer Services	1.5	520	445	52	(23)
Grants to Voluntary Organisations	1.6	330	231	83	(16)
Licensing		(39)	(42)	0	(3)
Public Spaces	1.7	1,439	1,417	(10)	(33)
Revenues and Benefits	1.8	420	851	83	513
Youth Services	1.9	114	71	38	(5)
Community Services and Licensing TOTAL		3,747	3,306	759	317

1.1 Community Safety – (£52k) underspend

(Angela Gillingham xtn 4452, angela.gillingham@stroud.gov.uk)

A favourable variance is being reported which includes small underspends across all services and supplementary income within Careline. In addition there are in-year salary vacancies in the Neighbourhood Wardens team, this amount has been factored into the overall corporate vacancy saving figure reported to Strategy & Resources Committee. A carry forward has been proposed of £25k from the CSP in March 23 to spend on community safety objectives for this year's plan. An additional £8k to support: GDASS joint role for domestic abuse across the county which will be used for street safe initiatives which will be included in the 2023 CSP plan.

1.2 Cultural Services - Arts & Culture – £16k overspend

(Kevin Ward 01453 544335, kevin.ward@stroud.gov.uk)

Museum in The Park/ Cultural Strategy

There are several small overspends at the Museum in the Park which contribute to the £16k variance. A transfer from reserves to support the Cultural Strategy of £26k is proposed for the initial consultation services of the project.

1.3 Cultural Services - Community Health & Wellbeing – £524 reserve transfer

(Angela Gillingham xtn 4452, angela.gillingham@stroud.gov.uk)

There are number of carry forwards (external funding) proposed around future Health & Wellbeing projects including: Mummy & Me, Community Badminton Network, It's your move and National Lottery Funding for long Covid projects. External funding from GCC (COMF)

Appendix B

of £47k in respect of the HAF programme and £309k for the Play Area Consultation and Development Action Plan – (mostly HRA identified sites).

A transfer to reserves of £150k is also proposed regarding external funding from Gloucestershire Integrated Care Board to support the delivery of the Integrated local partnerships key objectives

1.4 Cultural Services - Sports Centres – £48k Unachieved income/overspend

(Darren Young 01453 540995, darren.young@stroud.gov.uk)

The Pulse

The final quarter of the financial year has seen the income deficit decrease to just £20k below budget. This is due to strong resilience in the learn to swim programme and an uptake in membership sales, despite the cost-of-living crisis. As we prepare to enter the 2023/24 financial year memberships have finally bounced back to pre-COVID-19 levels however we remain uncertain if the level can be maintained during the economic uncertainty. Forecast overspend has been reduced throughout the year however due to some essential equipment purchases but predominantly the huge increase in utility costs we have not been able to achieve early 2022 budget forecasts.

Changes were made to the VAT regulations for local authority leisure centres in March 2023. This change allows local authorities to provide many leisure services, such as swimming and gym membership, without charging VAT and means that all of the income can be kept by the authority. A claim will be made to reimburse the council for VAT paid over to HMRC over the last four years, that is now no longer necessary under the new rules (which are backdated). This has been estimated at £158k, and will be transferred into the Arts, Culture and Leisure reserve to help fund the implementation costs of the new leisure service.

1.5 Customer Services – (£23k) underspend

(Liz Shellam xtn 4234, liz.shellam@stroud.gov.uk)

Following Covid-19, cash deposits are no longer held at Ebley Mill, therefore no secure cash collections by G4S. This has now been offered as an efficiency saving as part of the budget setting process for 2023/24.

An in-year vacancy saving of (£52k) has been recognised. Several staff have successfully attained internal development opportunities in other service areas which has resulted in vacancies within the team. These roles are actively being recruited to in order to backfill any outstanding positions, however, success is varied in attracting candidates due to the current employment market and offering fixed term contracts. This saving has been attributed to overall salary saving reported through to Strategy & Resources Committee.

1.6 Grants to Voluntary Organisations – £140k Reserve transfer

(Angela Gillingham xtn 4452, angela.gillingham@stroud.gov.uk)

A proposed Reserve transfer of £120k for the Household support fund Government to support the cost of living crisis which is an ongoing work stream.

£20k ILP Award year 2 & 3, funding from the NHS to top up the three year grants from reserves for the Community Hubs.

1.7 Public Spaces – (£33k) underspend

(Angela Gillingham xtn 4452, angela.gillingham@stroud.gov.uk)

There are several offsetting material factors which culminate in an underspend of (£33k). Commons & Woodlands £8k, extensive tree works have been identified in the woodlands we own in the Dursley area. Stratford Park is estimating extra expenditure of £25k for scheduled maintenance for the bandstand, roof repairs to the canoe store and security services. A favourable offsetting variance of (£32k) on salaries has also been forecast which will be attributed to the overall salary savings to Strategy & Resources. Savings have also been achieved (£24k) due business rates not being applicable on Public Conveniences, this budget has now been removed for 2023/24. In addition there are some small underspends across the service.

1.8 Revenues and Benefits– £513k overspend/unachieved income

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

A variance of £242k is reported on the shortfall on housing benefit subsidy claims, principally for supported accommodation. Although there is a higher rent allowable in supported accommodation, where the cost of housing is significantly higher than the amount allowable under housing benefit this cannot all be claimed back through housing benefit subsidy and part of the cost is borne by the local authority. Additional budget to address some of the costs was actioned as part of budget setting last financial year. This will continue to be monitored and the situation is subject to change throughout the year as housing benefit claims change and are difficult to predict.

Administration of the Governments Council Tax Energy Rebate scheme enforced some changes to the software which restricted being able to carry out normal statutory recovery runs which has led to a deficit in income of £120k. Additional new software and resource has been required to administer the scheme which has attracted increased costs of £70k, this will be covered by the Governments New Burdens funding. A targeted approach to detect crime and prevent fraud and loss, working in partnership with counter fraud and enforcement unit has led to an overspend of £26k.

There are additional costs associated with the HB Subsidy Audit relating to previous financial years. The budget issue has been addressed as part the budget setting process.

An in-year saving on salaries (£81k) is due to several vacant posts that have proved difficult to recruit to. This amount has been factored into the overall corporate vacancy saving figure reported to Strategy & Resources Committee.

1.9 Youth Services – (£38k) Transfer

(Angela Gillingham xtn 4452, angela.gillingham@stroud.gov.uk)

A vacancy saving of (£38k) has been identified due to an in-year vacancy. This amount has been factored into the overall corporate vacancy saving figure reported to Strategy & Resources Committee.

This page is intentionally left blank

Development Control Revenue Account

		2022/23 Revised Budget £k	2022/23 Actual £k	2022/23 Reserve Transfers £k	2022/23 Outturn Variance £k
Development Control Committee	Para Refs				
Development Control	1.1	278	717	(100)	340
Development Control TOTAL		278	717	(100)	340

1.1 Development Control – £340k loss of income

The loss of income is in the main due to lower receipts of planning application fee income within the year. This is the result of fewer planning applications being registered, which can be attributed to the cost-of-living crises. An overspend of consultant's fees and planning appeal legal services costs also are a contributing factor towards the outturn position. A transfer of £100k from the Planning Appeals earmarked reserve has partially mitigated the additional cost.

This page is intentionally left blank

ENVIRONMENT COMMITTEE REVENUE DETAIL

Table 1 – Environment Committee Outturn Detail

Strategy & Resources Committee	Para Refs	2022/23 Revised Budget £k	2022/23 Actual £k	2022/23 Reserve Transfers £k	2022/23 Outturn Variance £k
Canal		20	3	0	(17)
Carbon Management	1.1	231	120	103	(8)
Economic Development	1.2	293	143	68	(82)
Health & Wellbeing		940	954	0	14
Land Charges & Street Naming	1.3	(10)	(68)	43	(15)
Planning Strategy/Local Plan	1.4	627	687	65	124
Statutory Building Control	1.5	(114)	(110)	31	35
Waste & Recycling: Other	1.6	26	8	20	2
Waste and Recycling: MSC		4,730	4,497	49	(184)
Environment TOTAL		6,742	6,233	378	(131)

1.1 Carbon Management – £103k reserve transfer

The £103k reserve transfer is funding from WECA providing the 50% (match to SDC reserves contribution) to help administer and support the project work focused around the Innovate to Renovate scheme which includes activity at a county level to develop Retrofit Centre services for householders and, 2030 delivery and coordination for SDC. All roles are fixed term in line with the Innovate to Renovate grant provision.

1.2 Economic Development – (£82k) underspend/additional income (Tom Ridley, tom.ridley@stroud.gov.uk)

The additional income (£40k) is directly related to the Community Infrastructure Levy (CIL) admin fee. CIL is collected over several years after planning permission is granted and therefore impacts when the funds can be collected. It has been running for several years and 22/23 has seen a considerable increase in what the Council has collected, therefore the 5% admin fee we retain is higher than expected. The regulations stipulate this money must be spent on CIL administration, it will therefore need to be reviewed annually in order to allocate as required and ultimately may make the CIL function fully self-sufficient in future years.

An underspend of (£37k) in Planning Strategy's Economic Development budget, due to a necessary refocussing of priorities on setting up the Government funded UK Shared Prosperity Fund and Rural Prosperity Fund. This has enabled any overspend of the Local Plan examination during 2022/23 due to the frontloading of examination costs by the Planning Inspectorate to be absorbed.

The UK Shared Prosperity Funding (UKSFP) of £187k has been transferred to reserves to be available to fund associated costs in 2023/24.

1.3 Land Charges & Street Naming – £43k reserve transfer
(Neil Marriott xtn 4112, neil.marriott@stroud.gov.uk)

A reserve transfer of £43k is proposed due to external funding received from Central Government to support the required activities associated with the migration of our Local Land Charges Register to HM Land Registry.

1.4 Planning Strategy – £124k overspend
(Mark Russell, mark.russell@stroud.gov.uk)

The District Council's role in supporting parish councils to produce NDPs is a statutory requirement. Funding was previously secured when the Government set up a grant system to support their delivery. Under this system, the District Council received £5k each time a neighbourhood area was designated, £5k for each NDP reaching publication stage and £20k for each NDP reaching the referendum stage. This has subsequently been reduced to a payment only when the NDP has reached the referendum stage. Over time the number of NDP's has also declined. A recent aggravating factor has been that the Standish NDP failed its examination in 2022, meaning that the District Council has received no grant to cover the costs of supporting the parish council through the process to date.

The 2022/23 reserve budget is now exhausted. In order to continue to support NDPs (a Council Plan priority and statutory requirement) for future years, funding the NDP officer has been included in the 2023/24 budget.

A salary saving (£43k) has been achieved in Nature Recovery & Biodiversity. The role was recruited to in Feb 2023. This in-year saving has been attributed to the overall salary saving reported through to Strategy & Resources Committee.

The £60k transfer from the Climate Change and Recovery reserve is to support the Place Prospectus.

1.5 Statutory Building Control – £35k underspend/loss of income
(Paul Bowley xtn 4250, paul.bowley@stroud.gov.uk)

The Building Control fee earning service is required to breakeven over an agreed period, usually 3 – 5 years. The Fee earning element of the service suffered a loss of £65k. This result is that the trading account is now in deficit by £14k. In year income was £542k which is £108k below budget. Expenditure was £607k which is a saving of £153k. Despite an increase in building control charges, income has reduced by £60k from 2021/22

Comparing 2021/22 with 2022/23, the market share has reduced by 1% to 66%. The building control market has reduced by 240 projects from 2042 to 1800 projects this year. There is a service and shared service financial risk which is greater now that the trading account is in deficit. The vacant posts have been removed from 2023/24 establishment, however the budget is in deficit by £60k, meaning that income will need to significantly exceed budget to achieve break even. With the challenges presented by the requirements of the building safety regulator from April 2024, breakeven will remain a significant risk.

1.6 Waste & Recycling – (£184k) additional income/overspend (Angela Gillingham xtn 4452, angela.gillingham@stroud.gov.uk)

A more favourable outturn variance compared to the Q3 forecast has been achieved.

This underspend is made of several large offsetting variances. Recycling markets in particular the market for paper and cardboard have remained strong with income from the sale of material and recycling credits surpassing budget by (£72k). The renewed dry mixed recycling contract has improved costs of (£288k). Additional income on bulkies (£20k) has been realised and (£154k) on the Garden Waste scheme. Incentive payments from the County Council are (£11k) due to higher residual waste volumes. Income from sale of vehicles is forecast to be (£49k) which has been transferred to the Repairs and Replacement reserve. In addition, a contribution from S106 monies towards maintenance costs on public open spaces of (£83k) has been received. Budget pressures of £60k have been identified on the provision of receptacles, with dramatic cost increases being reflected across all bin/box types.

The Ubico Contract is overspent by £430k over the whole of the contract as previously reported (this impacts other Committees as well). The predominant feature of this overspend is the pay award £216k that was agreed in December 2022. Rising National fuel costs have resulted in a £143k overspend and vehicle hire/repair costs by £71k due to ageing fleet that has been impacted by the global delays on procurement of new vehicles. The general trend is that costs have increased across all services.

This page is intentionally left blank

HOUSING COMMITTEE (GENERAL FUND) REVENUE DETAIL

Table 1 – Housing GF Outturn Detail

Strategy & Resources Committee	Para Refs	2022/23 Revised Budget £k	2022/23 Actual £k	2022/23 Reserve Transfers £k	2022/23 Outturn Variance £k
Housing Advice	1.1	569	451	41	(77)
Housing Strategy	1.2	336	155	179	(3)
Private Sector Housing	1.3	217	(79)	275	(21)
Housing General Fund TOTAL		1,122	527	495	(101)

1.1 Housing Advice – (£77k) underspend

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

Spend on Temporary Accommodation and Bed and Breakfast is eligible for Housing Benefit. The generally higher costs of temporary accommodation mean that the full cost cannot be recovered. Across the service the shortfall within the Temporary Accommodation income has been compensated by greater grant income than budgeted within Homelessness and Homelessness Prevention. Additional grant funding received from the Department for Levelling up, Housing and Communities (DLUHC) within homelessness prevention has contributed to the variance.

1.2 Housing Strategy – (£3k) underspend

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

The variance within Housing Strategy relates to work grant funded by the DLUHC including using previously received grants. Where DLUHC grants are awarded at short notice they are utilised in the first instance and the budgeted funds are used elsewhere. Any unspent grant funds will look to be carried forward in order to fund housing-related services in the next financial year. This is regarded as good practice in allowing flexibility in the face of unanticipated increases in demand for services, or improvement to commissioned services, such as rough sleeper outreach or target hardening works to properties for households experiencing domestic abuse.

1.3 Private Sector Housing – (£21k) underspend

(Maria Hickman, maria.hickman@stroud.gov.uk)

The underspend is a consequence of additional income within private housing received during the year.

This page is intentionally left blank

Housing Revenue Account

Housing Committee	Para Refs	2022/23 Revised Budget £k	2021/22 Amount £k	Additional Reserve Transfers £k	2022/23 Outturn Variance £k
Dwelling rents and service charges		(23,615)	(23,625)		(10)
Other charges and income		(644)	(753)		(110)
Provision for bad debt		200	79		(121)
Total Income	1.1	(24,058)	(24,299)		(241)
Supervision and management	1.2	4,642	4,084		(558)
Repairs and maintenance	1.3	5,362	5,889	232	758
Independent Living service	1.4	711	804		93
Other expenditure	1.5	575	711		137
Independent Living Modernisation	1.6	452	403	49	0
Total Expenditure		11,741	11,891	281	431
Support Service Charges from the GF	1.7	2,408	2,271		(137)
Revenue funding of capital programme (Depn & RCCO)		7,240	7,006	257	23
Provision for repaying debt		1,012	0	1,012	0
Interest payable/receivable	1.8	3,359	2,923		(436)
Total Other Costs and Income		14,019	12,200	1,269	(550)
Total Expenditure/Income		1,702	(207)	1,550	(359)
Transfers to/(from) HRA earmarked reserves		(90)	1,489	(1,550)	29
Transfers to/(from) HRA general reserves		(1,612)	(1,612)	0	0
Total Housing Revenue Account		0	(330)	0	(330)

1.1 Income – (£241k) increased income

The hard work of the Property Care team and its contractors assisted through additional targeted resources has meant we are continuing to reduce the historical backlog of empty council house properties undergoing works to make them ready to be let. Material and labour supply chains still remains uncertain, and we will continue monitor how this may impact on workstreams.

As a result of the reduction in the voids there has been an increase in let properties and therefore rental income.

Garage rents are higher than budgeted but will reduce in line with the approval to review the use of all garage sites.

An allowance for non-payment of rents is included in the Provision for Bad Debt line. Through proactive support for tenants including sustainable payment arrangements to maintain tenancies the provision for bad debt, reports a (£121K) variance.

1.1 Supervision and Management – (£558k) underspend

During 2022/23 a number of posts became vacant and are actively being recruited for through the due process. The variance relates to vacancies within HRA new build and property services teams (£140K), maternity adjustments and officer reduced working hours within the Housing Asset management team (£134K), secondment adjustments within the Systems and income and management teams (£129K), role changes and vacancies within the Tenant Management team (£57K), and Senior housing

Appendix F

management officers' movements within the year £65K. There is also a (£135k) underspend in respect of IT software purchase and upgrades. This predominantly relates to budget being available for new systems for Property Care, in line with the business case. This system has now been procured alongside the wider Housing Management System.

1.2 Repairs and maintenance – £758k overspend

There were also a number of posts that became vacant in 2022/23 within Property Care. Taking into account vacancy and recruitment across the year the underspend is estimated to be (£237k).

Where trade posts have remained, vacant additional costs are being recorded for sub-contractors in order to maintain work patterns. Further work is being undertaken by the property care team to establish the impact of inflation as well as the costs of labour and materials in respect of the overall service position. The estimated variance of for sub- contractors is £439k which is a combination of current working sub-contractor requirements and cover for vacant trade posts.

The investment revenue has a £55k variance which is due to overspends in decorating and rendering, door entry remedials, and disabled adaptations remedials with an underspend in energy performance certificates.

There is a (£278k) variance in respect of radon works as a result of delays in contractor procurement and a (£82k) variance relating to fire risk assessments fire doors and compartmentalisation works which were also delayed and (£26k) variance in respect of asbestos due to delayed works. (£150k) of the radon budget and (£82k) of the fire risk assessment budget is being carried forward to 2023/24.

Within heating an electrical there is a £122k variance where there has been a higher than anticipated spend on materials. This is due to the introduction of new regulations for carbon monoxide (CO) alarms fitted within properties, which requires every fossil fuel appliance to have a co alarm.

Capacity for delivering voids remains high as a result the variance has increased by £121k. A further £102k variance relates to council tax on voids predominantly in the early part of the year and which will reduce as the number of voids decrease.

There is a £250k overspend within the property care maintenance recharge where spend on operatives delivering capital works required allocating to revenue.

Included is a revenue transfer carry forward of £232k towards cyclical works which will be undertaken in 2023/24. Fire risk assessments are due to start in October 2023 with Radon works ongoing throughout the 2023/24 year.

1.3 Independent Living Service - £93k overspend

£199k of the overspend is due to the high increased costs of both Gas and electric supply within the independent living properties for which tenants have been protected against in 2022/23. There is a (£78k) vacancy and equipment saving in respect of site officers and (£28k) saving on landlord services,

1.4 Other expenditure - £137k overspend

£40k of the overspend is due to the high increased costs of electric supply within the communal areas of flat blocks for which tenants have been protected against in 2022/23.

There is also a forecast £117k overspend relating to grounds maintenance costs where there has been an increase in cleaning within communal grounds.

1.5 Independent Living Modernisation

The Independent Living Modernisation Programme (previously known as the Sheltered Modernisation Programme) includes modernisation works to green and amber schemes, as well as the decanting costs and void costs e.g. council tax for the red schemes. It consists of works to schemes that are part revenue and part capital and the budget is split based on estimates.

This is fully funded from the Independent Living modernisation earmarked reserve.

1.6 Support Charges from the General Fund – (£137k) underspend

Charges from the General Fund for shared and support services such as IT, HR and finance are (£137k) lower than budgeted for the year. This is largely due to vacancy savings in the General fund.

1.7 Interest Payable / Receivable – (£436k) additional income

A combination of increasing interest rates, along with higher than expected HRA balances, has significantly increased investment income to the HRA. All HRA loans are at a fixed rate and so interest payments have been unchanged by the rise in rates.

This page is intentionally left blank

EARMARKED RESERVES DETAIL

	Balance 31 March 2022 £k	Transfers From 2022/23 £k	Transfers To 2022/23 £k	Balance 31 March 2023 £k
General Fund:				
<i>Project reserves:</i>				
Brexit reserve	53	(53)	0	0
Building control shared service	51	(65)	0	(14)
Brimmscombe Port Redevelopment	459	(538)	78	0
Business rates pilot	1,353	(274)	0	1,080
Capital	3,552	(529)	0	3,023
Climate change	475	(113)	289	651
Covid-19 recovery	312	(57)	0	255
Culture, arts and leisure reserve	69	(77)	553	545
General Fund carry forwards	716	(566)	1,096	1,246
Homelessness prevention	240	0	102	342
Projects	907	(387)	824	1,344
Repairs and replacement	570	(60)	99	609
Street cleaning funding	17	0	0	17
Transformation	100	0	180	280
Waste management	911	(180)	20	751
<i>Specific Risk Reserves:</i>				
Collection Fund Smoothing reserve	3,235	(2,868)	238	605
Investment risk	310	0	510	820
Legal counsel	50	0	0	50
Local Plan Reserve	31	(31)	0	0
Neighbourhood planning grant	12	(12)	0	0
Opportunity land purchase	250	0	0	250
Planning appeal costs	100	(100)	50	50
Redundancy	250	0	0	250
Welfare reform	30	0	0	30
<i>Medium Term Risk Reserves:</i>				
Business rates safety net	3,133	0	500	3,633
MTFP equalisation	6,847	(259)	0	6,588
Total earmarked reserves - General Fund	24,032	(6,167)	4,539	22,404
HRA:				
Independent Living Modernisation	2,987	(794)	1,000	3,193
Estate redevelopment	1,170	(1,170)	0	0
Provision for repayment of debt	1,885	0	1,012	2,897
Transformation	377	0	39	416
Retrofit	168	0	0	168
HRA general contingency	100	0	0	100
HRA carry forwards	100	0	232	332
Survey Equipment	0	0	50	50
HRA Staffing	0	0	240	240
Professional Training	0	0	40	40
Total earmarked reserves - HRA	6,787	(1,964)	2,613	7,436
Total earmarked reserves	30,819	(6,961)	7,152	29,840

This page is intentionally left blank

General Fund and Housing Revenue Account Capital Programme 2022/23

1. General Fund Capital Programme

Capital Schemes	Para Refs	2022/23 Revised Budget £k	2022/23 Amount £k	2022/23 Outturn Variance £k	Slippage £k
Community Buildings Investment	1.1	17	17	0	0
Decarbonisation SPLC/MIP/The Pulse	1.2	0	44	44	(44)
Stratford Park Lido	1.3	220	19	(201)	201
Stratford Park Tennis Courts	1.4	0	128	128	(128)
Community Services Capital Schemes TOTAL		237	208	(29)	29
Canal	1.5	2,550	1,924	(626)	626
Community Infrastructure Levy Grants	1.6	0	423	423	0
Multi-Service Contract Vehicles	1.7	1,188	840	(348)	348
Rural SuDS Project	1.8	70	28	(42)	42
Stroud District Walking & Cycling Plan	1.9	130	64	(66)	66
Wallbridge-Gateway	1.10	27	0	(27)	27
Environment Capital Schemes TOTAL		3,965	3,279	(685)	1,110
Better Care Fund Projects	1.11	0	36	36	
Disabled Facilities Grant Scheme	1.12	330	263	(67)	
Green Home LADS Park Homes		90	90	0	
Green Homes LADS 3	1.13	945	160	(785)	785
Health through Warmth Grants	1.14	200	86	(114)	
Home Upgrade Grant - Sustainable Warmth	1.15	4,133	390	(3,743)	2,216
Private Sector Housing Loans		15	19	4	
Temporary Accommodation	1.16	190	0	(190)	190
Warm Homes	1.17	40	167	127	
Warm Homes-Low Carbon Initiatives	1.18	1,000	40	(960)	960
Housing General Fund Capital Schemes TOTAL		6,943	1,251	(5,691)	4,151
Bath Place	1.19	1,535	1,374	(161)	161
Brimscombe Port Redevelopment	1.20	175	605	431	(431)
Water Source Heat Pump-Ebley Mill & Brimscombe Port		0	(4)	(4)	
Strategy and Resources Capital Schemes TOTAL		1,710	1,975	266	(270)
TOTAL GENERAL FUND CAPITAL SCHEMES		12,854	6,714	(6,140)	5,019
Acquisitions	2.18	2,000	0	(2,000)	470
Independent Living Modernisation	2.17	648	391	(257)	257
Major Works	2.1	11,093	7,759	(3,334)	3,752
New Build and Development	2.14	2,213	1,408	(805)	216
Other Capital Works	2.13	435	162	(273)	0
TOTAL HRA SCHEMES		16,389	9,720	(6,669)	4,695
TOTAL CAPITAL SCHEMES		29,243	16,434	(12,809)	9,715

Appendix H

1.1 Community Buildings Investment

The Council has released £17k over and above grant funding to assist with essential repairs to the cottage and drains this financial year. In April 2023 Strategy and Resources Committee considered an update on the longer term issues relating to the building including the lease to the Trust.

1.2 Decarbonisation – Sports Centres

The council have been successful in securing Salix funding to de-carbonise three sites (The Pulse, Stratford Park Leisure Centre and the Museum in the Park). The client has appointed a consultant team and have instructed the main contractor. Preliminary design works have been completed and planning applications have been submitted. Works are required, under the funding agreement, to be completed by 31st March 2024.

The total grant sum is £4,690,518 with the council contributing the requisite 12% sum of £609,549.

The budget for these works is in 2023/24, and so the spend in 2022/23 represents a timing difference, with this cost to come from within the future approved budget.

1.3 Stratford Park Lido

The current cost-of-living crisis along with the increase cost of borrowing and the reallocation of staff resource within community services on other projects over the past year, has had a significant impact on the project moving forward, therefore an underspend is forecast for this financial year. Future spend will be combined with the feasibility investment piece which includes both leisure centres and the Lido.

1.4 Stratford Park Tennis Courts

In June 2022, the Lawn Tennis Association restarted their Park Renovation Investment programme, following a successful bid for funding from the Department of Culture Media & Sport (DCMS) Stratford Park was considered one of its priority projects and awarded £128k in funding. Refurbishment of all 6 courts have been undertaken including resurfacing, fencing, new nets, improved security and an online central booking system. The courts are due to open on 12th June 2023.

The budget for these works is in 2023/24 and so although showing as an overspend in 2022/23, it is within the budget allocation approved.

1.5 Canal

Projects that were estimated to fall in this financial year have slipped into subsequent years, the whole project is now expected to be completed by 2026. Some major elements in the project completed during the year including the restoration of Pike Lock and Blunder Lock. Planning permission for the Missing Mile is still awaited therefore consent to start from the Lottery is impacted.

1.6 Community Infrastructure Levy

Community Infrastructure Levy (CIL) is collected from eligible developments, to be allocated on infrastructure projects by Environment Committee. Part of the CIL funding is transferred to the relevant town or parish council. This spend has not been budgeted, but is fully funded from the CIL receipts and so does not impact on the financial position of the council.

1.7 Multi-Service Contract – Vehicles

The capital programme for Ubico fleet replacement is showing an underspend of (£348k). This is predominantly in light of supply chain issues, impacting delivery times and increased prices. The overall spend is being procured in conjunction with Ubico and any underspend will be re-profiled into 2023/24.

1.8 Rural SuDS Project

The project concentrated on construction on interventions at a number of sites in the Slad and Painswick Valleys. A series of low earth bunds were installed into the upper Dillay valley in an area of significant surface flows. These works included breaking up field drains to create a number of ponds and new habitat features and the installation of new attenuation areas in steep gulleys. Work in the Painswick valley included the restoration and de-culverting of a stream lost approx. 50 years ago and the creation of a 340m cross contour earth bund to attenuate surface flows. This will be planted with a new hedge. Additional works are planned on both sites later in 2023. Finally, new structures were installed at Cranham Scout Centre utilising dying and dangerous Ash trees. Monitoring equipment has been installed at one significant site in the Nailsworth Valley, to collect pre-installation data to add to our evidence base. £30k additional spend was funded by GCC.

1.9 Stroud District Cycling and Walking Plan

Essential maintenance work on Newman Henders Bridge on the Dudbridge Nailsworth cycle trail has been completed following contributions from CIL and the capital budget. A new round of CIL bids for cycling and walking projects is being considered, with a view to contribute match funding from the cycling and walking budget. A CIL bid for feasibility work on redesigning Dudbridge Steps has been fully funded from the cycling and walking budget.

A successful event for Towns and Parishes has been held with a view to encourage local cycling and walking projects throughout the district.

1.10 Wallbridge Gateway

The £26.5k spend is for design/consultancy with DHUD. Then the remaining balance of the planned spend is match funding and has been re-profiled to 2023-24.

1.11 Better Care Fund Projects

This is funding made available from the Better Care Fund (administered by Gloucestershire County Council).

1.12 Disabled Facilities Grant Scheme

The Disabled Facilities Grant scheme underspend is due to a backlog of referrals for occupational therapists for adaptations from the County Council. Recommendations are acted on as soon as received from the County Council, however delays occur in filtering such cases as a consequence of varying complications including difficult medical needs of recipients and problematic houses.

1.13 Green homes LADS 3

This is funding provided by the department for business, energy and industrial strategy (BEIS) following a successful bid to the Green Homes Local Authority Delivery Scheme (LADS) 3 scheme. SDC are the lead partner in this Countywide bid to provide insulation to park homes. Green Homes (LADS) 3 energy efficiency and heating improvements to homes on the gas network has an underspend of (£785k), which will be carried

Appendix H

forward to 23/24. Unspent funding will be returned to BEIS, however with the project extension to June 2023 it is now estimated that the funding will be fully committed.

1.14 Health through Warmth Grants

This scheme is funded by the Clinical Commissioning Group (CCG) and like Warm Homes covers the whole county. The funding for the Health through Warmth is predominantly used for insulation and heating systems to increase thermal efficiency in homes of people with cold or damp related health issues. Where possible this used in conjunction with the Warm Homes funding. The (£114k) relates to underspend on insulation grants due to the delay in the government implementation of EC04. The Energy Company Obligation (ECO4) is a government energy-efficiency scheme, designed to tackle fuel poverty and help reduce carbon emissions. Spend utilises the Government monies in the first instance with grants topping up the EC04.

1.15 Home upgrade grant

Home Upgrade Grant energy efficiency and heating improvements to homes not on the gas network is showing an underspend of (£3,743k), with the underspend carried forward to 23/24. Any subsequent unspent funding will be returned to BEIS. The project has now been extended to June 2023 and It is estimated that the underspend will be in the region of 30% (£1,265k).

1.16 Temporary Accommodation

This is a one-off grant to provide temporary accommodation for homeless people in Stroud through a registered provider. There is a delay in awarding funding due to Legal proceedings finalising the grant agreement, however this has not held up the opening of the temporary accommodation and it is already operational.

1.17 Warm Homes Fund

This was a partnership project to provide first time central Heating which was awarded funding from the National Grid Warm Homes Fund. SDC are the lead partner in the project which included all Gloucestershire districts, South Gloucestershire and the Gloucestershire CCG. The total fund awarded of £4.8 million was to be spent over 3 years across the partnership. The project is being delivered by Severn Wye Energy Agency and the overspend relates to the project being extended. The funding is released quarterly in arrears on submission of details of installations made during a quarter. The Warm homes fund project was completed in October 2022.

1.18 Warm Homes – Low Carbon Initiatives

The Warm Homes – Low Carbon Initiatives is a further project from The National Grid Warm Homes Fund for renewable technologies first time heating systems. The (£960k) underspend is due to the delay in the government implementation of the Energy Company Obligation (EC04). ECO4 is a government energy-efficiency scheme, designed to tackle fuel poverty and help reduce carbon emissions. Spend utilises the Government monies in the first instance with grants topping up the EC04. This is a two-year project with completion expected in March 2025.

1.19 Bath Place

Council approved a budget of £1.535m for the purchase of Bath Place, Cheapside and associated purchase costs and redesign fees including architect's fees and planning fees and the purchase was completed on the 13 December 2022. The purchase price was £1.285m and associated purchase cost were £66k leaving a balance of (£165k) for the design and planning fees. Due to the decision to look at the Bath Place and Cheapside and station car parks as one project, the majority of the remaining fees have not be spent in 2022/23, as the initial scoping work needs to be completed first including a transport assessment and parking study and master planning.

1.20 Brimscombe Port Redevelopment

The majority of the variance is due to the demolition costs being more than anticipated. Legal fees are higher than projected due to the complexities of the project becoming more apparent as it has progressed.

These costs are covered from the overall project budget and do not impact on the contribution from SDC.

2. Housing Revenue Account Capital Programme

Capital Summary	Para Refs	2022/23 Revised Budget £k	2022/23 Amount £k	2022/23 Outturn Variance £k	Slippage £k
Central Heating	2.2	648	156	(492)	200
Disabled Adaptations	2.3	155	88	(67)	
Kitchens and Bathrooms	2.4	1,696	754	(942)	663
Major Works		515	505	(10)	
Compliance	2.5	344	103	(241)	
Doors and Windows	2.6	644	917	273	
Electrical Works	2.7	471	106	(365)	
Environmental Works	2.8	515	309	(206)	
Door Entry	2.9	217	146	(71)	
External Works	2.10	2,515	4,191	1,676	
Fire Risk Works	2.11	490	0	(490)	490
Decarbonisation Project	2.12	2,883	484	(2,399)	2,339
Total Major Works	2.1	11,093	7,759	(3,334)	3,752
IT Systems		435	162	(273)	
Total Other Capital Works	2.13	435	162	(273)	
New Homes Contingency		50	0	(50)	
Canal side: Corner of A419/Downton Rd (Former Ship Inn site)		0	0	1	
Glebelands	2.15	358	232	(126)	126
Cambridge House	2.15	198	177	(21)	21
Broadfield Road, Eastington		95	88	(7)	
Orchard Road, Ebley		0	3	3	
Queens Drive, Cashes Green		26	19	(7)	7
Ringfield Close, Nailsworth	2.16	1,342	805	(537)	
Gloucester St and Bradley St, WuE	2.15	94	65	(29)	29
May Lane, Dursley		50	17	(33)	33
Total New Build and Development	2.14	2,213	1,408	(805)	216
Independent Living Modernisation	2.17	648	391	(257)	257
Total Independent Living Modernisation		648	391	(257)	257
Acquisitions	2.18	2,000	0	(2,000)	470
Total Acquisitions		2,000	0	(2,000)	470
Total Capital Expenditure		16,389	9,720	(6,669)	4,695

1.1 **Major Works – (£3,334k) underspend/slippage**

Major works totalling £7,759k have been delivered during 2022/23.

1.2 **Central Heating – (£492k) underspend/slippage**

Heating Installs and replacements have continued with a service-based approach which reduced the overall spend. This year has seen fewer critical failures than previous years, which is due to higher value repairs being carried out and the maintenance programme being delivered in-house for gas boilers, with external specialists maintaining renewable technologies. Reduced delivery during the year was due to a lack of resource both internally and externally to deliver a heating programme of any fuel. The current heating programme has been reprofiled over the next 5 years to stop the programmes being unachievable in 2023/24.

£200k slippage is requested to review the market once more. This is to ascertain if there is an option available refurbish a plant room, which is operating beyond its life cycle and economic repair, in a more carbon neutral manner. The work required is also best provided during warmer months where it has less impact on residents. The procurement timetable is set with the view to have a contractor onboard and commence delivery of the project in August 2023.

1.3 **Disabled Adaptations – (£67k) underspend**

The underspend of (£67k) is due to delays in the delivery on aids and adaptations. This is as a result of less referrals in the year compared to previous years, which has impacted delivery for 2022/23.

1.4 **Kitchens and Bathrooms – (£942k) slippage**

Kitchens report an underspend of (£388k) which is due to high volume of tenant refusals since the COVID 19 pandemic and continuing into the programme this year, resulting in no access to properties. £150k slippage is being requested to carry forward to 2023/24.

Bathrooms report a (£553k) underspend which is as a result of reviewing the bathroom specification & cost analysis exercise as well as the programmability delivery of the bathrooms in year, with the bulk, £513k of this being carried forward to 2023/24.

1.5 **Compliance – (£241k) underspend**

Asbestos removal is responsive, and the asbestos removals programme is managed in line with the cyclical programmes. The underspend of (241k) is as a result of the slow start to the external works programme and delays to planned work due to the re-tendering process. Removal works has continued to take place when required across all work streams.

1.6 **Doors and Windows – £273k overspend**

Windows report an underspend of (£53k) against budget. This is due to some of the window programme being reprofiled to 2023/24. As a consequence of this the doors budget is recording an overspend, to ensure the council is delivering a whole house approach. The reprofiled window programme will be delivered in the first phase of the 2023/24 programme.

Appendix H

The £325k overspend in the doors programme is due to a large quantity of referrals from repairs, coupled with recent increase in material costs.

1.7 Electrical Works – (£365k) underspend

The contractor had capacity deliver 170 replacement consumer units before the end of the financial year, however due to contractor resourcing issues the target was not met. In addition, rewires were very slow to start as Electrical Installation Condition Reports (EICRs) were prioritised and the focus was on responding to any unsafe installations first.

Validation of emergency lighting replacements and fire alarm replacements to give an accurate cost and specification before going out to tender, as well as fewer rewires and copper changes, also reflects in the project been underspent. The programme should gather pace following completion of site surveys and distribution network operators (DNO) isolators being installed during 2023.24.

1.8 Environmental Works – (£206k) underspend

The environment improvement works underspend is due to the contractor prioritising the Wave 1 retrofit work. The scope of these works exceeded initial expectations following the retrofit assessments, resulting in the additional work, which had an impact on the remainder of the programme. This work has been reprofiled and is being carried out as a priority on the 2023/24 programme.

1.9 Door Entry – (£71k) underspend

There was a delayed start to the door entry work due to the programme aligning with other areas of work in including cyclical and external works. The remainder of the programme will be carried out in 2023/24.

1.10 External Works – £1,676k overspend

External works reports a £1,676k overspend due to an increase from original budget coupled with a 10-15% rise in the costs of materials. The overspend also includes additional work on properties that have slipped since last year as well as work brought in line to reduce future costs and property referrals from other areas of the business.

2.11 Fire Risk Works (£490k) underspend

The fire risk assessments (FRA's) have been completed in year, however the variance results from an over estimation of the remedial works original spend for 2021/22. The results of fire compartmentalisation studies as a consequence of the FRA's are still to be determined. The (£490k) underspend relates to the remedials arising from the compartmentalisation surveys which have not finished prior to the end of the financial year.

Slippage of £490k is requested in order to put together a programme of works based on the survey results and specifications received.

1.11 Decarbonisation Project (£2,399k) underspend

The total grant provided by Department for Business, Energy and Industrial Strategy (BEIS) is £1.828m, which SDC are match funding this amount by £0.914m, making the total budget for this project £2.742m

Due to delivery delay by the contractor completing the surveys and challenges around designs, the full budget has not been spent by the end of the year. An extension on the delivery of the project has been granted and the remaining budget will need to be carried forward to 2023/24. SDC have also recently been granted an extension on the grant funding spend deadline, which means £1.828m of grant funding has to be spent before 30 June 2023.

Slippage has been requested for £2.399m to be carried over in 2023/24 to enable delivery of the programme.

1.12 Other Capital Works – (£273k) underspend

The underspend relates to the Housing Management system that was proposed in 2021/22 and is currently undergoing testing. £435k has been allocated for the implementation of a new Housing IT system.

1.13 New Build and Development – (£805k) underspend

The following properties were completed during the year delivering a total of 29 affordable properties (24 affordable rent, 3 shared ownership and 2 Older person's shared ownership).

Broadfield Road, Eastington completed in April 2022 delivering 9 new homes for affordable rent. Ringfield Close, Nailsworth completed in June 2022 delivering 15 new homes for affordable rent and 5 shared ownership.

1.14 Glebelands – (£126k) underspend / Cambridge House – (£21k) underspend / Gloucester Street / Bradley Street – (£29k) underspend

As set out in the 'New Homes & Regeneration Programme Update' report presented to Housing Committee in December 2022, additional costing exercises were undertaken to understand and monitor the rising cost of materials and labour and the impact this was having on construction costs. This resulted in the schemes in the existing programme being re-costed with a requirement to secure additional funding to deliver them. This funding has been secured and approved by full Council, however as a result of the additional costing exercises to mitigate and manage risk, there has been some slippage in the programme, when compared to the original starting budget position. Demolition of these three sites is well underway with Gloucester Street/Bradley Street complete and Cambridge House and Glebelands on track to complete by July.

1.15 Ringfield Close, Nailsworth – (£540k)

Ringfield Close, Nailsworth completed in June 2022.

Additional budget had been included for 2022/23 based on the estimated final account, however the estimated final account was lower than previously anticipated

Appendix H

(primarily due to reduced costs associated with statutory consents & prelims) and this spend was not required.

1.16 Independent Living Modernisation (£257k) underspend

Three new schemes were scheduled for 2022/23. Two of these, Grange View and Burdett House were completed in October 2022 and March 2023 respectively. The third scheme, Hamfallow Court was the delayed by the first two schemes as well as by further contractor evaluation, with the start date slipping to 2023/24. Work at Hamfallow Court started in May 2023 and is due to complete in August 2023.

1.17 Acquisitions – (£2,000k) underspend

No properties were purchased in the year and work will continue to find properties and/or land to increase housing offered by the council.

The previously reported purchase of three properties build under section 106 obligations in Wotton-under-Edge is nearing completion. It is likely that this will be early in the next financial year and the relevant funding would be requested to be carried forward at year end in order to support this.

This budget is opportunity led and may not be used in full in each financial year.

Capital Programme Financing 2022/23

	General Fund £k	HRA £k	Total £k
Capital Receipts	20	808	828
External Funding:			
Government grants	640	197	837
Gloucestershire County Council	385		385
National Lottery Heritage Fund	1,075		1,075
Community Infrastructure Levy	443		
Other external funding	873		873
Revenue Funding	25		25
Borrowing	2,538	600	3,138
Capital reserve	715		715
Major Repairs Reserves		7,724	7,724
Other reserves		391	391
Total	6,714	9,720	16,434

This page is intentionally left blank

CAPITAL PROGRAMME 2023/24

General Fund Capital Scheme	2023/24 Base Budget £k	Slippage £k	2023/24 Revised Budget £k
Community Services & Licencing			
Community Buildings Investment	100	0	100
Stratford Park Tennis Courts	128	(128)	0
Stratford Park Lido	0	201	201
Decarbonisation SPLC/MIP/The Pulse	5,400	(44)	5,356
Total Community Services & Licencing	5,628	29	5,657
Environment			
Canal	4,030	626	4,656
Community Infrastructure Levy Grants	195	0	195
Multi-Service Contract Vehicles	3,620	349	3,969
Stroud District Walking & Cycling Plan	515	66	581
Stroud Valleys NFM Project	30	42	72
Wallbridge-Gateway	38	27	65
Total Environment	8,428	1,110	9,538
Housing General Fund			
Disabled Facilities Grant Scheme	330	0	330
Green Homes LADS 3	0	785	785
Home Upgrade Grant - Sustainable Warmth	0	2,216	2,216
Private Sector Housing Loans	15	0	15
Temporary Accommodation	0	190	190
Warm Homes-Low Carbon Initiatives	0	960	960
Total Housing General Fund	345	4,151	4,496
Strategy and Resources			
Bath Place	0	161	161
Brimscombe Port Redevelopment	4,173	(431)	3,742
ICT Investment Plan	290	0	290
Total Strategy and Resources	4,463	(270)	4,193
Total General Fund	18,864	5,020	23,884

Housing Revenue Account Capital Scheme	2023/24 Base Budget £k	Slippage £k	2023/24 Revised Budget £k
Housing Revenue Account			
Central Heating	2,136	200	2,336
Disabled Adaptations	155		155
Kitchens and Bathrooms	487	663	1,150
Major Works	879		879
Compliance	196		196
Doors and Windows	1,169		1,169
Electrical Works	668		668
Environmental Works	1,830		1,830
Door Entry	44		44
External Works	3,651		3,651
Fire Risk Assessment Works	122	490	612
Decarbonisation Projects	0	2,399	2,399
Major Works	11,337	3,752	15,089
New Homes Contingency	50	0	50
Glebelands	3,580	126	3,706
Cambridge House	3,201	21	3,222
May Lane, Dursley	0	33	33
Queens Drive, Cashes Green	14	7	21
Gloucester St and Bradley St, WuE	1,875	29	1,904
New Build and Development	8,720	216	8,936
Independent Living Modernisation	652	257	909
Independent Living Modernisation	652	257	909
Acquisitions	4,000	470	4,470
Opportunity Land Aquisition Pot	3,000	0	3,000
Total Acquisitions	7,000	470	7,470
Total HRA	27,709	4,695	32,404
Total Capital Programme	46,573	9,715	56,288

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

TUESDAY, 11 JULY 2023

Report Title	Household Support Funding Delivery Plan (April 2023-March 2024)
Purpose of Report	This report sets out the proposed Household Support Fund (HSF) delivery plan for 2023/24 and delegate authority for the delivery of the plan to the Strategic Director for Communities.
Decision(s)	The Committee RESOLVES to: a) Approve the Household Support Funding Delivery Plan for 2023/24; and b) Delegates authority for delivery of the plan to the Strategic Director for Communities.
Consultation and Feedback	<p>Districts: HSF leads from the six Gloucestershire districts have been sharing good practice on delivery since the first HSF allocation. After reviewing different approaches, the consensus from the districts is that working through appropriate partners is the most effective way to deliver this funding.</p> <p>Residents: Those who receive support via partners value the range of support and other advice they can access via our partners, as well as supermarket vouchers. They also value being able to access support in their local area where possible.</p> <p>Partners: SDC partners appreciate the concrete help they are able to provide with a voucher, as well as being linked into other expert advice available by working in partnership with SDC.</p> <p>Strategic Leadership Team: The delivery plan has been discussed at SLT.</p> <p>Members: The Chairs and Vice-Chairs of Housing Committee and Community Services & Licensing Committees have oversight of the HSF delivery through the monthly Cost of Living Working Group.</p>
Report Author	Emma Keating Clark, Community Health & Wellbeing Manager Email: emma.keatingclark@stroud.gov.uk
Options	There is minimal administrative allowance with this funding so in-house delivery is not an option and would not enable access to target communities. This delivery plan is based on testing and learning from the delivery of three previous HSF allocations.

Background Papers	None			
Appendices	Appendix A – SDC Household Support Fund Delivery Plan 2023/34 Appendix B – Equality Impact Assessment HSF			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	No

1. INTRODUCTION / BACKGROUND

1.1 The Household Support Fund (HSF), first introduced in 2021/22, is funding that is made available via Department of Work and Pensions (DWP) to County Councils and Unitary Authorities in England to support those most in need to help with global inflationary challenges and the significantly rising cost of living.

In total Gloucestershire County Council has been allocated a sum of £7,384,966 for the period 1st April 2023 to 31st March 2024. The allocation of this funding has been agreed by the County Council’s cabinet which includes a sum of £1.6m allocated to the six district councils to enable them to provide their own localised schemes to support vulnerable people.

A sum of £300,000 has been allocated to Stroud District Council to cover the period 1 April 2023 to 31 March 2024. This has been calculated on a per head population basis using 2021 mid-year population estimates. The council was notified of this allocation on 11 May 2023.

This report summarises the allocation, distribution and monitoring of the grant.

1.2 Household Support Fund Objectives

The objective of the household support fund is to provide crisis support to vulnerable households in most need of support to help with significantly rising living costs.

Each of the six districts has the flexibility to develop their own schemes that best meets the needs of their local communities whilst complying with the conditions set by the DWP for delivery of the grant to provide support with food, energy and water bills, household items and other essential items.

In the guidance for county councils and unitary authorities in England, DWP sets out their definitions of eligible spend. The Stroud District Council HSF Delivery Plan has been developed in accordance with the guidance below:

Energy and water: The Fund should primarily be used to support energy bills for any form of fuel that is used for the purpose of domestic heating, cooking, or lighting, including oil or portable gas cylinders. It can also be used to support water bills including for drinking, washing, cooking, as well as for sanitary purposes and sewerage.

Food: The Fund can be used to provide support with food, whether in-kind or through vouchers or cash.

Essentials linked to energy and water: The Fund can be used to provide support with essentials linked to energy and water (for example warm clothing, blankets, the purchase of equipment such as fridges, freezers, ovens, slow cookers), in recognition that a range of costs may arise which directly affect a household’s ability to afford or access energy, food and water. In particular, Authorities are encouraged to consider supporting households on low incomes to repair or replace white goods and appliances with more energy efficient ones, or to invest in simple energy efficiency measures which will pay back

quickly, such as insulating a hot water tank, fitting draft excluders to a front door, or replacing inefficient lightbulbs or white goods. The intention of this is to provide sustainable support which could result in both immediate and long-lasting savings for the household.

Wider essentials. The Fund can be used to support wider essential needs not linked to energy and water should Authorities consider this appropriate in their area. These may include, but are not limited to, support with other bills including broadband or phone bills, clothing, period and hygiene products, essential transport-related costs such as repairing a car, buying a bicycle, or paying for fuel.

Advice services. The Fund may be used to provide supplementary advice services to award recipients, including debt and benefit advice, where Authorities consider this appropriate.

Authorities are reminded that the primary intention of The Fund is to provide crisis support for households, and we would expect any advice services to complement this. We would not expect a large portion of funding to be spent on advice services. We would expect to see a connection between the funding provided for advice services and the practical support provided under HSF. We anticipate that a significant proportion of this will be through signposting to existing advice services funded through other routes, such as the Help to Claim scheme which supports those making a claim to Universal Credit.

2. MAIN POINTS

2.1 As in previous years, the government's focus on food, energy and household essentials means the council can draw on the support of a number of community-based organisations that are working closely with those made vulnerable due to the cost of living crisis. The delivery plan has been developed in line with good community wellbeing practice as follows:

- Provision should be inclusive – and open to as many people as possible.
- Provision should be community-based enabling people to build longer-term relationships with local providers which is more sustainable in the long-run than central delivery or using out of area providers.
- Provision should be partnership-based – building on the network of local community providers and strengthening our working relationships eg our Community Hubs network, our Know Your Patch Network statutory and voluntary members, our School partners and our Integrated Care System partners.
- Provision should be compassionate & strengths-based - working hand in hand with residents, understanding the effects of poverty and trauma and working with people to build on strengths.

2.2 The grant recipients have been chosen because it would have been impossible for SDC to directly deliver all of the support required for HSF. The fund does not provide enough administration costs to cover the staff needed to find and support all those affected by the Cost of Living Crisis across the whole district. Likewise, there is no single provider who covers all the urban and rural areas of Stroud District with the multiple skills and contacts needed to reach all target groups. A partnership delivery model has been the most effective way to district the funding to where it is needed. This approach has been adopted by most of the districts in Gloucestershire and good practice has been shared between the six districts through the Strengthening Local Communities Group.

2.3 The current HSF model is based on working through partners in the community. These partners are working with us because they either deliver specialist services like advice or household support or they work in a specific geography or with a specific group of people, like families. Our partners are all keen to keep working with us on HSF.

It is worth noting here that because the HSF allocation provides very little funding for administration of the scheme, some partners have chosen not to support HSF delivery because it will not cover their actual costs. The partners who have agreed to support the HSF delivery are either subsidising the delivery costs themselves or doing so on a voluntary basis. SDC will continue to promote the scheme to diverse partners in order to reach vulnerable groups.

Below is a list of partners who have been agreed to support in HSF delivery against each support priority. Further details can be found in the Full Delivery Plan attached in Appendix A.

Support for Food

The majority of this support is provided through discretionary supermarket vouchers plus a small amount of dry or fresh food from Food Pantries or cooked food at Hub cafes. SDC hold some vouchers for SDC services who work with residents on the front line. Most of the vouchers are distributed to the public via partners who either work in areas of high deprivation or isolation from services or partners who support target groups.

Recipient	Target Group
Citizens Advice	Anyone in financial crisis.
Foodbank	Anyone in financial crisis. Vouchers may be issued where referrals cannot use the usual food allocation, particularly useful for those with religious or dietary requirements.
Community Hubs – currently 10 across the district distributing vouchers.	Hubs are based in neighbourhoods to support those struggling to access services. They run weekly cafes, Foodbank or Food Pantry sessions and host advice sessions alongside these. During these session, discretionary vouchers will be issued.
Primary, Secondary and College settings	Families and Young People. Some educational settings have taken up the offer of vouchers. They are typically held with the pastoral staff and used at their discretion if a family or young person is struggling.
Adult Social Care	ASC hold a small number of vouchers to be issued by their District Nurses when visiting vulnerable patients who have no food.
Parish Town Councils	Some local councils have set up food pantries on their own premises and issue vouchers to residents.

Support for Energy and Water

Recipient	Target Group
------------------	---------------------

Fuel Bank Foundation	The Fuel Bank is a sister charity to the Foodbank so anyone referred to Stroud District Foodbank can access Fuel Bank support. They provide fast, on the day fuel payments. NOTE: This is a district allocation to a fast, local organisation in addition to the county allocation of £300k to Severn Wye Energy Agency. SWEA has a slower process and ran out of funding for a short time last year.
Citizens Advice	Anyone in financial crisis.

Support for Wider Essentials

Recipient	Target Group
Citizens Advice	Discretionary budget for wider essentials. The CA advisors are trained to deal with complex issues and sometimes a small discretionary grant is the best way to solve a crisis whilst providing ongoing support.
Furniture Bank	Household essentials. Support for households referred in need of furniture or white goods. Furniture Bank take referrals from all over the District and are a delivery partner for SDC Housing team.
Home Start	Wider essentials for vulnerable families from pregnancy to age 5. Home Start provide groups in Hubs and long term, one to one support for young families. They are regular users of Food Hubs so a discretionary HSF allocation for their groups and mentors will reach vulnerable families not yet in the school system.
Community Hubs network	Wider essentials for vulnerable residents. In addition to running outreach Foodbanks and Pantries, the Hubs provide access to advice workers and social support.

Support for Money Advice

In addition to established Food, Fuel and Wider Essentials delivery partners, this year for the first time, HSF is allowed to support additional money advice support. SDC has good partners already delivering this in some parts of the district. This HSF allocation will enable them to extend their delivery where demand is high and to work in a more coherent, joined up way with other providers.

Recipient	Target Group
Outreach Support to access money advice	To be allocated between P3, Clean Slate and GL11 Community Hub in partnership with GL1 Communities. These partners have established relationships across the district and will deliver support in outreach venues like Community Hubs for people needing access to money advice. Support staff will help people to work through paperwork and get themselves organised to make more better use of advanced money advice services like Citizens Advice.

2.4 Performance Management and Monitoring

External Monitoring

The council submits a delivery plan to GCC to secure the funds. This includes an estimate of the numbers of people that will access support. Working with all of the delivery partners, the Council monitors the delivery of this fund and reports this back to GCC at the end of the scheme.

Internal Monitoring

The Chairs and Vice-Chairs of Housing Committee and Community Services & Licensing Committee attend the monthly Cost of Living Working Group that oversees the SDC Cost of Living response. This includes oversight of the HSF Delivery Plan.

In addition, a report on the HSF Delivery Plan will go to Community Services & Licensing Committee.

3. CONCLUSION

- 3.1** The HSF delivery plan outlined here has been developed over the two years that SDC has been allocated this funding. The delivery model builds on established relationships with partners or builds new partnerships to reach target groups. This partnership model enables SDC to reach target groups that would be hard for the Council to reach without significant staff resource.

A partnership delivery model has been adopted by most of the districts in the county as the most effective way to deliver HSF. Good practice in delivery, governance and monitoring has been shared via the Districts' Strengthening Local Communities group.

The model also ensures HSF is delivered in line with good community development principles to build longer term community resilience and wellbeing.

The Cost of Living Working Group will oversee management and monitoring of the HSF Delivery Plan and a report on the HSF will go to Communities Services & Licensing Committee.

4. IMPLICATIONS

4.1 Financial Implications

There are no direct financial implications as a result of this decision. All costs associated with the Household Support Fund will be covered by the grant income from Gloucestershire County Council. All additional resource, for example staff support, will be delivered within existing resources.

Spend will be monitored and residual balances will be carried forward or returned in accordance with the grant agreement.

Lucy Clothier, Accountancy Manager

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

4.2 Legal Implications

The Council should enter into grant agreements with the grant recipients which should be drawn up by One Legal.

All financial assistance given by the Council to non-individuals has to comply with the provisions of the Subsidy Control Act 2022 (the Act). This replaced state aid when the UK left the EU. In order for financial assistance to be a subsidy, it has to meet 4 criteria; one of which is that an economic advantage is conferred on one or more 'enterprises'.

This criteria will not be met where the benefit of the financial assistance is being passed on by the recipients to residents and the provider themselves are not gaining any benefit. Also, the providers referred to in this report would not be considered to be an 'enterprise' defined as "a person who is engaged in economic activity that entails offering goods or services on a market..."

One Legal

Email: legalservices@onelegal.org.uk

4.3 Equality Implications

The project is delivered via an established network of community-based providers who all place a high priority on promoting equality and tackling discrimination. Each of the providers will manage the scheme in line with their own equality and diversity policies. As a network of providers, they are very much focused on ensuring that those that are in the most need, are able to access the additional support funded by the household support fund. The proposed delivery framework aims to provide both a good geographical spread of support across the district via the network of community food pantries, plus ensuring that the organisations that are working most closely those that are vulnerable (Citizens Advice, Foodbanks, Community Hubs and specialist support providers) have the support to make a difference.

4.4 Environmental Implications

There are no significant implications within this category.

This page is intentionally left blank

Household Support Funding (HSF4) Delivery Plan

Gloucestershire County Council have allocated Stroud District £300,000 Household Support Funding from April 2023 to March 2024. The table below shows the SDC proposal for HSF4 delivery.

The current HSF model is based on working through partners in the community, either delivering specialist services like advice or household support or partners working in a specific geography or with a specific group of people, like families. Our partners are keen to keep working with us on HSF. In addition, this year for the first time, HSF is allowed to support additional money advice support. We have good partners already delivering this in some parts of the district. This HSF allocation would enable them to extend their delivery where demand is high.

Area of Household Support Funding	Planned activities	Budget Allocated
Support for Food	Supermarket vouchers available via partners across the district. Different partners have been invited to distribute vouchers to reach different groups, including Primary and Secondary Schools, Community Hubs and specialist support organisations.	£80,000
Support for Energy and Water.	Fuel Bank - Fast fuel payments available via Stroud District Foodbank through their partner provider Fuel Bank. NOTE: This is a district allocation to a fast, local organisation in addition to the county allocation of £300k to Severn Wye Energy Agency because SWEA has a slower process and they ran out of funding for a short time last year.	£20,000
Support for Wider Essentials (Please specify in planned activities).	Citizens Advice - Discretionary budget for wider essentials. The CA advisors are trained to deal with complex issues and sometimes a small discretionary grant is the best way to solve a crisis whilst providing ongoing support.	£20,000
	Furniture Bank - Household essentials. Support for households referred in need of furniture or white goods.	£20,000
	Home Start - Wider essentials for vulnerable families from pregnancy to age 5. Home Start provide groups in Hubs and long term, one to one support for young families. They are regular users of Food Hubs so a discretionary HSF allocation for their groups and mentors will reach vulnerable families.	£20,000
	Community Hubs network - Wider essentials for vulnerable residents. In addition to running outreach Foodbanks and Pantries, the Hubs provide access to advice workers and social support.	£60,000
Other spend (Please specify in planned activities).	Outreach Support to access money advice - To be allocated between P3, Clean Slate and GL11 Community Hub in partnership with GL1 Communities. These partners will deliver support in outreach venues like Community Hubs across the district for people needing access to money advice. Support staff will help people to work through paperwork and get themselves organised to make more better use of advanced money advice services like Citizens Advice.	£60,000
Scheme Administration.	SDC administration of HSF.	£20,000
Overall.		£300,000

This page is intentionally left blank

Equality Analysis Form

By completing this form you will provide evidence of how your service is helping to meet Stroud District Council's General Equality duty:

The Equality Act 2010 states that:

*A public authority must, in the exercise of its functions, have **due regard** to the need to:*

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act 2010;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The protected characteristics are listed in Question 9

Stroud District Equality data can be found at: <https://www.stroud.gov.uk/council-and-democracy/corporate-plans-and-policies/equality-diversity-and-inclusion/equality-impact-assessments>

Please see Appendix 1 for a good example of a completed EIA.

[Guidance available on the HUB](#)

1. Persons responsible for this assessment:

Name(s): Emma Keating Clark	Telephone:
	E-Mail: emma.keatingclark@stroud.gov.uk
Service: Community Services	Date of Assessment: 19th June 2023

2. Name of the policy, service, strategy, procedure or function:

Household Support Fund Delivery Plan

Is this new or an existing one? This is the fourth allocation of the Household Support Fund.

3. Briefly describe its aims and objectives

The objective of the household support fund is to provide crisis support to vulnerable households in most need of support to help with significantly rising living costs.

4. Are there external considerations? (Legislation / government directive, etc)

The Household Support Fund must be delivered in accordance with criteria set by the Department of Work and Pensions and Gloucestershire County Council.

5. Who is intended to benefit from it and in what way?

The Household Support Fund (HSF), first introduced in 2021/22, is funding that is made available via Department of Work and Pensions (DWP) to County Councils and Unitary Authorities in England to support those most in need to help with global inflationary challenges and the significantly rising cost of living.

In total Gloucestershire County Council has been allocated a sum of £7,384,966 for the period 1st April 2023 to 31st March 2024. The allocation of this funding has been agreed by the County's cabinet which includes a sum of £1.6m allocated to the six district councils to enable them to provide their own localised schemes to support vulnerable people

6. What outcomes are expected?

The HSF Delivery Plan is intended to provide support for:

- Food
- Energy and Water.
- Wider Essentials
- Outreach Money Advice

The Household Support Funding is delivered via an established network of community-based providers who all place a high priority on promoting equality and tackling discrimination. Each of the providers will manage the scheme in line with their own equality and diversity policies. As a network of providers, they are very much focused on ensuring that those that are in the most need are able to access the additional support funded by the household support fund. The proposed delivery framework aims to provide both a good geographical spread of support across the district via the network of community hubs and food pantries, plus ensuring they are working with organisations that can support the most vulnerable (Citizens Advice, Foodbanks, Community Hubs and specialist support providers).

7. What evidence has been used for this assessment?: (e.g. Research, previous consultations, Inform (MAIDEN); Google assessments carried out by other Authorities)

Stroud District Council's Health & Wellbeing Plan 2022-2025 - <https://www.stroud.gov.uk/media/1939527/health-wellbeing-plan-2022-2025-csl.pdf>

8. Has any consultation been carried out? See list of possible consultees

District Councils: HSF leads from the six Gloucestershire districts have been sharing good practice on delivery plans since the first HSF allocation. After reviewing different approaches, the consensus from the districts is that working through appropriate community partners is the most effective way to deliver this funding.

Residents: Those who receive support via partners value the range of support and other advice they can access via our partners, as well as supermarket vouchers. They also value being able to access support in their local area where possible.

Delivery Partners: SDC partners appreciate the concrete help they are able to provide with a voucher, as well as being linked into other expert advice available by working in partnership with SDC. Partners include: 10 Community Hubs, Citizens Advice, Foodbank, Furniture Bank, Home Start, Primary, Secondary and College Settings, Adult Social Care, P3, Clean Slate, GL Communities.

Strategic Leadership Team: The delivery plan has been discussed at SLT.

Members: The Chairs and Vice-Chairs of Housing Committee and Community Services & Licensing Committees have oversight of the HSF delivery through the monthly Cost of Living Working Group.

9. **Could a particular group be affected differently in either a negative or positive way?**
(Negative – it could disadvantage and therefore potentially not meet the General Equality duty;
Positive – it could benefit and help meet the General Equality duty;
Neutral – neither positive nor negative impact / Not sure)

Protected Group	Type of impact, reason and any evidence (from Q7 & 8)
Age	<p>Positive Impact The district has a population of circa 121,103 people of which children make up 25,843.</p> <p>We anticipate that the delivery plan will have a positive impact on children, young people and older adults by working with delivery partners who have particular connections with these target groups.</p>
Disability	<p>Somewhat Positive Impact The district has a population of circa 121,100 people (based on 2021 census) which are broken down as follows:-</p> <p>Disabled and limited a lot – 5.8% Disabled and limited a little – 10.3% Not disabled – 83.9%</p> <p>We do not yet have a delivery partner who has a specialist connection with people with disabilities, other than through our educational partners, Community Hubs and Citizens Advice who support a high number of disabled residents with PIP applications and appeals. Throughout this year, we will try to engage more partners who work with disabled people but the lack of admin funding attached to the HSF may prohibit them from working with us.</p>
Gender Re-assignment	<p>Neutral Impact We have no way of knowing how many people with gender re-assignment will be supported this year.</p>
Pregnancy & Maternity	<p>Positive Impact We anticipate that the delivery plan will have a positive impact on pregnancy and maternity through our partner Home Start who support women from pregnancy until their</p>

Appendix B	children are 5. We know that Home Starts groups for young families are major users of the Food Pantries in the venue where they are held. Additional resource for Home Start for their groups and 1:1 mentors will enable more help to reach these families.
Race	<p>Neutral Impact The district has a population of circa 121,100 people (based on 2021 census) which are broken down as follows:-</p> <p>Asian, Asian British or Asian Welsh - 1.0% Black, Black British, Black Welsh, Caribbean or African - 0.4% Mixed or Multiple ethnic groups - 1.8% White - 96.4% Other ethnic groups -0.4%</p> <p>There may be a positive impact on members of these groups who are working with our partners but we have no delivery partner in the district working exclusively with these groups.</p>
Religion – Belief	No Impact
Sex	<p>Neutral Impact The district has a population of circa 121,100 people (based on 2021 census) which are broken down as follows:-</p> <p>Male - 59,200 - 48.9% Female - 61,900 - 51.1%</p> <p>All delivery partners work with male and female residents so we anticipate a neutral impact.</p>
Sexual Orientation	<p>Neutral Impact We have no delivery partner in the district working exclusively with residents based on sexual orientation so we expect a neutral impact.</p>
Marriage & Civil Partnerships (part (a) of duty only)	No Impact
Rural considerations: le Access to services; transport; education; employment; broadband;	<p>Positive Impact We anticipate a positive impact for rural resident by working with delivery partners like Community Hubs who are based neighbourhoods to support those struggling to access services due to location or lack of transport.</p>

10. If you have identified a negative impact in question 9, what actions have you undertaken or do you plan to undertake to lessen or negate this impact?

Please transfer any actions to your Service Action plan on Excelsis.


Action(s):	Lead officer	Resource	Timescale

			Appendix B
--	--	--	------------

Declaration

We are satisfied that an Impact Assessment has been carried out on this policy, service, strategy, procedure or function * (delete those which do not apply) and where a negative impact has been identified, actions have been developed to lessen or negate this impact.

We understand that the Equality Impact Assessment is required by the District Council and that we take responsibility for the completion and quality of this assessment.

Completed by: Emma Keating Clark	Date: 19/06/23
Role: Community Health & Wellbeing Manager	
Countersigned by Head of Service/Director: 	Date: 03/07/23

This page is intentionally left blank

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE
TUESDAY 11 JULY 2023

Report Title	Leisure Management Recommendation
Purpose of Report	The purpose of this report is to seek approval from the Council to bring Stratford Park Leisure Centre (SPLC) inhouse creating a Leisure Services Team with effect from 1st November 2024.
Decision(s)	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> 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.

Consultation and Feedback	In the development of the options appraisal, the research into setting up a Local Authority Trading Company (LATC) and associated with this the Leisure and Wellbeing strategy (2021) there has been comprehensive consultation and feedback from the Leisure Task and Finish (T&F), members of the community, user groups, the community and voluntary sector, public health professionals and partner organisations.			
Report Author	Angela Gillingham, Head of Community Services Email: angela.gillingham@stroud.gov.uk			
Options	The S&R Committee could determine not to accept the recommendation and to review alternative methods of delivery. See paragraph 1.4			
Background Papers	None			
Appendices	Appendix 1 – Management Options Appraisal Appendix 2 – Inhouse v LATC options appraisal Appendix 3 – Review of Inhouse options v’s LATC Appendix 4 – Vision and Values Appendix 5 – Risk Register Appendix 6 – Executive summary Leisure and wellbeing strategy Appendix 7 – Equality Analysis			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	No

1. BACKGROUND

- 1.1 Stroud District Council contracted the operation of its leisure facility at Stratford Park to Sports and Leisure Management (SLM) in 2011. The original contract was for a 10-year period to 31st October 2021. In January 2020 this was extended to 31st October 2024 to allow the council time to consider options for the future delivery of its leisure facilities.
- 1.2 In September 2021, the Community Services & Licensing Committee (CS&L) considered a report from the Project Manager for Leisure, Health and Wellbeing seeking the adoption of a Leisure and Wellbeing Strategy for the period 2012-2041. The outcome of that report was that CS&L delegated authority to the Strategic Director of Communities in consultation with the chair of CS&L to make recommendations back to the committee on the preferred option for managing the councils’ leisure and wellbeing facilities post October 2024.
- 1.3 To assist in reviewing the options the council commissioned Max Associates to develop a detailed options appraisal. A copy of their appraisals is attached at Appendix one and two. A cross-party Leisure Review Task and Finish Group (T&FG) was then established to consider all the available delivery options. A summary of the options considered are contained in paragraph 1.4 of this report.

1.4 Options

- 1.4.1 Re-procure an External Contractor

This model would provide a level of cost certainty due to the nature of having a fixed management fee profiled over an extended period. However, following Covid and the increase in utility costs the leisure market has become uncertain and therefore the management fee is likely to include a 'risk' element thereby increasing the costs when compared against the current contract.

There is the option of open book accounting whereby the cost of the management fee is related to the income of the contractor.

Whilst this option would have the benefit of removing the council from the day-to-day operational management of the facilities, the council would be unable to influence the strategic direction of business and therefore would be unable to align its own corporate objectives and priorities.

1.4.2 Create a locally established 'not for profit' organisation (NPDO)

Creating a Trust has significant advantages when it comes to applying for external funding because it can apply for funding which is not open to local authorities. As a trust model has a requirement that all profits be re-invested back into the services/facilities it ensures local investment. The Trust model also opens alternative options for the treatment of VAT and provides for a reduction in the amount of Non-Domestic Rates, therefore from a financial perspective it is an attractive option. However, due to changes in legislation this option requires the council to run a procurement process, which the Trust would be required to bid. This results in a risk to the council that the Trust may not be awarded the contract and it becomes surplus to requirements.

1.4.3 Create a 'joint venture' in conjunction with another Local Authority

The benefit of this model enables the authorities to realise economies of scale of officer time and other resources.

With neighbouring authorities implementing their own leisure/physical activity strategies, the Councils are likely to have different aims and objectives.

1.4.4 Create an Asset Transfer on a long-term lease.

This model creates a level of financial certainty for the council as it will absolve itself of any financial responsibility and will create savings against the current budget. However, it would result in the council also relinquishing control of the facilities and having no further say in their operation or management.

1.4.5 Create a Local Authority Trading Company (LATC)

Creation of an LATC enables the council, as sole shareholder to set the overall aims and objectives of the Company. With the council responsible for the strategic direction the board is responsible for the day-to-day operation. This model enables savings on Non-Domestic Rates and different options for the treatment of VAT. Whilst council control is retained the more "commercial" element of the LATC provides opportunities for development and growth. This does not mean that the

model is not without risk to the council, and this should be effectively considered in determining whether to pursue this option.

1.4.6 Bring Leisure Services back 'in-house'.

An in-house service provides the greatest opportunities for alignment with the councils' corporate objectives and ensures that all decisions are considered and taken in the context of delivering against the Council Plan and the impact on local communities. However, financially the model is challenging due to the additional staffing and pension costs (under local government terms and conditions) and the liability for Non-Domestic Rates.

- 1.5 Following completion of the initial review, the in-house model was identified as being the preferred option. However, this was subsequently discounted by the T&FG due to the financial implications that existed at that time. The T&FG therefore recommended that a LATC be created as the preferred option for the Council to manage its leisure facilities from November 2024. This recommendation was presented to CS&L Committee in December 2021 who resolved to agree the recommendation from the T&FG and delegate authority to the Strategic Director of Communities in consultation with the chair of CS&L to explore a local authority trading company option and report back to this committee with a full financial analysis.
- 1.6 This report along with the detailed business case was ready to be presented to CS&L Committee in March 2023. However, on the 3rd of March 2023 HMRC published a paper regarding the treatment of VAT in the local authority sector. The paper set out that inhouse leisure services provided to the public would no longer be classed as business activity and therefore would be removed from the scope of VAT. This not only means that the council would now be in a different position in terms of reclaiming VAT but also that the previous risk of breaching our partial exemption limit has now diminished.
- 1.7 The VAT rules in place prior to the ruling meant that approximately 17% of the income for key income streams such as memberships and public swimming would be passed to HMRC as VAT.
- 1.8 The change in the treatment of VAT has a major impact on the financial modelling included within the options appraisal, therefore consultants were asked to prepare a new business case applying the new VAT rules and comparing it against the previous business case for the LATC. This is set out in Appendix three. The new business case, as set out in Appendix three, confirms that the change has resulted in going from an LATC having a VAT financial advantage, to the council (inhouse model) having a VAT advantage (as the council would be able to reclaim all, or nearly all , VAT on expenditure, whereas the LATC would not), and keep VAT on key activities.
- 1.9 Acknowledging the revised business case and the fact that setting up an LATC no longer has the financial advantage a decision was made at the Senior Leadership Team (SLT) meeting on 25th April to present the revised business case to the T&FG with an extended invite to all CS&L committee members so that officers were able to explain the rationale behind changing the recommendation from setting up an LATC to bringing SPLC inhouse from the 1st of November 2024.

1.10 The T&FG met on the 3rd May to review the business case and agreed to the revised recommendation of bringing leisure services back inhouse.

2. Stroud District Council Leisure Services Vision

2.1 SDC already operate a successful Inhouse leisure facility “The Pulse, Dursley”. This is measured on Sport England Moving Communities Data Hub which tracks and compares leisure facilities across the country.

2.2 The LATC and inhouse option are very similar with both the risk and reward sitting with the council. There are three key differences of inhouse.

- Council pay full NNDR costs.
- The management and board structure
- The council has full control on how the service will operate.

2.3 Bringing SPLC inhouse affords us with an opportunity to create a service with a clear vision and strategic direction to maximise its potential to run effectively within the Leisure Centres and in the local community.

2.4 The vision and values created for the LATC is the same for inhouse. See appendix four.

2.5 A Leisure Services Manager will be recruited at least 12 months prior to contract end to establish the service along with an officer working group, and strategic project board.

2.6 The inhouse operation will form part of the Community Services Team.

2.7 To maximise efficiency and quality of leisure provision the service will be monitored against an operational specification, annual business and longer term development plans and be subject to industry quality assurance awards.

2.8 The service will create its own identity and culture through rebranding, service development and realigning with council objectives.

2.9 The service will work closely with the NHS and other charitable organisations to support the Gloucestershire Integrated Care System (ICS) strategic objectives such as the preventative health and wellbeing programmes. See appendix six leisure and wellbeing strategy executive summary.

2.10 The service will have the ability to work in all sectors of the community and will provide activities for the promotion of physical and mental health activities at no or low cost to the user, thus providing ‘high value’ Social Impact in its communities.

2.11 This Leisure Service will provide quarterly performance updates to CS&L and will be further monitored annually by audit and standards committee.

2.12 Further consideration will be given to how the service conducts itself through the appointment of the leisure services manager and the strategic project board.

3. Human Resources Implications

3.1 There is currently a total 69 contracted individuals employed by SLM who will be transferred into the council. These staff will be protected by the Transfer of Undertakings for the Protection of Employees (TUPE) Regulations 2006 and will transfer into the employment of Stroud District Council.

- 3.2 Leisure Centres also rely on many casual employees to deliver its service. There is currently a total of 30 casual individuals who will be protected under TUPE.
- 3.3 Casual employees can be seasonal and therefore the above figure is a guide and will be dependent on the time of transfer to the number employed.
- 3.4 Current staff employed at Stratford Park, under the employment of SLM, will undertake the TUPE process with support from SLM and the councils Human Resources (HR) service.
- 3.5 SLM will provide HR with a comprehensive list of staff and their official capacity.
- 3.6 Regular meetings and information notes will be delivered at regular intervals commencing in Spring 2024.
- 3.7 Staff transferring from SLM will be able to keep their current pension scheme or be offered the council's Local Government Pensions Scheme (LGPS)

4. Financial Implications

Set up costs

- 4.1 Bringing SPLC back inhouse will incur specific one-off expenditure, for example: procuring services such as Marketing and Branding, and leisure management system: redecoration of both facilities, equipment, IT infrastructure and additional HR support. A contingency has also been included to cover unknown costs. These costs are expected to be in the region of £367K, as detailed in the table below and appendix three page 12.

4.2

Set up Costs	2023/24
IT	£95,960
Marketing/Branding	£40,000
Re-decoration	£20,000
Staffing Support	£65,076
HR Support – TUPE	£17,279
Leisure Management Systems	£50,000
Equipment	£45,000
Total	£333,315
Contingency	£33,331
Total Cost	£366,646

- 4.3 The Council currently receives an annual, unbudgeted, gain from the Gloucestershire Business Rates pooling arrangements. In 2022/23 this is £438k and forms part of the Council outturn position. The Community Services and Licensing Committee has agreed to recommend that Strategy and Resources Committee consider the rates pool, alongside other funding sources, to ensure that the set up costs of the inhouse provision are fully covered with the Councils reserves.

Operating cost

- 4.4 The business case sets out the estimated subsidy for Leisure Services including SPLC, the Pulse and the Lido estimated between £431K and £524K for each of the first five years as shown in the table below. A summary for each facility is included at appendix three pages 8 to 10.

Total Income	Year 1	Year 2	Year 3	Year 4	Year 5
SPLC	2,062,847	2,101,099	2,108,233	2,108,270	2,108,287
LIDO	61,832	61,832	61,832	61,832	61,832
PULSE	1,588,199	1,609,698	1,609,721	1,609,732	1,609,737
Total	3,712,877	3,772,629	3,779,786	3,779,834	3,779,856
Total Expenditure					
SPLC	2,268,826	2,296,106	2,247,714	2,259,342	2,271,316
LIDO	161,474	162,300	163,144	164,004	164,881
PULSE	1,441,806	1,430,973	1,434,454	1,438,004	1,441,624
Central Support	368,873	368,873	368,873	368,873	368,873
TOTAL	4,237,662	4,254,996	4,210,928	4,226,965	4,243,437
Deficit/Subsidy	-524,785	-482,367	-431,143	-447,132	-463,581

- 4.5 The central support charges are the additional staff costs which make up the central support team for Leisure services. See appendix three page 11.
- 4.6 The central support charges were taken as a comparison from the LATC model. Further savings will be made in this area as we will not require the same level of support as this will be taken up by existing central support staff from the existing Community Services team.
- 4.7 The business case for SPLC was created using 2019/2020 pre-covid accounts and an assumption of the 2023/2024 income and expenditure based upon current performance. The business plan predicts an increase in income due to the following:
- Increase in casual fitness income due to increasing the number of fitness classes by 100%
 - Increase in swimming lessons and casual swimming.
 - Improving sports provision
 - Improving the performance of catering
- 4.8 The business case for the Pulse was created using 2019/2020 pre covid accounts and the forecasted income and expenditure 2023/2024:
- The business plan shows the revised VAT position.
 - An increase in membership sales
 - Without investment, there is little room to increase income further at the Pulse. The main increase in income is reflected by the increase in income at SPLC.
- 4.9 For comparison purposes the draft budgeted cost for running Stratford Park Leisure Centre and the Pulse in 2023/24, excluding internal support charges, is £367k.

5. Other Considerations

- 5.1 Within Appendix two (page 10) the lido business plan is shown separately. If the Lido is retained, Stroud District Council must recognise that it contributes to the operating costs in excess of **£110k** per annum to keep it open to the public. The Lido has been identified as a risk to SDC as requires significant investment to maintain and modernise the facility.
- 5.2 SPLC is an aging facility and will require significant investment which will form part of the capital investment plan.
- 5.3 A conditions survey is required to identify the condition of all three facilities specifically the plant, and building structures which will inform the capital investment plan and any required remedial works.

6. Performance management and governance

- 6.1 Expanding the leisure service is an additional risk for the council. To minimise this risk CS&L Committee will be the reporting committee for the service. It is also recommended that the terms of reference of the Audit and Standards Committee are amended to include provision for the committee to receive assurance that there are sound systems of internal control and risk management.
- 6.2 A leisure services officer and member working group will be set up to develop and monitor the performance of the service measuring its performance against a leisure specification to ensure financial and operational efficiency, and quality of service.
- 6.3 Further mitigation against the risks is expanded within section 7.

7. Risks

- 7.1 A detailed risk analysis has been completed and is attached in Appendix five. In summary some of the risks associated and measures to mitigate against are included below:
- 7.2 An optimism bias that does not reflect the true position of performance of the inhouse model or a lack of an appropriate business case. The Pulse is currently punching above its weight and is performing within the upper quartile when measured against the performance of other leisure providers in the UK, especially with reference to the operation of swimming lessons.
 - A detailed business case and quarterly reports with key performance indicators (KPI's) will form part of the monitoring process.
 - A Leisure Manager will be recruited to develop the centres and work closely with the Health and Wellbeing team to deliver the councils Leisure, Health, and Wellbeing Strategy.
 - A service specification will be developed to ensure the service meets financial and quality targets.
 - The facilities will undergo Leisure industry quality assessments.
 - The company will report back to CS&L and will be scrutinised by audit and standards committee.
- 7.3 A new operator opens a facility(s) within the Stroud District and therefore increases market competition.
 - The service will work with a professional marketing company to market themselves effectively.

- High quality customer experience training will be a standard part of the induction plan for all new colleagues to ensure we meet the needs of all customers.
- Programme development and customer consultation will be a standard imbedded within the culture of the business.

7.4 A downturn in demand for leisure and health facilities

- The Leisure Services Manager will work closely with other industry professional bodies to keep on trend with the latest industry developments.
- Health and wellbeing activities will be delivered both in and out of the centres working with health partners to deliver within the communities of the district, bringing a diverse and varied programme.

7.5 Income targets for sustainability cannot be met.

- The service will be monitored against a set of agreed performance criteria.
- A detailed business development plan is agreed, and performance is reported to CS&L committee through quarterly performance monitoring.
- The Leisure Manger will be part of networking groups to share good practice throughout the industry.

7.6 A major failure in the structure or plant of either of the facilities resulting in closures.

- The conditions survey will mitigate against this.
- An investment development plan for the centres to be approved within the next 3-5 year to reduce the likelihood of facility closure.

7.7 Inadequate financial governance and monitoring

- This will be detailed within the performance specification document.
- The service will follow council financial procedures.
- The service will report back monthly on financial targets.
- The service will report back to CS&L and Audit and Standards Committee.
- The service will feature in the audit plan.
- The service finance and usage will continue to be monitored through Data Hub on the moving community's platform.

7.8 Poor business development vision

- The Leisure Services Manager will have relevant industry experience.
- The specification will require a detailed annual and three year development plans
- Capital investment plan will be developed to modernise the centres.

7.9 Lack of scrutiny over investment and loan decisions

- All loans and investments to develop the centres must be approved through the committee process.

- All developments are professionally sourced with a detailed consultation programme.

7.10 Poor communication on TUPE transfer process and how the service will operate

- Communications plan in place for when the transfer decision is made up until the hand over date. To include but not limited to; staff meetings, newsletter, training and social events.
- HR involved 12 months prior to handover to work through the logistics of TUPE, and induction process.
- Leisure Services Manager recruited at least 12 months prior to contract handover.

7.11 Poor induction of the new team into council employment

- Roles and responsibilities of each team member will be clearly defined in their job descriptions.
- All new team members will go through a council induction plan and a leisure specific training plan based upon the specification.
- All existing leisure team at the Pulse will go through the leisure specific training plan based upon the specification.

7.12 A major Pandemic

- Whichever operating model is chosen the risk will always sit with the council.

8. The known unknowns

8.1 Bringing SPLC back inhouse gives us some certainty as we already operate a leisure facility using this model. There are however areas we cannot be certain of, and we call these the known unknowns. The business case presented in this report is representative of todays performance, prices, and costs. Further work is needed as we move towards the transfer date when some of the questions will be answered.

8.2 Below are some of the identified known unknowns which will have an impact on the new leisure service.

- The direction utility prices will take over the next 5 years.
- What the conditions survey will tell us about the facilities and how much investment is needed
- What work can we undertake to the leisure centre whilst the current contractor is on site?
- How much equipment do we need to invest in prior to transfer.
- The continued impact of the cost of living crisis and the impact it will have on the revenue of the facilities.
- The skills and knowledge of the team at SPLC
- The recruitment of qualified core staff to deliver the service.
- The quality of the Leisure Services Manager

- The finalisation of the set up costs.
- The rate of inflation and the impact in borrowing for capital investment
- The recruitment of an effective marketing and branding company
- The cost of a new Leisure Management System
- Do we need to recruit further support staff e.g., HR officer beyond the TUPE arrangements?

8.3 All leisure options come with a degree of uncertainty. When the consultants and T&FG conducted the options appraisal, the decision was made to provide the citizens of the district with a high-quality service at an affordable price in the facilities and in the towns and parishes where they live.

9. Conclusion

9.1 The Leisure Industry continues to change. The latest development with the treatment of VAT for inhouse leisure provision is a prime example. Councils across the country are looking seriously at how their facilities are operated. Stroud is not alone in this.

9.2 The inhouse option was rated as the preferred option during both options appraisals in order to meet the priorities for the district. As we already operate the Pulse, inhouse the changes in VAT for inhouse leisure provision has enabled us to seriously look at this option.

9.3 Despite the risks identified, and the list of known unknowns it should be recognised that bringing SPLC inhouse and running both facilities under a Leisure Service remains the best option and solution to provide high quality activities to the whole spectrum of ages, abilities, and genders within the Stroud District for its communities in a 'cost effective' manner.

10. Future Capital Investment

10.1 It has been identified that, due to the age of the current leisure assets, a significant amount of capital investment will be required in the future.

10.2 Max Associates developed high level investment appraisal, however at this stage further work is required.

10.3 It is recommended that the service is allowed to stabilise prior to any significant capital works.

11. IMPLICATIONS

11.1 Financial Implications

The set up costs of an inhouse model are shown at the table in paragraph 4.2. This sum has been fully provided for in the Council's 2022/23 year end accounts and Strategy and Resources Committee are recommended to approve the use of that sum for the set up costs.

The annual running costs of an in house model are shown on Page 7 of Appendix 3. These are estimated at between £431k and £525k over the next five years as the in house service gets up and running. These estimates include an annual provision of £73k for contingency costs. It is not standard Council practice to include contingency within budgeted sums but

it is included here as a result of the inherent uncertainty of the major service change. This money may not be required in the budget longer term.

That cost includes central support costs of £369k per annum as shown on Page 11 of Appendix 3. These costs are estimated at this stage and final structures will need to be included in the Medium-Term Financial Plan at a later date.

The amount included in the current Council budget for the operation of the Pulse and Stratford Park Leisure Centre is £367k pa. Upon the transition to an in house service it is currently estimated that an amount of between £64k and £160k per annum will need to be added to the Medium Term Financial Plan. As per previous paragraphs this includes £73k of contingency costs which may not be required.

There are no capital investment sums included in this decision. Any future investment in the centre would need to be the subject of a separate report to Council.

Andrew Cummings, Strategic Director of Resources

Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk

11.2 Legal Implications

Leisure services play a key role in the delivery of the public health agenda and contribute to broader statutory duties and national objectives to improve the local populations wellbeing.

Officers will work with One Legal to review the terms of the existing contract and lease arrangements with SLM and agree an exit plan to ensure that SDC are able to effectively manage the transfer of staff and property and ensure a smooth transition of the services.

One Legal

Email: legalservices@onelegal.org.uk

11.3 Equality Implications

An EIA has been carried out by Officers in relation to the decision made in this report and can be found at Appendix 7, no equality implications arise.

11.4 Environmental Implications

There are no significant implications within this category.



Stroud District Council

***Strategy for Leisure and Wellbeing in Stroud District
2021 - 2040***

Appendix 16 – Management Options Appraisal

August 2021



CONTENTS

1 Introduction..... 3

2 Scope of Services 3

3 Management Options..... 4

4 Evaluation Framework..... 23

5 Conclusions 57

Appendix 16a – Options for Transfer of SDC’s Leisure and Wellbeing Services to a New Corporate Vehicle 58

Appendix 16b – Revenue Implications 61

Appendix 13c – Detailed Evaluation Scores 63

Table 1 – Advantages and disadvantages of Alternative Delivery Models 11

Table 2 - Implementation Timescales..... 17

Table 3 – LATC/NPDO Mobilisation Costs 19

Table 4 – Staffing Resource for New organisation (assumed not to be aligned to council terms and pensions etc) 20

Table 5 – In-house Operation set up costs..... 20

Table 6 – New contract procurement costs 21

Table 7 – Preferred Options 22

Table 8 - Evaluation Framework 23

Table 9 - Evaluation Framework - SD, Health & Wellbeing Services 24

Table 10 - Evaluation Scores Summary 56

Figure 1 – Scope of Services 4

Figure 2 – Management Types for Consideration..... 5

Glossary	
ADM	Alternative Delivery Models
SPLC	Stratford Park Leisure Centre
SDC	Stroud District Council

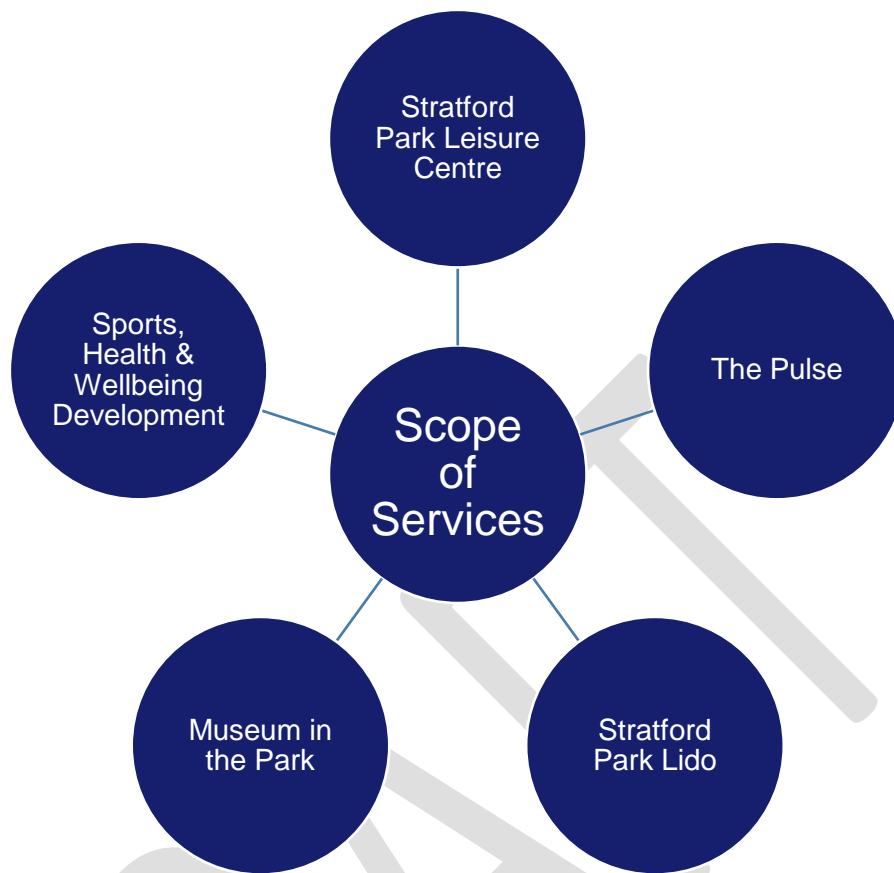
1 Introduction

- 1.1. This report considers the alternative management options to deliver the services and facilities within the Council's leisure centre portfolio.
- 1.2. The Council is undertaking a Strategy for Leisure and Wellbeing in the Stroud District for its leisure services and facilities.
- 1.3. Stage 1 and 2 (out of 4 stages), sets out the Council's wider strategic outcomes which physical activity can positively impact and the detailed analysis on which facilities and services are needed to deliver these outcomes.
- 1.4. This report considers the most suitable way of managing the services and facilities to support the effective delivery of outcomes and key performance indicators as well as considering financial and risk impacts of each model.
- 1.5. It is imperative that the model can not only deliver against the strategic outcomes for the leisure and wellbeing services but is a good fit with the Council's culture and political aspirations.

2 Scope of Services

- 2.1 The scope of services being considered within the appraisal is set out in the infographic overleaf. Currently Stratford Park Leisure Centre and the Lido are managed by Sports and Leisure Management (SLM, also referred to as Everyone Active) and The Pulse and Museum in the Park is managed in-house. Sports, health and wellbeing development is delivered directly by the Council.

Figure 1 – Scope of Services

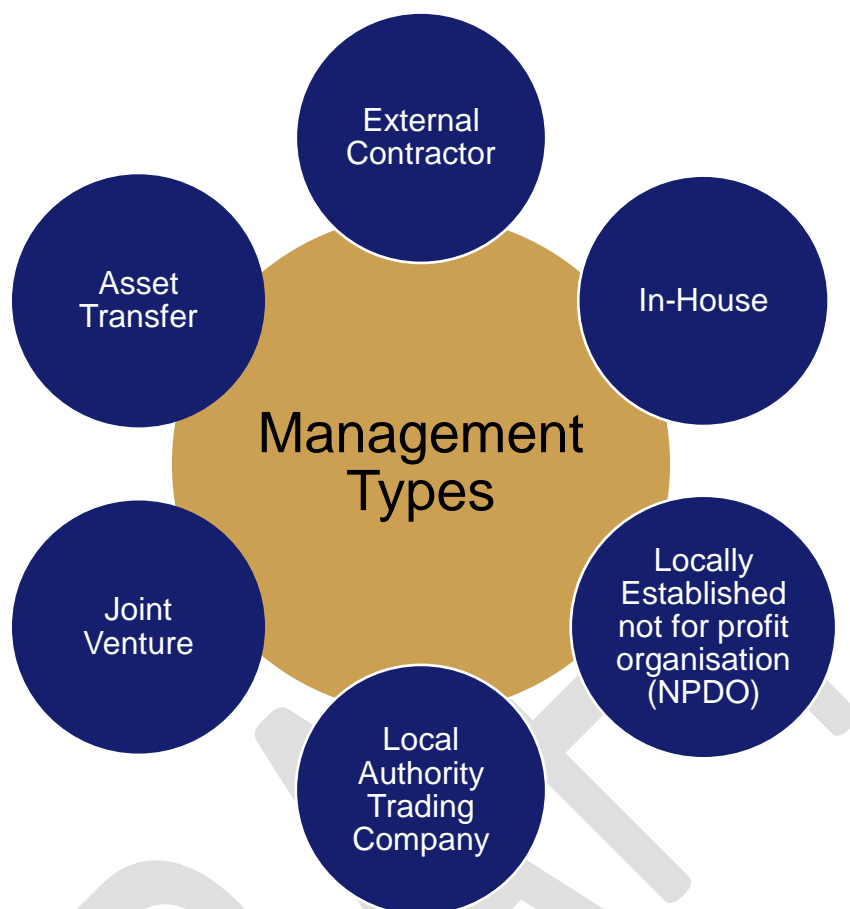


2.2 The council's contract with Sport and Leisure Management (SLM) was agreed on 1 November 2011 for the 10-year period to 31 October 2021 and included the option to extend it for a further period of 3 years to 31 October 2024, subject to further approval.

2.3 To allow time for proper consideration to be given to the future of leisure in the district, including management arrangements for its facilities, the 3-year extension option was enacted. SLM will continue running Stratford Park Leisure Centre for the specified additional period of 3 years up to 31 October 2024.

3 Management Options

3.1 Following consultation with the Council the five types of delivery model being explored for the service as set out overleaf. These different types of model may be suitable for all or some of the services.

Figure 2 – Management Types for Consideration

3.2 Delivery Model Characteristics

3.2.1 The characteristics for each model are set out below.

3.3 Re-procure a Contractor

3.3.1 The Council could re-procure services, under similar arrangements as the existing contract with SLM, for Stratford Park Leisure Centre only or for the whole scope as detailed in figure 1.

3.3.2 The council would retain strategic control of the service and outcomes via its service specification. The responsibilities of each of the parties are defined within a contract. Specifications are output based, with the contractor providing method statements which form part of the contract, detailing their approach to achieving the specification requirements.

3.3.3 The contractor takes a prescribed level of risk. The contractor is normally provided a degree of flexibility in programming, pricing and marketing and is committed to meeting Council objectives; for example, increasing participation and reducing subsidy.

3.3.4 Within the last few years, some contractors are becoming more risk adverse, or are costing in premiums where they must accept more risk than they are normally willing to take. Councils are increasingly having to accept a 'shared' risk position in, for example, utility tariffs, building structure (particularly in ageing facilities), buildings insurance,

pension contribution rates and change in law. (Please also see para 3.5 below in relation to recent impact of Covid 19 on the market).

- 3.3.5 Contractors are normally able to provide the Council with investment in facilities for either back log maintenance or facility developments which will increase usage and income.
- 3.3.6 Most external operators have governance structures that can lever in NNDR / VAT efficiencies, although the Council needs to be clear where the risk will lie if any NNDR / VAT savings are not realised or are lost during the contract period.
- 3.3.7 These organisations are commercially focused and able to optimise income generation from leisure facilities, gyms, swimming lessons and group exercise classes. This can enable cross-subsidy to resource community interventions where specified within the contract, or the savings used for direct delivery of these programmes by the Council.
- 3.3.8 Larger multi-site leisure operators tend to have significant buying power, economies of scale and standardised systems of work. This is often linked to a corporate feel / brand and look to customer facing areas in the facilities they manage.
- 3.3.9 Staff would transfer under TUPE regulations from SLM and the Council to any new external contractor. Senior management will normally be based at a head office and not locally. Their focus will be on the whole organisation rather than on local issues. Local issues will be the focus of contract / regional manager.

3.4 Impact of Covid

- 3.4.1 Consultation with the market has been on-going since the start of the Covid pandemic and subsequent lockdown. Consultation suggests that the market will be selective in any future bidding whilst the industry recovers. It will require short term open book (1-2 years) and income benchmarking part through the contract. If another lockdown occurs, the market expects open book deficit funding, however the Council may be able to secure this to exclude contract margin and operator profit.
- 3.4.2 It is likely that a market opportunity would be more attractive from autumn / winter 2021 onwards, once there is more data relating to user habits in the short term. Given the Stroud contract with SLM does not expire until 2024, it is expected that the sector will have made a good recovery from Covid by this point.
- 3.4.3 Through the procurement of the contract the Council will be able to transfer a degree of trading risk, however some will remain with the Council, such as qualifying change in law, particularly post Covid. Therefore whilst there will be benefits and economic efficiencies, the impact of Covid will lead to a greater sharing of risk between operators and local authorities.

3.5 In-House

- 3.5.1 The services will be delivered through direct management of facilities through frontline staff.
- 3.5.2 The Council will have full responsibility for all income risk and expenditure be responsible for future lifecycle investment and replacement of equipment. With this, the Council will have full control over all aspects of service delivery including pricing, programming and marketing.

3.5.3 The in-house option allows for full flexibility for delivery and decision making from elected members. Staff can work across the leisure and wellbeing service and with other Council services with ease.

3.5.4 The Council has direct delivery of what is seen as a high-profile service for the community.

3.5.5 When considering investment, the Council will be responsible for generating sufficient surplus to pay the capital repayment for prudential borrowing for any newly developed centres.

3.5.6 The main disadvantage is the increase in costs due to the following which significantly impacts the commerciality of the contract:

- the majority of income being standard rated
- full NNDR costs being payable
- staff would transfer back to Stroud District Council from SLM and therefore be eligible for LGPS and standards terms and conditions, (this would impact any future outsourcing arrangements).

3.5.7 This has led many Councils to consider LATCs as a mechanism for 'insourcing', i.e. putting services into a wholly owned company or joint venture. Unlike bringing back the service into the Council itself, this provides the opportunity to trade externally as well as delivering services on behalf of the owning authority.

3.6 Local Authority Trading Organisation (LATC)

3.6.1 The Council would establish an 'arm's length' organisation to run the facilities and services on its behalf.

3.6.2 LATCs are bodies that are free to operate as external companies but remain wholly owned and controlled by the parent council(s). As trading bodies, LATCs can provide their services to a wider market than a council department.

3.6.3 LATCs are contracted by the parent council (or councils) to provide services back to the council(s) via a service contract.

3.6.4 However, the council may decide to apply the Teckal¹ exemption, which allows the authority to establish a LATC without the requirement for a procurement exercise. It is based on case law but is codified in the Public Contracts Regulations 2015. In general, the terms of exemption require:

- the council to control the vehicle as if it were an internal department, with there being no direct private share or ownership participation in the company (this is known as the control test).
- more than 80% of the vehicle's activities to be with its 'parent' council (this is known as the function test).

¹ A "Teckal" company is the common name for a **company which benefits from contracts for works, services or supply** from its controlling Contracting Authority (or Authorities) without having to go through a competitive tender process.

3.6.5 A LATC can be set up as not-for-profit which are able to benefit from similar tax exemption benefits to an NPDO trust. However, it would not have charitable status.

3.6.6 They can be a preferred 'cultural fit', compared to procured and independent charity models. However, both risk and reward remain with the Council

3.6.7 There are many forms which a new organisation could take, including but not limited to the following, the structures are likely to benefit from efficient NNDR and VAT benefits:

- Co-operative or Community Benefit Society;
- Company Limited by Guarantee (CLG);
- Charitable Incorporated Organisation (CIO);
- Community Interest Company (CIC);

3.6.8 **Appendix 16a** sets out the key features, principal legislation, governing documents, and other considerations of each model.

3.7 **Locally established, not for profit distributing organisation (local NPDO)**

3.7.1 The council could set up a charitable organisation to manage the centres. This would be a local organisation including staff that would TUPE from the existing facilities. The governance can be determined to most suit the needs of the council.

3.7.2 The local NPDO would be eligible for mandatory/discretionary national nondomestic rates (NNDR) relief.

3.7.3 Income on most sporting activities is exempt from VAT, however VAT on corresponding expenditure is non-recoverable.

3.7.4 Services should be defined within an output-based specification and be supported by a contract / partnership agreement and relevant leases. This would define the level of responsibilities and risk each partner takes.

3.7.5 However, it should be noted that prior the 2015 Public Procurement Regulations, local authorities were able to set up a local charitable NPDO to run services without the need to undertake a competitive tendering process. However, since 2015 local authorities can still set up an NPDO, but it would have tender for the services in the open market if the services were to be run under a management contract.

3.7.6 Therefore, whilst there are many benefits from a locally established NPDO, the main disadvantage is that the Council may need to set up the NPDO and undertake a procurement process, in which the company could tender.

3.8 **Joint Venture**

3.8.1 The term joint venture can describe a range of different commercial arrangements between two or more separate entities. Each party contributes resources to the venture and a new business is created in which the parties collaborate and share the risks and benefits associated with the venture.

- 3.8.2 A party may provide land, capital, intellectual property, experienced staff, equipment, or any other form of asset. Each party generally has an expertise or need which is central to the development and success of the new business which they decide to create together. It is also vital that the parties have a 'shared vision' about the objectives for the joint venture.
- 3.8.3 In the case of leisure, a joint venture may involve the council and one or more third party establishing a new entity.
- 3.8.4 The joint venture vehicle can take several structures including companies limited by shares, companies limited by guarantee, Community Benefit Societies, Cooperatives for example.
- 3.8.5 Each party must be clear on the intended length of term of the joint venture, its goals and objectives, how the parties will achieve a return on investment and how they will protect their investment if another party wishes to exit or fails to perform their obligations. Normally, all parties share the risks and rewards in line with their ownership of the joint venture.
- 3.8.6 Ownership of the joint venture would conventionally be split across each of the parties involved. Typically, this would be determined by the appetite of the council to share ownership, and the level of investment and risk taken on by each party.
- 3.8.7 There are no specific limitations within the joint venture model, although the founding parties may wish to limit the remit of the venture in terms of the nature, scope and scale of services that can be provided. Depending on the legal form assumed, there may be limitations in terms of which services can be delivered and how.
- 3.8.8 Similar to the re-procurement option, the council would procure joint venture partners or, once established the JV would have to go through the same procurement regulations for a management operator.
- 3.8.9 JV with another local authority**
- 3.8.10 Joint ventures (JV) have become increasingly popular as a means of leveraging growth, between public sector entities. Using a JV model to partner with other local authorities or local authority trading companies could mean that public procurement is not necessary when it falls under the provisions of Regulation 12 (the Teckal exemption) – when this occurs and the fit between the two parties is right, a contract may be directly awarded.
- 3.8.11 Local authority retains less control but there is shared risk and greater opportunities
- 3.8.12 The cultural fit may better than outsourcing
- 3.8.13 JVs have typically been used for investments, waste, highways, facilities management and social care.
- 3.8.14 Partnerships and companies are treated differently for direct tax. A VAT cost sharing group could be achieved, but inappropriate planning could result in VAT costs.

3.9 Asset transfer - Long term lease (without restrictions)

- 3.9.1 The centres would be transferred via a long-term lease to external organisations. This is more likely to occur on an individual facility basis than across all centres. The leases can either contain restrictive covenants so that the use of the land is reserved for sport and physical activity purposes or come without any restrictions and allow disposal of the site for a commercial value.
- 3.9.2 The council could lease any high value leisure sites, to commercial operators in exchange for revenue which can be taken as a saving or improvement to the current position, to support the capital repayment.
- 3.9.3 The arrangements are primarily 'property-based transactions' as opposed to 'management contracts'; the land and asset arrangement being the main object of the transaction rather a contract for services which, if over threshold, would stand to be procured.
- 3.9.4 The absence of a services specification can mean that the council cannot influence the service and specify that it must provide access to all sections of the community in line with the Equalities Act (2010).
- 3.9.5 Building lease values will be negatively impacted by older buildings which have significant building liabilities.
- 3.9.6 Commercial operators may, for example, be interested in the fitness and dry facilities within centres but may not wish to continue with the swimming pool operation as is (or manage it on a commercial membership basis with limited casual and concession access), to maximise income.
- 3.9.7 If there was market interest for a commercial lease arrangement for one or more of the centres, the council may be left with the operational (and financial) responsibilities of the remaining portfolio, without the ability to benefit from economies of scale of managing a portfolio of facilities (under any management model).

3.10 Advantages & Disadvantages

- 3.11 The advantages and disadvantages of each option are outlined in the table overleaf.

Table 1 – Advantages and disadvantages of Alternative Delivery Models

Option	Financial	Quality	
External Contractor	Advantages	Advantages	Risks
	<ul style="list-style-type: none"> Undertake a competitive process to manage leisure centres Gain the benefits of organisation already set up to maximise VAT and NNDR efficiencies. More commercial with health and fitness membership sales swimming lesson income, catering and retail. Economies of scale in purchasing utilities, R&M contracts, fitness equipment etc. Profit share mechanism in place. (Although if contract doesn't perform to projections, no benefit to the Council.) The Council has an agreed management fee profile, which gives budget certainty and ability to plan for the long term. Can deliver, large scale development projects and will provide the Council with cost certainty for a project or scheme. (Funding would be from the Council.) 	<ul style="list-style-type: none"> An output-based contract can be developed linked current Council priorities, as set out in the Leisure and Wellbeing Strategy, so the Council does not need to be involved in day-to-day operations. Links with NGBs, suppliers and other physical activity providers in implement new programmes / activities across their portfolios. Head office specialists enable operations to be the 'latest' in the market. Enables best practice from several contracts to be disseminated across facilities. Likely to be better placed to successfully operate in a competitive commercial fitness market. Branding and marketing strong. Generally, have well-structured Quality Management systems covering general operations, H&S, all product areas etc. 	<ul style="list-style-type: none"> A contract and specification that ensures roles and responsibilities are clearly defined between the parties. Income risk and most expenditure risk. Larger operators are able to 'spread' the risk of the contract across their company. Contractors, and in particular those with 'hybrid trust' structures, may propose that risk on loss of NNDR and VAT relief, even where their structures are eligible for such relief, remains with the Council. Partners are becoming increasingly unlikely to accept risk on utilities tariffs, LGPS pension contributions; NJA salary rises above inflation and building structure of older buildings. Contracts will include pandemic related clauses, with risk remaining with the Council. Response may be limited from the market due to recovery from Covid impact on business. Financial risk premiums built into the tender price.

Option	Financial	Quality	
	<p>Disadvantages</p> <ul style="list-style-type: none"> Market likely to include higher risk premiums following Covid Will want a contract / risk profile to protect against impact of Covid or similar circumstances in the future. Changes to the specification / contract require a variation that can affect the management fee and can incur legal costs. The Council is obliged to fulfil its responsibilities or be subject to a claim from the operator. 	<p>Disadvantages</p> <ul style="list-style-type: none"> Operations can be 'corporate' as opposed to locally led. Operator from larger organisations likely to wish to use own branding and corporate procedures for core income generating activities; fitness and swimming lessons. It can be harder to work with other partners effectively; other council departments, education, CSP's 	<p>Other Considerations</p> <ul style="list-style-type: none"> The council will have to undertake a compliant (OJEU) procurement procedure to select a new operator. Cost of procurement; officer and external support. Timescales – 18 months including mobilisation (see below)
<p>Option LATC</p>	<p>Financial</p>	<p>Quality</p>	
	<p>Advantages</p> <ul style="list-style-type: none"> The Council can support the LATC in respect of investment opportunities in relation to prudential borrowing etc. New investment opportunities can be negotiated at any time during the contract period. Can maximise VAT and NNDR efficiencies Operate commercially support services – can purchase from the industry (e.g., marketing) or Council (payroll) 	<p>Advantages</p> <ul style="list-style-type: none"> Closer links with the community through local organisation Single focus on service delivery Staff feel more involved in the service delivery as not part of a large organisation. Set up and deliver community led co-produced programmes to have real impact on residents Perceived there is a better 'partnership' approach. Providing the authority with more direct strategic control over the service than a third party would Being politically more appealing as the authority is the shareholder High level of control retained. 	<p>Risks</p> <ul style="list-style-type: none"> A contract and specification that ensures roles and responsibilities are clearly defined between the parties, but ultimately risk remains with the Council. Often set up with less well defined contract, so that responsibilities are not clearly defined, or it is believed that contract terms are more easily varied (for example to meet council budget requirements). In many cases, funding agreements for LATCs are only agreed for the short term: 3-4 years, so the company operates on a short-term basis, which can be detrimental to the service. Reputational impact if organisation not successful.

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix 16 - Management Options Appraisal

Option	Financial	Quality	
	Disadvantages	Disadvantages	Other Considerations
	<ul style="list-style-type: none"> Less able to withstand significant changes in leisure trends. No other contract/sites to absorb poor financial performance. Few economies of scale realised. Likely higher central costs than the current model. High central costs may reduce levels of potential surplus. 	<ul style="list-style-type: none"> A board of trustees / directors need to be recruited. All operational procedures would have to be developed by the new organisation. No expertise from a 'head office'. Expertise re. market led product development may need to be bought in or learned as products mature in the industry. Leisure Centre marketing and branding expertise will need to be developed. Can have a more relaxed approach to monitoring (for example with no deduction mechanism) in place, which can lead to service delivery issues. 	<ul style="list-style-type: none"> Can be set up in a timely manner There will be significant set-up costs One off cost for branding for centres. A new organisation will require a large working capital budget to start the company, the Council may need to provide a contingency/cashflow fund for the new organisation. There will need to be suitable lease / contract / funding agreement / services specification set up between the new organisation and the council. Timescales – 12-15 months (see below)
Option	Financial	Quality	
NPDO – the advantages and disadvantages are similar to a LATC, with these differences.	Advantages	Advantages	Risks
	<ul style="list-style-type: none"> "Trust" status makes it easier to apply for external funding All profits are re-invested back into the services / facilities, ensuring local investment. 		
	Disadvantages	Disadvantages	Other Considerations
		<ul style="list-style-type: none"> The Council has less influence as it is led by a Board of Trustees. Board of Trustees obliged to put the interests of the Trust first. 	<ul style="list-style-type: none"> The Council cannot directly appoint a contract to a newly established NPDO without undertaking a competitive procurement.

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix 16 - Management Options Appraisal

Option	Financial	Quality	
In-house	<p>Advantages</p> <ul style="list-style-type: none"> • Council does not pay for any risk premiums, can easily change service inputs to meet budgetary requirements. • Share support costs with other departments. • Economies of scale normally achieved in utilities purchasing. • Effective purchase ledger and accompanying budget monitoring systems in place. • Low costs in providing capital if the Council has access to it. • A staffing structure can be put in place to serve both leisure centres. • Due to the success of the current in-house provision knowledge and experience would be shared across the service. 	<p>Advantages</p> <ul style="list-style-type: none"> • Increases Council control over leisure services • More effective cross department working; public health, education, open spaces and community development. • Officers have autonomy to make local decisions • Members / officers feel that they 'own / have control' of the services • Changes in priorities can be implemented quickly. • Joined up service provision for residents 	<p>Risks</p> <ul style="list-style-type: none"> • All risk sits with the Council
	<p>Disadvantages</p> <ul style="list-style-type: none"> • There will be initial costs to bring Stratford Park Leisure Centre back in-house. • Higher staffing costs due to Council terms and conditions, although it is noted that SLM is currently required to pay Real Living Wage. • Increased costs due to staff being able to access the LGPS. • The Council will not have the benefit of NNDR and VAT relief (unless Ealing Ruling is applied) • Additional resource may be required within the Council to support the contract e.g. HR and finance. 	<p>Disadvantages</p> <ul style="list-style-type: none"> • Limited access to the benefits of developing new opportunities and from economies of scale and also to the wider knowledge gained by experienced operators for innovation and development. • Can be slower to react to introduce income generating schemes. • Without a defined specification, service delivery is often based upon short term priorities. • Often behind in industry innovation and new market led products, (for example, ICT initiatives). 	<p>Other Considerations</p>

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix 16 - Management Options Appraisal

Option	Financial	Quality	
	<ul style="list-style-type: none"> Budget set year on year and may be subject to reductions with changing priorities of council or central government. Central/support costs of the Council can be arbitrarily included in leisure budgets and disproportionate to overall service. Any savings made within the service will go to the general fund and may lead to a reduced budget in the following year, not re-invested into the service / facilities. No 'sinking' fund in place for future lifecycle building works and equipment replacement 	<ul style="list-style-type: none"> Officers must use council procedures / contracts in areas that are not as effective / suitable for the services, for example ICT / marketing and branding. The Council can be slow to react to implement change and is less able to react quickly to a highly competitive fitness market. Reporting is predominantly about financial and usage performance as opposed to outputs and impacts of the service. 	
Option	Financial	Quality	
Joint Venture – the advantages and disadvantages are similar to in-house with these differences.	Advantages	Advantages	Risks
	<ul style="list-style-type: none"> Work in parallel to achieve similar outcomes, Economies of scale of officer time and resource. With a larger portfolio, gain economies of scale. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Issues of risk sharing across two council areas.
	Disadvantages	Disadvantages	Other Considerations
<ul style="list-style-type: none"> May end up with one contract 'cross subsidising the other' Will not benefit from significant economies of scale. 	<ul style="list-style-type: none"> Requires political agreement of joint working. With neighbouring authorities implementing their own leisure/physical activity strategies, the Councils are likely to have different aims and objectives 		
Option	Financial	Quality	
Asset Transfer	Advantages	Advantages	Risks
	<ul style="list-style-type: none"> The Council will have no financial responsibilities, resulting in savings against the current budget. 	<ul style="list-style-type: none"> Transferring some or all of the facilities will create additional resource 	<ul style="list-style-type: none"> All risk is removed from the Council

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
 Appendix 16 - Management Options Appraisal

Option	Financial	Quality	
		within the Council to concentrate on other areas/priorities.	
	Disadvantages	Disadvantages	Other Considerations
	<ul style="list-style-type: none"> If the facility performs well the Council will not share in the benefit. 	<ul style="list-style-type: none"> The Council will have no control or input into the quality of services delivered If the centres/facilities are not operated to a high standard it could have negative impact on the Councils reputation. 	

DRAFT

3.12 Set Up Costs and Timetable

3.12.1 Each alternative delivery model will have a different lead in time to set up. Re-procuring a new contract will require a new contract, leases and services specification being developed.

3.12.2 A LATC will require similar documentation and the recruitment and appointment of directors.

3.12.3 Any new company will require formal registration / company documents, and the recruitment of the senior management team (Chief Executive/Finance Director etc).

3.12.4 The advisor fees are estimates and will be dependent upon whether the council uses its own legal, financial and property services to procure the contract and leases for the new arrangements or it uses external advisors.

3.12.5 The table below sets out indicative timescales and costs for each option.

Table 2 - Implementation Timescales

External Contractor - Procurement	
Action	Timescale
Commission internal and external procurement of legal / procurement / project management support	2 months
Pre-procurement work – (objectives, draft specification / contract, leases and evaluation methods in parallel with agreeing hand-back arrangements from SLM)	3 months
Selective questionnaire stage and evaluation / de-selection	2 months
Tender stage (assuming competitive dialogue / competitive procedure with negotiation procurement route)	7/8 months
Award and council sign off	1/2 month
Mobilisation of new operator	3 months
Total	18 months

Bring the service in house (SPLC & Lido only) / Set up LATC	
Action	Timescale
Governance set up (if new company)	1 month
Technical set up – IT / phones / websites etc	3 months
TUPE and staff consultation / considerations – alignment of staff designations to council structure (or new structures) and recruitment of new staff (board of trustees for local trust)	6 months
Purchasing of uniform, supplies and equipment	2 months
Setting up on-going suppliers (fitness / IT / buildings etc)	3 months
Business planning / financial assessment – services and impact on council as a whole (e.g. VAT)	3 months
Marketing and branding development and implementation	6 months
Quality and H&S systems – development and implementation	3 months
Total (some works streams can be completed in parallel)	12

Set up NPDO	
Action	Timescale
Governance set up (if new company)	1 month
Technical set up – IT / phones / websites etc	3 months
TUPE and staff consultation / considerations – alignment of staff designations to council structure (or new structures) and recruitment of new staff (board of trustees for local trust)	6 months
Purchasing of uniform, supplies and equipment	2 months
Setting up on-going suppliers (fitness / IT / buildings etc)	3 months
Business planning / financial assessment – services and impact on council as a whole (e.g. VAT)	3 months
Marketing and branding development and implementation	6 months
Quality and H&S systems – development and implementation	3 months
Commission internal and external procurement of legal / procurement / project management support	2 months
Pre-procurement work – (objectives, draft specification / contract, leases and evaluation methods in parallel with agreeing hand-back arrangements from SLM)	3 months
Selective questionnaire stage and evaluation / de-selection	2 months
Tender stage (assuming competitive dialogue / competitive procedure with negotiation procurement route)	7/8 months
Award and council sign off	1/2 month
Mobilisation of new operator	3 months
Total (some works streams can be completed in parallel)	24 months

3.12.6 Outlined below are the indicative set up and ongoing operational cost if a new LATC or NPDO were established.

3.12.7 The new LATC/NPDO will be required to establish operational procedures and risk assessments and ensure all staff are trained in these prior to taking on management of the centres. All branding and marketing will also need to be replaced, a website and online booking facilities set up.

3.12.8 During the mobilisation process the council and management team of the new LATC will also need to support the TUPE consultation process as the service transfers from SLM and the Council.

Table 3 – LATC/NPDO Mobilisation Costs

Set Up Costs	Estimated Costs	Comments
Consultancy Support/Project Management	£30,000	Additional consultancy/project management support to ensure the process is delivered within timescales and enable officers to concentrate on continued service delivery under the existing contract
Re-branding, Marketing & Signage	£90,000	Replace all of the signage and branding that shows SLM's logos/brands etc. The new organisation will need to develop its own name and brand and produce marketing material for all sites.
Website & Social Media Set Up	£25,000	A new website will be required to be set up, with online booking etc.
ICT Systems and Equipment	£50,000	Front of House booking systems, ICT equipment for all centres and network support services required.
Legal Costs	£60,000	Governance documents for new organisation. Board / director / requirement and training. Charity Commission application if appropriate. Contract documents and leases, including funding agreement between council and new organisation
Operations Manual Set Up	£5,000	New Operational Procedures will need to be drafted with copies provided to each centre – additional expertise may be required to ensure they meet industry standards.
Staffing*	£182,250	See table below for workings
Risk & Contingency	£50,000	To provide a level of working capital for the organisation.
TOTAL COST	£507,250	

*To deliver the set up and mobilisation requirements the new organisation will need to provide sufficient staff resource. The detailed staffing resource required is outlined further in the table below.

Table 4 – Staffing Resource for New organisation (assumed not to be aligned to council terms and pensions etc)

Staffing	Salary	Salary plus on-costs (20%)	Estimated Cost
6 months prior to commencement:			
Chief Executive	60,000	72,000	36,000
Operations Director	50,000	60,000	30,000
Head of finance	50,000	60,000	30,000
Branding / Marketing	45,000	54,000	27,000
ICT manager	45,000	54,000	27,000
3 months prior to commencement:			
HR Mger - TUPE consultation etc.	45,000	54,000	13,500
Admin	32,500	39,000	9,750
1 month prior to commencement:			
Admin team x 3 (finance / HR etc)	90,000	108,000	9,000
TOTAL			182,250

3.12.9 Indicative costs of managing the service in-house

3.12.10 Set up costs for the in-house operation will only apply to SPLC and the Lido, with an existing in-house team the set up costs will be lower than establishing a LATC.

Table 5 – In-house Operation set up costs

Set up costs	£
Re-branding, Marketing & Signage	£65,000
ICT Systems and Equipment	£15,000
Website & Social media Set Up	£5,000
Legal/Audit Costs	£20,000
Launch Costs	£10,000
Risk & Contingency	£20,000
TOTAL COST	£135,000

3.12.11 Indicative costs of procurement

3.12.12 The typical costs of procuring a new contract are set out overleaf and are likely to be in the region of £110k. This would apply to both the external contractor and NPDO option, where the contract can only be awarded following an open procurement process.

Table 6 – New contract procurement costs

Action	Cost £
Legal / leases and contract completion	100,000
Leisure procurement and project management	50,000
Due diligence (for example any additional building surveys required)	20,000
Total	£170,000

DRAFT

3.13 Options to Assess

3.13.1 Considering the scope of services, characteristics, advantages and disadvantages of the alternative management options, the table below sets out the agreed options for each service area that will be evaluated.

Table 7 – Preferred Options

	Stratford Park Leisure Centre	The Pulse	Stratford Park Lido	Museum in the Park	Sports, Health & Wellbeing Development	Rationale
External operator	✓	✓	✓	✓	✓	Suitable for all facilities in scope
In house	✓	✓	✓	✓	✓	Suitable for all facilities in scope
LATC	✓	✓	✓	✓	✓	Suitable for all facilities in scope
NPDO	✓	✓	✓	✓	✓	Suitable for all facilities in scope
JV	X	X	X	X	X	Excluded due to the different strategic outcomes and priorities in neighbouring authorities.
Asset Transfer	X	X	X	X	X	Excluded due to the lack of influence and control from the Council

4 Evaluation Framework

4.1 The following evaluation framework has been agreed with the project team to assess each option.

Table 8 - Evaluation Framework

	Criteria	Measures	Overall weighting
1	Council Objectives/ Strategic outcomes	Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value	25%
3	Revenue implications	Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.	15%
4	Capital resources	Ability to support the design, build and mobilisation of new / re-developed leisure centres	10%
5	Risk/sustainability	Ability to manage financial risk and the organisation is sustainable in the long term.	10%
6	Risk / operations	Ability to manage day to day operational risk of complex leisure centres/services.	10%
7	Council influence and control	Degree of Council control over the services on day to day basis.	10%
8	Customer experience and satisfaction	How well will services be planned, developed and delivered to improve/maintain quality services, Ability to create high levels of customer satisfaction throughout all areas of service delivery.	15%
9	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.	5%
			100%

4.2 As capital investment is not relevant to Sports Development, Health & Wellbeing Services this criteria is excluded from the evaluation. Therefore, in the evaluation of this service a slightly higher weighting has been placed on ‘Customer Experience and Satisfaction’ and ‘staffing’, recognising that this is a ‘people’ based service. The criteria is outlined below.

Table 9 - Evaluation Framework - SD, Health & Wellbeing Services

	Criteria	Measures	Overall weighting
1	Council Objectives/Strategic outcomes	Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.	25%
3	Revenue implications	Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.	15%
5	Risk/sustainability	Ability to manage financial risk and the organisation is sustainable in the long term.	10%
6	Risk / operations	Ability to manage day to day operational risk of complex leisure centres/services	10%
7	Council influence and control	Degree of Council control over the services on day to day basis.	10%
8	Customer experience and satisfaction	How well will services be planned, developed and delivered to improve/maintain quality services. Ability to create high levels of customer satisfaction throughout all areas of service delivery.	20%
9	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.	10%
			100%

4.3 Management Options Evaluation

4.3.1 Given the strategic service and financial outcomes of the services, how well the services are currently performing, and a review of the potential options available the following management options have been evaluated.

- In-house;
- External contractor;
- Local Authority Trading Company; and
- Locally established NPDO.

4.3.2 The following tables set out the evaluation criteria, with each facility/service evaluated separately and scored out of a maximum of 5.

Council Objectives/ Strategic Outcomes - Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.						
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services	
In-House	<p>Operating the centre(s) in-house means that joined up work to achieve the Council's wider strategic objectives would be more achievable than an external contractor arrangement. The management team will be able to work more easily with the other Council departments to ensure all wider strategic working is delivered.</p> <p>Delivering services in-house means that changing priorities can be quickly implemented.</p> <p>The performance of the in-house team at The Pulse suggests that income objectives could be achieved at SPLC under in-house management.</p> <p>The in-house management team are involved with wider Council strategies and the Covid Recovery Strategy giving them extensive knowledge and experience of working towards Council outcomes.</p>			<p>Continuing to operate in-house means that joined up work to achieve the Council's wider strategic objectives continues to be achievable. The Museum can work with the other Council departments to ensure all wider strategic working is delivered.</p> <p>Delivering services in-house means that changing priorities can be quickly implemented.</p> <p>The management team are involved with wider Council strategies and the Covid Recovery Strategy giving them extensive knowledge and experience of working towards Council outcomes.</p> <p>The museum is already delivering initiatives that link well to the five ways of wellbeing – a key outcome of the Leisure & Wellbeing Strategy.</p> <p>Excellent track record of involving the voluntary sector in the day to day operations.</p> <p>Usage figures have remained consistent under in-house management.</p>		<p>Continuing to operate this service in-house means that joined up work to achieve the Council's wider strategic objectives continues to be achievable. The service can work with the other Council departments to ensure all wider strategic working is delivered.</p> <p>Delivering services in-house means that changing priorities can be quickly implemented.</p> <p>Excellent and successful initiatives that contribute towards key strategic outcomes are already being delivered in-house.</p>
	Score - 5	Score - 5	Score - 5	Score - 5	Score - 5	
External Contractor	<p>The centre(s) would be managed with a specification in place. Ensuring the organisation is clear what the Council requires both on an annual and longer time frame. The Council can set out targets (outputs) in relation to participation (new users and existing), target groups,</p>		<p>Only a limited number of external contractors have experience of managing museums.</p> <p>As with a leisure centre the Museum could be managed under a service specification clearly detailing the service requirements, outcomes</p>		<p>There is a risk that external partners (e.g. existing leisure operators) will focus solely on the operations of facilities and programmes without working in partnership with all stakeholders, so a strong specification and annual planning would</p>	

Council Objectives/ Strategic Outcomes - Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>programming and arts / sports & health development and outcomes.</p> <p>The Council can implement a performance management system to ensure that the partner records, reports and delivers the required outcomes.</p> <p>There will be a concern that services being managed by external organisation to the Council will not consider local stakeholders. However, the specification can be clear in the outputs required and many partnerships have local 'Stakeholder Boards' developed to formalise and ensure local input into the production and delivery of services.</p> <p>External organisations have extensive stakeholder and customer engagement strategies, including via their website and social media, on-line surveys, customer and club forums, all of which can be specified within the specifications.</p> <p>Any change to service priorities can be managed through the annual service planning process and contract change procedures. However, this can have explicit financial implications if the changes are business critical.</p> <p>Currently, SPLC is struggling to reach people classed as NS-SEC 6&7 – some of the most disadvantaged and hard to reach people in society (2017 NBS report). To improve performance of reaching this target group the Council would need to set out clear targets and objectives within the specification. The centre does well against national benchmarks at attracting people from ethnic minorities, people aged under 65 with disabilities and female users.</p>			<p>and performance measures. However, KPI's and performance measures for a museum can only be done against historical performance as there are no national benchmarks like those that exist for leisure centres.</p> <p>There will be a concern that services being managed by external organisation to the Council will not consider local stakeholders. However, the specification can be clear in the outputs required and many partnerships have local 'Stakeholder Boards' developed to formalise and ensure local input into the production and delivery of services.</p> <p>External organisations have extensive stakeholder and customer engagement strategies, including via their website and social media, on-line surveys, customer and club forums, all of which can be specified within the specifications.</p> <p>Any change to service priorities can be managed through the annual service planning process and contract change procedures. However, this can have explicit financial implications if the changes are business critical.</p> <p>The Museum in the Park could be 'tested' as part of outsourced option to ascertain whether there would be added value and if it could be operated at an improved financial position whilst meeting outcomes.</p>	<p>required to ensure they meet the Council's wider needs for sport, health and wellbeing development.</p> <p>External contractors tend to take a more corporate approach with less focus on local dynamics and nuances.</p>

Council Objectives/ Strategic Outcomes - Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.						
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services	
	Typically, external contractors are not as strong at delivering bespoke local initiatives as in-house management or local trusts.					
	Score - 3	Score - 3	Score - 3	Score - 3	Score - 3	
Local Authority Trading Company	<p>As with the external contractor option, a specification and performance management system would be in place.</p> <p>Therefore, whilst the LATC is independent of the Council, if there is a clearly defined specification, and longer-term financial stability (known management fee / funding agreement) it can be easier for the Council's strategic outcomes to be met.</p> <p>Staff from the existing facility would transfer under TUPE therefore retaining the local experience and knowledge to deliver against outcomes.</p> <p>Has the ability to attract additional funding streams compared to in-house option, which can be used to deliver facility and services interventions.</p> <p>More likely to have a locally focussed approach compared to an external contractor.</p> <p>Company profits can be repatriated to council, invested in the company or a mix of both.</p>			<p>As with the external contractor option, a specification and performance management system would be in place, although as with external contractors national benchmarks are not available.</p> <p>Therefore, whilst the LATC is independent of the Council, if there is a clearly defined specification, and longer-term financial stability (known management fee / funding agreement) it can be easier for the Council's strategic outcomes to be met.</p> <p>Staff from the existing facility would transfer under TUPE therefore retaining the local experience and knowledge to deliver against outcomes.</p> <p>Has the ability to attract additional funding streams compared to in-house option, which can be used to deliver facility and services interventions.</p> <p>More likely to have a locally focussed approach compared to an external contractor.</p>		<p>There will be a more bespoke local approach, comparable to that of the in-house operation, although there may be additional focus on commerciality.</p> <p>A specification can be put in place to monitor and measure performance.</p> <p>Has the ability to attract additional funding streams compared to in-house option, which can be used to deliver facility and services interventions.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4	
Locally established NPDO	<p>As with the external contractor option, a specification and performance management system would be in place.</p> <p>Therefore, whilst the NPDO is independent of the Council, if there is a clearly defined specification, and longer-term</p>			<p>As with the external contractor option, a specification and performance management system would be in place, although as with external contractors national benchmarks are not available.</p>	<p>There will be a more bespoke local approach, comparable to that of the in-house operation.</p>	

Council Objectives/ Strategic Outcomes - Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>financial stability (known management fee / funding agreement) it can be easier for the Council's strategic outcomes to be met.</p> <p>Staff from the existing facility would transfer under TUPE therefore retaining the local experience and knowledge to deliver against outcomes.</p> <p>Has the ability to attract additional funding streams compared to in-house option, which can be used to deliver facility and services interventions.</p> <p>More likely to have a locally focussed approach compared to an external contractor.</p>			<p>Therefore, whilst the NPDO is independent of the Council, if there is a clearly defined specification, and longer-term financial stability (known management fee / funding agreement) it can be easier for the Council's strategic outcomes to be met.</p> <p>Staff from the existing facility would transfer under TUPE therefore retaining the local experience and knowledge to deliver against outcomes.</p> <p>Has the ability to attract additional funding streams compared to in-house option, which can be used to deliver facility and services interventions.</p> <p>More likely to have a locally focussed approach compared to an external contractor.</p>	<p>A specification can be put in place to monitor and measure performance.</p> <p>Has the ability to attract additional funding streams compared to in-house option, which can be used to deliver facility and services interventions.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4

Revenue Implications - Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
In-House	<p>The in-house operation is unable to gain NNDR relief. The Council currently receives VAT relief on swimming lessons, fitness classes and courses income, which is comparable to external operators, such as SLM.</p> <p>The Council is able to apply for external funding available only to statutory bodies.</p> <p>Due to the performance of The Pulse it is anticipated that under in-house management SPLC and the Lido would fare better financially than the current provider.</p> <p>The Pulse currently performs very well from an income perspective under in-house management against SPLC. However, due to the lack of control over maintenance costs, as they are managed centrally, expenditure is higher than other management options. Utility costs are also higher.</p> <p>Central support costs are typically higher than external contractors and at The Pulse central support costs are higher than average.</p> <p>The in-house team has successfully implemented voluntary programmes at other facilities that could be transferred to the Lido, working with Friends of Stratford Park Lido to minimise expenditure on this site.</p> <p>Revenue risk of underachieving against budget sits with Council.</p> <p>Business Plans for the two leisure centres have been completed for each management model. In a mature year the in-house option achieves the lowest overall surplus of £260k across both centres.</p> <p>The detailed summary is contained in appendix 16b. The business plan is based on the proposed new facilities recommended in stage 3 of the Leisure and Wellbeing Strategy – highlighting the potential improvement following the works under each management option. A mature year (year 5) has been used in the analysis.</p>		<p>The in-house operation is unable to gain NNDR relief.</p> <p>The Council is able to apply for external funding available only to statutory bodies.</p> <p>It is expected that cost of the service will remain consistent against current budget if it remains in-house.</p> <p>Central support costs are typically higher than external contractors.</p> <p>Revenue risk of underachieving against budget sits with Council.</p>	<p>The Council is able to apply for external funding available only to statutory bodies.</p> <p>It is expected that cost of the service will remain consistent against current budget.</p> <p>Central support costs are typically higher than external contractors.</p> <p>Revenue risk of underachieving against budget sits with Council.</p>	

Revenue Implications - Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>Where the Pulse is managed in-house income/expenditure projections take into account current performance, for example central costs reflect the actual central costs.</p> <p>It is assumed that all management options will achieve comparable income levels, due to the current income generated at the centres. Typically in-house management would be expected to achieve lower income however as the Council claims VAT relief on some key income streams and is exceeding both in-house and external contractor benchmarks at The Pulse, income generation is not anticipated to vary significantly across management models.</p> <p>Differences in expenditure are anticipated in:</p> <ul style="list-style-type: none"> • NNDR – In-house the Council will pay 100% of costs • Salaries – whilst all management models will be expected to pay Real Living Wage rates, external contractors, LATC and NPDO's can implement different terms and conditions and pension rates, therefore in-house staff costs are anticipated to be slightly higher than the other options. • Utilities – At the Pulse in-house utility costs are high against benchmarks therefore utility costs at both centres are expected to be higher under the in-house option • Repairs and Maintenance – In-house these are managed by a different department and therefore limited control by the management team results in higher than average costs. This would not be the case under alternative management models. Although the Council could discuss ways in which this could be managed more efficiently in-house. • Central costs – in-house management typically has higher levels of central costs, the central costs for The Pulse are higher than average. A lower rate has been assumed in the SPLC in-house business plan (in line with in-house national benchmarks) so as not to duplicate costs factored into The Pulse. 				
	Score - 3	Score - 3	Score - 3	Score - 4	Score - 4
External Contractor	A competitive tender process often 'sharpen's' projections.			A competitive tender process often 'sharpen's' projections. However, as	External Contractors often include additional risk/contingency for these

Revenue Implications - Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>External contractors tend to set more ambitious targets against fitness and swimming lessons.</p> <p>An external contractor would operate with reduced central costs; however they would also include an element of profit in their business plans. Typically, they would bid with a margin of 10%-12% of turnover.</p> <p>The ability for the Council to achieve savings in their central costs as a result of transferring management of all centres to an external contractor will be key to achieving financial savings under this model.</p> <p>The Council requires external contractors to implement the real Living Wage therefore staff savings usually expected from external contractors will not be realised.</p> <p>They are likely to receive VAT and NNDR relief.</p> <p>Any profits made in the contract may not be re-invested back into the facilities or wider Stroud District.</p> <p>A one-off cost of circa £100k-£120k should be included to cover the external advisors' (legal and leisure procurement) costs of procurement and other costs, for example condition surveys etc.</p> <p>Revenue risk sits with the operator not the Council</p> <p>Economies of scale achieved from larger operators.</p> <p>Business Plans for the two leisure centres have been completed under each management model. In a mature year the external contractor option achieves the highest overall surplus of £601k across both centres.</p> <p>The detailed summary is contained in appendix 16b. The business plan is based on the proposed new facilities recommended in stage 3 of the Leisure and Wellbeing Strategy – highlighting the potential improvement</p>			<p>operators tend to have less experience of museum management an element of risk/contingency may be built into projections.</p> <p>An external contractor would operate with reduced central costs; however they would also include an element of profit in their business plans. Typically, they would bid with a margin of 10%-12% of turnover.</p> <p>The Council requires external contractors to implement the real Living Wage therefore staff savings usually expected from external contractors will not be realised.</p> <p>They are likely to receive NNDR relief.</p> <p>Any profits made in the contract may not be re-invested back into the Museum or wider Stroud District.</p> <p>A one-off cost of circa £100k-£120k should be included to cover the external advisors' (legal and leisure procurement) costs of procurement and other costs, for example condition surveys etc. If the Museum was combined with the leisure centres in one contract then this cost would not be duplicated.</p> <p>Revenue risk sits with the operator not the Council</p>	<p>types of services due to the nature of service delivery and uncertainty of securing long term funding for programmes and initiatives.</p> <p>Bidders are likely to reflect existing costs and be less innovative in their approach.</p> <p>Revenue risk sits with the operator not the Council</p>

Revenue Implications - Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.				
SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
<p>following the works under each management option. A mature year (year 5) has been used in the analysis.</p> <p>The SPLC projections take into account the existing performance of the external contractor but also reflect the proposed investment and larger building size. The projections also assume that a new contract would be procured and therefore gone through a competitive procurement process, which is likely to improve on the current contract with SLM.</p> <p>It is assumed that all management options will achieve comparable income levels, due to the current income generated at the centres and benchmarked performance. The majority of external contractors are able to achieve VAT relief on income, however the activities that they are able to claim VAT relief against does vary depending on their governance structure. Consequently as the Council already receives a level of VAT relief and income benchmarks are very high at both centres the same income has been assumed across all management options. It may be possible that external contractors could achieve additional VAT relief in some areas, however, it would be high risk at this stage to make this assumption. It would also result in increased irrecoverable VAT costs in the expenditure.</p> <p>The main variances against the in-house model are:</p> <ul style="list-style-type: none"> • NNDR – It is assumed that external contractors will achieve 80% NNDR relief • Salaries – whilst all management models will be expected to pay Real Living Wage rates, external contractors can implement different terms and conditions and pension rates, therefore there could be some savings in staff costs against the in-house option they will also have the support of a central team that could reduce onsite staffing requirements. • Utilities – Generally external contractors achieve lower utility costs per m2, due to the economies of scale they can achieve across the company. Therefore the cost per m2 included in the business plan is lower than the in-house option. 			<p>Economies of scale achieved from larger operators.</p>	

Revenue Implications - Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<ul style="list-style-type: none"> Repairs and Maintenance – Typically external contractors have lower maintenance costs due to economies of scale they can achieve. Therefore the cost per m2 included in the business plan is lower than the in-house option. Central costs – On average central costs are included by external contractors at c.7% expenditure. Profit – unlike in-house operations external contractors will require a level of profit to be built into their business plans which is typically around 5% of income. 				
	Score - 5	Score - 5	Score - 5	Score - 4	Score - 3
Local Authority Trading Company	<p>The new company will need to have a suitable reserves policy and therefore the Council may have to provide a level of subsidy over and above any management fee in the early years of operation (or accept the cash flow risk).</p> <p>Likely to have higher central costs as it will require its own senior management team (Chief Executive, Finance Director etc.)</p> <p>The LATC would be required to implement the real Living Wage therefore staff costs comparable to in-house model.</p> <p>They can be set up under an appropriate structure to receive VAT and NNDR relief.</p> <p>Likely to be able to apply for more funding than the local authority.</p> <p>There will be one-off set up costs for the LATC.</p> <p>Any profit could be re-invested back into the facilities.</p> <p>Revenue risk will ultimately be underwritten by the Council</p> <p>Business Plans for the two leisure centres have been completed under each management model. In a mature year the LATC option achieves a surplus of £352k across both centres, which is between the in-house and external contractor position.</p>			<p>The new company will need to have a suitable reserves policy and therefore the Council may have to provide a level of subsidy over and above the management fee in the early years of operation (or accept the cash flow risk).</p> <p>Likely to have higher central costs as it will require its own senior management team (Chief Executive, Finance Director etc.)</p> <p>The LATC would be required to implement the real Living Wage therefore staff costs comparable to in-house model.</p> <p>They can be set up under an appropriate structure to receive NNDR relief.</p> <p>Likely to be able to apply for more funding than the local authority.</p> <p>There will be one-off set up costs for the LATC.</p>	<p>The new company will need to have a suitable reserves policy and therefore the Council may have to provide a level of subsidy over and above the management fee in the early years of operation (or accept the cash flow risk).</p> <p>Likely to have higher central costs as it will require its own senior management team (Chief Executive, Finance Director etc.)</p> <p>The LATC would be required to implement the real Living Wage therefore staff costs comparable to in-house model.</p> <p>Likely to be able to apply for more funding than the local authority.</p> <p>There will be one-off set up costs for the LATC.</p> <p>Revenue risk will ultimately be underwritten by the Council</p>

Revenue Implications - Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.				
SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
<p>The detailed summary is contained in appendix 16b. The business plan is based on the proposed new facilities recommended in stage 3 of the Leisure and Wellbeing Strategy – highlighting the potential improvement following the works under each management option. A mature year (year 5) has been used in the analysis.</p> <p>It is assumed that all management options will achieve comparable income levels, due to the current income generated at the centres and benchmarked performance. An LATC will be able to achieve VAT relief on income, however the activities that they are able to claim VAT relief against does vary depending on their governance structure. Consequently, as the Council already receives a level of VAT relief the same has been assumed across all management options. It may be possible that it could achieve additional VAT relief in some activity areas, however, it would be high risk at this stage to make this assumption, this would also result in increased irrecoverable VAT costs in the expenditure.</p> <p>The main variances against the in-house model are:</p> <ul style="list-style-type: none"> • NNDR – It is assumed that a LATC will achieve 80% NNDR relief • Salaries – whilst all management models will be expected to pay Real Living Wage rates, a LATC could implement different terms and conditions and pension rates, therefore there could be some savings in staff costs. • Utilities and Maintenance costs would be expected to be comparable to in-house management. • Central costs – LATC's have higher central costs due the need for a senior management team for the contract such as Chief Executive and finance manager. These costs cannot be spread over multiple contracts. The business plans assume 14%, which is in line with national benchmarks • Profit – it is likely that an LATC will need to build up a level of reserves and therefore may include this within their business plan. Consequently, 2% of income has been included in the projections. 			<p>Any profit could be re-invested back into the Museum.</p> <p>Revenue risk will ultimately be underwritten by the Council</p>	
Score - 4	Score - 4	Score - 4	Score - 4	Score - 4

Revenue Implications - Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
Locally established NPDO	<p>The new company will need to have a suitable reserves policy and therefore the Council may have to provide a level of subsidy over and above any management fee in the early years of operation (or accept the cash flow risk).</p> <p>Likely to have higher central costs as it will require its own senior management team (Chief Executive, Finance Director etc.)</p> <p>The NPDO would be required to implement the real Living Wage.</p> <p>It can be set up under an appropriate structure to receive VAT and NNDR relief.</p> <p>Likely to be able to apply for more funding than the local authority.</p> <p>There will be one-off set up costs for the NPDO.</p> <p>Any profit could be re-invested back into the facilities.</p> <p>Revenue risk will ultimately be underwritten by the Council.</p> <p>Business Plans for the two leisure centres have been completed under each management model. It is assumed that the LATC and NPDO options would achieve a comparable revenue position.</p> <p>The detailed summary is contained in appendix 16b. The business plan is based on the proposed new facilities recommended in stage 3 of the Leisure and Wellbeing Strategy – highlighting the potential improvement following the works under each management option. A mature year (year 5) has been used in the analysis.</p> <p>It is assumed that all management options will achieve comparable income levels, due to the current income generated at the centres and benchmarked performance. A NPDO will be able to achieve VAT relief on income, however the activities that they are able to claim VAT relief against can vary depending on their governance structure. Consequently, as the Council already receives a level of VAT relief the</p>		<p>The new company will need to have a suitable reserves policy and therefore the Council may have to provide a level of subsidy over and above the management fee in the early years of operation (or accept the cash flow risk).</p> <p>Likely to have higher central costs as it will require its own senior management team (Chief Executive, Finance Director etc.)</p> <p>The LATC would be required to implement the real Living Wage therefore staff costs comparable to in-house model.</p> <p>They can be set up under an appropriate structure to receive NNDR relief.</p> <p>Likely to be able to apply for more funding than the local authority.</p> <p>There will be one-off set up costs for the LATC.</p> <p>Any profit could be re-invested back into the Museum.</p> <p>Revenue risk will ultimately be underwritten by the Council</p>		<p>The new company will need to have a suitable reserves policy and therefore the Council may have to provide a level of subsidy over and above the management fee in the early years of operation (or accept the cash flow risk).</p> <p>Likely to have higher central costs as it will require its own senior management team (Chief Executive, Finance Director etc.)</p> <p>The LATC would be required to implement the real Living Wage therefore staff costs comparable to in-house model.</p> <p>Likely to be able to apply for more funding than the local authority.</p> <p>There will be one-off set up costs for the LATC.</p> <p>Revenue risk will ultimately be underwritten by the Council</p>

Revenue Implications - Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>same has been assumed across all management options. It may be possible that it could achieve higher rates of VAT relief, however, it would be high risk at this stage to make this assumption, this would also result in increased irrecoverable VAT costs in the expenditure</p> <p>The main variances against the in-house model are:</p> <ul style="list-style-type: none"> • NNDR – It is assumed that a NPDO will achieve 80% NNDR relief • Salaries – whilst all management models will be expected to pay Real Living Wage rates, a NPDO could implement different terms and conditions and pension rates, therefore there could be some savings in staff costs against the in-house option. • Utilities and Maintenance costs would be expected to be comparable to in-house management. • Central costs – NPDO's have higher central costs due the need for a senior management team for the contract such as Chief Executive and finance manager. These costs cannot be spread over multiple contracts. The business plans assume 14%, which is in line with national benchmarks • Profit – it is likely that a NPDO will need to build up a level of reserves and therefore may include this within their business plan. Consequently, 2% of income has been included in the projections. 				
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4

Capital Resource - Ability to support the design, build and mobilisation of new / re-developed facilities					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
In-House	<p>The Council would need to explore opportunities for investment, i.e. through prudential borrowing, funding streams i.e. SE and potential of grants.</p> <p>If future funding is not available, SDC is dependent on either grant funding / NGB funding linked to programme development etc. or it can gain funding through leasing type arrangements. These generally enable fitness / ancillary and other income generating projects to be undertaken at the centres, although the Council must guarantee the investment.</p> <p>The Council will project manage the investments and takes the risk in any resulting projected income generation.</p> <p>The Council has previously project managed and delivered investment projects successfully.</p> <p>SDC has access and is willing to use prudential borrowing to fund capital schemes, the decision making process for using this funding involves assessing the cost of borrowing against any income generated by the investment.</p> <p>SDC has some capital reserves available but are unlikely to fund major investments.</p>			<p>The Council would need to explore opportunities for investment, i.e. through prudential borrowing, funding streams i.e. potential of grants, heritage funding etc.</p> <p>If future funding is not available, SDC is dependent on grant funding.</p> <p>The Council would project manage the investments and takes the risk in any resulting projected income generation.</p> <p>The Council has previously project managed and delivered investment projects successfully, including obtaining external funding to deliver the walled garden project.</p> <p>SDC has access and is willing to use prudential borrowing to fund capital schemes, the decision making process for using this funding involves assessing the cost of borrowing against any income generated by the investment.</p> <p>SDC has some capital reserves available but are unlikely to fund major investments.</p>	
	Score - 5	Score - 5	Score - 5	Score - 5	
External Contractor	<p>National operators are more likely to be able to fund equipment / ICT fit out and lifecycle works. They have good supplier links and achieve economies of scale.</p> <p>Pre-Covid, organisations could access funding for smaller investments, but the preference was very much for the Council to fund larger scale works projects. The borrowing rates were more cost effective and as operators do not 'own' the buildings, loans are based on future revenue</p>			<p>Pre-Covid, organisations could access funding for smaller investments (e.g. I.T equipment), but the preference was very much for the Council to fund larger scale works projects. The borrowing rates were more cost effective and as operators do not 'own' the buildings, loans are based on future revenue improvements as opposed to using assets / long leases as collateral. With Covid-19 impacting reserves,</p>	

Capital Resource - Ability to support the design, build and mobilisation of new / re-developed facilities					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>improvements as opposed to using assets / long leases as collateral. With Covid-19 impacting reserves, operators are likely to have less access to capital resources for even the smaller investment projects.</p> <p>The Council is more able to transfer the full risk of any investments to partners in terms of project delivery and business plan projections.</p> <p>Many organisations have delivered capital projects and have established supply chains with specific leisure experience.</p> <p>Some partners can offer VAT efficient build schemes, where the Council is the principal for the capital development schemes and the operator is the principal for the revenue.</p> <p>Whilst it is still the Council that can access capital investment more cheaply, the benefit is that external contractors typically have experience of being innovative and investing into customer critical areas and there are many examples where the operators have significantly reduced the revenue position with investment into facilities but importantly taken the delivery risk.</p> <p>All capital improvements are based on a 'pay back' period or return on investment, based on the contract length.</p>			<p>operators are likely to have less access to capital resources for even the smaller investment projects.</p> <p>The Council is more able to transfer the full risk of any investments to partners in terms of project delivery and business plan projections.</p> <p>Some partners can offer VAT efficient build schemes, where the Council is the principal for the capital development schemes and the operator is the principal for the revenue.</p>	
	Score - 4	Score - 4	Score - 4	Score - 4	
Local Authority Trading Company	<p>LATC will not have direct access to capital resources, the responsibility will remain with the Council.</p> <p>However, where the Council funds capital investment, the LATC will use the revenue improvements to repay the capital costs.</p>			<p>LATC will not have direct access to capital resources, the responsibility will remain with the Council.</p> <p>However, where the Council funds capital investment, the LATC will use the revenue improvements to repay the capital costs.</p>	

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix 16 - Management Options Appraisal

Capital Resource - Ability to support the design, build and mobilisation of new / re-developed facilities					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	Ultimately though with LATC having a limited trading history, any risk of these payments being made falls back to the Council.		Ultimately though with LATC having a limited trading history, any risk of these payments being made falls back to the Council.		
	Score - 3	Score - 3	Score - 3	Score - 3	
Locally established NPDO	The NPDO will not have direct access to capital resources, the responsibility will remain with the Council. However, where the Council funds capital investment, the NPDO will use the revenue improvements to repay the capital costs. Ultimately though with the NPDO having a limited trading history, any risk of these payments being made falls back to the Council.		The NPDO will not have direct access to capital resources, the responsibility will remain with the Council. However, where the Council funds capital investment, the LATC will use the revenue improvements to repay the capital costs. Ultimately though with the NPDO having a limited trading history, any risk of these payments being made falls back to the Council.		
	Score - 3	Score - 3	Score - 3	Score - 3	

Risk/Sustainability - Ability to manage financial risk and the organisation is sustainable in the long term.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
<p>Current management models are; either external operators or local organisations. Where councils had contractual agreements in place with external operators, which defined who was responsible for 'impact' of Covid, due to the scale of the impact, whichever organisation carried the risk, neither has been able to meet its contractual obligations to recompense the other. In the majority of cases; the Council and operator has agreed which centres and facilities within centres have re-opened to minimise the cost to the Council and operator whilst trying to preserve the opportunities for residents to access facilities and programmes within the centres. This criterion therefore is considered in 'normal' operating circumstances.</p>					
In-House	<p>All risk remains with the Council managing price sensitivity and programming requirements for users, marketing and branding and price changes for expenditure (e.g. utilities).</p> <p>The Council absorb and manage any under-performance.</p> <p>The Council as a large organisation is able to manage short term trading performance.</p> <p>The Council has successfully managed the financial risk presented throughout the Covid-19 crisis.</p>			<p>All risk remains with the Council, including programming, branding, marketing, all areas of expenditure and securing grant funding.</p> <p>The Council absorb and manage any under-performance.</p> <p>The Council as a large organisation is able to manage short term trading performance.</p> <p>The Council has successfully managed the financial risk presented throughout the Covid-19 crisis.</p>	<p>All risk remains with the Council.</p> <p>The Council absorb and manage any under-performance/additional costs.</p> <p>The Council as a large organisation is able to manage short term trading performance.</p> <p>Council is responsible for securing grant funding for programmes and initiatives, which it has done successfully to date.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4
External Contractor	<p>Where the Council is contracting with external organisations, they will complete a 'selection questionnaire' to assess organisation' economic standing and technical capacity etc. to check the suitability and sustainability of the organisation and to ensure there are mitigations to protect the Council if the contract fails.</p> <p>Established contractors have head office support to ensure that they are developing their products and services and assessing the trends in each market so that they can mitigate the changes in the leisure market.</p> <p>They can achieve economies of scale in purchasing especially larger items, ICT, Fitness equipment, etc.</p>			<p>Where the Council is contracting with external organisations, they will complete a 'selection questionnaire' to assess organisation' economic standing and technical capacity etc. to check the suitability and sustainability of the organisation and to ensure there are mitigations to protect the Council if the contract fails.</p> <p>They can achieve economies of scale in purchasing especially larger items, e.g. I.T equipment.</p>	<p>Where the Council is contracting with external organisations, they will complete a 'selection questionnaire' to assess organisation' economic standing and technical capacity etc. to check the suitability and sustainability of the organisation and to ensure there are mitigations to protect the Council if the contract fails.</p> <p>They are in a stronger position to meet demand risk and therefore be sustainable.</p> <p>Where they manage several contracts, they can spread risk across contracts.</p>

Risk/Sustainability - Ability to manage financial risk and the organisation is sustainable in the long term.						
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services	
	<p>They are in a stronger position to meet demand risk and therefore be sustainable.</p> <p>Where they manage several contracts, they can spread risk across contracts.</p> <p>There is a risk that they submit an un-deliverable financial business plan within the procurement process that they then struggle to deliver, so service levels do not meet the required performance standard. However, these can be benchmarked and tested during the procurement process.</p> <p>With an external operator under contract with the Council, there will be a known risk share and level of certainty in relation to the management fee for the length of the contract term. It is likely that the Council will be able to transfer the following risks to the external organisation;</p> <ul style="list-style-type: none"> ▪ Income ▪ Staffing costs ▪ R&M costs ▪ Implementation of any invest to save programmes and the income risk attached ▪ Utility consumption ▪ Equipment replacement ▪ Customer satisfaction and usage <p>Those areas of risk that are likely to be shared or remain with the Council include;</p> <ul style="list-style-type: none"> ▪ Pensions (risk will depend on the actuary report of current deficit or transferring employees) ▪ Structural building risk (given the age of the buildings) ▪ Full utility tariffs ▪ Reputational risk if the external organisation isn't successful 			<p>Where they manage several contracts, they can spread risk across contracts.</p> <p>There is a risk that they submit an un-deliverable financial business plan within the procurement process that they then struggle to deliver, so service levels do not meet the required performance standard. However, these can be benchmarked and tested during the procurement process.</p> <p>With an external operator under contract with the Council, there will be a known risk share and level of certainty in relation to the management fee for the length of the contract term. It is likely that the Council will be able to transfer the following risks to the external organisation;</p> <ul style="list-style-type: none"> ▪ Income ▪ Staffing costs ▪ R&M costs ▪ Implementation of any invest to save programmes and the income risk attached ▪ Utility consumption ▪ Equipment replacement ▪ Customer satisfaction and usage <p>Those areas of risk that are likely to be shared or remain with the Council include;</p> <ul style="list-style-type: none"> ▪ Pensions (risk will depend on the actuary report of current deficit or transferring employees) 		<p>There is a risk that they submit an un-deliverable financial business plan within the procurement process that they then struggle to deliver, so service levels do not meet the required performance standard. However, these can be benchmarked and tested during the procurement process.</p> <p>The Council will sign up to a contractual arrangement; it may have responsibilities that may incur costs.</p> <p>If the contract becomes financially unsustainable an external contractor may move focus to more commercial areas of the business to offset losses, which could impact their deliverability against the agreed specification.</p>

Risk/Sustainability - Ability to manage financial risk and the organisation is sustainable in the long term.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>In any agreements, there will be contractual obligations between the parties in respect to ongoing maintenance, equipment replacement etc. to ensure that service delivery meets set performance standards.</p> <p>The Council will sign up to a contractual arrangement; it will have responsibilities that may incur costs. For example, if the Council retains repairs and maintenance responsibility for the building structure, the Council must fulfil these obligations, or the new operator may be able to bring a 'loss of income' claim against the Council if non-delivery of their obligations impacts their income generating areas.</p>			<ul style="list-style-type: none"> ▪ Structural building risk (given the age of the buildings) ▪ Full utility tariffs ▪ Reputational risk if the external organisation isn't successful <p>The Council will sign up to a contractual arrangement; it will have responsibilities that may incur costs.</p>	
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 3
Local Authority Trading Company	<p>The key risk for a LATC is that it has a smaller base to share risk if any local factors impact its income generating opportunities. They do not have a larger organisational mix of facilities and contracts.</p> <p>The LATC is also dependent on a small team of experts within its senior management team to deliver the strategic direction of the organisation, as well as operational requirements.</p> <p>Any new organisation will require a period of support i.e. up to 3 years to ensure long term stability. The LATC will require flexibility and support so that it can build up a contingency of between 10% and 15% of overall annual turnover. Ultimately, if the LATC fails, the Council will have no option but to assume operational responsibility.</p> <p>If a LATC fails, the Council can provide the additional funding required or allow the trust to fail and find alternative delivery models. Both can be both costly, resource heavy for officers and negative in terms of public relations.</p> <p>The local authority should be able to transfer the risk of carrying out works using local authority funding.</p>			<p>The key risk for a LATC is that it has a smaller base to share risk if any local factors impact its income generating opportunities. They do not have a larger organisational mix of facilities and contracts.</p> <p>The LATC is also dependent on a small team of experts within its senior management team to deliver the strategic direction of the organisation, as well as operational requirements.</p> <p>Any new organisation will require a period of support i.e. up to 3 years to ensure long term stability. The LATC will require flexibility and support so that it can build up a contingency of between 10% and 15% of overall annual turnover. Ultimately, if the LATC fails, the Council will have no option but to assume operational responsibility.</p> <p>If a LATC fails, the Council can provide the additional funding required or allow the trust to fail and find alternative delivery models. Both can be both costly, resource heavy for</p>	<p>The key risk for a LATC is that it has a smaller base to share risk if any local factors impact its income generating opportunities. They do not have a larger organisational mix of facilities and contracts.</p> <p>The LATC is also dependent on a small team of experts within its senior management team to deliver the strategic direction of the organisation, as well as operational requirements.</p> <p>Any new organisation will require a period of support i.e. up to 3 years to ensure long term stability. The LATC will require flexibility and support so that it can build up a contingency of between 10% and 15% of overall annual turnover. Ultimately, if the LATC fails, the Council will have no option but to assume operational responsibility.</p> <p>If a LATC fails, the Council can provide the additional funding required or allow the trust to fail and find alternative delivery models. Both can be both costly, resource heavy for</p>

Risk/Sustainability - Ability to manage financial risk and the organisation is sustainable in the long term.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>A LATC is unlikely to be able to take the risk of a full repairing lease but will be able to take the risk on day to day maintenance requirements.</p> <p>It is unlikely that a LATC will be able to carry full risk for utilities, however a share in risk should be possible with the LATC taking risk on consumption.</p> <p>Establishing the correct governance structure will be key to managing financial risk. If the Company is established in the correct way with the correct balance between Council influence and commerciality then long term financial sustainability is achievable.</p> <p>SDC has established an LATC before and therefore has experience of managing this risk.</p>			<p>officers and negative in terms of public relations.</p> <p>The local authority should be able to transfer the risk of carrying out works using local authority funding.</p> <p>A LATC is unlikely to be able to take the risk of a full repairing lease but will be able to take the risk on day to day maintenance requirements.</p> <p>It is unlikely that a LATC will be able to carry full risk for utilities, however a share in risk should be possible with the LATC taking risk on consumption.</p> <p>Establishing the correct governance structure will be key to managing financial risk. If the Company is established in the correct way with the correct balance between Council influence and commerciality then long term financial sustainability is achievable.</p> <p>SDC has established an LATC before and therefore has experience of managing this risk.</p>	<p>officers and negative in terms of public relations.</p> <p>Establishing the correct governance structure will be key to managing financial risk. If the Company is established in the correct way with the correct balance between Council influence and commerciality then long term financial sustainability is achievable.</p> <p>SDC has established an LATC before and therefore has experience of managing this risk.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4
Locally established NPDO	To secure the contract a NPDO is required under procurement regulations to tender for the contract under an open tender process. A newly established NPDO will not		To secure the contract a NPDO is required under procurement regulations to tender for the contract under an open tender process.		To secure the contract a NPDO is required under procurement regulations to tender for the contract under an open tender process. A

Risk/Sustainability - Ability to manage financial risk and the organisation is sustainable in the long term.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>have the historical financial data compared to existing operators that could mean it does not make it through the selection questionnaire stage. It will also not have the operational history compared to existing organisations making its ability to score higher limited. Consequently, there is a risk of establishing a NPDO for it to be unsuccessful during procurement.</p> <p>The key risk for a NPDO is that it has a smaller base to share risk if any local factors impact its income generating opportunities. They do not have a larger organisational mix of facilities and contracts.</p> <p>The NPDO is also dependent on a small team of experts within its senior management team to deliver the strategic direction of the organisation, as well as operational requirements.</p> <p>Any new organisation will require a period of support i.e. up to 3 years to ensure long term stability. The NPDO will require flexibility and support so that it can build up a contingency of between 10% and 15% of overall annual turnover. Ultimately, if the NPDO fails, the Council will have no option but to assume operational responsibility.</p> <p>If the NPDO fails, the Council can provide the additional funding required or allow the trust to fail and find alternative delivery models. Both can be both costly, resource heavy for officers and negative in terms of public relations.</p> <p>The local authority should be able to transfer the risk of carrying out works using local authority funding.</p> <p>A NPDO is unlikely to be able to take the risk of a full repairing lease but will be able to take the risk on day to day maintenance requirements.</p>			<p>A newly established NPDO will not have the historical financial data compared to existing operators that could mean it does not make it through the selection questionnaire stage. It will also not have the operational history compared to existing organisations making its ability to score higher limited. Consequently, there is a risk of establishing a NPDO for it to be unsuccessful during procurement.</p> <p>The key risk for a NPDO is that it has a smaller base to share risk if any local factors impact its income generating opportunities. They do not have a larger organisational mix of facilities and contracts.</p> <p>The NPDO is also dependent on a small team of experts within its senior management team to deliver the strategic direction of the organisation, as well as operational requirements.</p> <p>Any new organisation will require a period of support i.e. up to 3 years to ensure long term stability. The NPDO will require flexibility and support so that it can build up a contingency of between 10% and 15% of overall annual turnover. Ultimately, if the NPDO fails, the Council will have no option but to assume operational responsibility.</p> <p>If a NPDO fails, the Council can provide the additional funding required or allow the trust to fail and find alternative delivery models. Both can be both costly, resource heavy for officers and negative in terms of public relations.</p>	<p>newly established NPDO will not have the historical financial data compared to existing operators that could mean it does not make it through the selection questionnaire stage. It will also not have the operational history compared to existing organisations making its ability to score higher limited. Consequently, there is a risk of establishing a NPDO for it to be unsuccessful during procurement.</p> <p>The key risk for a NPDO is that it has a smaller base to share risk if any local factors impact its income generating opportunities. They do not have a larger organisational mix of facilities and contracts.</p> <p>The NPDO is also dependent on a small team of experts within its senior management team to deliver the strategic direction of the organisation, as well as operational requirements.</p> <p>Any new organisation will require a period of support i.e. up to 3 years to ensure long term stability. The NPDO will require flexibility and support so that it can build up a contingency of between 10% and 15% of overall annual turnover. Ultimately, if the NPDO fails, the Council will have no option but to assume operational responsibility.</p> <p>If a NPDO fails, the Council can provide the additional funding required or allow the trust to fail and find alternative delivery models. Both can be both costly, resource heavy for officers and negative in terms of public relations.</p>

Risk/Sustainability - Ability to manage financial risk and the organisation is sustainable in the long term.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>It is unlikely that a NPDO will be able to carry full risk for utilities, however a share in risk should be possible with the NPDO taking risk on consumption.</p> <p>Establishing the correct governance structure will be key to managing financial risk. If the Company is established in the correct way with the correct balance between Council influence and commerciality then long term financial sustainability is achievable.</p>			<p>The local authority should be able to transfer the risk of carrying out works using local authority funding.</p> <p>A NPDO is unlikely to be able to take the risk of a full repairing lease but will be able to take the risk on day to day maintenance requirements.</p> <p>It is unlikely that a NPDO will be able to carry full risk for utilities, however a share in risk should be possible with the LATC taking risk on consumption.</p> <p>Establishing the correct governance structure will be key to managing financial risk. If the Company is established in the correct way with the correct balance between Council influence and commerciality then long term financial sustainability is achievable.</p>	<p>Establishing the correct governance structure will be key to managing financial risk. If the Company is established in the correct way with the correct balance between Council influence and commerciality then long term financial sustainability is achievable.</p>
	Score - 3	Score - 3	Score - 3	Score - 3	Score - 3

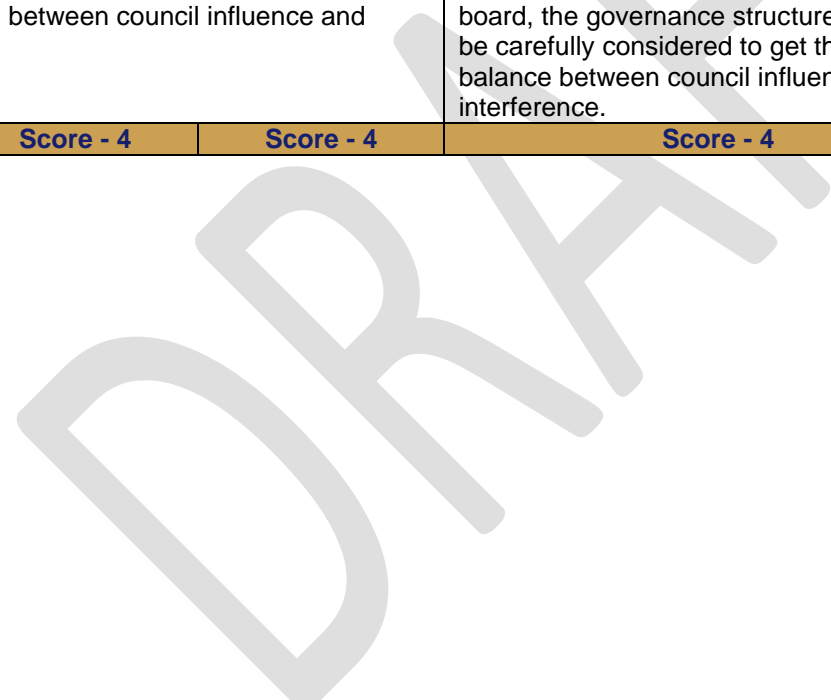
Risk/Operations - Ability to manage day to day operational risk of complex leisure centres/services					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
In-House	<p>With an established in-house leisure team there are no concerns over the ability of the in-house team managing all leisure facilities within the Councils portfolio.</p> <p>Existing staff and skills would transfer back to the Council at SPLC and the Lido.</p> <p>The repairs and maintenance would be managed through the council's central team, which at The Pulse has resulted in maintenance costs being significantly higher than average, although the centre is well maintained. In addition, redecoration and lifecycle maintenance must compete with other Council priorities.</p> <p>Typically there is less commercial experience and expertise within the in-house option, which can impact on the level of service and revenue opportunities, however the in-house team at The Pulse have demonstrated they can achieve income benchmarks comparable to SLM at SPLC.</p> <p>If the service is managed in-house there may be limited monitoring and measuring of performance compared to that of an external trust/operator. The Council would need to consider accreditations such as Quest, which it currently has at The Pulse, to verify the quality of service being delivered and that it is offering value to its customers.</p>			<p>Currently, successfully managed in-house and is able to manage the day-to-day operational risks.</p> <p>Existing staff with the knowledge and experience will remain.</p> <p>There are already Forward Plans and operational policies and procedures in place, including an annual service improvement plan.</p>	<p>Existing staff with the knowledge and experience will remain.</p> <p>The Council team understands the local needs and priorities and has connections and networks that enable the service to be delivered successfully.</p> <p>There are a number of case studies of current projects and initiatives show casing the team's ability to deliver community health and wellbeing projects successfully.</p>
	Score - 5	Score - 5	Score - 5	Score - 5	Score - 5
External Contractor	<p>Existing contractors have a wide range of experience across all leisure centre types and therefore can bring this breadth of leisure experience to the contract.</p> <p>All leisure contractors hold external validated quality accreditation i.e. Quest, Customer Service Excellence, IIP, ISO 14001, EMAS type awards.</p>			<p>External contractors, particularly leisure management companies have limited experience of museum management, however there are examples such as SLM at Cotswolds who manage the Corinium Museum.</p>	<p>Whilst staff would transfer to an external contractor, bringing their skills and experience, the local focus and priority could shift under an external contractor.</p> <p>External contractors have less experience of deliver sports, health and wellbeing development compared to facilities</p>

Risk/Operations - Ability to manage day to day operational risk of complex leisure centres/services					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>They tend to have head office resource with dedicated manager for quality, health and safety, HR, environmental management, maintenance etc.</p> <p>A performance management system will be put in place with detailed key performance indicators for operators to achieve.</p> <p>At SPLC under an external contract the latest NBS report highlighted activity available, ease of booking and range of activities available as a strength.</p>			<p>They tend to have head office resource with dedicated manager for quality, health and safety, HR, environmental management, maintenance etc.</p> <p>A performance management system can be put in place with detailed key performance indicators for operators to achieve.</p>	<p>management. Typically they tend to focus on GP referral schemes and rehabilitation/prevention classes within leisure facilities and rarely deliver outreach health and wellbeing services.</p>
	Score - 5	Score - 5	Score - 5	Score - 4	Score - 3
Local Authority Trading Company	<p>Staff will transfer to the new LATC bringing their experience and knowledge, which will help minimise operational impact.</p> <p>New organisations procedures, policies and standards in relation to central services (HR, Finance, VAT, Health and Safety, Maintenance etc.) may take time to become established and there may be risk in the mobilisation / transition period. However, there are a number of organisations that provide specialist health and safety, PR, marketing support etc. and a new LATC could buy in these skills as and when it required or it could utilise the Councils support services with a recharge arrangement.</p> <p>A LATC is unlikely to be able to take on full repair and maintenance responsibilities. However, it is likely to be able to take on day to day repair and maintenance responsibilities. The local authority needs to consider how it will monitor maintenance programmes to ensure the operational team is carrying out planned works and to the required standard. Often this can be undertaken by a in house Property Services team.</p>			<p>Staff will transfer to the new LATC bringing their experience and knowledge, which will help minimise operational impact.</p> <p>It may take time to embed policies and procedures for a new LATC and therefore potential risk during mobilisation/transition period. However, there are a number of organisations that provide specialist health and safety, PR, marketing support etc. to small leisure trusts and a new LATC could buy in these skills as and when it required or it could utilise the Councils support services with a recharge arrangement.</p>	<p>Staff will transfer to the new LATC bringing their experience and knowledge, which will help minimise operational impact. It will be reliant on these members of staff to deliver the services as it will not be able to draw on previous experience.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4

Risk/Operations - Ability to manage day to day operational risk of complex leisure centres/services					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
Locally established NPDO	<p>Staff will transfer to the new NPDO bringing their experience and knowledge, which will help minimise operational impact.</p> <p>New organisations procedures, policies and standards in relation to central services (HR, Finance, VAT, Health and Safety, Maintenance etc.) may take time to become established and there may be risk in the mobilisation / transition period. However, there are a number of organisations that provide specialist health and safety, PR, marketing support etc. and a new LNPDO could buy in these skills as and when it required or it could utilise the Councils support services with a recharge arrangement.</p> <p>A NPDO is unlikely to be able to take on full repair and maintenance responsibilities. However, it is likely to be able to take on day to day repair and maintenance responsibilities. The local authority needs to consider how it will monitor maintenance programmes to ensure the operational team is carrying out planned works and to the required standard. Often this can be undertaken by a in house Property Services team.</p>			<p>Staff will transfer to the new NPDO bringing their experience and knowledge, which will help minimise operational impact.</p> <p>It may take time to embed policies and procedures for a new NPDO and therefore potential risk during mobilisation/transition period. However, there are a number of organisations that provide specialist health and safety, PR, marketing support etc. to small leisure trusts and a new NPDO could buy in these skills as and when it required or it could utilise the Councils support services with a recharge arrangement.</p>	<p>Staff will transfer to the new NPDO bringing their experience and knowledge, which will help minimise operational impact. It will be reliant on these members of staff to deliver the services as it will not be able to draw on previous experience.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4

Council Influence and Control - Degree of Council control over the services on day to day basis.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
In-House	The Council will be able to exert the most direct control over services through the in-house management option.			The Council will be able to exert the most direct control over services through the in-house management option.	
	Score - 5	Score - 5	Score - 5	Score - 5	Score - 5
External Contractor	<p>The external contractor must deliver against the Council's specification and contract. The specification will include an annual service planning element to ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>An outsourced partner will report to its own board of trustees / directors who may have differing objectives to the Council.</p> <p>Significant changes to service delivery can be more formal; whilst flexibility in contracts can be included, there may be financial consequences to any significant changes.</p>			<p>The external contractor must deliver against the Council's specification and contract. The specification will include an annual service planning element to ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>An outsourced partner will report to its own board of trustees / directors, who may have differing objectives to the Council.</p> <p>Significant changes to service delivery can be more formal; whilst flexibility in contracts can be included, there may be financial consequences to any significant changes.</p>	
	Score - 3	Score - 3	Score - 3	Score - 3	Score - 3
Local Authority Trading Company	<p>The specification will set out the Council's priorities in respect to pricing / programming and other elements of service delivery.</p> <p>An annual service planning element of the specification can ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>There is Council representation on the board, the governance structure will need to be carefully considered to get the right balance between council influence and interference.</p>			<p>The specification will set out the Council's priorities in respect to programming and other elements of service delivery.</p> <p>An annual service planning element of the specification can ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>There is Council representation on the board, the governance structure will need to be carefully considered to get the right balance between council influence and interference.</p>	

Council Influence and Control - Degree of Council control over the services on day to day basis.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4
Locally established NPDO	<p>The specification will set out the Council's priorities in respect to pricing / programming and other elements of service delivery.</p> <p>An annual service planning element of the specification can ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>There is Council representation on the board, the governance structure will need to be carefully considered to get the right balance between council influence and interference.</p>	<p>The specification will set out the Council's priorities in respect to pricing / programming and other elements of service delivery.</p> <p>An annual service planning element of the specification can ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>There is Council representation on the board, the governance structure will need to be carefully considered to get the right balance between council influence and interference.</p>	<p>The specification will set out the Council's priorities in respect to programming and other elements of service delivery.</p> <p>An annual service planning element of the specification can ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>There is Council representation on the board, the governance structure will need to be carefully considered to get the right balance between council influence and interference.</p>	<p>The specification will set out the Council's priorities in respect to programming and other elements of service delivery.</p> <p>An annual service planning element of the specification can ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>There is Council representation on the board, the governance structure will need to be carefully considered to get the right balance between council influence and interference.</p>	<p>The specification will set out the Council's priorities in respect to key elements of service delivery.</p> <p>An annual service planning element of the specification can ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>There is Council representation on the board, the governance structure will need to be carefully considered to get the right balance between council influence and interference.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4



Customer Experience and Satisfaction - How well will services be planned, developed and delivered to improve/maintain quality services. Ability to create high levels of customer satisfaction throughout all areas of service delivery.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
In-House	<p>There is likely to be less monitoring of performance as there will be no management contract in place. However, the management team could incorporate customer satisfaction and quality KPI's into their management plans and monitor them regularly.</p> <p>The last customer survey at The Pulse in 2020, showed that the cleanliness across the three core activity areas is particularly good with no area scoring less than 4/5.</p> <p>The Council would need to re-brand SPLC and the Lido if it moved in-house and may need to consider District-wide branding to ensure consistency across the Councils facilities.</p> <p>The Council's in-house team achieved a Quest score of 'very good' at their latest assessment in May 2021.</p>			<p>The management team currently implement monitoring and reporting procedures to measure customer satisfaction.</p> <p>Customer surveys are undertaken and visitor books available on site.</p> <p>The Museum has held the Visit England Visitor Attraction Quality Assurance Scheme Award to a high standard since 2007.</p>	<p>There is likely to be less monitoring of performance as there will be no management contract in place. However, the management team could incorporate customer satisfaction and quality KPI's into their service delivery plans and monitor them regularly.</p>
	Score - 4	Score - 4	Score - 4	Score - 5	Score - 5
External Contractor	<p>External contractors can bring a breadth of leisure experience.</p> <p>The levels of service standards in areas that are important to the council can be tested through the procurement process.</p> <p>Through a robust contractual relationship, the Council can identify continuation improved scores / and KPI's in relation to customer satisfaction scores etc.</p> <p>Large operators tend to be weaker at delivering bespoke commissioned health and wellbeing services.</p> <p>External operators have extensive experience of achieve quality awards such as Quest.</p>			<p>The levels of service standards in areas that are important to the council can be tested through the procurement process.</p> <p>Through a robust contractual relationship, the Council can identify continuation improved scores / and KPI's in relation to customer satisfaction scores etc.</p> <p>Large operators tend to be weaker at delivering bespoke commissioned local learning and cultural services.</p>	<p>Large operators tend to be weaker at delivering bespoke commissioned health and wellbeing services.</p> <p>Through a robust contractual relationship, the Council can identify continuation improved scores / and KPI's in relation to customer satisfaction scores etc.</p>

Customer Experience and Satisfaction - How well will services be planned, developed and delivered to improve/maintain quality services. Ability to create high levels of customer satisfaction throughout all areas of service delivery.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>The last NBS report for Stratford Park highlighted cleanliness and quality of equipment as weaknesses of the current operator, this would need to be addressed and monitored through any procurement process. There was also relatively low satisfaction with the food and drink offer at SPLC.</p> <p>External contractors tend to take a corporate approach to customer service losing the 'personal' and bespoke approach that is common with in-house or LATC arrangements.</p>				
	Score - 4	Score - 4	Score - 4	Score - 3	Score - 3
Local Authority Trading Company	<p>Skill set of existing staff would transfer.</p> <p>Branding will need to be established.</p> <p>Customer satisfaction KPI's can be incorporated into the specification documents.</p> <p>More likely to have a local bespoke approach to customer service.</p>			<p>Skill set of existing staff would transfer.</p> <p>Branding will need to be established.</p> <p>Customer satisfaction KPI's can be incorporated into the specification documents.</p> <p>More likely to have a local bespoke approach to customer service.</p>	
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4
Locally established NPDO	<p>Skill set of existing staff would transfer.</p> <p>Branding will need to be established.</p> <p>Customer satisfaction KPI's can be incorporated into the specification documents.</p> <p>More likely to have a local bespoke approach to customer service.</p>			<p>Skill set of existing staff would transfer.</p> <p>Branding will need to be established.</p> <p>Customer satisfaction KPI's can be incorporated into the specification documents.</p> <p>More likely to have a local bespoke approach to customer service.</p>	
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4

Staffing - Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
In-House	<p>All the existing staff skills and operational practice transfer back to the Council at SPLC and the Lido.</p> <p>It is likely that there could be increases in staff costs at SPLC and the Lido, where new employees would be employed on Council terms and conditions, however wages across all sites are required to meet the real Living Wage, therefore salary/wage costs are comparable across all options.</p> <p>Scope for progression for employees is limited to within the Centre/Council.</p>			<p>All the existing staff skills and operational practice remain.</p> <p>No change in staff costs.</p> <p>Some training (e.g. Safeguarding, Equalities, Fire Evacuation, Key Policies) is covered at All Staff events, which includes paid and voluntary members of the team. There is a full induction process for members of the Governing Body. The Museum also supports up to five work placements in any given year. The Museum has been awarded Council's <i>Skills of Stroud Employability Charter</i> in recognition of its employment activities.</p> <p>Scope for progression for employees is limited to within the Museum/Council.</p>	<p>All the existing staff skills and operational practice remain.</p> <p>No change in staff costs.</p> <p>Scope for progression for employees is limited to within the Council.</p>
	Score - 4	Score - 4	Score - 4	Score - 5	Score - 5
External Contractor	<p>Staff will be subject to TUPE so all current terms and conditions would be protected in accordance with legislation.</p> <p>External operators are likely to offer new joiners their own company terms and conditions, which may vary from the current terms and conditions. This could result in some staff cost savings.</p> <p>External operators will offer training and development for staff specialising in the leisure industry.</p> <p>Any externalisation may crystallise any pension deficits. It is very likely that the Council would remain responsible for this under any externalisation process.</p>			<p>Staff will be subject to TUPE so all current terms and conditions would be protected in accordance with legislation.</p> <p>External operators are likely to offer new joiners their own company terms and conditions, which may vary from the current terms and conditions. This could result in some staff cost savings.</p> <p>Any externalisation may crystallise any pension deficits. It is very likely that the Council would remain responsible for this under any externalisation process.</p>	<p>Staff will be subject to TUPE so all current terms and conditions would be protected in accordance with legislation.</p> <p>External operators are likely to offer new joiners their own company terms and conditions, which may vary from the current terms and conditions. This could result in some staff cost savings.</p> <p>Any externalisation may crystallise any pension deficits. It is very likely that the Council would remain responsible for this under any externalisation process.</p>

Staffing - Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
	<p>An established external operator is normally able to offer staff wider career opportunities within the company structure that otherwise would not have be available with a single contract operator.</p> <p>Possible that some employees could be brought in from other contracts, therefore percentage of employees from the local area could be reduced. However, the Council could stipulate in the specification that a certain percentage of employees must live in the local area.</p>			<p>An established external operator is normally able to offer staff wider career opportunities within the company structure that otherwise would not have be available with a single contract operator.</p>	<p>An established external operator is normally able to offer staff wider career opportunities within the company structure that otherwise would not have be available with a single contract operator.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4
Local Authority Trading Company	<p>Staff would transfer to the new Trust under TUPE, with their terms and conditions protected.</p> <p>A new LATC would require central posts that are not currently in place such as a Chief Executive, Finance Director etc.; this results in higher central costs.</p> <p>As a single contract entity scope for progression is limited.</p> <p>The local authority is likely to have to underwrite the pension liability. It is not reasonable to expect the LATC to take on any pension deficits</p> <p>A LATC could offer new joiners their own company terms and conditions, which could result in some staff savings although noted that the Council will require living wage to be implemented.</p>			<p>Staff would transfer to the new Trust under TUPE, with their terms and conditions protected.</p> <p>A LATC trust would require central posts that are not currently in place such as a Chief Executive, Finance Director etc.; this results in higher central costs.</p> <p>As a single contract entity scope for progression is limited.</p> <p>The local authority is likely to have to underwrite the pension liability. It is not reasonable to expect the LATC to take on any pension deficits</p> <p>A LATC could offer new joiners their own company terms and conditions, which could result in some staff savings although noted that the Council will require living wage to be implemented.</p>	<p>Staff would transfer to the new Trust under TUPE, with their terms and conditions protected.</p> <p>A LATC trust would require central posts that are not currently in place such as a Chief Executive, Finance Director etc.; this results in higher central costs.</p> <p>As a single contract entity scope for progression is limited.</p> <p>The local authority is likely to have to underwrite the pension liability. It is not reasonable to expect the LATC to take on any pension deficits</p> <p>A LATC could offer new joiners their own company terms and conditions, which could result in some staff savings although noted that the Council will require living wage to be implemented.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4

Staffing - Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.					
	SPLC	Lido	The Pulse	Museum	SD, Health & Wellbeing Services
Locally established NPDO	Staff would transfer under TUPE, with their terms and conditions protected.			Staff would transfer to the new Trust under TUPE, with their terms and conditions protected.	Staff would transfer to the new Trust under TUPE, with their terms and conditions protected.
	<p>A new NPDO would require central posts that are not currently in place such as a Chief Executive, Finance Director etc.; this results in higher central costs.</p> <p>As a single contract entity scope for progression is limited.</p> <p>The local authority is likely to have to underwrite the pension liability. It is not reasonable to expect the NPDO to take on any pension deficits</p> <p>A NPDO could offer new joiners their own company terms and conditions, which could result in some staff savings although noted that the Council will require living wage to be implemented.</p>			<p>A NPDO trust would require central posts that are not currently in place such as a Chief Executive, Finance Director etc.; this results in higher central costs.</p> <p>As a single contract entity scope for progression is limited.</p> <p>The local authority is likely to have to underwrite the pension liability. It is not reasonable to expect the NPDO to take on any pension deficits</p> <p>A NPDO could offer new joiners their own company terms and conditions, which could result in some staff savings although noted that the Council will require living wage to be implemented.</p>	<p>A NPDO trust would require central posts that are not currently in place such as a Chief Executive, Finance Director etc.; this results in higher central costs.</p> <p>As a single contract entity scope for progression is limited.</p> <p>The local authority is likely to have to underwrite the pension liability. It is not reasonable to expect the NPDO to take on any pension deficits</p> <p>A NPDO could offer new joiners their own company terms and conditions, which could result in some staff savings although noted that the Council will require living wage to be implemented.</p>
	Score - 4	Score - 4	Score - 4	Score - 4	Score - 4

4.4 Evaluation Scores

4.4.1 Given the descriptive assessment of each management option being able to meet the Council's requirements, each criterion has been scored for each management option. The summary of the overall scores is shown in the table below. The detailed scores are included at **Appendix 16c**.

4.4.2 It can be seen that the in-house option has scored the highest across all areas of the scope of the appraisal, with the LATC and external contractor option in second at the leisure centres. The LATC option scored higher for The Museum in the Park and sports development, health and wellbeing services, than the external contractor. At the leisure centres the difference between the LATC, NPDO and external contractor is marginal.

Table 10 - Evaluation Scores Summary

Centre	In-House	External Contractor	LATC	NPDO
SPLC	88%	78%	78%	76%
Lido	88%	78%	78%	76%
The Pulse	88%	78%	78%	76%
Museum in the Park	95%	70%	78%	76%
SD, Health and Wellbeing Services	95%	62%	80%	78%

4.5 Catering Services

4.5.1 Due to the unique setting of Stratford Park and the facilities within it, it is worth noting the potential for catering across the park as a whole. Currently, the catering services at the leisure centre and museum are managed by the respective management company for each venue. Whilst this is a standard approach and one that could continue in any future management arrangements, the Council as part of its future management options could consider separating the catering at SPLC, Lido and the Museum in the Park and offering it out under a concession or franchise arrangement to a specialist catering provider.

4.5.2 This is primarily due to the potential for catering across Stratford Park as a whole and providing a consistent quality of provision across both venues to drive the revenue potential.

4.5.3 There is scope to improve the quality at the leisure centre, increase secondary spend at the museum and also maximise secondary spend of Lido users and general park visitors, particularly in the summer months to create a profitable catering offer. With the potential investment across the facilities as outlined in Stage 3 of the Leisure & Wellbeing Strategy catering will be central to increasing dwell time and usage.

4.5.4 The nearest café is at Tesco, which has a Costa coffee shop, however this is not easily accessible by park users as it requires crossing the road and Tesco car park to reach.

4.5.5 It is recommended that regardless of management option, the specification and monitoring of the catering service at all venues is carefully considered and implemented. Consequently, it is recommended that the Council seeks specialist catering advice from suppliers to understand the potential for a concession or franchise arrangement, prior to finalising the future management option.

5 Conclusions

- 5.1 Based on the evaluation criteria and weighting given to each, the in-house management option is recommended as being best able to deliver against the Councils outcomes, across all facilities and services. It is, however, likely to result in increased revenue costs due to the additional NNDR and other operational costs.
- 5.2 The LATC and NPDO options would be well placed to deliver against the Councils outcomes and operate at a better financial position than the in-house model across the leisure centres, however as a new entity, there is slightly more risk involved with this option. The NPDO would also have to be successful in a procurement process.
- 5.3 The external contractor model, whilst scores the highest from a revenue perspective across the leisure centres its ability to deliver against leisure, health and wellbeing outcomes is not deemed to be as effective as the in-house or LATC/NPDO options. It also scored significantly lower than both the in-house and LATC options for the Museum in the Park and sports development, health and wellbeing services.
- 5.4 Achieving Council outcomes and revenue position are considered the most important factors in the evaluation criteria. Additional analysis shows that if the weightings between these two areas were equal, or revenue was the higher weighting of the two then the in-house option will still score highest overall due to its performance in other areas of the evaluation. Although the difference between the two models is reduced from 10% at the leisure centres to 2% if the weightings are switched.
- 5.5 Consequently, it is recommended that the Council considers either operating all of the facilities and services in-house or depending on financial pressures, establish a LATC for the management of the leisure centres. If the Council follows the LATC model, then it could consider a phased approach, bringing the leisure centres under its management initially. A NPDO would not be recommended due to the risk involved from a procurement process.
- 5.6 It is recommended that the Museum in the Park and sports development, health and wellbeing services continue to be delivered in-house. However, if a LATC is established then once matured the Council could further assess the opportunity of transferring the Museum and sports development, health and wellbeing services under its management.
- 5.7 Prior to the Council mobilising its preferred management option, it is recommended that they seek specialist catering advice to understand the potential of having one catering provider across the Park as whole.

Appendix 16a – Options for Transfer of SDC’s Leisure and Wellbeing Services to a New Corporate Vehicle²

Criteria	Company Limited by Guarantee (CLG)	Community interest company (CIC)	Charitable incorporated organisation (CIO)	Community benefit society (CBS)
Principal features	Company run by directors with a separate membership who guarantee the debts/ liabilities of the company up to a minimal amount. However directors have to run the company in the best interests of the company, not the Council.	Not a corporate vehicle in itself but rather a “wrapper” around another vehicle - additionally requirement is a social purpose behind a company’s activities. Likely to be a company limited by guarantee.	Low key organisation run by trustees, allowing a small organisation to have corporate status, to improve their ability to access grants, employ staff and enter into contracts. Has both members and trustees	Set up to run as a business but that must be run for the benefit of the community at large, rather than only its members. Any profit made by a <i>community benefit society</i> must be used for the <i>benefit</i> of the <i>community</i>
Principal Legislation	Companies Act 2006	Companies Act 2006 and Companies (Audit, Investigations and Community Enterprise) Act 2004	Charities Act 2011	Co-operative and Community Benefit Societies Act 2014
What role for council	Council can be a sole member of the CLG, usually having a shareholder’s agreement with the company to set out how it oversees what the directors do, though otherwise directors have to run the company in the best interests of the company, not the Council.	Same as CLG	Two types of CIO, foundation or association. Latter not suitable as is for wider membership. With a foundation CIO, the member(s) is/are also the trustee(s), and a trustee has to be an individual person, so the Council cannot be a member/trustee.	Cannot have a sole member, has to have at least 3 members. However a member can be a corporate body such as the Council. Often used for mutual ownership organisations, where employee-members have a stake in the running of the company, though they cannot receive a share in any profits. Directors elected by the members
Can the Council award a contract to it directly without	Yes, if meets the required tests (see note 1 below – Teckal exemption)	Yes, if meets the required tests (see note 1 below – Teckal exemption).	No, insufficient control to meet the Teckal exemption (see note 1 below)	Probably not, insufficient control to meet the Teckal

² Deborah Down 25th September 2020 © Sharpe Pritchard LLP

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix 16 - Management Options Appraisal

Criteria	Company Limited by Guarantee (CLG)	Community interest company (CIC)	Charitable incorporated organisation (CIO)	Community benefit society (CBS)
a tender exercise?				exemption (see note 1 below)
Appropriate for contract model retaining control?	Yes	Yes	No	No
Appropriate for arms' length contract?	Yes in theory, but if not set up as Teckal company with control, then would have to tender the contract first	Yes in theory, but if not set up as Teckal company with control, then would have to tender the contract first	Yes, but WCC would have to tender that contract as CIO cannot be a Teckal company	Yes, but WCC would have to tender that contract as CBS cannot be a Teckal company
Appropriate for asset transfer	Yes (but see note 4 below)	Yes (but see note 4 below)	Probably not, as aimed at small charities just starting to expand. Not very familiar form to banks etc	Yes (but see note 4 below)
Governing document (see also below on charity registration and NNDR)	Articles of Association. Typically this does not allow profits to be passed up to its membership	Articles of Association containing required social objectives and asset lock (see note 5)	CIO model constitution published by the Charity Commission (only limited deviations permitted)	Constitution with required community benefit objectives
Regulator	Companies House	Companies House plus independent CIC Regulator	Charity Commission	Financial Conduct Authority
Can it register as a charity?	Yes, if meets Charity Commission requirements (see note 2 below)	No	Automatically a registered charity	No, but can register as charity for tax purposes with HMRC
NNDR charitable exemption available (see note 3)?	Yes, even if not a registered charity, provided the Articles of Association include the required charitable purposes – CLG has to be an organisation established for charitable purposes only	Yes, even though cannot be a registered charity, provided the Articles of Association include the required charitable purposes – CIC has to be an organisation established for charitable purposes only	Yes, because automatically a registered charity	Yes, provided that Articles of Association include the required charitable purposes – CBS has to be an organisation established for charitable purposes only
Indirect taxation benefits available especially VAT?	Specific advice required taking into account the Council's own	Specific advice required taking into account the Council's own	Yes, because by definition is a charitable organisation which	Can register as charity for tax purposes with HMRC.

Criteria	Company Limited by Guarantee (CLG)	Community interest company (CIC)	Charitable incorporated organisation (CIO)	Community benefit society (CBS)
	partial VAT exemption. There is a Sporting Services VAT exemption (VAT Notice 701/45). Specific considerations about taxing the property if a property disposal	partial VAT exemption. There is a Sporting Services VAT exemption (VAT Notice 701/45). Specific considerations about taxing the property if a property disposal	gets HMRC registration for charitable purposes and therefore VAT relief. Specific considerations about taxing the property if a property disposal	Specific considerations about taxing the property if a property disposal
Speed of incorporation (without separate charity registration)	Once directors selected and Articles of Association prepared, Companies House can register the same day if there are no issues	Once directors selected and Articles of Association prepared, submit to Companies House. There is an additional form which CH pass on to the CIC Regulator. Registration can only take place by CH once the CIC Regulator has confirmed that it is satisfied there is sufficient social benefit.	Charity Commission website indicates 40 working days if there is no deviation from the model constitution. However anecdotally the CC has a backlog and is very slow.	Slower than CLG but only one registration
Other considerations	<ol style="list-style-type: none"> 1. Incorporation is only part of the story, still need to either dispose of the assets to, or enter into a contract with, the new corporate vehicle, as well as required SDC governance approval. 2. If SDC is interested in working with another local authority, then a Teckal company can be set up controlled by two local authorities 3. Council appointed directors need to act in the best interests of the company, and consequently will have to deal with conflict of interest situations 4. Even with a contract, the contractual payment to the Council may have to be expressed as rent, as having a peppercorn rent with a separate payment to the Council may fall foul of the issue described at note 4; in addition a payment to the Council from say a CLG, and which is not described as rent, may be treated as a profit and so subject to corporation tax. 			

Appendix 16b – Revenue Implications**Stratford Park Leisure Centre – Year 5 – All Management Options**

SPLC	In-House	External Contractor	LATC/NPDO
Health & Fitness Membership	760,074	760,074	760,074
Health & Fitness Casual	39,167	39,167	39,167
Health & Fitness Group Exercise	75,761	75,761	75,761
Toning Membership	74,974	74,974	74,974
Spa & Treatment Room Hire	135,083	135,083	135,083
Swimming - Casual	87,769	87,769	87,769
Swimming - Lessons/Courses	497,230	497,230	497,230
Swimming - Hire	98,639	98,639	98,639
Sports Hall	118,695	118,695	118,695
Squash	23,269	23,269	23,269
Adventure Play Zone (Digital)	224,179	224,179	224,179
Outdoor - 3G Pitch	60,178	60,178	60,178
Outdoor - Tennis & Padel	30,301	30,301	30,301
Secondary - Catering	286,240	286,240	286,240
Secondary - Retail	54,526	54,526	54,526
Adventure Golf	238,508	238,508	238,508
TOTAL INCOME	2,804,591	2,804,591	2,804,591

EXPENDITURE			
Salaries	1,517,920	1,454,156	1,454,156
Utilities	186,395	159,767	186,395
NNDR	134,400	26,880	26,880
Insurance	28,046	28,046	28,046
Lifecycle	65,000	65,000	65,000
Repairs & Maintenance	123,000	116,850	123,000
Cleaning	13,838	13,838	13,838
Equipment	15,375	15,375	15,375
Other Supplies	28,046	28,046	28,046
Advertising & Marketing	56,092	56,092	56,092
Communications	14,023	14,023	14,023
Other Administration	15,179	14,542	14,542
Costs of Sales	170,383	170,383	170,383
Capital Costs	0	0	0
Irrecoverable VAT	28,615	27,278	28,590
OPERATIONAL EXPENDITURE	2,396,311	2,190,275	2,224,364

Central Costs	167,742	153,319	311,411
Profit	0	109,514	44,487

TOTAL EXPENDITURE	2,564,053	2,453,108	2,580,262
--------------------------	------------------	------------------	------------------

SURPLUS / DEFICIT	240,538	351,483	224,329
--------------------------	----------------	----------------	----------------

The Pulse, Dursley – Year 5 – All Management Option

The Pulse	In-House	External Contractor	LATC/NPDO
Health & Fitness Membership	539,966	539,966	539,966
Health & Fitness Casual	44,438	44,438	44,438
Health & Fitness Group Exercise	45,210	45,210	45,210
Swimming - Casual	145,420	145,420	145,420
Swimming - Lessons/Courses	414,365	414,365	414,365
Swimming Lessons - Private	62,000	62,000	62,000
Swimming - Hire	55,486	55,486	55,486
Secondary - Vending	15,413	15,413	15,413
Secondary - Retail	30,826	30,826	30,826
Other	0	0	0
TOTAL INCOME	1,353,125	1,353,125	1,353,125

EXPENDITURE			
Salaries	758,312	723,839	723,839
Utilities	96,445	52,606	96,445
NNDR	51,408	10,282	10,282
Insurance	13,531	13,531	13,531
Lifecycle	25,000	25,000	25,000
Repairs & Maintenance	48,600	24,300	48,600
Cleaning & Chemicals	29,160	29,160	29,160
Equipment	26,730	26,730	26,730
Other Supplies	9,472	9,472	9,472
Advertising & Marketing	27,062	27,062	27,062
Communications	6,766	6,766	6,766
Other Administration	3,792	3,619	3,619
Costs of Sales	23,120	23,120	23,120
Depreciation	0	0	0
Irrecoverable VAT	12,387	9,655	12,380
Other	0	0	0
OPERATIONAL EXPENDITURE	1,131,785	985,141	1,056,005

Central Costs	202,353	68,960	147,841
Profit	0	49,257	21,120

TOTAL EXPENDITURE	1,334,138	1,103,358	1,224,966
--------------------------	------------------	------------------	------------------

SURPLUS / DEFICIT	18,987	249,766	128,159
--------------------------	---------------	----------------	----------------

SPLC & The Pulse	In-House	External Contractor	LATC/NPDO
Combined Surplus	259,526	601,249	352,487

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix X - Management Options Appraisal

Appendix 16c – Detailed Evaluation Scores

SPLC				Score				Weighted Score			
	Criteria	Measures	Overall weighting	In-House	External Contractor	LATC	NPDO	In-House	External Contractor	LATC	NPDO
1	Council Objectives/Strategic outcomes	Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.	25%	5	3	4	4	25%	15%	20%	20%
3	Revenue implications	Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.	15%	3	5	4	4	9%	15%	12%	12%
4	Capital resources	Ability to support the design, build and mobilisation of new / re-developed facilities	10%	5	4	3	3	10%	8%	6%	6%
5	Risk/sustainability	Ability to manage financial risk and the organisation is sustainable in the long term.	10%	4	4	4	3	8%	8%	8%	6%
6	Risk / operations	Ability to manage day to day operational risk of complex leisure centres/services	10%	5	5	4	4	10%	10%	8%	8%
7	Council influence and control	Degree of Council control over the services on day to day basis.	10%	5	3	4	4	10%	6%	8%	8%
8	Customer experience and satisfaction	How well will services be planned, developed and delivered to improve/maintain quality services. Ability to create high levels of customer satisfaction throughout all areas of service delivery.	15%	4	4	4	4	12%	12%	12%	12%
9	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.	5%	4	4	4	4	4%	4%	4%	4%
			100%	35	32	31	30	88%	78%	78%	76%

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix 16 - Management Options Appraisal

STRATFORD PARK LIDO				Score				Weighted Score			
	Criteria	Measures	Overall weighting	In-House	External Contractor	LATC	NPDO	In-House	External Contractor	LATC	NPDO
1	Council Objectives/Strategic outcomes	Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.	25%	5	3	4	4	25%	15%	20%	20%
3	Revenue implications	Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.	15%	3	5	4	4	9%	15%	12%	12%
4	Capital resources	Ability to support the design, build and mobilisation of new / re-developed facilities	10%	5	4	3	3	10%	8%	6%	6%
5	Risk/sustainability	Ability to manage financial risk and the organisation is sustainable in the long term.	10%	4	4	4	3	8%	8%	8%	6%
6	Risk / operations	Ability to manage day to day operational risk of complex leisure centres/services	10%	5	5	4	4	10%	10%	8%	8%
7	Council influence and control	Degree of Council control over the services on day to day basis.	10%	5	3	4	4	10%	6%	8%	8%
8	Customer experience and satisfaction	How well will services be planned, developed and delivered to improve/maintain quality services. Ability to create high levels of customer satisfaction throughout all areas of service delivery.	15%	4	4	4	4	12%	12%	12%	12%
9	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.	5%	4	4	4	4	4%	4%	4%	4%
			100%	35	32	31	30	88%	78%	78%	76%

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix 16 - Management Options Appraisal

THE PULSE, DURSLEY				Score				Weighted Score			
	Criteria	Measures	Overall weighting	In-House	External Contractor	LATC	NPDO	In-House	External Contractor	LATC	NPDO
1	Council Objectives/Strategic outcomes	Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.	25%	5	3	4	4	25%	15%	20%	20%
3	Revenue implications	Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.	15%	3	5	4	4	9%	15%	12%	12%
4	Capital resources	Ability to support the design, build and mobilisation of new / re-developed facilities	10%	5	4	3	3	10%	8%	6%	6%
5	Risk/sustainability	Ability to manage financial risk and the organisation is sustainable in the long term.	10%	4	4	4	3	8%	8%	8%	6%
6	Risk / operations	Ability to manage day to day operational risk of complex leisure centres/services	10%	5	5	4	4	10%	10%	8%	8%
7	Council influence and control	Degree of Council control over the services on day to day basis.	10%	5	3	4	4	10%	6%	8%	8%
8	Customer experience and satisfaction	How well will services be planned, developed and delivered to improve/maintain quality services. Ability to create high levels of customer satisfaction throughout all areas of service delivery.	15%	4	4	4	4	12%	12%	12%	12%
9	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.	5%	4	4	4	4	4%	4%	4%	4%
			100%	35	32	31	30	88%	78%	78%	76%

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix 16 - Management Options Appraisal

MUSEUM IN THE PARK				Score				Weighted Score			
	Criteria	Measures	Overall weighting	In-House	External Contractor	LATC	NPDO	In-House	External Contractor	LATC	NPDO
1	Council Objectives/Strategic outcomes	Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.	25%	5	3	4	4	25%	15%	20%	20%
3	Revenue implications	Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.	15%	4	4	4	4	12%	12%	12%	12%
4	Capital resources	Ability to support the design, build and mobilisation of new / re-developed facilities	10%	5	4	3	3	10%	8%	6%	6%
5	Risk/sustainability	Ability to manage financial risk and the organisation is sustainable in the long term.	10%	4	4	4	3	8%	8%	8%	6%
6	Risk / operations	Ability to manage day to day operational risk of complex leisure centres/services	10%	5	4	4	4	10%	8%	8%	8%
7	Council influence and control	Degree of Council control over the services on day to day basis.	10%	5	3	4	4	10%	6%	8%	8%
8	Customer experience and satisfaction	How well will services be planned, developed and delivered to improve/maintain quality services. Ability to create high levels of customer satisfaction throughout all areas of service delivery.	15%	5	3	4	4	15%	9%	12%	12%
9	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.	5%	5	4	4	4	5%	4%	4%	4%
			100%	38	29	31	30	95%	70%	78%	76%

Leisure and Wellbeing Strategy for the Stroud District 2021 - 2040
Appendix 16 - Management Options Appraisal

SPORTS DEVELOPMENT, HEALTH & WELLBEING SERVICES				Score				Weighted Score			
	Criteria	Measures	Overall weighting	In-House	External Contractor	LATC	NPDO	In-House	External Contractor	LATC	NPDO
1	Council Objectives/Strategic outcomes	Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council and of the Leisure & Wellbeing Strategy. Ability to increase targeted participation and Social Value.	25%	5	3	4	4	25%	15%	20%	20%
3	Revenue implications	Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs.	15%	4	3	4	4	12%	9%	12%	12%
5	Risk/sustainability	Ability to manage financial risk and the organisation is sustainable in the long term.	10%	4	3	4	3	8%	6%	8%	6%
6	Risk / operations	Ability to manage day to day operational risk of complex leisure centres/services	10%	5	3	4	4	10%	6%	8%	8%
7	Council influence and control	Degree of Council control over the services on day to day basis.	10%	5	3	4	4	10%	6%	8%	8%
8	Customer experience and satisfaction	How well will services be planned, developed and delivered to improve/maintain quality services. Ability to create high levels of customer satisfaction throughout all areas of service delivery.	20%	5	3	4	4	20%	12%	16%	16%
9	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development.	10%	5	4	4	4	10%	8%	8%	8%
			100%	33	22	28	27	95%	62%	80%	78%

Disclaimer

Although the information in this report has been prepared in good faith, with the best intentions, on the basis of professional research and information made available to us at the time of the study, it is not possible to guarantee the financial estimates or forecasts contained within this report.

Max Associates cannot be held liable to any party for any direct or indirect losses, financial or otherwise, associated with any information provided within this report. We have relied in a number of areas on information provided by the client and have not undertaken additional independent verification of this data.

**Stroud District Council
Management Options Appraisal – In-house vs LATC Review
November 2021**

In-House Overview

The services will be delivered through direct management of facilities through frontline staff.

The Council will have full responsibility for all income risk and expenditure be responsible for future lifecycle investment and replacement of equipment. With this, the Council will have full control over all aspects of service delivery including pricing, programming and marketing.

The in-house option allows for full flexibility for delivery and decision making from elected members. Staff can work across the leisure and wellbeing service and with other Council services with ease.

The Council has direct delivery of what is seen as a high-profile service for the community.

When considering investment, the Council will be responsible for generating sufficient surplus to pay the capital repayment for prudential borrowing for any newly developed centres.

The main disadvantage is the increase in costs due to the following which significantly impacts the commerciality of the contract:

- the majority of income being standard rated
- full NNDR costs being payable
- staff would transfer back to Stroud District Council from SLM and therefore be eligible for LGPS and standards terms and conditions, (this would impact any future outsourcing arrangements).

This has led many Councils to consider LATCs as a mechanism for 'insourcing', i.e., putting services into a wholly owned company or joint venture. Unlike bringing back the service into the Council itself, this provides the opportunity to trade externally as well as delivering services on behalf of the owning authority.

Local Authority Trading Organisation (LATC) Overview

The Council would establish an 'arm's length' organisation to run the facilities and services on its behalf.

LATCs are bodies that are free to operate as external companies but remain wholly owned and controlled by the parent council(s). As trading bodies, LATCs can provide their services to a wider market than a council department.

LATCs are contracted by the parent council (or councils) to provide services back to the council(s) via a service contract.

However, the council may decide to apply the Teckal¹ exemption, which allows the authority to establish a LATC without the requirement for a procurement exercise. It is based on case law but is codified in the Public Contracts Regulations 2015. In general, the terms of exemption require:

- the council to control the vehicle as if it were an internal department, with there being no direct private share or ownership participation in the company (this is known as the control test).
- more than 80% of the vehicle's activities to be with its 'parent' council (this is known as the function test).

A LATC can be set up as not-for-profit which are able to benefit from similar tax exemption benefits to an NPDO trust. However, it would not have charitable status.

They can be a preferred 'cultural fit', compared to procured and independent charity models. However, both risk and reward remain with the Council

There are many forms which a new organisation could take, including but not limited to the following, the structures are likely to benefit from efficient NNDR and VAT benefits:

- Co-operative or Community Benefit Society;
- Company Limited by Guarantee (CLG);
- Charitable Incorporated Organisation (CIO); and
- Community Interest Company (CIC).

¹ A "Teckal" company is the common name for a **company which benefits from contracts for works, services or supply** from its controlling Contracting Authority (or Authorities) without having to go through a competitive tender process.

Advantages & Disadvantages

Option	Financial	Quality	
LATC	Advantages	Advantages	Risks
	<ul style="list-style-type: none"> The Council can support the LATC in respect of investment opportunities in relation to prudential borrowing etc. New investment opportunities can be negotiated at any time during the contract period. Can maximise VAT and NNDR efficiencies Operate commercially support services – can purchase from the industry (e.g., marketing) or Council (payroll) Could generate a sinking fund with any profit over and above the projected business plan to re-invest back into the centres. 	<ul style="list-style-type: none"> Closer links with the community through local organisation Single focus on service delivery Staff feel more involved in the service delivery as not part of a large organisation. Set up and deliver community led co-produced programmes to have real impact on residents Perceived there is a better ‘partnership’ approach. Providing the authority with more direct strategic control over the service than a third party would Being politically more appealing as the authority is the shareholder High level of control retained. 	<ul style="list-style-type: none"> A contract and specification that ensures roles and responsibilities are clearly defined between the parties, but ultimately risk remains with the Council. Often set up with less well-defined contract, so that responsibilities are not clearly defined, or it is believed that contract terms are more easily varied (for example to meet council budget requirements). In many cases, funding agreements for LATCs are only agreed for the short term: 3-4 years, so the company operates on a short-term basis, which can be detrimental to the service. Reputational impact if organisation not successful.
	Disadvantages	Disadvantages	Other Considerations
	<ul style="list-style-type: none"> Less able to withstand significant changes in leisure trends. No other contract/sites to absorb poor financial performance. Few economies of scale realised. Likely higher central costs than the current model. High central costs may reduce levels of potential surplus. 	<ul style="list-style-type: none"> A board of trustees / directors need to be recruited. All operational procedures would have to be developed by the new organisation. No expertise from a ‘head office’. Expertise re. market led product development may need to be bought in or learned as products mature in the industry. 	<ul style="list-style-type: none"> Can be set up in a timely manner There will be significant set-up costs One off cost for branding for centres. A new organisation will require a large working capital budget to start the company, the Council may need to provide a contingency/cashflow fund for the new organisation. There will need to be suitable lease / contract / funding agreement /

Management Options Appraisal – In-house vs LATC Review

Option	Financial	Quality	
		<ul style="list-style-type: none"> Leisure Centre marketing and branding expertise will need to be developed. Can have a more relaxed approach to monitoring (for example with no deduction mechanism) in place, which can lead to service delivery issues. 	<p>services specification set up between the new organisation and the council.</p> <ul style="list-style-type: none"> Timescales – 12-15 months (see below) Longer term benefits once company has matured – it is a long term solution.
In-house	<p>Advantages</p> <ul style="list-style-type: none"> Council does not pay for any risk premiums, can easily change service inputs to meet budgetary requirements. Share support costs with other departments. Economies of scale normally achieved in utilities purchasing. Effective purchase ledger and accompanying budget monitoring systems in place. Low costs in providing capital if the Council has access to it. A staffing structure can be put in place to serve both leisure centres. Due to the success of the current in-house provision knowledge and experience would be shared across the service. 	<p>Advantages</p> <ul style="list-style-type: none"> Increases Council control over leisure services More effective cross department working; public health, education, open spaces and community development. Officers have autonomy to make local decisions Members / officers feel that they 'own / have control' of the services Changes in priorities can be implemented quickly. Joined up service provision for residents 	<p>Risks</p> <ul style="list-style-type: none"> All risk sits with the Council
	<p>Disadvantages</p> <ul style="list-style-type: none"> There will be initial costs to bring Stratford Park Leisure Centre back in-house. Higher staffing costs due to Council terms and conditions, although it is noted that SLM is currently required to pay Real Living Wage. Increased costs due to staff being able to access the LGPS. 	<p>Disadvantages</p> <ul style="list-style-type: none"> Limited access to the benefits of developing new opportunities and from economies of scale and also to the wider knowledge gained by experienced operators for innovation and development. 	<p>Other Considerations</p>

Option	Financial	Quality	
	<ul style="list-style-type: none"> • The Council will not have the benefit of NNDR and VAT relief (unless Ealing Ruling is applied) • Additional resource may be required within the Council to support the contract e.g., HR and finance. • Budget set year on year and may be subject to reductions with changing priorities of council or central government. • Central/support costs of the Council can be arbitrarily included in leisure budgets and disproportionate to overall service. • Any savings made within the service will go to the general fund and may lead to a reduced budget in the following year, not re-invested into the service / facilities. • No 'sinking' fund in place for future lifecycle building works and equipment replacement 	<ul style="list-style-type: none"> • Can be slower to react to introduce income generating schemes. • Without a defined specification, service delivery is often based upon short term priorities. • Often behind in industry innovation and new market led products, (for example, ICT initiatives). • Officers must use council procedures / contracts in areas that are not as effective / suitable for the services, for example ICT / marketing and branding. • The Council can be slow to react to implement change and is less able to react quickly to a highly competitive fitness market. • Reporting is predominantly about financial and usage performance as opposed to outputs and impacts of the service. 	

Priority Evaluation

The table below outlines the latest priorities with both options re-evaluated based on their ability to deliver against these priorities.

Priorities	In-House	LATC
<p>1. Delivery of council objectives/strategic outcomes.</p> <p>2. Able to understand the community within which the organisation is working.</p> <p>3. Ability to increase targeted participation and social value.</p> <p>Joined up council provisions for residents (fit for future)</p>	<p>Operating the centre(s) in-house means that joined up work to achieve the Council's wider strategic objectives would be more achievable than an external contractor arrangement. The management team will be able to work more easily with the other Council departments to ensure all wider strategic working is delivered.</p> <p>Delivering services in-house means that changing priorities can be quickly implemented.</p> <p>The in-house management team are already involved with wider Council strategies giving them extensive knowledge and experience of working towards Council outcomes.</p> <p>Given the success of the existing in-house management of The Pulse and the support team within the Council we are confident that an in-house operation would be successful in meeting outcomes and strategic priorities. There is sufficient resource, expertise, knowledge and experience to deliver outcomes, which is not always the case. It would be recommended however, that there is a management plan implemented with KPI's for performance and meeting outcomes to ensure the in-house delivery remains in line with strategic priorities and direction.</p> <p>Joined up working to achieve Council's outcomes and 'fit for future' aspirations are more easily deliverable under the in-house option.</p>	<p>As with the external contractor option, a specification and performance management system would be in place.</p> <p>Therefore, whilst the LATC is independent of the Council, if there is a clearly defined specification, and longer-term financial stability (known management fee / funding agreement) it can be easier for the Council's strategic outcomes to be met.</p> <p>Staff from the existing facility would transfer under TUPE therefore retaining the local experience and knowledge to deliver against outcomes.</p> <p>Has the ability to attract additional funding streams compared to in-house option, which can be used to deliver facility and services interventions.</p> <p>More likely to have a locally focussed approach compared to an external contractor.</p> <p>Company profits can be repatriated to council, invested in the company or a mix of both.</p> <p>A LATC would have outcomes and KPI's set within their management contract but there would be less control/influence over <u>how</u> they are delivered/met.</p> <p>Requirements for delivering under the fit for future agenda can be built into service specifications, however it will require partnership working with various Council departments</p>
Score	5	4
Customer experience and satisfaction. How well will services be planned,	There is likely to be less monitoring of performance as there will be no management contract in place. However, the management team could incorporate customer satisfaction	<p>Skill set of existing staff would transfer.</p> <p>Branding will need to be established.</p>

Management Options Appraisal – In-house vs LATC Review

Priorities	In-House	LATC
<p>developed and delivered to improve/maintain quality of service. Ability to create high levels of customer satisfaction throughout all areas of service delivery</p> <p>Exemplar quality of council and community facilities across the district</p>	<p>and quality KPI's into their management plans and monitor them regularly.</p> <p>The last customer survey at The Pulse in 2020, showed that the cleanliness across the three core activity areas is particularly good with no area scoring less than 4/5.</p> <p>The Council would need to re-brand SPLC and the Lido if it moved in-house and may need to consider District-wide branding to ensure consistency across the Councils facilities.</p> <p>The Council's in-house team achieved a Quest score of 'very good' at their latest assessment in May 2021.</p> <p>Currently the Council scores well with customer satisfaction and quality at The Pulse, whilst it is expected that this could be transferred to SPLC, as an older more complex building it will have more challenges.</p>	<p>Customer satisfaction KPI's can be incorporated into the specification documents.</p> <p>More likely to have a local bespoke approach to customer service.</p> <p>Will need to ensure robust operational procedures are set up and implemented to ensure the quality of service delivery is high. This may require external specialist support depending on experience within the team.</p> <p>With an LATC quality of service and meeting performance standards can be set within the contract documents and a performance management system.</p>
Score	5	4
<p>Revenue cost - running the service with a low or zero subsidy - what is acceptable</p>	<p>The in-house operation is unable to gain NNDR relief. The Council currently receives VAT relief on swimming lessons, fitness classes and courses income, which is comparable to external operators, such as SLM. Although some operators may be able to gain additional VAT relief on some income streams that the Council currently doesn't.</p> <p>The Council is able to apply for external funding available only to statutory bodies.</p> <p>Due to the performance of The Pulse, it is anticipated that under in-house management SPLC and the Lido would fare better financially than the current provider.</p> <p>The Pulse currently performs very well from an income perspective under in-house management against SPLC. However, due to the lack of control over maintenance costs,</p>	<p>The new company will need to have a suitable reserves policy and therefore the Council may have to provide a level of subsidy over and above any management fee in the early years of operation (or accept the cash flow risk).</p> <p>Likely to have higher central costs as it will require its own senior management team (Chief Executive, Finance Director etc.)</p> <p>The LATC would be required to implement the real Living Wage therefore staff costs comparable to in-house model.</p> <p>An LATC can be set up under an appropriate structure to receive VAT and NNDR relief.</p> <p>Likely to be able to apply for more funding than the local authority.</p> <p>There will be one-off set up costs for the LATC</p>

Priorities	In-House	LATC
	<p>as they are managed centrally, expenditure is higher than other management options. Utility costs are also higher.</p> <p>Central support costs are typically higher than external contractors and at The Pulse central support costs are higher than average.</p> <p>The in-house team has successfully implemented voluntary programmes at other facilities that could be transferred to the Lido, working with Friends of Stratford Park Lido to minimise expenditure on this site.</p> <p>Revenue risk of underachieving against budget sits with Council.</p> <p>Business Plans for the two leisure centres were completed as part of the Management Options report for each management model. Following investment, in a mature year the in-house option achieves the lowest overall surplus of c.£260k across both centres.</p> <p>However, due to the success of the in-house operation at the Pulse a surplus is still a realistic target. To achieve this the centres will require investment and better control over maintenance and utility costs will be required.</p> <p>Differences in expenditure are anticipated in:</p> <ul style="list-style-type: none"> • NNDR – In-house the Council will pay 100% of costs • Salaries – whilst all management models will be expected to pay Real Living Wage rates, external contractors, LATC's can implement different terms and conditions and pension rates, therefore in-house staff costs are anticipated to be slightly higher than the other options. • Utilities – At the Pulse in-house utility costs are high against benchmarks therefore utility costs at both 	<p>Any profit could be re-invested back into the facilities.</p> <p>Revenue risk will ultimately be underwritten by the Council</p> <p>The Business Plans completed for the two leisure centres show that in a mature year and post investment the LATC option achieves a surplus of c.£352k across both centres, which is between the in-house and external contractor position.</p> <p>The main variances against the in-house model are:</p> <ul style="list-style-type: none"> • NNDR – It is assumed that a LATC will achieve 80% NNDR relief • Salaries – whilst all management models will be expected to pay Real Living Wage rates, a LATC could implement different terms and conditions and pension rates, therefore there could be some savings in staff costs. • Utilities and Maintenance costs would be expected to be comparable to in-house management. • Central costs – LATC's have higher central costs due the need for a senior management team for the contract such as Chief Executive and finance manager. These costs cannot be spread over multiple contracts. The median benchmark for these costs is 14% of expenditure. • Profit – it is likely that an LATC will need to build up a level of reserves and therefore may include this within their business plan. <p>Ultimately with a LATC income and expenditure risk would sit with the Council as per the in-house option, however with an external contract a substantial amount of risk could be passed over to the operator.</p>

Management Options Appraisal – In-house vs LATC Review

Priorities	In-House	LATC
	<p>centres are expected to be higher under the in-house option</p> <ul style="list-style-type: none"> Repairs and Maintenance – In-house these are managed by a different department and therefore limited control by the management team results in higher than average costs. This would not be the case under alternative management models. Although the Council could discuss ways in which this could be managed more efficiently in-house. Central costs – in-house management typically has higher levels of central costs, the central costs for The Pulse are higher than average. 	
See the financial review below for an evaluation of the cost of the existing leisure centres under both management options (pre-investment)		
Score	3	5
Council influence and control. How important to you is having control and managing the risk over the service on a day-to-day basis	<p>The Council will be able to exert the most direct control over services through the in-house management option.</p> <p>In-house all risk will sit with the Council so whilst the Council will have control and manage the risk directly, this will have cost implications.</p>	<p>The specification will set out the Council's priorities in respect to pricing / programming and other elements of service delivery.</p> <p>An annual service planning element of the specification can ensure that the Council's changing requirements can be incorporated into future service delivery.</p> <p>There is Council representation on the board, the governance structure will need to be carefully considered to get the right balance between council influence and interference.</p>
Score	5	4
Staffing - using local employment, impact on terms and conditions, future opportunities for staff development, payment of the living wage for the lowest paid staff.	<p>All the existing staff skills and operational practice transfer back to the Council at SPLC and the Lido.</p> <p>It is likely that there could be increases in staff costs at SPLC and the Lido, where new employees would be employed on Council terms and conditions, however wages across all sites are required to meet the real Living Wage, therefore salary/wage costs are comparable across all options.</p> <p>Scope for progression for employees is limited to within the Centre/Council.</p>	<p>Staff would transfer to the new Trust under TUPE, with their terms and conditions protected.</p> <p>A new LATC would require central posts that are not currently in place such as a Chief Executive, Finance Director etc.; this results in higher central costs.</p> <p>As a single contract entity scope for progression is limited.</p> <p>The local authority is likely to have to underwrite the pension liability. It is not reasonable to expect the LATC to take on any pension deficits</p>

Management Options Appraisal – In-house vs LATC Review

Agenda Item 8
Appendix 2

Priorities	In-House	LATC
		<p>A LATC could offer new joiners their own company terms and conditions, which could result in some staff savings although noted that the Council will require living wage to be implemented.</p> <p>As the Council currently funds Real Living Wage and the expectation is that this will continue then the opportunity for a LATC to make significant staff savings is minimal.</p> <p>As a local entity employing local people is likely. There is an opportunity for staff to grow with the LATC a generate alternative progression options to those available in-house.</p>
Score	5	5
Giving up control of the facilities and services related to Leisure, health and wellbeing in return for investment within the current centres and potential new build	<p>The likelihood is that the Council will need to fund any major work and therefore it will be down to the ability to project manage and deliver investment schemes.</p> <p>Council has experience of delivering capital investment projects, however all risk remains with the Council.</p>	<p>LATC will not have direct access to capital resources, the responsibility will remain with the Council.</p> <p>However, where the Council funds capital investment, the LATC will use the revenue improvements to repay the capital costs.</p> <p>Ultimately though with LATC having a limited trading history, any risk of these payments being made falls back to the Council.</p> <p>The likelihood is that the Council will need to fund any major work and therefore it will be down to the ability to project manage and deliver investment schemes.</p> <p>Whilst existing contractors have experience of comparable investment projects there is support through development partners (e.g., Alliance Leisure) that the Council could utilise to ensure projects remain on budget and are delivered within timescales. This would remove a level of risk for the Council.</p>
Score	4	4

Financial Evaluation – Existing Facilities

A high-level review of the potential impact on the existing leisure centres (pre-investment) has been completed. This takes into account key income/expenditure differences only. The assumptions made in this assessment are:

- The calculations are based on 2019/20 actuals as the last full year pre-Covid and are based on a mature year, for example staff savings are unlikely to be realised in year 1 and could take c.3 years to reduce to the projected levels.
- The same VAT relief on income currently achieved at The Pulse (Swimming lessons, group exercise and courses) will be applied at SPLC under the in-house option.
- An LATC would have comparable VAT relief to an external contractor therefore some additional VAT relief may be possible at The Pulse, for example on casual swimming.
- Whilst Real Living Wage is assumed on all options, it is expected that an LATC may be able to achieve some small savings at The Pulse based on different terms and conditions. It is assumed that the staff at SPLC who are currently on external contractor terms and conditions would remain the same.
- It is assumed that the LATC would get 80% NNDR relief, as per the current arrangement at SPLC.
- It is assumed that the LATC would have some additional Irrecoverable VAT costs due to the additional VAT relief on income.
- It is assumed that an LATC would operate with central costs of 14%, which is in line with the Sport England National Median Benchmark.
- Central costs have been included for SPLC under the in-house option, this is based on the same percentage of income being achieved across both sites as is currently achieved at The Pulse. However, as central costs are currently relatively high, such significant additional central costs may not be required if SPLC is added to the Council portfolio.
- An element of surplus (2% of income) is included in the LATC model on the assumption that they would need to build a level of reserves to assist in their financial sustainability.

Based on the analysis if both leisure centres were managed in-house the subsidy is expected to be in the region of £421k per annum. With a LATC it is expected that a management fee payable by the Council would be required in the region of £117k. This is based on the current facility mix, prior to investment. With both centres in-house the cost to the Council is expected to increase by c.£107k, with a LATC it is anticipated to reduce by nearly £200k.

Management Options Appraisal – In-house vs LATC Review

Evaluation scores

Outlined below are the evaluation scores against the weightings for each priority. It can be seen that the LATC scores marginally higher than the In-House option, which is due to the significant financial benefit that can be achieved in its revenue position.

			In-House	LATC	In-House	LATC
	Priority	Weighting	Score	Score	Weighted Score	Weighted Score
1	1. Delivery of council objectives/strategic outcomes. 2. Able to understand the community within which the organisation is working. 3. Ability to increase targeted participation and social value. Joined up council provisions for residents (fit for future)	20%	5	4	20%	16%
2	Customer experience and satisfaction. How well will services be planned, developed and delivered to improve/maintain quality of service. Ability to create high levels of customer satisfaction throughout all areas of service delivery Exemplar quality of council and community facilities across the district	15%	5	4	15%	12%
3	Revenue cost - running the service with a low or zero subsidy - what is acceptable	25%	3	5	15%	25%
4	Council influence and control. How important to you is having control and managing the risk over the service on a day-to-day basis	15%	5	4	15%	12%
5	Staffing - using local employment, impact on terms and conditions, future opportunities for staff development, payment of the living wage for the lowest paid staff.	10%	5	5	10%	10%
6	Giving up control of the facilities and services related to Leisure, health and wellbeing in return for investment within the current centres and potential new build	15%	4	4	12%	12%
	TOTAL	100%	27	27	87%	87%

Disclaimer

Although the information in this report has been prepared in good faith, with the best intentions, on the basis of professional research and information made available to us at the time of the study, it is not possible to guarantee the financial estimates or forecasts contained within this report.

Max Associates cannot be held liable to any party for any direct or indirect losses, financial or otherwise, associated with any information provided within this report. We have relied in a number of areas on information provided by the client and have not undertaken additional independent verification of this data.

Stroud District Council

Review of In-House Option vs. LATC

April 2023

1. Introduction

- 1.1. Max Associates has been asked to review the potential cost impact of the In-House management option following the updated VAT guidance for local authority leisure services.
- 1.2. This paper provides an overview of the new guidance and sets out the financial impact on the leisure centre and central support services budgets and compares them to the LATC business case.

2. 2023 VAT Guidance

- 2.1. On 3rd March 2023 new guidance from the Government was released that confirmed that local authorities' leisure services are provided under a statutory framework and can be treated as non-business for VAT purposes. Therefore, Councils can benefit from VAT relief on sporting income, without risk of exceeding their diminimus value.
- 2.2. Currently local authorities are treated as undertaking business activity if they provide leisure services to members of the public. This treatment is based on the understanding that when local authorities provide leisure services they are not acting as a public authority.
- 2.3. A local authority acts as a public authority when they're carrying out their statutory public interest activities for the service of the community.
- 2.4. This treatment was challenged by a number of local authorities and the matter was considered by the courts.
- 2.5. This litigation has now concluded. The courts have found that local authorities' leisure services are provided under a statutory framework and can be treated as non-business for VAT purposes.
- 2.6. Before a public body, such as a local authority, can treat a supply as non-business it must be shown that this treatment would not significantly affect competition.
- 2.7. Consequently, HMRC conducted a detailed analysis of the leisure services sector and found that allowing local authorities to treat their supplies of leisure services as non-business would not significantly affect competition.

2.8. As a result of this change Local authorities that currently charge their customers VAT at the standard rate can apply the non-business treatment to their supply of leisure services.

2.9. This change excludes:

- catering
- adult or children's clothing
- water bottles
- sporting goods
- items from vending machines
- car parking
- sporting lets or other sporting activities previously treated as exempt.

2.10. The benefit of 'non-business' treatment of income is the ability to recover VAT on related expenditure but this is not subject to any limitations provided under Section 33 of the VAT Act 1994.

2.11. PSTAX has provided the following statement regarding the new guidance.

HM Revenue and Customs (HMRC) have recently issued a Brief - [Revenue & Customs Brief 3 \(2023\)](#) - on changes to the VAT treatment of Leisure Services supplied by Local Authorities. This note explains the background, what has changed, and what Authorities need to consider now.

Background

HMRC have historically regarded the in-house provision of leisure services by Authorities to be a taxable business activity. Some Authorities have chosen to outsource leisure centres to Charitable Trusts, which were regarded by HMRC as eligible bodies for a VAT exemption on sport supplies, meaning that they don't need to charge VAT to users of the sports facilities covered. However, the Trusts are also unable to recover much of the VAT incurred on related expenditure.

In 2017, following litigation by the London Borough of Ealing, HMRC accepted that Authorities could also be treated as eligible bodies for the VAT exemption used by the Trusts. They didn't force Authorities to apply VAT exemption, and many chose not to due to the impact on their Partial Exemption calculations – which could have adversely affected VAT recovery on expenditure across the whole Authority.

More recently, Chelmsford City Council, Midlothian Council and Mid-Ulster Council all successfully contested that leisure services were provided under a special legal regime, which was applicable only to Authorities. Within England, this is Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 (“the Act”). Charges under special legal regimes can only be treated as non-business if doing so would not significantly distort competition. However, HMRC issued their Brief conceding this aspect before the courts could consider it.

The advantage of non-business treatment under Chelmsford (or Midlothian in Scotland and Mid-Ulster in Northern Ireland), rather than VAT exemption under Ealing, is that income is still relieved from VAT - but without the same risk of affecting the recovery of VAT on expenditure.

What is covered by the Brief?

HMRC say that it covers Authorities' provision of in-house leisure services to members of the public. Our interpretation of the Brief is that non-business treatment applies to:

- Charges for the casual use of Authorities' sports facilities – within leisure centres, schools, or elsewhere.
- Bookings of such facilities, where the criteria for the existing series of lets or continuous let VAT exemptions aren't met.

Where the above supplies are made by a third party acting as the agent of an Authority, we consider that non-business treatment applies to charges made to the public. However, it would not apply to charges made by third parties acting as principal. Care should be taken to determine the structure in place.

We consider that the Brief also **excludes**:

- Lettings of sports facilities which meet the criteria for a series of lets or a continuous let, or any non-sporting lets. **These remain exempt from VAT unless the option to tax has been exercised by the Authority.**
- Charges for classes/tuition provided by the Authority. **These remain exempt from VAT.**
- Catering/vending, and other supplies of goods. **These remain business activities, mainly subject to VAT, although some charges for cold takeaway food may be eligible for zero rating.**
- Car parking. **Any charges for off-street parking remain subject to VAT.**

Some of the exclusions in HMRC's brief would appear to be covered by the Act – so there may be potential for further changes in the future.

Action to be taken by Authorities

Authorities no longer need to charge VAT on supplies covered by the Brief. When they stop, there is no requirement to reduce the prices charged to customers.

The change in VAT treatment applies retrospectively, as HMRC now accept that non-business treatment should have always applied. If they have not already done so, Authorities can submit a claim to HMRC for any VAT declared on charges for the supplies covered over the past four years and request statutory interest. Where income that is now regarded as non-business was previously treated as VAT-exempt, Authorities may wish to revisit past years' Partial Exemption calculations.

The consequences of the revised VAT treatment should be considered as part of any future evaluation over whether to outsource or insource leisure services. In-house operation is now likely to be more VAT-efficient than outsourced, as Authorities' will largely be able to make the same supplies "VAT-free" as Trusts can, but with the benefit of VAT recovery on expenditure. However, HMRC's Brief still leaves income sources as VAT-exempt (so some impact on Partial Exemption calculations).

This note is intended to be a general guide to the changes and does not constitute VAT advice. Arrangements for the provision of leisure services can vary considerably and PSTAX are happy to work with individual Authorities, so they can understand the implications of the changes to their specific circumstances.

3. LATC vs. In-House

- 3.1. We have set out below the key financial differences between the LATC and In-House models, including the impact of the new VAT guidance.
- 3.2. **Income between the two models will be comparable** – Given Stroud District Councils approach to in-house management at The Pulse, it is evident that the centre is operated in a commercially successful way, which is not always typical of in-house delivery. In some cases it could be argued that a LATC would operate more commercially, however due to current in-house performance we would anticipate income generation to be comparable.
- 3.3. **Irrecoverable VAT** – A LATC will be required to pay irrecoverable VAT, an in-house delivery model will not have any irrecoverable VAT costs. This is a significant financial benefit to the in-house operation compared to the LATC.
- 3.4. **NNDR** – The LATC will be able to apply for 80% NNDR relief and the in-house model will have to pay full rates. Whilst this is somewhat of a circular calculation across different Council budgets at a leisure centre budget level the LATC will be able to show savings against NNDR.
- 3.5. **Pensions and Salaries** – If operated in-house all staff would be employed on SDC terms and conditions and would enter into the Local Government Pension Scheme. The pension scheme has an average contribution rate of 18% which is higher than that expected of a LATC which is projected to be c.7%. Additionally, in-house management typically offers higher salary bands and implements more costly terms and conditions e.g. sick leave and annual leave entitlement, resulting in higher staff costs for the in-house model.
- 3.6. **Central Support Costs** – The LATC is required to establish a central support team including a Managing Director and Finance Director, they would also need to pay for support services such as HR, IT and auditing. If operated in-house there would not be a requirement for a senior management team and instead would require a Leisure Services Manager. Whilst some additional costs may be required for finance and HR support it would not be as significant as the LATC option.
- 3.7. **LATC Reserves** – The LATC business plan included reserves at 2% of income, whilst the in-house model does not need to build up reserves, a comparable cost has been included for contingency with the assumption that if it is not required any surplus within the budget would be reinvested back into the leisure centres.
- 3.8. **Set Up Costs** – the in-House option would not require as significant set up costs as the LATC, however there would be the requirement to deliver the TUPE transfer of SLM staff, rebranding, redecoration, new marketing material etc.

4. LATC Financial Summary

- 4.1. Based on the business plans the overall management fee expected to be paid to the LATC based on the existing leisure centres is £589k in year 1, reducing to £510k in year 5. This includes 20% NNDR costs, which were excluded in the original business plan for the LATC.

LATC Summary - Existing	Year 1	Year 2	Year 3	Year 4	Year 5
Total Income					
SPLC	2,062,847	2,101,099	2,108,233	2,108,270	2,108,287
Lido	61,832	61,832	61,832	61,832	61,832
Pulse	1,588,199	1,609,698	1,609,721	1,609,732	1,609,737
Central Support	0	0	0	0	0
Total	3,712,877	3,772,629	3,779,786	3,779,834	3,779,856
Total Expenditure					
SPLC	2,149,587	2,144,534	2,104,238	2,117,609	2,131,380
Lido	169,585	170,535	171,505	172,494	173,502
Pulse	1,450,589	1,440,740	1,444,743	1,448,825	1,452,988
Central Support	532,123	532,123	532,123	532,123	532,123
Total	4,301,884	4,287,932	4,252,608	4,271,051	4,289,993
Deficit (Management Fee)	-589,007	-515,303	-472,823	-491,217	-510,137

5. In-House Financial Summary

- 5.1. Taking into account the impact of the new VAT guidance the financial business plan has been amended to include the new VAT benefit as well as the other financial amendments set out in section 3 above.
- 5.2. It can be seen that under in-house management the deficit/subsidy is projected to be c.£526k in year 1 reducing to £464k by year 5.
- 5.3. Consequently the in-house model is expected to deliver a saving of £40-£45k in a mature year against the LATC model.

In-House Summary - Existing	Year 1	Year 2	Year 3	Year 4	Year 5
Total Income					
SPLC	2,062,847	2,101,099	2,108,233	2,108,270	2,108,287
Lido	61,832	61,832	61,832	61,832	61,832
Pulse	1,588,199	1,609,698	1,609,721	1,609,732	1,609,737
Central Support	0	0	0	0	0
Total	3,712,877	3,772,629	3,779,786	3,779,834	3,779,856
Total Expenditure					
SPLC	2,268,826	2,296,106	2,247,714	2,259,342	2,271,316
Lido	161,474	162,300	163,144	164,004	164,881
Pulse	1,441,806	1,430,973	1,434,454	1,438,004	1,441,624
Central Support	368,873	368,873	368,873	368,873	368,873
Total	4,237,662	4,254,996	4,210,928	4,226,965	4,243,437
Deficit/Subsidy	-524,785	-482,367	-431,143	-447,132	-463,581

5.4. The updated individual business plans for each centre are set out below.

5.5. Stratford Park Leisure Centre - In-House

SUMMARY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Health & Fitness Membership	885,589	885,735	885,804	885,837	885,852
Health & Fitness Casual	41,670	46,300	46,300	46,300	46,300
Health & Fitness Group Exercise	68,220	68,220	68,220	68,220	68,220
Swimming - Casual	46,282	48,854	51,425	51,425	51,425
Swimming - Lessons/Courses	495,999	522,104	522,104	522,104	522,104
Swimming - Hire	32,481	34,286	36,090	36,090	36,090
Sports Hall	121,560	121,560	121,560	121,560	121,560
Squash	27,699	27,699	27,699	27,699	27,699
Outdoor - 3G Pitch	75,116	75,116	75,116	75,116	75,116
Outdoor - Tennis	15,834	15,834	15,834	15,834	15,834
Secondary - Catering & Vending	211,051	213,503	215,703	215,706	215,708
Secondary - Retail	41,345	41,890	42,378	42,379	42,380
TOTAL INCOME	2,062,847	2,101,099	2,108,233	2,108,270	2,108,287
EXPENDITURE					
Salaries	1,239,379	1,251,847	1,192,236	1,192,236	1,192,236
Utilities	358,050	368,792	379,855	391,251	402,988
NNDR	171,000	171,000	171,000	171,000	171,000
Insurance	21,083	21,083	21,083	21,083	21,083
Lifecycle	50,000	50,000	50,000	50,000	50,000
Repairs & Maintenance	71,610	71,610	71,610	71,610	71,610
Cleaning	9,548	9,548	9,548	9,548	9,548
Equipment	11,935	11,935	11,935	11,935	11,935
Gym Equipment Lease	50,000	50,000	50,000	50,000	50,000
Other Supplies	10,314	10,505	10,541	10,541	10,541
Advertising & Marketing	30,943	31,516	31,623	31,624	31,624
Communications	61,885	63,033	63,247	63,248	63,249
Other Administration	12,394	12,518	11,922	11,922	11,922
Costs of Sales	126,198	127,696	129,041	129,043	129,044
Capital Costs	0	0	0	0	0
Irrecoverable VAT	0	0	0	0	0
OPERATIONAL EXPENDITURE	2,224,340	2,251,084	2,203,641	2,215,041	2,226,780
Central Costs	0	0	0	0	0
Contingency	44,487	45,022	44,073	44,301	44,536
TOTAL EXPENDITURE	2,268,826	2,296,106	2,247,714	2,259,342	2,271,316
SURPLUS / DEFICIT	-205,980	-195,007	-139,481	-151,072	-163,029

5.6. The Pulse, Dursley - In-House

SUMMARY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Health & Fitness Membership	621,410	640,258	640,280	640,290	640,295
Health & Fitness Casual	28,013	28,013	28,013	28,013	28,013
Health & Fitness Group Exercise	42,117	42,117	42,117	42,117	42,117
Swimming - Casual	156,116	156,116	156,116	156,116	156,116
Swimming - Lessons/Courses	539,793	539,793	539,793	539,793	539,793
Swimming Lessons - Private	80,000	80,000	80,000	80,000	80,000
Swimming - Hire	77,913	77,913	77,913	77,913	77,913
Secondary - Vending	14,280	15,164	15,164	15,164	15,164
Secondary - Retail	28,559	30,327	30,328	30,328	30,328
TOTAL INCOME	1,588,199	1,609,698	1,609,721	1,609,732	1,609,737
EXPENDITURE					
Salaries	901,529	884,942	884,942	884,942	884,942
Utilities	167,200	170,544	173,955	177,434	180,983
NNDR	62,000	62,000	62,000	62,000	62,000
Insurance	16,097	16,097	16,097	16,097	16,097
Lifecycle	25,000	25,000	25,000	25,000	25,000
Repairs & Maintenance	45,600	45,600	45,600	45,600	45,600
Cleaning & Chemicals	21,280	21,280	21,280	21,280	21,280
Equipment	18,240	18,240	18,240	18,240	18,240
Gym Equipment Lease	21,000	21,000	21,000	21,000	21,000
Other Supplies	11,117	11,268	11,268	11,268	11,268
Advertising & Marketing	23,823	24,145	24,146	24,146	24,146
Communications	71,469	72,436	72,437	72,438	72,438
Other Administration	4,508	4,425	4,425	4,425	4,425
Costs of Sales	21,419	22,745	22,746	22,746	22,746
Depreciation	0	0	0	0	0
Irrecoverable VAT	0	0	0	0	0
Other					
OPERATIONAL EXPENDITURE	1,410,283	1,399,723	1,403,135	1,406,615	1,410,165
Central Costs	0	0	0	0	0
Contingency	28,206	27,994	28,063	28,132	28,203
TOTAL EXPENDITURE	1,438,489	1,427,717	1,431,198	1,434,748	1,438,368
SURPLUS / DEFICIT	149,710	181,981	178,523	174,984	171,369

5.7. Stratford Park Lido - In-House

SUMMARY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Swimming - Casual	57,927	57,927	57,927	57,927	57,927
Swimming - Lessons/Courses	0	0	0	0	0
Swimming - Hire	0	0	0	0	0
Secondary - Vending	3,905	3,905	3,905	3,905	3,905
TOTAL INCOME	61,832	61,832	61,832	61,832	61,832
EXPENDITURE					
Salaries	69,895	69,895	69,895	69,895	69,895
Utilities	41,328	42,155	42,998	43,858	44,735
NNDR	0	0	0	0	0
Insurance	618	618	618	618	618
Lifecycle	16,000	16,000	16,000	16,000	16,000
Repairs & Maintenance	8,500	8,500	8,500	8,500	8,500
Cleaning & Chemicals	5,000	5,000	5,000	5,000	5,000
Equipment	14,000	14,000	14,000	14,000	14,000
Other Supplies	1,237	1,237	1,237	1,237	1,237
Advertising & Marketing	927	927	927	927	927
Communications	618	618	618	618	618
Other Administration	1,398	1,398	1,398	1,398	1,398
Costs of Sales	1,952	1,952	1,952	1,952	1,952
Depreciation	0	0	0	0	0
Irrecoverable VAT	0	0	0	0	0
Other					
OPERATIONAL EXPENDITURE	161,474	162,300	163,144	164,004	164,881
Central Costs	0	0	0	0	0
Contingency	0	0	0	0	0
TOTAL EXPENDITURE	161,474	162,300	163,144	164,004	164,881
SURPLUS / DEFICIT	-99,642	-100,469	-101,312	-102,172	-103,049

5.8. Central Support Costs

5.8.1. The table below sets out the staff costs associated with the central support team under the in-house management option.

In-House Central Support Team	Salary	Total Salary	FTE	Total Cost
Leisure Services Manager	46,549	65,076	1	65,076
Fitness Manager	30,000	41,940	1	41,940
Swimming Development Officer	25,000	34,950	1	34,950
Sales Manager	30,000	41,940	1	41,940
Sales Advisors	22,000	30,756	2	61,512
Business Administrator	25,000	34,950	1	34,950
Business Apprentice	20,000	27,960	1	27,960
TOTAL		277,572	8.00	308,328

5.8.2. In addition to the staff costs above an allocation has been included for additional HR and Finance support from the Council. This totals £60.5k bringing the total central support costs to **£368,873**.

6. Set Up Costs

- 6.1. The set up costs for both options are set out below. As Stratford Park Leisure Centre and the lido is currently managed by Everyone Active, staff would need to transfer to the Council. The centre would also require re-branding and new marketing material to ensure constancy across the portfolio.
- 6.2. The set up costs also included the implementation of a new management system and some equipment replacement costs which would apply to all management models.
- 6.3. It is also the intention that under the in-house model the centres would operate to a service specification, with performance monitoring and reporting requirements. Therefore Legal costs have been retained to ensure this is delivered properly and in line with current industry practise.
- 6.4. The in-house set up costs assume that the Leisure Services Manager would be in post for 12 months prior to the transfer to manage and support the transfer process.

LATC Set Up Costs	2023/24	In-House Set Up Costs	2023/24
IT	£95,960	IT	£95,960
Marketing/Branding	£40,000	Marketing/Branding	£40,000
Re-decoration	£20,000	Re-decoration	£20,000
Staffing Support	£90,043	Staffing Support – Leisure Services Manager (12 months)	£65,076
HR Support - TUPE	£17,279	HR Support - TUPE	£17,279
Gladstone	£50,000	Gladstone	£50,000
Equipment	£45,000	Equipment	£45,000
Legal - Contracts Leases etc.	£40,000	Specification and Performance Monitoring documents	£0
Total	£398,282	Total	£333,315
Contingency	£39,828	Contingency	£33,331
Total Cost	£438,111	Total Cost	£366,646

- 6.5. The In-House option would result in set up cost savings of c. £71k.



7. Summary

- 7.1. Taking into account the new VAT guidance and applying this to an in-house model, results in a lower annual cost to the Council than originally projected during the management options appraisal process.
- 7.2. Given the Council's current performance, the VAT benefit on income and irrecoverable VAT savings offset the additional costs associated with in-house management (NNDR, staffing etc.) and therefore the applying the new guidance results in projected savings of c. £40- £45k in a mature year against the LATC model.
- 7.3. The in-house model also has reduced set-up costs compared to the LATC.

This page is intentionally left blank

Leisure Management Vision and Values

The Vision and Priorities set out below are based on the short to medium term scope of the Inhouse Leisure Provision. It is anticipated the vision and priorities will be reviewed annually to ensure they continue to meet the changing needs of the local community and progression and development of the Inhouse centres as a service.

Vision

Enabling communities to participate in a life-long wellbeing journey. Delivered through a locally focussed and high quality service that enhances quality of life for local residents.

Short Term 0-3yrs	Medium Term 3-6yrs	Long Term 6+yrs
<ul style="list-style-type: none"> • Management of Stratford Park Leisure Centre and The Pulse, Dursley • Delivery of existing services managed by the leisure services team e.g. GP Referral 	<ul style="list-style-type: none"> • Management of Stratford Park Leisure Centre and The Pulse, Dursley including delivery of investment plans • Delivery of existing services managed by the leisure services team e.g. GP Referral 	<ul style="list-style-type: none"> • Management of Stratford Park Leisure Centre and The Pulse, Dursley including delivery of investment plans • Delivery of existing services managed by the leisure services team e.g. GP Referral • Fully integrated and holistic approach to health, wellbeing and leisure across the District

Priorities

1. *Deliver Wellbeing services and physical activity opportunities from our facilities that are inclusive, accessible and provide diverse opportunities for residents that improves their quality of life and reduces health inequalities.*
2. *Ensure that the leisure centres are operated efficiently and contribute towards the Council's 2030 Strategy priorities.*
3. *To develop a successful and sustainable business that is locally-led and positively contributes to the local economy.*

Values

- *Quality – Ensure that the services and facilities we provide exceed expectation and deliver continuous improvement.*
- *People – Customers, staff and residents are at the heart of what we do, we will treat people with honesty and respect and always act with integrity.*
 - *Enjoyment – The services we provide will be fun, safe and engaging for everyone.*
- *Diversity – We will deliver a diverse range of activities and services that will be accessible to all from facilities that are fit for purpose.*
- *Sustainability – We will operate in a flexible and adaptable way to ensure the sustainability and future success of the Leisure Service.*

Risk	Lead	Probability	Severity	Score
<p><u>An optimism bias that does not reflect the true position of performance of the inhouse model or a lack of an appropriate business case.</u></p>	AG	3	2	6
<p><u>A new operator opens a facility(s) within the Stroud District and therefore increases market competition.</u></p>	AG	3	2	6
<p><u>A downturn in demand for leisure and health facilities</u></p>	AG	2	3	6
<p><u>Income targets for sustainability cannot be met.</u></p>	AG	4	2	8

Appendix 5

<u>A major failure in the structure or plant of either of the facilities resulting in closures.</u>	AG	2	3	6
<u>Inadequate financial governance and monitoring</u>	AG	1	2	2
<u>Poor business development vision</u>	AG	2	3	6
<u>Lack of scrutiny over investment and loan decisions</u>	AG	1	2	2
<u>Poor communication on TUPE transfer process and how the service will operate</u>	AG	2	2	4

<p><u>Poor induction of the new team into council employment</u></p>	<p>AG</p>	<p>2</p>	<p>3</p>	<p>6</p>
<p><u>A major Pandemic</u></p>	<p>AG</p>	<p>3</p>	<p>3</p>	<p>9</p>

Appendix 5

Controls	Risk target	Review
<ul style="list-style-type: none"> A detailed business case and 1/4ly reports with key performance indicators (KPI's) will form part of the monitoring process. 	4	
<ul style="list-style-type: none"> A Leisure Manager will be recruited to develop the centres and work closely with the health and wellbeing team to deliver the councils leisure, health, and wellbeing strategy. 		
<ul style="list-style-type: none"> A service specification will be developed to ensure the service meets financial and quality targets. 		
<ul style="list-style-type: none"> The facilities will undergo Leisure industry quality assessments 		
<ul style="list-style-type: none"> The company will report back to CS&L and will be scrutinised by audit and standards committee. 		
<ul style="list-style-type: none"> The service will work with a professional marketing company to market themselves effectively. 	2	
<ul style="list-style-type: none"> High quality customer experience training will be a standard part of the induction plan for all new colleagues to ensure we meet the needs of all customers. 		
<ul style="list-style-type: none"> Programme development and customer consultation will be a standard imbedded within the culture of the business. 		
<ul style="list-style-type: none"> The leisure services manager will work closely with other industry professional bodies to keep on trend with the latest industry developments. 	4	
<ul style="list-style-type: none"> Health and wellbeing activities will be delivered both in and out of the centres working with health partners to deliver within the communities of the district, bringing a diverse and varied programme. 		
<ul style="list-style-type: none"> The service will be monitored against a set of agreed performance criteria. 	6	
<ul style="list-style-type: none"> A detailed business development plan is agreed, and performance is reported to CS&L committee through 1/4ly performance monitoring. 		

<ul style="list-style-type: none"> The Leisure Manger will be part of networking groups to share good practice throughout the industry. 		
<ul style="list-style-type: none"> The conditions survey will mitigate against this. 	1	
<ul style="list-style-type: none"> An investment development plan for the centres to be approved within the next 3-5 year to reduce the likelihood of facility closure. 		
<ul style="list-style-type: none"> This will be detailed within the performance specification document. 	1	
<ul style="list-style-type: none"> The service will follow council financial procedures. 		
<ul style="list-style-type: none"> The service will report back monthly on financial targets. 		
<ul style="list-style-type: none"> The service will report back to CS&L and audit and standards committee. 		
<ul style="list-style-type: none"> The service will feature in the audit plan. 		
<ul style="list-style-type: none"> The service finance and usage will continue to be monitored through Data Hub on the moving community's platform. 		
<ul style="list-style-type: none"> The Leisure Services Manager will have relevant industry experience. 	4	
<ul style="list-style-type: none"> The specification will require a detailed annual and three year development plans. 		
<ul style="list-style-type: none"> Capital investment plan will be developed to modernise the centres. 		
<ul style="list-style-type: none"> All loans and investments to develop the centres must be approved through the committee process. 	1	
<ul style="list-style-type: none"> All developments are professionally sourced with a detailed consultation programme. 		
<ul style="list-style-type: none"> Communications plan in place for when the transfer decision is made up until the hand over date. To include but not limited to; staff meetings, newsletter, training and social events. 	3	
<ul style="list-style-type: none"> HR involved 12 months prior to handover to work through the logistics of TUPE, and induction process. 		
<ul style="list-style-type: none"> Leisure Services Manager recruited at least 12 months prior to contract handover. 		

Agenda Item 8

Appendix 5

<ul style="list-style-type: none">• Roles and responsibilities of each team member will be clearly defined in their job descriptions.	3	
<ul style="list-style-type: none">• All new team members will go through a council induction plan and a leisure specific training plan based upon the specification.		
<ul style="list-style-type: none">• All existing leisure team at the Pulse will go through the leisure specific training plan based upon the specification.		
<ul style="list-style-type: none">• Whichever operating model is chosen the risk will always sit with the council.	6	

Stroud District Council

Strategy for Leisure and Wellbeing in Stroud District 2021 – 2040

Executive Summary

Introduction

The purpose of the strategy is to provide the Council with a plan for delivering and facilitating community leisure and wellbeing provision in the District to meet the needs of the population to 2040. It is based on a well evidenced and researched review of provision now and into the future and includes clear recommendations providing a delivery framework and action plans.

OUTCOMES - To establish the themes and outcomes for leisure and wellbeing services in the District consultation was carried out with Members, Officers and other key stakeholders. This was complemented by a national and local strategic review.

INSIGHT – To establish where the District is now against the outcomes extensive research into the demographics and health profile of the District was completed. Public consultation also took place along with an assessment of current user profile and existing leisure and wellbeing provision. From the insight data future targets were established and are set out in the strategy against the five ways to wellbeing: -



Leisure & Wellbeing Strategic Outcomes

<h3>COMMUNITY RESILIENCE & WELLBEING</h3>	<ul style="list-style-type: none"> • Individual communities are empowered to make a change in their own community and feel confident about doing it. • Encouraging the least active to be more active • People are aware of and can access mental health support from statutory and community sector • Engagement with community groups so resident consultation is at the heart of everything we do • Improved partnership working across leisure, culture, arts and external partners to create diverse and alternative ways to incorporate learning into leisure and wellbeing • More people appreciate and use outdoor surroundings for leisure and wellbeing activities as residents and tourists • Voluntary and community sector groups are valued, enabled and empowered to deliver local change through training, support and co-production
<h3>ENVIRONMENT & CLIMATE CHANGE</h3>	<ul style="list-style-type: none"> • Improved access to nature to support health and wellbeing • Low carbon movement of people and goods • Increased levels of Active Travel • Residents living healthier lives through Active Places and Active Travel • Support health and wellbeing projects that are focused on outdoor recreation and activities • Communities are minimising their carbon footprint, adapting to climate change, reducing waste and recycling more • Leisure and community facilities that are energy efficient • Utilise our assets to raise awareness of climate change through health and wellbeing activities
<h3>HOUSING & HOMELESSNESS</h3>	<ul style="list-style-type: none"> • Leisure, health and wellbeing to actively work in partnership with housing providers, developers and tenant services • Continue to provide tailored housing and support solutions to vulnerable individuals and communities • Improved tools for dealing with anti-social behaviour • Provide support for rough sleepers and commission appropriate long-term accommodation • Provide improved standard of housing and housing related services to contribute towards a better quality of life for residents, adopting an ACE (Adverse Childhood Experiences) approach when working with residents
<h3>ECONOMY, MARKET TOWNS & RURAL VITALITY</h3>	<ul style="list-style-type: none"> • Help create a vibrant and sustainable economy that works for all • Develop tourism potential of area as a unique selling point for living, working, visiting and investing in the District • Ensure leisure and wellbeing services and facilities support the local economy and provide destinations for residents and visitors • Training opportunities provided through the leisure and wellbeing services • Support innovation and energy in creating locally led and distinctive approaches to economic recovery and revival following the Covid-19 pandemic • Maximise the value of local assets and ensure the benefits of economic development are retained locally

INTERVENTIONS

In order for the Council to achieve the strategic outcomes and future targets for leisure and wellbeing the following interventions are recommended.

Recommended Facility Interventions

<p>Deliver a fundamental remodelling/repurposing of Stratford Park Leisure Centre- (invest in facilities, increase water space, add additional facilities to enable an integrated wellbeing offer and improve commerciality).</p>	<p>Consider a 'leisure local' option to meet anticipated demand as a result of the planned housing allocation along the M5 corridor. (providing a swimming pool c. 20m x 8m, a small gym and flexible studio/activity space).</p>	<p>Work in partnership to action the recommendations of the Stratford Park Lido feasibility and business case work (e.g. heating of the pool).</p>	<p>Maximise Stratford Park as a visitor destination. Alongside the leisure centre, lido, outdoor courts and museum, review children's play, young persons and family activities (e.g. pump track/ adventure golf).</p>
<p>Develop/increase the size of the gym and increase studio space (new studio) at The Pulse.</p>	<p>Provide additional flexible community space as part of the housing development planned for Wisloe.</p>	<p>Improved active travel provision across all facilities, including improved cycle storage and parking, linked walking routes to facilities and accessible disabled and parent and child parking spaces.</p>	<p>Work in partnership to support opportunities for skateboarding.</p>
<p>Work to address the current 4x 3G pitch shortfall in the district to meet current training requirements and 6x3G pitch shortfall to meet future demand. This should include maximising community access to 3G pitches on school sites.</p>	<p>To maximise opportunities to develop a complimentary strategic approach to arts and culture provision across the District.</p>	<p>Work in partnership to to increase and maintain public access to school pools, sports halls and other facilities.</p>	<p>Review the siting of the grounds maintenance depot in Stratford Park and potential relocation of the museum collections store.</p>
<p>Continue the roll out of plans to increase community use of Independent Living hubs.</p>	<p>Continue community hub development.</p>	<p>Better utilisation of the canal as a facility to deliver watersports.</p>	<p>Work to address the estimated short fall of 6-7 additional rugby pitches required across the district as a whole to meet future demand, plus additional 3 pitches in Stroud to accommodate Stroud RFC youth teams.</p>

Service Interventions

<p>COMMUNITY RESILIENCE & WELLBEING</p>	<ul style="list-style-type: none"> • Specific session for people with varying health issues • Social sessions linked to activities • Expand GP referral scheme to utilise canal and outdoor space • Casual sessions for people to try out new activities • New branding to create an identity for leisure & wellbeing across the District • Review pricing to reduce cost as a barrier • Better promotion of heritage sites • Wellbeing events • Share best practice and improve communication • Intergenerational activities • Childcare option to encourage parents to participate
<p>ENVIRONMENT & CLIMATE CHANGE</p>	<ul style="list-style-type: none"> • Improved marketing and sharing of information on outdoor spaces, walking & cycling routes • Ensure the canal strategy is aligned to the leisure & wellbeing outcomes • Proactively work with the county council to develop and promote active travel • Include climate change messages in leisure & wellbeing environments • Provide local facilities to minimise car travel • Review opportunities for chargeable cycle schemes • Utilise museum collection to educate on sustainability • Promote active travel and increased use of public transport • Increase bikeability courses
<p>HOUSING & HOMELESSNESS</p>	<ul style="list-style-type: none"> • Initiatives for those living in Council accommodation • Use leisure and wellbeing activities as a way to engage homeless people • Deliver health & Wellbeing sessions from independent living hubs • Specific activities for older people to improve independent living • Implement a pricing structure that enables those on low incomes to access facilities
<p>ECONOMY, MARKET TOWNS & RURAL VITALITY</p>	<ul style="list-style-type: none"> • Improved monitoring and measuring of performance across the leisure centre portfolio • Deliver training and apprenticeship schemes within leisure & wellbeing facilities/services • Increase support (funding) for projects that provide training and secure future skills for the young and unemployed • Improve the quality of catering service across Stratford Park to make it financially viable • Encourage local businesses to adopt a 'healthy workforce' • SDC achieve a 'Healthy Workforce Award - lead by example

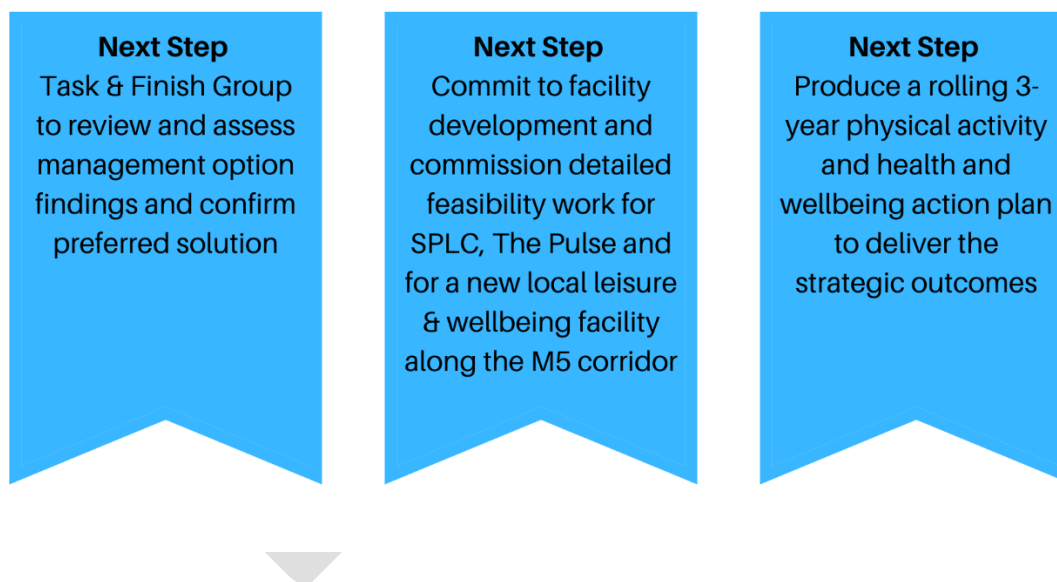
Management Options

A management options appraisal was completed to assess the most appropriate governance structure going forward, noting the existing SLM management contract expires in 2024.

The agreed options were evaluated against a weighted evaluation criteria. The highest scoring option across all facilities and services was in-house management. The external contractor, Local Authority Trading Company¹ (LATC) and Non-Profit Distribution Organisation (NPDO) options all scored comparatively across the leisure centres. However the external contractor scored the lowest for the Museum and sports development, health and wellbeing services.

Centre	In-House	External Contractor	LATC	NPDO
SPLC	88%	78%	78%	76%
Lido	88%	78%	78%	76%
The Pulse	88%	78%	78%	76%
Museum in the Park	95%	70%	78%	76%
SD, Health and Wellbeing Services	95%	62%	80%	78%

It is recommended that the Council considers these finding in detail and undertake appropriate consultation before finalising its decision.



¹ Under the LATC umbrella The council may decide to apply the Teckal exemption, which may allow the authority to establish a LATC without the requirement for a procurement exercise and claim NNDR/VAT relief etc.

This page is intentionally left blank

Equality Analysis Form

By completing this form, you will provide evidence of how your service is helping to meet Stroud District Council's General Equality duty:

The Equality Act 2010 states that:

*A public authority must, in the exercise of its functions, have **due regard** to the need to:*

- (a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by the Equality Act 2010.*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The protected characteristics are listed in Question 9

Stroud District Equality data can be found at: <https://www.stroud.gov.uk/council-and-democracy/corporate-plans-and-policies/equality-diversity-and-inclusion/equality-impact-assessments>

Please see Appendix 1 for a good example of a completed EIA.

[Guidance available on the HUB](#)

1. Persons responsible for this assessment:

Name(s): Angela Gillingham	Telephone:
	E-Mail:angela.gillingham@stroud.gov.uk
Service: Community services	Date of Assessment: 31/5/2023

2. Name of the policy, service, strategy, procedure, or function:

Inhouse provision of Leisure Services.

Is this new or an existing one? New

3. Briefly describe its aims and objectives

The aim of the report:

To recommend bringing Stratford Park Leisure Centre inhouse and setting up a leisure services section within Community Services Directorate.

Two options appraisals took place in November 2021 with both options recommending inhouse. Due to the classification of inhouse leisure as a business and therefore subject to VAT business rates at the time, this was discounted as being too expensive for the council.

The change by HMRC on 3rd of March 2023 classifying Inhouse leisure as a non VAT

Appendix 7

business activity meant a further analysis of the financial implications was undertaken resulting in the recommendation to bring the leisure centre inhouse.

4. Are there external considerations? (Legislation / government directive, etc)

The current contract expires on the 31st of October 2024 whereby Stratford Park Leisure Centre will no longer be run by the current operator. The Leisure contract is in its 3-year extension period.

The decision was made at CS&L committee to explore the LATC option as the preferred option, as the inhouse option was discounted due to the financial impact it would have on the council. The HMRC ruling forced us to review all plans and conduct a further review on inhouse v LATC. The financial analysis gave the inhouse option the financial advantage, along with the benefits of giving control back to the council thus enabling the delivery of the Leisure and wellbeing Strategy 2021 -2041.

Considerations:

1. Plan contract handover should include but not limited to, data transfer of personal information, conditions survey of leisure facilities, IT requirements, procurement of a new Leisure Management System, marketing, and branding.
2. Develop communication plan including internal (current and new employees transferring, members) and external customers.
3. TUPE for Stratford Park team, consideration to be given to HR resource to carry out this work.
4. Leisure specification agreement on how the centres will be operated and the reporting mechanism to CS&L and audit committees.
5. Recruitment of a Leisure Services Manager

5. Who is intended to benefit from it and in what way?

Running leisure facilities and health and wellbeing in one service will benefit:

1. The residents and visitors of the district of all ages and abilities as they will have greater access to facilities offering a broader programme across the district.

The activities will take place not just in the leisure centres but in the community targeting the most vulnerable residents making physical activity more accessible in local community venues.

2. We focus most on the inactive becoming active in order to reduce health inequalities

- Improving both the physical and mental health programmes delivered within the centres,
- Working with our schools to provide good quality sporting venues accessible to the local sports clubs.
- Reviewing the price so that physical activity programmes are accessible to all including revamping the councils' concessions scheme.
- Enabling full access across the district regardless of what membership you hold and where it was purchased.

- Working with our health partners to deliver community wellbeing programmes from both leisure centres and using council employees to deliver within the community hubs and other local venues, enabling full access regardless of post code.
- Delivering a Schools Swimming Programme/Lessons thus creating a 'life skill' and a 'premise to save life' across the Authority.

3. Workforce – develop strong partnerships with the local schools and colleges for young people and adult learners, providing meaningful work experience and apprenticeship programmes.

This approach will develop both young and older people into the leisure and community sector and develop a council which is an employer of choice within the district.

4. Encourage sporting excellence, review, and revamp the elite athlete programme, working with sports clubs across the district.

6. What outcomes are expected?

The key expected outcomes are.

1. Increase in fitness classes across the district.
2. The opportunity to be a member of both facilities regardless of where the centre membership is purchased, increasing access for all.
3. Improved catering at the leisure centre.
4. Introduction of a sports programme which focuses on encouraging children and young people to become active.
5. Development of an active programme across the district which is accessible for older adults including those in care homes.
6. Increased collaboration with both health and charitable partners to focus on key conditions such as Dementia and Parkinson's.
7. Improved partnership working with the education sector such as SGS College creating meaningful work placement opportunities.
8. Improved quality and customer satisfaction levels.
9. Increase usage in the park through health and wellbeing initiatives.
10. The opportunity to work on the investment plan which will benefit residents and visitors to the district.

The above outcomes will raise the income levels and enable us to focus on vulnerable members of our society to improve access for all through a new pricing structure.

7. What evidence has been used for this assessment? (e.g., Research, previous consultations, inform (MAIDEN); Google assessments carried out by other Authorities)

Leisure Consultants conducted the analysis based upon:

- The outcomes of the leisure strategy consultations
- The objectives from the leisure strategy
- Detailed discussions with other councils, trust and LATC's

Appendix 7

- Priorities set by the task and finish group.
- The values and behaviours which were developed through officer, member, and partner discussions.
- Research conducted by the consultants on the pros and cons of each option.
- Financial analysis on both LATC v In-house using benchmarking data from moving communities.
- Stakeholder consultation on capital investment

8. Has any consultation been carried out? See list of possible consultees

Consultation has included:

- Officer research with other councils and operators including:
South Kesteven (LATC), South Glos (Circadian leisure Trust), Monmouth County Council (in-house), Warrington Live Wire Leisure Trust, Salt Ayre Leisure Centre (Lancaster City Council), Halesowen Leisure Centre (Dudley Metropolitan Council), Northampton Active (Leisure Trust), Harrogate Borough Council (Brimham Active LATC) and the newly formed LATC support group (for other LATC both formed or in the process of forming) and community leisure UK.
- Consultation with members task and finish specifically on the management options appraisal
- Consultation with task and finish and opened to CS&L members.
- Consultation through the leisure review not specific to the management options appraisal but relevant in informing the direction of travel:
Members/Officers/Youth council workshops
Stakeholder consultation
SLT consultation
- Project group – made up of SDC officers from HR, IT, Leisure, Facility Management, Environmental health, Finance, Audit and Legal.
- Project Board – made up of members representing the political parties within Stroud District, Strategic Directors, and officers.

9. Could a particular group be affected differently in either a negative or positive way?

(Negative – it could disadvantage and therefore potentially not meet the General Equality duty.

Positive – it could benefit and help meet the General Equality duty.

Neutral – neither positive nor negative impact / Not sure)

Protected Group	Type of impact, reason, and any evidence (from Q7 & 8)
<p>Age</p>	<p>The district has a population of circa 121,103 people which are broken down into the following age categories:</p> <p>Aged 0-4 - 5,643</p> <p>Aged 5-19 20,200</p> <p>Aged 20 to 64 – 67,030</p> <p>Aged 65+ - 28,230</p> <p>In terms of the current provision:-</p> <p>Stratford Leisure Centre has approximately 2600 members. No further figures were available at this time.</p> <p>The Pulse has approximately 1400 members.</p> <p>On top of the memberships the Pulse has a breakdown of users:</p> <p>0-4 years = 453 5-19 years = 5842 20 – 64 years = 5634 65+ years = 1552</p> <p>The existing provider at Stratford Park Leisure Centre (SPLC) and The Pulse makes provision for specific age groups, including but not limited to:-</p> <ul style="list-style-type: none"> • Swimming Lessons programme for children & young people (Both centres) • Adult Be a better swimming (swimming lessons) (Both centres) • 11/15 Years Parent Supervised Gym sessions (both centres) • 11-15 years Fitness Team Supervised gym sessions. (both centres) • Forever Fit Exercise Classes (SPLC) • Walking Football (SPLC) • Support the delivery of GP Exercise on Referral (both centres) • Support the delivery of Active Tots & Kidz Gymnastics and Trampolining (SPLC) <p>By bringing Stratford Leisure Centre in house, and combining its management with The Pulse, it is intended to create a balanced programme across the district to enable all ages to participate in physical and wellbeing activities at</p>

<p>Appendix 7</p>	<p>the facilities and other community venues. It would allow both centres and associated staff to support the delivery of the 3 year Physical Activity Action plan. An example of this would be to expand the offer of Choose2move classes across both sites and within the community which would enable residents to participate in moderate physical activity classes designed for people who are looking to increase their physical activity levels.</p> <p>In addition, the centres will work closely with the Health and Wellbeing team and community partners to ensure we cater for the most vulnerable as stated within our Leisure and Wellbeing strategy.</p> <p>To ensure that our programme and activities remain fit for purpose ongoing programme consultation will take place to ensure an equitable programme across the district.</p> <p>Overall, we consider the transfer of leisure services from an external contractor to an in-house provision will be positive.</p> <p>Positive impact</p>
<p>Disability</p>	<p>The district has a population of circa 121,100 people (based on 2021 census) which are broken down as follows:-</p> <p>Disabled and limited a lot – 5.8% Disabled and limited a little – 10.3% Not disabled – 83.9%</p> <p>The inhouse service will continue to provide a varied program as shown above. When we look to invest in the facilities, we will continue to focus on groups who are affected with both physical and mental health challenges. As part of the programme development there will be an ongoing consultation with users.</p> <p>Currently both The Pulse and Stratford Park Leisure Centre are working together to offer a programme called Get Out Get Active (GOGA). GOGA aims to make activity more inclusive, support people to move more and encourage people to lead an active and healthy lifestyle. They are both offering weekly Inclusive Gym sessions which are instructor lead for residents who are over 16 and have a physical, sensory, or learning disability.</p> <p>Positive impact.</p>
<p>Gender Re-assignment</p>	<p>Currently there will be no change to the provision of services to this group. Village change facilities are available which allows for private changing spaces for anyone using the centre. Further consultation is required to assess future provision and therefore the impact is neutral at this time.</p>

	<p>Neutral impact.</p>										
<p>Pregnancy & Maternity</p>	<p>This group is catered for and will continue to be catered for within the programme at both sites. We will adopt the council priorities at both sites and work closely with the Health and Wellbeing team who already provide activities for this group under the “Mummy and Me” brand.</p> <p>The Pulse currently make provision for this group by offering the following: -</p> <ul style="list-style-type: none"> • Water Fitness Classes • Gym Sessions • Exercise Classes <p>Stratford Park Leisure Centre currently make provision for this group by offering the following: -</p> <ul style="list-style-type: none"> • Water Fitness Classes • Gym Sessions • Exercise Classes • Mummy & Me is currently run at Stratford Park by SDC’s Health & Wellbeing Team <p>We will also be able to review prices ensuring activities are affordable which will impact positively on households of low income and lone parents.</p> <p>Overall, this will improve provision at both sites as the classes will align fully with the council priorities.</p> <p>Positive impact</p>										
<p>Race</p>	<p>The district has a population of circa 121,100 people (based on 2021 census) which are broken down as follows:-</p> <table border="0"> <tr> <td>Asian, Asian British or Asian Welsh</td> <td>- 1.0%</td> </tr> <tr> <td>Black, Black British, Black Welsh, Caribbean or African</td> <td>- 0.4%</td> </tr> <tr> <td>Mixed or Multiple ethnic groups</td> <td>- 1.8%</td> </tr> <tr> <td>White</td> <td>- 96.4%</td> </tr> <tr> <td>Other ethnic groups</td> <td>-0.4%</td> </tr> </table> <p>The Stroud District has a low proportion of this group with only 3.6% - when programming, conducting further consultations and working with our community partners we must consider all members of our community. The leisure team will work closely with customer user groups to ensure all needs are met. Positive impact</p>	Asian, Asian British or Asian Welsh	- 1.0%	Black, Black British, Black Welsh, Caribbean or African	- 0.4%	Mixed or Multiple ethnic groups	- 1.8%	White	- 96.4%	Other ethnic groups	-0.4%
Asian, Asian British or Asian Welsh	- 1.0%										
Black, Black British, Black Welsh, Caribbean or African	- 0.4%										
Mixed or Multiple ethnic groups	- 1.8%										
White	- 96.4%										
Other ethnic groups	-0.4%										
<p>Religion – Belief</p>	<p>The district has a population of circa 121,100 people (based on 2021 census) which are broken down as follows:-</p> <ul style="list-style-type: none"> • No religion 41.1% • Christian 47.5% • No Answered 6.5% <p>Consultation has taken place with community groups who</p>										

Appendix 7	<p>have discussed the need for quiet spaces in leisure facilities to conduct prayer as some religions require this. Barnwood Trust are part of our consultation group and when it comes to the capital investment programme we will consult further on the wider needs of our communities. By bringing the provision in house, we will have the ability to meaningfully act on results of consultation.</p> <p>Positive Impact</p>
Sex	<p>The district has a population of circa 121,100 people (based on 2021 census) which are broken down as follows:-</p> <ul style="list-style-type: none"> • Male 59,200 • Female 61,900 <p>A range of activities both in and out of the centres is in the programme which will continue to be provided to encourage equal opportunities for men and women to get involved. We continually review the opportunities at both sites for equal provision.</p> <p>Positive impact</p>
Sexual Orientation	Neutral impact
Marriage & Civil Partnerships (part (a) of duty only)	Neutral impact
Rural considerations: I.e., Access to services; transport; education; employment; broadband;	<p>Nothing changes regardless of the management of the centres. This is addressed in the delivery of the leisure and wellbeing strategy.</p> <p>The Leisure and Wellbeing strategy addresses using community-based venues to tackle rural isolation bringing opportunities to the communities rather than expecting the community to come to the centres.</p> <p>This work will continue, and I see this as a positive impact.</p>

10. If you have identified a negative impact in question 9, what actions have you undertaken or do you plan to undertake to lessen or negate this impact?


Please transfer any actions to your Service Action plan on Excelsis.

Action(s):	Lead officer	Resource	Timescale

Declaration

I/We are satisfied that an Impact Assessment has been carried out on this policy, service, strategy, procedure, or function * (delete those which do not apply) and where a negative impact has been identified, actions have been developed to lessen or negate this impact.

We understand that the Equality Impact Assessment is required by the District Council and that we take responsibility for the completion and quality of this assessment.

Completed by: Angharad Lewis	Date:31/5/2023
Role:	
Countersigned by Head of Service/Director: 	Date: 12/6/2023

Date for Review: Please forward an electronic copy to eka.nowakowska@stroud.gov.uk

This page is intentionally left blank

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE
TUESDAY, 11 JULY 2023

Report Title	Community Wealth Building Update			
Purpose of Report	To provide an update on work carried out to date and set out a proposal for future work.			
Decision(s)	The Committee RESOLVES: 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.			
Consultation and Feedback	Senior Economic Development Specialist and Alliance Strategy and Resources Committee Members			
Report Author	Andrew Cummings, Strategic Director of Resources Email: andrew.cummings@stroud.gov.uk			
Options	The Committee could choose not to proceed with additional support for Community Wealth Building.			
Background Papers	None			
Appendices	None			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. INTRODUCTION / BACKGROUND

- 1.1** Community Wealth Building is a people-centred approach to supporting economic development, seeking to redirect wealth back into the local economy and places more control and benefits into the hands of the local people.
- 1.2** Stroud District Council has been committed to the principle of local wealth building since a motion agreed by Council in October 2018 formally introduced the concept into local policy making.
- 1.3** This motion identified that there are four key strategies at the heart of local wealth building. These are, focussing on local employment, equitable development of land and community assets, support for SMEs, cooperatives and local banks, and progressive procurement.
- 1.4** At the time of agreeing the motion the Council had no dedicated economic development resource in place and subsequent budgets have therefore needed put in a number of additional sums to support economic development. Most significantly the gain from the Business Rates Pool in 2019/20 of £386k was ringfenced to create the small economic development team which the Council currently benefits from.

- 1.5 Since that time local, or community, wealth building has been a key part of Council policies. In particular Council Plan Priority ER 4.3 states “Support procurement from local businesses and drive local spending on low carbon goods and services to create stronger supply chains within the local economy. This may include collaborative partnerships with local anchor institutions to encourage community wealth building”. This is an ongoing priority, on those procurements below procurement thresholds, and is owned by the Strategy and Resources Committee.
- 1.6 The ten-year Economic Development Strategy published in 2022 also includes a commitment to local wealth building both as part of the principles and associated action plan. The Strategy includes the following commitment “we want to capture existing community generated wealth creation, encourage local spend and develop local supply chains to maximise the value of local assets and ensure the benefits of economic development are retained locally”.
- 1.7 This report seeks to set out the work that has been carried out so far and also seeks member approval for funding for further work in this area.

2. Community Wealth Building Work Underway

- 2.1 In the corporate procurement strategy local spend is defined as those suppliers which have a GL postcode. In the last corporate procurement update to this committee, it was reported that £11 million of Council expenditure was on local invoices in the previous financial. This was against a total Council spend of £37 million, representing an overall proportion of 32% going on local suppliers.
- 2.2 This year has seen the launch of the Natural Place prospectus for the District. A key commitment within the Council plan, the Natural Place has been developed to support inward investment into the district and to supporting any future funding bids to bring investment into projects in the area.
- 2.3 The Natural Place is supported by the launch of a programme for local businesses and individuals to become ambassadors and changemakers. This ambassador programme will seek to advocate for business in the district who are exemplars in working practices and their sectors.
- 2.4 In 2019 the Council made an investment in the principle of local banking through an allocation of £50k of Business Rates Pilot funding in the Avon Mutual Project looking to develop a Community Bank in the South West of England. The Bank is continuing to work towards its banking license and has achieved investment from a number of sources, most significantly Bristol City Council. A member update evening will be arranged for later in 2023 so members can hear directly from the bank on their current progress.
- 2.5 The Council Plan and Economic Development Strategy have a key commitment to boost our market towns and increase our rural vitality. In particular Town and Parish Councils were supported through the Welcome Back Funding aimed to increase footfall on rural high streets. More recently the UK Shared Prosperity Fund for Stroud District has been targeted at local communities and aims to achieve a broad distribution both geographically and in the size of recipients.
- 2.6 The recruitment of a Tourism officer who works with the market towns to increase awareness of activities, events and businesses in their areas, has been a significant step forward in developing community wealth. This includes the promotion of events and festival which will be included on the place making app through the next upgrade, including a calendar of events.

- 2.7** Developing Skills in the local economy is a key facet of Community Wealth Building. The Council continues to run a successful apprentice programme and has recently held a number of open evenings to encourage prospective apprentices. In order to increase the range of apprentices that we are able to offer the Council has also developed a link with Cirencester College to build on the existing links with SGS College.
- 2.8** The Council has also committed to the principles of social value within its Procurement Strategy and has signed up to the Social Value Portal. As part of this process the District Council has selected the Themes, Outcomes and Measures that our social value will be considered against. These TOMS include the amount spent in the local supply chain, more local people in employment and improved employability of young people.

3. Further Opportunities

- 3.1** As already discussed in this report the Council has made considerable progress on local wealth building in the nearly five years since the original motion, in spite of disruption since 2020 with first the pandemic and then the Cost of Living Crisis. The inclusion of local wealth building principles across the Council Plan and Economic Development Strategy has led to a considerable focus across all areas of Council Policy.
- 3.2** As an ambitious Council there is also a need to do more and better understand what can to be done to further enhance local wealth building across the District. The motion to the Council back in October 2018 recognises that local wealth building has for the most part been led by City and Urban authorities. This creates challenges in further developing the principles but also opportunities in recognising those unique elements of the local economy.
- 3.3** In order to help the Council progress to the next stage of community wealth building it is proposed that a piece of support work is commissioned from external specialists to evaluate the work that has been carried out to date and help the Council consider where future efforts could be targeted to improve the impact of our work within this area. Initial discussions have been held with an organisation which specialises in this area but clearly a proper procurement exercise must be carried out to identify any other suppliers who may be able to help with this work and allow proper competition.
- 3.4** The Committee is therefore asked to approve the Strategic Director of Resources to begin a procurement process to find a partner who can assist further in this work. The outcome of this process and the findings and actions arising from the resulting work will be reported back to this committee at a later date.
- 3.5** This work will be funded through the Business Rates Pilot reserve. This represents the funding from the 2018/19 Gloucestershire 100% Business Rates Pilot which has since been topped up from other sources. In March 2019 the Strategy and Resources Committee agreed the principles of the distribution of this funding. There are five agreed priorities for the use of this funding and “Local Wealth Building” is one of them. The balance of the reserve is £1.35 million so there are no resourcing implications in funding a small piece of consultancy work.

4. IMPLICATIONS

4.1 Financial Implications

Although the costs of the external advice work is not known at this stage the Business Rates Pilot Reserve has previously been approved by Strategy and Resources Committee

for use on local wealth building. A delegation already exists to the Strategic Director of Resources to allocate reserves towards their intended uses.

Andrew Cummings, Strategic Director of Resources

Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk

4.2 Legal Implications

The Cabinet Office published a Guide to Reserving Below Threshold Contracts PPN 11/20 which described the options that may be considered for the procurement of below Threshold contracts. These options included reserving procurements by supplier location and specifying that only Small and Medium Enterprise (SME's) and Voluntary Community and Social Enterprises (VCSE's) can bid. These options should be considered on a case-by-case basis.

Officers will work together with colleagues in procurement and One Legal to ensure that a compliant procurement exercise is undertaken for the award of these services.

One Legal

Tel: 01684 272102 Email: legalservices@onelegal.org.uk

4.3 Equality Implications

There are no specific services proposed so no EIA has been completed. The principles of Community Wealth Building in general will have a positive impact on the Council's commitments regarding Equality, Diversity and Inclusion.

4.4 Environmental Implications

There are no significant implications within this category.



STROUD DISTRICT COUNCIL







Ebley Mill • Ebley Wharf • Stroud • Gloucestershire • GL5 4UB
 01453 766321
 www.stroud.gov.uk







Performance Monitoring Report Q4: Strategy & Resources Committee

Date of Meeting	11 July 2023	
Performance Monitors & Officer(s)	Members: Cllr Gordon Craig Officers: Andrew Cummings	
Performance Update <i>(See report below for details)</i>		
Council Plan Priorities	Summary:	Progress & RAG Status
	Action Plans (30):	24 On Target
		6 Completed
Council Plan Performance Measures	Summary:	Progress & RAG Status
	Milestones (68):	30 On Target
		22 Completed
		5 Overdue
		11 Not started
	Performance Indicators (11):	1 reported figure down on previous year
10 Not yet available		
Reports being presented to this Committee associated with Council Plan:		
Risks	Corporate Risk Register presented to Audit & Standards Committee.	
Relevant finance issues	See S&R Committee Budget monitoring report Q4 2022/23	
Any other service issues considered at the meeting (eg staffing / resources)		
Follow up (any issues for consideration at the next meeting)		
Any issues of significant concern to be reported to Audit and Standards		
Any actions/recommendations for the Committee		
Report submitted by	Andrew Cummings	
Date of report	03/07/2023	









Strategy & Resources Committee – Q4 update

CW3: Community engagement: Strengthen local democracy by developing a culture of community engagement to enable greater involvement of residents, council tenants, communities and businesses in decisions on council services and priorities.







Code	Action Required / Description	Deadline	Lead Officer	Status	Last Monitored	Comments
CW3.2	Improve customer service for residents by procuring a Digital Platform that provides for centralised first contact ensuring an easier access to services and that provides additional support for those with complex needs.	31/03/2023	Adrian Blick	On Target 		Quarter 4 - Adrian Blick - 17/05/23 Platform procured in December 2021 with work to expedite channel shift ongoing and subject to iterative planning as new opportunities are identified
» CW3.2.1	First 2 contact services centralised by end of 2022	31/12/2022	Adrian Blick	Overdue 	N/A	Q4 17/05/23 - Currently all telephone contact relating to Waste & recycling , Council Tax and Council tax recovery is undertaken by our central customer service team. The next two service areas have been identified and a Contact Centre Plan for this phase has been produced. As indicated in the previous report this performance indicator needs to be reviewed.
» CW3.2.2	Straightforward processes identified and made available for self-service via the internet	31/12/2022	Liz Shellam	Overdue 	N/A	Q4 17/05/23 - All Waste & Recycling processes will be available to self-serve online using our new digital platform (Liberty)with go live date scheduled for 5th June. This is an important step forward as our system will link in with Alloy the new in cab technology used by Ubico which will provide real time updates on waste & recycling collections. As indicated in the previous report this performance indicator needs to be reviewed.
» CW3.2.3	Repetitive processes identified and automated	31/12/2022	Liz Shellam	Overdue 	N/A	Q4 17/05/23 - This work is being complete as part of the Service Delivery workstream, A process inventory has been completed and process maps have been designed or are in development. This will inform the ongoing development of our digital platform. As indicated in the previous report this performance indicator needs to be reviewed.
» CW3.2.4	Resource capacity increased to serve those with complex needs	31/03/2023	Liz Shellam	Not Started 	N/A	Q4 17/05/23 - We are adequately resourced for current contact demand levels. This will be reviewed as services are centralised and new contact channels introduced.
CW3.3	Work with Town and Parish Councils to develop, agree and implement a new strategic approach for partnership working between district, towns and parishes including specific support for rural communities.	31/12/2023	Hannah Emery	On Target 		Quarter 4 - Hannah Emery - 17/05/23 29 Town and Parish Councils have now adopted the Charter and the Town and Parish Council Hub is being well used with frequent news items published. 2 Parishes (Cainscross and Randwick and Westrip) have decided not to adopt the Charter because it does not go beyond statutory duties. We are working with the remaining parishes to address any concerns about adopting the Charter









» CW3.3.1	Over 50% of Town and Parish councils participate in developing a new strategic framework to identify key issues and ways of working jointly with district (end 22)	31/12/2022	Hannah Emery	Completed 	N/A	The Working Together with Town and Parish Councils Project Group has been formed to explore how we can work together more effectively. The group has met 5 times and has developed a charter detailing how we will work together, 23 town and parish councils have been involved in the development, and the charter is now out for consultation with all parish and town councils. It will be presented to Council in December for adoption by SDC. Entered by: Sarah Turner Date Entered: 20/10/2022 10:37:09
» CW3.3.2	Positive feedback received from more than 50% of Parish & Town Councils on partnership working with district (end 2023)	31/12/2023	Hannah Emery	On Target 	N/A	Q4 17/05/23 - A Town and Parish Council forum and survey will be scheduled for July where we will seek feedback on the Charter.
» CW3.3.3	Market Town meetings and other town and parish meetings convened by SDC	31/12/2022	Hannah Emery	On Target 	N/A	Q4 17/05/23 - The Annual Schedule of Events for Town and Parish Councils is due to be published at the end of May. We have been working with Officers to schedule training events following feedback and requests from Town and Parish Councils. The next Strategic Forum is scheduled for the 28 June and the theme is Grant Funding.
» CDPCW3.3	% of Town and Parish Councils signed up to the Charter	N/A	Hannah Emery	Target: Actual: 71.69%		38 PTCs have adopted the charter
CW3.4	Provide dedicated support to communities for the registration of community assets so communities have more control and ownership of local buildings, land and community shops as well as protecting publicly owned land and assets.	31/03/2023	Simon Maher	On Target 		
» CW3.4.1	Monitor the number of community assets registered • % of Communities which provide positive feedback on support received from SDC to register community assets (target 75 %)	31/12/2022	Simon Maher	On Target 	N/A	Monitoring of applications ongoing Entered by: Simon Maher Date Entered: 04/10/2022 09:10:57
» CW3.4.2	Communications campaign publicising the process by September 2022 to include engaging with relevant community, social and recreational groups who may wish to register assets specific to their interest area	30/09/2022	Simon Maher	Completed 	N/A	ACV applications received and processed. Advice and support given to Chalford Parish Council following the inclusion of the Old Neighbourhood to the ACV register and subsequent notice of disposal from the current owner who is looking to split the pub and car park. This is now 100% complete


CW5: Equality, diversity and inclusion: Embed equality, diversity and inclusion as a priority across the Council and the District with targeted support for those who experience the most disadvantage in our communities.

Code	Action Required / Description	Deadline	Lead Officer	Status	Last Monitored	Comments
CW5.4	Work with partners to improve the accessibility and welcome of public spaces and shops, and improve awareness of impairments both visible and invisible.	31/03/2025	Amy Beckett	On Target 	3	Continued engagement through the EDIE working group to support increase awareness of needs to support town users with impairments. Supporting Nailsworth with UKSPF funding to carry out a feasibility study to improve accessibility to market street
» CW5.4.1	Measured campaign relating to increasing awareness of invisible impairments including neurodiversity	31/03/2023	Amy Beckett	On Target 	N/A	Engagement with town councils to support identify how to make improvements to public spaces that are inclusive.
» CW5.4.2	Future bids for public space improvements to include consideration of accessibility	31/03/2024	Amy Beckett	On Target 	N/A	Understanding of different bids and funding rounds that available to bring forward to colleagues when appropriate.
» CW5.4.3	Working with business owners / community groups / community organisations (C)	31/03/2024	Amy Beckett	On Target 	N/A	Continuing to work with business owners and community organisations to support the prosperity of the area.
CW5.6	Support our Armed Forces Champion and provide help as needed to former members of the armed services who need extra support and continue to deliver the Armed Forces Covenant across the local area.	31/03/2024	Michelle Elliott	On Target 		
» CW5.6.1	Feedback on SDC support provided to be part of an annual update report	31/03/2023	Michelle Elliott	On Target 	N/A	
» CW5.6.2	Re-introduce a support officer from the Royal British legion back into Ebley Mill reception now that Covid-19 restrictions are lifted	29/04/2022	Andy Kefford	Completed 	N/A	Complete
» CW5.6.3	Resigning of the armed forces covenant by all partners in Gloucestershire (currently expected to be 22 March 2022)	31/03/2022	Andy Kefford	Completed 	N/A	Complete
» CDPCW5.6	Number of veterans referred for support within one working day of request	N/A	Keith Gerrard	Target: Actual:		




EC1: Tackle the Climate and Ecological Emergency: Achieve the commitments set for 2021-2024 of the Strategy to be a carbon neutral district by 2030


Code	Action Required / Description	Deadline	Lead Officer	Status	Last Monitored	Comments
EC1.1	Set up a 2030 Core Group to provide high level strategic overview on delivery, identify funding opportunities and develop communication and community engagement	31/03/2024	Rachel Brain	On Target 		Quarter 4 - Rachel Brain - 01/05/23 Community Engagement Board (CEB) is now well established. As the current facilitation contract is due to finish, a review of the 2030 CEB has been contributed to by all its members. Headlines of this can be found on SDC website, but the main findings are about the value of the group and in particular how important facilitation has been. We are now using this information to plan the next cycle of 2030 CEB which includes earmarking budget to repeat the facilitated process with some new group members.
» EC1.1.1	Establish the Community Engagement Board with a cross-section of community members.	31/03/2022	Rachel Brain	Completed 	N/A	Complete
» EC1.1.2	Community Governance Group work plan identified and reviewed quarterly by Spring 2022	31/03/2023	Rachel Brain	On Target 	N/A	Quarter 4 - Rachel Brain - 02/05/23 CEB have identified action areas on engine idling, carbon conversations, school and their communities
» EC1.1.3	Community Governance Group progress to plan included to 2030 annual reporting to Full Council in October	31/03/2022	Rachel Brain	Completed 	N/A	Complete
» EC1.1.4	Participation in Climate Leadership Gloucestershire Group and leader / convener of retrofit theme (C)	31/03/2024	Rachel Brain	Completed 	N/A	Complete
» CDPEC1.1	% of CEG members who demonstrate participation in engagement with external stakeholders through participation in county / regional groups per year	N/A	Rachel Brain	Target: Actual:	June	The CEB action areas as described in EC1.1.2 are being considered as small pilots as part of a process of doing and reviewing and improving. The CEB activities are outlined in the 2030 annual report – last published in March 2023)
EC1.2	Establish the performance management of the 2030 Strategy across the organisation to monitor and review progress towards the Strategy's aims and commitments	31/12/2022	Rachel Brain	Completed 		Complete

EC1.3	Plan and implement the community engagement aspect of the Strategy, to include a 2030 community website and direct activities with residents, linking to the Community Engagement Strategy (CW3.1)	31/12/2022	Rachel Brain	Completed 		Complete
» EC1.3.1	2030 web pages live Spring 2021 with target of unique visits within the first year.	31/12/2022	Rachel Brain	Completed 	N/A	Complete
» EC1.3.2	Resident survey at end of 2022 aims for at least satisfied or very satisfied level of community engagement on climate and nature emergency.	31/12/2022	Rachel Brain	Completed 	N/A	Complete
» EC1.3.3	Number of activities and residents engaged in community engagement aspect of 2030 strategy.	31/12/2022	Rachel Brain	On Target 	N/A	This KPI is under review
» CDPEC1.3	Number of residents engaged in community engagement aspect of 2030 strategy	N/A	Rachel Brain	Target: Actual:		This KPI is under review
EC1.4	Establish an ethics policy for our investments, incorporating work within the Brunel Partnership to divest pension funds from fossil fuels	31/03/2022	Lucy Clothier	Completed 		Completed Quarterly updates to audit committee on progress and activity, including compliance with the Ethical Investment Policy.
» EC1.4.1	Establish draft Ethics Policy for investments by December 2021 to become a core part of Treasury Management for 2022/23.	31/03/2022	Lucy Clothier	Completed 	N/A	Completed Ethical Investment Policy is an established part of the Treasury Management Strategy
» EC1.4.2	Engage through dialogue with County Council Pensions Committee and Brunel Partnership towards divestment of pensions in partnership with others (C).	31/03/2022	Lucy Clothier	Completed 	N/A	Completed Gloucestershire County Council are aware of the position of Stroud District Council. Dialogue will remain ongoing with the County Council and Brunel Partnership to lobby divestment of pension funds from fossil fuels.
EC1.5	Explore and progress additional projects for carbon reduction and /or biodiversity net gain and funding opportunities to deliver them.	31/03/2026	Rachel Brain	On Target 		Quarter 4 - Rachel Brain - 02/05/23 Please see carbon reduction and bio-diversity related projects reported elsewhere and in Environment Cttee Q4 report (eg in waste, transport and biodiversity sections). 2030 team is currently focusing on delivery of funded projects on retrofit and decarbonisation.


» EC1.5.1	Money leveraged through successful funding bids and level of associated council investment approved by Councillors £s (ongoing 2026)	31/03/2025	Rachel Brain	On Target 	N/A	Key funding successes reported in 2030 Annual Report (Environment Cttee March 2023).
» CDPEC1.5 (C)	Number of external projects SDC has worked on with partners for carbon reduction (C)	N/A	Jenny Youngs	Target: Actual:		KPI and progress against it remains under review as projects specifically linked to carbon reduction as a primary purpose are few and we are working to orientating all council projects to limit carbon through design stage but it will only be possible to monitor carbon reductions in a very small number of cases.
» CDPEC1.5a	Money leveraged through successful funding bids and level of associated council investment approved by Councillors (ongoing 2026)	N/A	Rachel Brain	Target: Actual:		See above (EC 1.5.1)
» CDPEC1.5b	Number of additional projects established or supported with an estimate given of bio-diversity net gain and / or carbon savings that will be achieved.	N/A	Jenny Youngs	Target: Actual:		Reported in 2030 Annual report (Env Ctww March 2023). Precise carbon/biodiversity benefits are stated where possible/measurable.

EC3: Sustainable Construction and Retrofit: Work with partners to retrofit our council housing stock and other public sector buildings, and investing in the skills and capacity in the local economy so all buildings across the district can become energy efficient





Code	Action Required / Description	Deadline	Lead Officer	Status	Last Monitored	Comments
EC3.2	In line with the Zero Carbon Public Estate project, produce blueprints for the retrofitting of identified public buildings such as Beeches Green and the Rail Station/Cheapside areas of Stroud as well as identifying other opportunities across the district.	31/03/2026	Alison Fisk	On Target 		Tenders received by LCR and evaluated by SDC and LCR for the transport consultant and master planner for the first stages of the exploratory work for the land around the station to include Bath Place and Cheapside. Consultants appointed by LCR and Kick off meeting with both selected consultants held on 16 March 2023.
» EC3.2.1	Blueprints produced for identified buildings within the Zero Carbon Public Estate Project by 2026.	31/03/2026	Alison Fisk	On Target 	N/A	Report produced by the Active Building Centre on a desk top basis for Lansdown Hall and The Sub Rooms and a full survey for the Old Town Hall including whole life carbon assessments and a methodology set out for the retrofit of listed buildings.
» EC3.2.2	At least XX other opportunities identified for retrofitting of public buildings, with blueprints produced by 2026	31/03/2026	Alison Fisk	On Target 	N/A	Now recorded as on target from not started as a result of the SALIX project beginning to move the Pulse, Stratford Park Leisure Centre and air source heat pump systems.







EC3.4	Work with partners to position Stroud District as a Retrofit Centre for Excellence which provides training and develops the skills needed to retrofit homes and businesses.	31/03/2026	Rachel Brain	On Target 		Work continued during Q4 on four key areas of own estates (e.g. social housing, Ebley Mill, partnership (working with the FE sector following a successful round table event), brokerage (encouraging private home owners to seek advice and undertake retrofit measures) and leadership (leading Climate Leadership Gloucestershire on the retrofit theme and forging links with UK Green Building Council).
-----------------------	---	------------	--------------	---	--	---

EC6: Renewable energy: Increase the proportion of energy generated by renewable sources in the district and work on decarbonizing existing networks.









Code	Action Required / Description	Deadline	Lead Officer	Status	Last Monitored	Comments
EC6.2	Deliver the water source heat pump projects at Ebley and Brimscombe Port Mills	31/03/2022	Alison Fisk	Completed 		Complete
» CDPEC6.2	At least 97 tonnes of carbon saved per annum for Ebley and Brimscombe Port Mills combined	N/A	Alison Fisk	Target: 97 tonnes of carbon saved Actual:		Energy bills to be analysed determine the approximate carbon saving over the first year of operation.








ER1: Economic recovery: Support our high streets and businesses to enable recovery of the local economy from the impacts of COVID-19 and build foundations for a sustainable and inclusive local economy

Code	Action Required / Description	Deadline	Lead Officer	Status	Last Monitored	Comments
ER1.1	Develop and implement an inclusive and sustainable 'Economic Development Strategy' including supporting market towns and sectors most impacted by the pandemic.	31/03/2023	Amy Beckett	On Target 		Continuing to progress the actions outlined in the Economic Development Strategy and working with partners to support businesses across the district
» ER1.1.1	10 year Economic Development Strategy shared for consultation, revised and adopted by March 2022	31/03/2022	Amy Beckett	Completed 	N/A	Complete
» ER1.1.2	Regular market town forums	31/03/2023	Amy Beckett	On Target 	N/A	Ongoing market town forums on a quarterly basis.
» ER1.1.3	% of actions in each prioritised annual action plan are delivered within the Civic Year (80% target)	31/03/2023	Amy Beckett	Not Started 	N/A	What is the percentage increase on?

ER1.2	Continue to support high street businesses to increase their digital and online visibility.	31/03/2026	Amy Beckett	On Target 		High street businesses still have access to support via Maybe? An online support platform that works with businesses to improve their online presence and convert social media visitors to paying customers.
» CDPER1.2	10 % increase in online visibility for high street businesses annually	N/A	Amy Beckett	Target: Actual:		Data yet to be published
ER1.3	Support local high streets through the 'Think Local, Shop Local' campaign and local initiatives to increase footfall such as markets, events and community-led initiatives.	31/03/2024	Amy Beckett	On Target 		Complete The campaign was run through covid via the welcome back funding the district had access to.
» ER1.3.1	Implement the Economic Development Strategy and adopt the Action Plan • Monitor against performance targets within the Strategy	31/03/2024	Amy Beckett	On Target 	N/A	Ongoing – action plan is being implemented and worked on.
» ER1.3.2	Social media reach of Shop Local messages	31/03/2023	Ben Falconer	Completed 	N/A	Complete
ER1.5	Consult with all types of businesses on how to improve business services, for example by providing a 'one door' access point into the Council, direct engagement from Councillors and in particular actions to address the needs of small businesses.	31/03/2024	Amy Beckett	On Target 		Ongoing – this will continue via the place prospectus and ambassador programme.
» ER1.5.1	Implement regular business engagement through face to face and online methods to understand how the District can provide a meaningful one door access point to the Council.	31/12/2022	Amy Beckett	On Target 	N/A	Ongoing – the economic development team, and wider teams regularly meet with businesses to understand how to make improvements to online accessibility of support.

ER2: Regeneration: Deliver key regeneration sites across the district, especially brownfield sites and long-term empty properties, for local jobs, homes, community facilities and green spaces






Code	Action Required / Description	Deadline	Lead Officer	Status	Last Monitored	Comments
ER2.1	Develop Brimscombe Port as a key strategic site to support a thriving community, in line with project milestones which include securing a development partner and delivering infrastructure works.	31/03/2026	Leonie Lockwood	On Target 		. Quarter 4 - Ali Fisk - 09/05/23 No change
» ER2.1.1	Year 1 • Demolition completed • Procurement process for developer commenced	31/12/2022	Leonie Lockwood	Completed 	N/A	Complete
» ER2.1.2	Year 2 • Developer selected and appointed • Submission of planning application for redevelopment	31/05/2023	Leonie Lockwood	On Target 	N/A	Whilst the developer has been selected and awarded the latest forecast for the submission of the planning application has been delayed due to the volume of feedback from the focus groups, SW Design Review Panel and pre app process.
» ER2.1.3	Year 3 • Planning approval for redevelopment • Commencement of construction of the redevelopment	31/03/2024	Leonie Lockwood	On Target 	N/A	Year 3 is 2023/24 and so nothing to report at this stage.
» ER2.1.4	Year 5 • Completion of redevelopment	31/03/2026	Leonie Lockwood	Not Started 	N/A	Year 5 is 2025/26 and so nothing to report at this stage.
ER2.2	Deliver Phase 1b of the Canal Project (Cotswold Canals Connected), incorporating land acquisition, planning application for the 'missing mile', Ocean Bridge works and a range of activities including five local activity hubs along the canal.	31/03/2025	Chris Mitford-Slade	Overdue 		Quarter 4 - Chris Mitford-Slade - 03/04/23 CCC Project Board Meeting held on 29th March 2023 followed by NLHF Review Meeting on 30th March 2023. Working on a Phased Permission to Start once Planning Approval granted (expected October 2023). Revised project programme is now being worked up. Key to this will be to ensure that funding is secured prior to commitment of sub-projects. This project will now extend beyond December 2025 and a revised programme will be presented to NLHF for review and approval.
» ER2.2.1	Completion of the Ocean Rail Bridge project (April 2022)	30/04/2022	Chris Mitford-Slade	Completed 	N/A	Complete
» ER2.2.2	Land acquisitions secured (April 2022)	31/12/2022	Chris Mitford-Slade	Overdue 	N/A	Land acquisitions have not yet been finalised for the Missing Mile. Discussions are progressing with both landowners (CCR and Ecotricity) and will be secured prior to Planning Approval (see ER 2.2.3)

» ER2.2.3	Approval of the Missing Mile Planning Application (May 2022)	30/06/2022	Chris Mitford-Slade	Overdue 	N/A	Planning Approval has been delayed due to additional work required on Flood Modelling. Working group meeting set up with the EA and flood modeller (Katherine Colby Associates) to address concerns and conduct further modelling. This has taken over 18 months but is now expected to be completed by end June 2023. Once finalised there will then be a formal 28-day statutory circulation of the updated Planning Application which needs to be approved by all statutory consultees prior to submission for consideration by DCC. It is now planned to submit to DCC in September 2023 and an extraordinary meeting has been scheduled on 28 September 2023.
» ER2.2.4	Monitoring & Evaluation progress reports in place	01/09/2024	Chris Mitford-Slade	On Target 	N/A	
» ER2.2.5	The approved activity plan, focusing on social and community outcomes, is being delivered in line with the successful heritage lottery bid.	30/09/2023	Chris Mitford-Slade	On Target 	N/A	
ER2.3	Produce a pipeline of regeneration schemes progressing 'hard to develop' brownfield sites and long-term empty properties across the district, delivering quality local jobs and homes, while preserving and enhancing biodiversity.	31/03/2026	Leonie Lockwood	Completed 		Complete
» ER2.3.1	SDC pipeline of regeneration schemes reviewed and reported twice per year	31/03/2026	Alison Fisk	On Target 	N/A	Pipeline of regeneration schemes presented to RIB on the 25 Jan 2023 with the next report to be presented at the meeting on the 18 July.
» ER2.3.2	Annual progress achieved on each of the priority sites in accordance with approved milestones by 2026 and reported to RIB meetings	31/03/2026	Alison Fisk	On Target 	N/A	Highlight reports setting out progress on each of the priority schemes presented to RIB with the meeting in quarter 4 being held on the 21 March 2023.
ER2.4	Support the development of a diverse local economy of social enterprises, cooperatives and small businesses by working with others to increase commercial space available for expansion and by exploring the use of land for low cost sites and start-ups, as well as protecting existing employment sites.	31/03/2026	Mark Russell	On Target 		Quarter 4 - Mark Russell - 16/06/23 The draft Local Plan allocates an additional 90 hectares of employment land within the District and seeks to protect existing employment areas. The approved Economic Development Strategy identifies a commitment to work to increase commercial space for smaller businesses.





» ER2.4.1	Sq M of new commercial development and number of new jobs (create KPI)	31/03/2023	Alison Fisk	Not Started	N/A	KPI, and appropriate ways of monitoring to be included for new Pentana system
» ER2.4.2	Land identified for low cost sites	31/03/2026	Mark Russell	Not Started	N/A	Not started – not due
» ER2.4.3	Work with others (e.g. FSB) to offer appropriate advice to businesses, social enterprises and cooperatives (C)	31/03/2026	Mark Russell	Not Started	N/A	Not started – not due









ER3: Investment: Promote the Stroud district to attract investment in key infrastructure and high quality jobs with a focus on environmental technologies, engineering and manufacturing and creative industries.

Code	Action Required / Description	Deadline	Lead Officer	Status	Last Monitored	Comments
ER3.1	Attract investment by setting out the offer of Stroud District in a new 'Place Prospectus' to showcase the district's achievements and future priorities.	31/03/2023	Mark Russell	On Target		Quarter 4 Mark Russell 31/03/23 The Place Prospectus will be launched on 27 April 2023
» ER3.1.1	Produce and share 'Place Prospectus' by end 2022	31/03/2023	Mark Russell	On Target	N/A	See above
» ER3.1.2	Positive feedback from external stakeholders (including potential investors) on Place Prospectus	31/03/2023	Mark Russell	Not Started	N/A	The Prospectus launched in April 2023 (as above) so feedback will be included in the Q1 report.
ER3.2	Promote prosperity and visitors to the district's waterways, by developing a Canal Strategy, which links to heritage and biodiversity objectives.	31/03/2023	Mark Russell	Completed		Quarter 4 Mark Russell 31/03/23 The Canals Strategy was approved by Environment Committee on 4 October 2022
» ER3.2.1	Canal Strategy adopted as a supplementary planning document by May 2022	06/10/2022	Mark Russell	Completed	N/A	Complete
» ER3.2.2	Action plan approved by December 2022	31/12/2022	Mark Russell	Completed	N/A	. Quarter 4 Mark Russell 31/03/23 A first draft Action Plan is awaiting and remaining inputs
ER3.3	Work to secure external funding for priority projects, by establishing a task force to review bid options and developing a bid to the Government's Levelling Up Fund and other funding opportunities.	31/07/2022	Brendan Cleere	Completed		Complete

» ER3.3.1	Levelling Up Bid prepared and submitted in line with Government deadlines when known	31/07/2022	Brendan Cleere	Completed 	N/A	Complete
» ER3.3.2	Application made to GEGJC for green skills and retrofit local partnership – Spring 2022	30/06/2022	Brendan Cleere	Completed 	N/A	Complete
» ER3.3.3	Creation of a task force to succeed LUF working group	31/03/2022	Brendan Cleere	Completed 	N/A	Complete
ER3.4	Work with partners to support the bid to the UK Atomic Energy Authority to secure the first prototype commercial fusion plant and associated research and innovation park at Oldbury & Berkeley.	31/03/2024	Mark Russell	Completed 		Complete
» ER3.4.1	Support provided for UK Atomic Energy Authority bid by December 2022	23/12/2022	Mark Russell	Completed 	N/A	Complete

ER4: Support for Businesses: Champion local businesses of all types and sizes that lead on environmental and social good practice and support them to grow, keeping wealth in the district, strengthening local supply chains and offering rewarding local jobs.

Code	Action Required / Description	Deadline	Lead Officer	Status	Last Monitored	Comments
ER4.1	Create a 'favoured trader' list of local businesses and champion those businesses that are living wage employers and lead on environmental and social good practice.	31/03/2023	Amy Beckett	On Target 		This will sit as part of the ambassador programme, the criteria of which will be determined by a round table of businesses across the district. Meeting date TBC shortly
» ER4.1.1	Favoured trader list on track to be developed and shared by March 2023	31/03/2023	Amy Beckett	Not Started 	N/A	Not started and now overdue - An ambassador programme is part of the place prospectus, it will seek to advocate for business in the district who are exemplars in working practices and their sectors.
» ER4.1.2	Increase in % of businesses that pay the living wage	31/03/2023	Amy Beckett	On Target 	N/A	The 2022 businesses survey recorded that 90% of businesses in the response pay the living wage. The living wage will be part of the criteria of the ambassador programme with the need for businesses to be signed up online to evidence they are living wage employers.
» ER4.1.3	2 articles annually showcase businesses with environmental and social good practice in Stroud District in regional/national and trade press	31/03/2023	Amy Beckett	Not Started 	N/A	Not started - Overdue

ER4.2	Explore options for bringing more financial power and resilience to our district such as cooperative banking, credit unions, investment in local schemes including renewable energy projects, and local government bonds.	31/03/2025	Andrew Cummings	On Target 		
» ER4.2.1	Increase in support (time) / funding year on year provided to Community Banks and Credit Unions	31/03/2025	Andrew Cummings	On Target 	N/A	
» ER4.2.2	Annual investment in renewable energy generation through treasury or capital investment	31/03/2024	Andrew Cummings	On Target 	N/A	
ER4.3	Support procurement from local businesses and drive local spending on low carbon goods and services to create stronger supply chains within the local economy. This may include collaborative partnerships with local anchor institutions to encourage community wealth building.	31/03/2026	Hannah Emery	On Target 		Q4 – Spend Analysis for 22/23 is being prepared and will be reported to S&R Committee when the annual procurement and contract management update is provided., scheduled for Jan 24
» ER4.3.1	Annual improvement in social value as measured through the Social Value Portal	31/03/2026	Hannah Emery	On Target 	N/A	The first annual social value report is being finalised.
» ER4.3.2	Partnering with local anchor institutions to support community wealth building	31/03/2026	Hannah Emery	Not Started 	N/A	
» CDPER4.3	% of overall annual spend from local businesses with a GL postcode.	N/A	Sarah Turner	Target : 42 Actual: 30 		
ER4.4	Work with partners to support the development of skills and training for all ages, including the unemployed, young people and apprentices, and across key sectors including the low carbon sector and visitor economy.	31/03/2026	Amy Beckett	On Target 		Ongoing relationship with education providers to deliver support to the residents of stroud. This includes provision via the college, the county council and the growth hub

» ER4.4.1	Provide regular opportunities for partners to share information on their skills and training provision that are available for the residents of our District including through community groups	31/03/2026	Amy Beckett	Not Started	N/A	Not started
» ER4.4.2	Continued support for SDC apprenticeship scheme and volunteer opportunities	31/03/2026	Lucy Powell	On Target	N/A	We continue to work to develop the Apprenticeships on offer at SDC and we have recently joined up with Cirencester College to widen the Apprenticeships on offer. We still work closely with SGC college and have recently attended their business events at the college to promote opportunities we have within SDC and to network with other organisations to identify where we can work in partnership in developing Apprenticeships and volunteering opportunities within the Council and or District
» ER4.4.3	Collaboration with local training providers (C)	31/03/2026	Amy Beckett	On Target	N/A	Relationships are maintained with partners to ensure training providers are visible in community hubs and hot spots of needs.
» ER4.4.4	Input and support for Gloucestershire Skills Strategy (C)	31/03/2026	Lucy Powell	Completed	N/A	Complete
ER4.5	Work with trade unions to support fair employment, encouraging more local businesses and organisations to be real living wage employers.	31/03/2024	Lucy Powell	On Target		To date we have actively worked on Trade Union support for fair employment practices within the Council and shared in our pay statement our commitment to the real living wage. As we develop this work we can look to encourage other local employers to adopt this approach. The work we have recently been doing with the college is opening up a network of local businesses where we can share the work we do and encourage such practice.
» ER4.5.1	Positive engagement with Trade Unions at SDC	31/03/2024	Lucy Powell	On Target	N/A	Unison is the recognised Trade Union within SDC. Whilst membership is present the Union will actively promote their Union and the support available. Internally we have a good working relation with Unison and have regular review and update meetings to ensure we are continuously sharing information and consultation is active on staffing matters, changes and improvements. We will continue to work on engagement with Trade Unions within the Council and ensure that staff know how to access the recognised Trade Union but also other Trade unions, should they wish.
» CDPER4.5(C)	Number of businesses who have pledged to be real living wage employers	N/A	Amy Beckett	Target: Actual:		As in above point – what was the base line at the time of this being developed. The pledge from businesses will be part of the ambassador programme.

This page is intentionally left blank



STRATEGY & RESOURCES COMMITTEE MEMBER REPORT

Performance Monitoring Report Q4

I have some concerns regarding the layout of this form which I don't propose to consider until we move on to the new form from Q1 2023. In general objectives need a base and to be specific, measurable, achievable and compatible. On the current form many of the objectives are laid out in such a way that they have more in common with a wish list than an objective.

Right now, we are reviewing the end of Q4. At this time 5 objectives are currently overdue and 11 have not been started and it has to be said that the indicated status of a number of projects is questionable.

CW3 Community Engagement

This is a story of two parts. Firstly, to engage with communities more closely so that we can better understand their needs and work as a team so that we can support them when required. This has progressed well with KPI's being generally achieved.

By contrast the second part which is not specifically included in the overall objective but forms a significant part of the planned delivery has not worked to date. It sought to improve customer service by putting residents' interactions with the council "Online". The digital platform was procured and work with it is recorded as being on target however as councillors we are being regularly made aware of residents' difficulty in contacting the council and of poor response times. We were assured that standards in traditional contact channels would be maintained both through implementation and thereafter, this has not happened as per the evidence available in this report. I will be seeking further data on this performance.

CW5 Equality, Diversity and Inclusion

The Council is to be congratulated on a good delivery of this objective.

EC1 Tackle the Climate & Ecological Emergency

The Council is to be congratulated on a good delivery of this objective.

EC3 Sustainable Construction and Retrofit

The timeline on this objective runs until 2026 and currently it is on target.

EC6 Renewable Energy

This project is now generally complete, save the analysis of energy bills to ascertain if savings target has been achieved.

ER1 Economic Recovery

Appendix A

Status on this project is questionable and it would appear that data to support the position has generally not been delivered.

ER2 Regeneration

There are a number of overdue projects within this objective mainly associated with known delays to canal development. In some instances, these have been rescheduled. Regeneration projects are particularly prone to external impacts and KPIs for this objective will need considerable reconsideration as we move into 2023.

ER3 Investment

Most of the identified projects have been completed although some were after target dates.

ER4 Support for Businesses

ER4.1 Is generally behind schedule, this could indicate an over ambitious target date or a lack of focus on specific areas. Other areas are commencing to plan although some are rather unspecific in nature making them difficult to measure.

COMMENTS SUBMITTED BY	Councillor Gordon Craig, Performance Monitor
DATE	3/07/2023



STROUD DISTRICT COUNCIL

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

Telephone 01453 766321 • Facsimile 01453 750932

www.stroud.gov.uk

STRATEGY & RESOURCES COMMITTEE MEMBER/OFFICER REPORT

NAME OF ORGANISATION/BODY	Leadership Gloucestershire
DATE OF LAST MEETING ATTENDED	20 June 2023

BRIEF REPORT:

There were updates on the following items:

International Resettlement in Gloucestershire

Currently around 1,700 people, not including unaccompanied children on the main resettlement schemes in Gloucestershire (including Syrian, Afghan, Ukrainian schemes).

An update was provided on the current numbers of people on each scheme and the funding sources that have been provided.

An update was given on the Local Authority Housing Fund – Stroud has been awarded £1.8m to buy 15 homes.

The National Dispersal Plan expects that Stroud district will provide 81 bed spaces – the district does not currently have any.

In discussion consideration was given to the wellbeing position of people on the schemes and what support is given, particular with regards to finding employment.

The main issues and challenges highlighted by officers were as follows:

- Safeguarding – unaccompanied migrants, hotel concerns, host / guest safeguarding for Homes for Ukraine or employment exploitation; mitigated/managed but additional pressures on local services
- Finances – complex/multiple arrangements/differing criteria; consider opportunities for pooled budgets
- Commissioning – multiple contracts with same provider (GARAS), much of which is one off or short term; consider longer term sustainability, joint commissioning/contract arrangements
- Equality - multiple schemes operating, risk of inequality across resettlement provision is high (as well as with non-resettlement housing provision); consider county wide position on this
- Hotels – minimal funding, unpaid work by local organisations; opportunities to improve day-to-day wellbeing, better nutrition etc
- Education - access to ESOL classes; consider joining up funding streams
- Community cohesion – community concerns regarding hotels, equity arguments, media coverage
- Longer term accommodation – challenging in county, market prices are higher than average in many places, shortage in private rental sector

Economic Growth Update

Severn Estuary Steering Group Update

a) Levelling Up, County Deals and Investment Zones

Pete Bungard gave an update at this point – There have been no further updates on County Deals, as Gloucestershire is not being prioritised by Government. No changes are expected before a General Election.

There have been no further updates on the revised version of investment zones which featured on the Government's Autumn statement.

b) City Region Board

Gareth Edmunson is working with County Council legal team to develop the documentation around the new Board for approval by each partner Council. The Senior Officer Group (SOG) is considering transition arrangements from Gloucestershire Economic Growth Joint Committee to the City Region Board, including for the Strategic Economic Development Fund (SEDF). The SOG is also looking at what the funding from SEDF has been used for in the past and what is left in the pot.

c) Western Gateway

WG are starting recruitment process for new Chair as Katherine Bennett the current chair is standing down. The recruitment is expected by the end of September. WG continue to work on a Net Zero strategy and are very supportive of the cyber cluster.

Severn Estuary – An independent commission is being set up to explore tidal energy in the estuary. Consultants have been recruited for a 3 month evidence gathering exercise, which will involve summarising the 20+ studies that have been done about the potential for tidal power in the Severn Estuary since the 1980s. This work should be complete by the end of August. The Commission does not yet have a chair. The consultants WSP to be asked to present to Leadership Gloucestershire at the September meeting. It was noted that Climate Leadership Gloucestershire is also looking at energy – with the Forest of Dean leading this work. They are reviewing the previous LEP energy strategy and considering both energy demand and generation.

Hydrogen - feedback from the recent Western Gateway Hydrogen Conference. The Hydrogen Strategy has been shared with the GFirst LEP energy group.

Western Gateway will host an All Party Parliamentary Group meeting in July to discuss the strategic rail agenda and net zero projects.

Business investment fund - GFirst LEP mentioned that the British Business Bank is launching its South West Investment fund – to support the growth of small and medium sized businesses in July.

Health Update

a) One Gloucestershire – ICS

The Gloucestershire Health and Wellbeing Partnership is the Integrated Care Partnership (ICP) for the county, and brings together public, voluntary and community sector partners. The partnership has developed a strategy which builds on existing work, which is being used as a roadmap for future work.

Questions were asked and answered around healthcare support for those arriving in the Country and on the current workforce challenges around NHS.

There was an update on dental, pharmacy and optometry services. A Gloucestershire Dental Strategy Group was established in January 2023 in response to delegated commissioning of primary, community and acute dental services from April 2023.

There was a discussion around supporting those who have had adverse childhood experiences.

FUTURE MEETINGS	Tuesday 26 September, 2pm Tuesday 5 December, 10am
REPORT SUBMITTED BY	Cllr Catherine Braun, Leader Andrew Cummings, Strategic Director of Resources
DATE	29/06/2023

This page is intentionally left blank



STROUD DISTRICT COUNCIL

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

Telephone 01453 766321 • Facsimile 01453 750932

www.stroud.gov.uk

STRATEGY & RESOURCES COMMITTEE

MEMBER REPORT

NAME OF ORGANISATION/BODY	Gloucestershire Economic Growth Joint Committee
DATE OF LAST MEETING ATTENDED	30 May 2023

BRIEF REPORT:

1. National Grid Capacity in Gloucestershire

Stuart Jones, Senior project Manager for South Wales and the South West and Barry Hill, Regional Connections Manager, gave a presentation on National Grid capacity following questions raised by GEGJC at the last meeting, when National Grid attended to give a presentation on its Visual Impact Project in the Cotswolds National Landscape (essentially putting transmission lines underground and removing overhead pylons).

Stuart Jones highlighted the need for reform in respect of connections to the National Grid. The volume of contracted capacity does not match expected need – there will be three times the volume of current connections to the Grid by 2030. There will need to be significant investment in new substations and network reinforcement, given that each new customer requires a connection to a substation. Customers are treated on a ‘first come first served’ basis regardless of the type of customer that they are, which leads to delays and a backlog.

There is a two-step process to address the connections issue:

- 1) To create a realistic view of the future by rationalising the pipeline of contracted connections. For example, solar connections are four times oversubscribed based on the Government’s Net Zero requirements, and there is a significant volume of gas plant currently in the pipeline to connect which may be phased out.
- 2) To enable future connections through network investment, innovation and reform of the connections process (currently customers can only connect when they pay for the connection, which doesn’t allow for forward provision of capacity).

In addition, connections for storage need to be treated differently to enable connections to be made sooner. These are currently treated as ‘generators’ which is holding up connections and inhibiting supply. Storage and embedded generation need to be remodelled to understand their actual impact on the transmission network.

Reform would be based on the following principles:

- Anticipate and invest – ahead of customer requests to connect
- Develop and sell – ‘plug and play’
- Tighter market entry threshold – only credible projects allowed to join pipeline



STRATEGY & RESOURCES COMMITTEE

MEMBER REPORT

- Connect or move – customers cannot hoard capacity and block other connectors, must connect or leave pipeline.

The biggest issue at the moment is that Ofgem, which controls the sector, does not allow National Grid to build in anticipation of development.

Barry Hill addressed the regional picture. The South West region is at capacity for all types of development on both the high voltage 400kV and the 275kV networks. This means that to take any further development, substations will need updating and in Gloucestershire, a new substation would probably need to be built although there are currently no drivers for this. It would take 5 years to build a new substation.

To clarify in response to questions, National Grid said that there are no constraints on demand from residential and business expansion in the region and there is possibly not an issue with transmission, but there is an issue with anyone wanting to connect and feed into the network / generate electricity (eg wind, solar and Single Modular nuclear reactors (SMRs)) and some long waiting times – for an SMR potentially 2037.

There is a disconnect between power generation, storage and usage given that the network was designed in a different age. It is not as simple as putting in more (battery) storage as circuits can be overloaded. Work is being undertaken to treat battery storage differently as already mentioned above.

2. Royal Agricultural University Innovation Village Update

Graham Pollard (Chief Operating Officer) and Katharine Clough updated GEGJC on the £100k of SEDF funding to progress the Innovation Village concept.

Ridge and Partners have been appointed to provide project management services between September 2023 and January 2024 following a tender process. Ridge subsequently have prepared project-specific scope of services for the different design disciplines (architecture, civil and structural engineering, electrical engineering, transport, cost management and planning services) and firms have been selected for each. Eight guiding principles for development have been agreed, the top four being landscape, design quality, commercial and global centre.

Timeline

The project is currently concentrating on stakeholder identification and engagement, project risks, site boundaries and ownership, and ecological and tree surveys. Community engagement with district, town and parish councils and community groups is due to start next month, June 2023.



STROUD DISTRICT COUNCIL

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

Telephone 01453 766321 • Facsimile 01453 750932

www.stroud.gov.uk

STRATEGY & RESOURCES COMMITTEE

MEMBER REPORT

An outline planning application is due to be submitted in November 2023 and the project aims to break ground in early 2025.

3. Business Rates Pool

Andrew Cummings gave an end of year update, illustrating business rates pool growth across the county for 2022-23, with Gloucestershire able to keep all but 15% of the growth which goes back to Central Government (without pooling 50% would be returned to Government).

In 2022-23 the pool gain of £3.563m had been allocated as follows: £0.713m to the Strategic Economic Development Fund (SEDF) administered by GEGJC, £2.28m to the districts and £0.57m to the county council (the comparable figures for 2021-22 were a pool gain of £3.161m with £0.632 to SEDF, £2.023m to districts and £0.506m to GCC).

The estimated gain for 2023-24 is a pool gain of £4.549m, with £0.91m to SEDF, £2.911m to districts and £0.728m to GCC.

GEGJC discussed the prioritisation of activity needing funding from SEDF and agreed to charge the Senior Officers Group with looking at the pipeline ahead of the establishment of the City Region Board, and better connecting data to investment to establish the difference that SEDF funding is making / could make.

4. GFirst LEP Update

David Owen, CE of the GFirst LEP and also now a County Council Director, updated GEGJC on the future of LEPs. Three themes were emerging:

- 1) The need for funding future activity through councils
- 2) Timescales are a challenge, especially with the Government extending the consultation on the future of LEPs, as this will delay announcements about future funding
- 3) Clarity about which functions Government expects councils to pick up from 1 April 2024 and what outcomes are expected.

In addition, he highlighted:

- that European Regional Development Funding (ERDF) of £1m had leveraged over £11m of inward investment into the county
- The 'Made in Gloucestershire' initiative launched in July 2022 continues to grow (£150k of SEDF awarded in March 2022)
- The sad news of the death of Jim Grant, Principal of Cirencester College.



STROUD DISTRICT COUNCIL

Council Offices • Ebley Mill • Ebley Wharf • Stroud • GL5 4UB
 Telephone 01453 766321 • Facsimile 01453 750932
 www.stroud.gov.uk

STRATEGY & RESOURCES COMMITTEE

MEMBER REPORT

5. Covid-19 and Economic Intelligence Dashboard

Kate Martin of GCC tabled an update on GCC’s Economic Dashboard. She highlighted:

- There were 2 new areas of reporting:
 - 1) Gross Value added – a new data measure of goods and services produced which showed that in 2021, Gloucestershire produced GVA of £19.1bn (13% of the South west’s GVA and 1% of England’s), with the largest contributing sectors being manufacturing, wholesale and retail trade and real estate activities.
 - 2) Economic Activity – in 2021, 38.3% of the county’s 16+ population was economically inactive (up from 35% in 2011). Of the economically inactive, 60.2% were aged 65+ (a 20% increase between 2011 and 2021). This was not due to people retiring early but was due to people leaving the workforce early for other reasons – ill health, looking after family, studying etc.
- Long-term unemployment has increased to 2.3%
- Job postings have fallen slightly (from a record high in January 2023 at 24,888, which was 4,000 greater than any other figure at any other point).

FUTURE MEETINGS	7 September 2023 10am (last meeting of GEGJC, which will be succeeded by the City Region Board)
REPORT SUBMITTED BY	Cllr Natalie Bennett, Deputy Leader Kathy O’Leary, Chief Executive
DATE	5 June 2023



STROUD DISTRICT COUNCIL

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

Telephone 01453 766321 • Facsimile 01453 750932

www.stroud.gov.uk

STRATEGY & RESOURCES COMMITTEE MEMBER/OFFICER REPORT

NAME OF ORGANISATION/BODY	Regeneration and Investment Board
DATE OF LAST MEETING ATTENDED	24 May 2023

BRIEF REPORT:

The Regeneration and Investment Board met on 24 May 2023 and the following items were discussed:

Tricorn House Redevelopment

The Board noted that good progress was being made with the redevelopment. Development Management Team officers would be visiting the site shortly after the deadline of the 'Permitted Development' consent (end May 2023), to view the works carried out so far and make an assessment on the conversion of the building from office use to residential. A report with recommendations from the visit would then be prepared and circulated for any comments to ward members and members of Development Control Committee. A decision by the Local Planning Authority on the redevelopment would be made during the summer of 2023. Ward members, Cainscross Town Council representatives and the local MP were being updated on the redevelopment and FAQs had also been published and circulated widely: [Tricorn House FAQs](#)

Brimscombe Port Community Facilities

The Board discussed progress that has been made in bringing forward community space and facilities within the port redevelopment. The community facilities form an important part of the overall output specification for the project – *'to create a vibrant and inclusive community that provides for a range of ages and creates a destination for canal tourism and a nationally important landmark destination'*.

The Board supported a proposal to engage consultants to assist in the development of community facilities that befitted the 'destination' status of Brimscombe Port, and the creation of a sustainable operating model for the facilities involving the Parish Council and local partners as appropriate. A report on findings would be presented to Strategy and Resources Committee, seeking approval to a proposed way forward.

Levelling Up Fund Update

Details were still awaited from Government on the criteria for the final round (3) of this fund, with speculation that there may be a move towards a more 'allocative' approach to the

distribution of funding to local authorities across the country, instead of a competitive bidding process.

Retrofit Centre for Excellence

Rachel Brain joined the meeting to outline our work in progressing Stroud District as a retrofit centre of excellence. Her presentation focused on four key areas:

Own Estates - Doing our own retrofit works fulfils our role as pathfinder and exemplar but, particularly through retrofit at scale (such as our work on Social Housing and the mills) contributes to a more nurturing environment for the supply chain.

Partnership - We have been supporting our FE sector in their important retrofit and green skills development work.

Brokerage – developing confidence in the retrofit market and encouraging private home owners to take action. Our Low Carbon Communities project is central to this.

Leadership - Our 20 year track record on affordable warmth and our more recent successes in social housing are clear indicators of the strength of partnership on this agenda

The Board thanked Rachel for her presentation and all her work over the past 4 years with the Council. Rachel would be leaving shortly to join the Energy Savings Trust and the Board wished her every success in her new role.

Project Highlight Reports

Highlight reports for the other priority regeneration projects were circulated and the key next steps were noted. These projects included:

- Bath Place, Cheapside and Rail Station (Stroud)
- Brimscombe Port
- May Lane (Dursley)
- Zero Carbon Public Estate

FUTURE MEETINGS	18 July 2023
REPORT SUBMITTED BY	Brendan Cleere
DATE	29 June 2023



STROUD DISTRICT COUNCIL

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

Telephone 01453 766321 • Facsimile 01453 750932

www.stroud.gov.uk

STRATEGY & RESOURCES COMMITTEE

MEMBER/OFFICER REPORT

NAME OF ORGANISATION/BODY	Cotswold Canals Connected Project Board
DATE OF LAST MEETING ATTENDED	22 June 2023 (Project Board Meeting)

BRIEF REPORT:

A last Canal Project Update was provided for the S&R Committee Meeting in April 2023 and this briefing follows the latest Project Partners' Board Meeting, held on 22 June 2023.

Positive progress has been made on the canal over the last quarter and a notable success was the Lock Challenge and Canal Spring Festival held over the weekend of 13th and 14th May.

However, the project remains at risk due to the delays with the flood modelling which is impacting planning approval and the engineering programme. The flood modelling has been reviewed by the Environment Agency and, we expect to complete the updated Environmental Statement (incorporating Flood Risk Assessment) and planning application which will be re-circulated to the statutory consultees for comment and approval. However, we will not meet the deadline required for consideration by the Development Control Committee meeting on 12th September 2023, and an extraordinary meeting has therefore been scheduled on 28th September for this review.

Planning Approval is the next key milestone for this project as this will then enable us to progress works on the Missing Mile section of the canal. This is the most complex and expensive part of the project as we will be constructing a mile of new canal, with two locks and a mooring basin, including routing the canal under the M5 which involves connecting with the River Frome, in order to avoid building a new bridge under the M5. This work will be done using a combination of volunteers and 3rd party contractors. An ITT is currently being prepared to complete the M5 crossing section of the canal as the intention is to complete this work in 2024.

As reported in the last S&R report there is a funding gap for the project and we now have a phased programme of work which will enable us to deliver the project in line with the funding plan. This approach has been discussed with the National Lottery Heritage Fund (NLHF) and there will be an onsite meeting on Friday 14th July to review this plan in more detail.

This is the largest NLHF funded project in the south-west and NLHF recognise the strategic importance of this project to the district and the benefits to communities, environment, heritage and economic development. It is expected that NLHF will continue to support the project and provide additional funding, however they need to understand the risks, costs and programme for completing the project.

The £1m additional grant awarded by the S&R Committee in November 2022 has clearly demonstrated the commitment of SDC to the successful completion of this project and this has been recognised by NLHF and the other project partners. These funds will go towards reducing the funding gap.

FUTURE MEETINGS	28 September 2023
REPORT SUBMITTED BY	Chris Mitford-Slade
DATE	29 June 2023

Fit for the Future Programme Update

Overall, the programme has made strong progress this period and is operating well with positive feedback received from officers, third party vendors and another council.

Service Delivery workstream:

Achieved

- Digital Platform (Liberty) team is gaining experience and building a pipeline of work via process mapping:
 - Waste and recycling services were delivered to schedule with very positive feedback from the SDC team and Ubico. A demo of these services was also provided to Cheltenham Borough Council, and this was positively received
 - Customer contact on-line services, for Building Control, were delivered to schedule
 - Started work on customer feedback forms for use with all new on-line services
- Phase 1 of the contact centre development mobilising
- All service plans have now been added to Pentana

Next Steps

- Liberty:
 - Implement customer feedback form on Liberty
 - Begin work on Pest Control services
- Complete mobilisation work for contact centre development

Community Connection workstream:

Achieved

- Built a team of champions to support delivery of plan
- Further Chapel Street pilot action planning with colleagues and community
- Signed-off our community engagement principles with SLT and with ALT for review

Next Steps

- Complete Chapel Street planning and mobilise for action
- Sign-off community engagement principles
- Prepare and review crowdfunding proposal
- C/F: Develop first wave of videos and stories to promote council understanding of on-going work to help drive culture change (awaiting fulfilment of comms team post)

Adrian Blick, Interim Change and Transformation Director
Email: Adrian.blick@stroud.gov.uk

People and OD workstream:

Achieved

On the iTrent system, further improvements to self-service including:

- Sickness and absence module successfully implemented and previous system (Goodshape) decommissioned
- Recruitment and on-boarding modules in system testing
- Survey results shared with staff (and very positive)

Next Steps

- C/F: Review V&B themes with LMT (Flood response delayed)
- C/F: Organise V&B workshops with Members
- Develop action plans for survey response

Digital and Technology workstream:

Achieved

- PSN code of connection request approved (major achievement relating to IT estate security)
- Three new security tools implemented:
 1. Intrusion Detection (early warning/alerting)
 2. Anti-phishing (emails)
 3. Password strength assessment
- Server estate upgrades on track (Oct)
- Cloud assessment report reviewed (See Next Steps)
- Disaster Recovery planning restarted

Next Steps

- Clarifications following Cloud assessment report review
- Purchase additional routers for key sites to assist Business Continuity
- Complete Disaster Recovery planning

Adrian Blick, Interim Change and Transformation Director
Email: Adrian.blick@stroud.gov.uk

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE
WORK PROGRAMME

Date	Matter to be considered	Reporting Member/Officer
11 July 2023	General Fund and Housing Revenue Account Outturn Report 2022/23	Accountancy Manager
	Leisure Management Recommendation	Head of Community Services
	Community Wealth Building	Strategic Director of Resources
	Appointment of Performance Monitoring Representatives	
	Member/Officer Update Reports: a) Performance Management Q4 b) Leadership Gloucestershire c) Canal Update d) Fit for the Future Update e) Work Programme	Chair & Chief Executive Canal Manager Strategic Director of Transformation and Change
5 Oct 2023	Strategy and Resources Budget Monitoring Report Q1 2023/24	Accountancy Manager
	Budget Strategy	Strategic Director of Resources
	Domestic Abuse Strategy	Head of Strategic Housing Services (Interim)
	Corporate Asset Management Strategy	Property Manager
	EC 1.3 - Community engagement on climate and nature action – themes relevant to S&R committee	
	ER 4.2 - Financial resilience & community funding	Strategic Director of Resources
	Improving customer service through improved customer interface: digital platform and website	Interim Director of Transformation and Change
	Canalside Site, A419, Stonehouse	Head of Property Services
	Council Plan Refresh	Senior Policy and Governance Officer / Corporate Policy and Governance Officer
	Member/Officer Update Reports: a) Performance Management Q1 b) Leadership Gloucestershire c) Gloucestershire Economic Growth Joint Committee (GEGJC) d) Gloucestershire Economic Growth Scrutiny Committee (GEGSC) e) Regeneration and Investment Board f) Canal Update g) Work Programme	Chair & Chief Executive Chair & Chief Executive Strategic Director of Place Canal Manager
23 Nov 2023	Social Value Update	Policy and Projects Officer

	Kingshill House	Property Manager
	Annual Corporate Procurement and Contract Management Update	Senior Policy and Governance Officer
	<p>Economic Development Action Plan update</p> <ul style="list-style-type: none"> Paper on support for local business: ER1.5 – Consultation on how SDC can improve business services ER1.2 - Digital and online support ER 1.3 - Shop local campaign ER 1.4 – Grow the visitor economy ER 4.1 - Create a favoured trader list 	Senior Economic Development Specialist
	<p>Economic Development Action Plan update</p> <ul style="list-style-type: none"> Paper on skills and training: ER 4.4 to include SDC apprenticeships, engagement with schools & colleges, job centre, businesses and county level work. 	Senior Economic Development Specialist
	Delivery Strategy for Bath Place, Cheapside and Station car parks	Regeneration Delivery Lead
	<p>Member/Officer Update Reports:</p> <ul style="list-style-type: none"> a) Performance Management Q2 b) Leadership Gloucestershire c) Gloucestershire Economic Growth Joint Committee (GEGJC) d) Gloucestershire Economic Growth Scrutiny Committee (GEGSC) e) Regeneration and Investment Board f) Canal Update g) Fit for the Future Update h) Work Programme 	<p>Chair & Chief Executive</p> <p>Chair & Chief Executive</p> <p>Councillor Turner</p> <p>Strategic Director of Place Canal Manager Strategic Director of Transformation and Change</p>
1 Feb 2023	Community Infrastructure Levy Spending Allocations for 2024/2025	Senior Community Infrastructure Officer
	The Fair Pay and Senior Pay Policy Statement	HR Manager
	Council Tax Support Scheme	Revenue and Benefits Manager
	Council Tax – Long Term Empty Premium	Revenue and Benefits Manager
	Council Tax Premium – Second Homes	Revenue and Benefits Manager
	Budget Monitoring report Q2 2023/24	Accountancy Manager
	Capital Strategy	Principal Accountant
	General Fund Budget 2024/25, Capital Programme and Medium-Term Financial Plan	Strategic Director of Resources
	Housing Revenue Account Budget Estimates – Revised 2023/24 and Original	Accountancy Manager

	2024/25 and Medium-Term Financial Plan 2023/24-2027/28	
	Member/Officer Update Reports: a) Leadership Gloucestershire b) Gloucestershire Economic Growth Joint Committee (GEGJC) c) Gloucestershire Economic Growth Scrutiny Committee (GEGSC) d) Regeneration and Investment Board e) Work Programme	Chair & Chief Executive Chair & Chief Executive Councillor Turner Strategic Director of Place
7 Mar 2024	Budget Monitoring Q3 2023/24	Accountancy Manager
	ER 4.2 - Financial resilience & community funding proposal	Strategic Director of Resources
	ER4.2 - Community wealth building report recommendations	Strategic Director of Resources
	Member/Officer Update Reports: a) Performance Management Q3 b) Leadership Gloucestershire c) Gloucestershire Economic Growth Joint Committee (GEGJC) d) Gloucestershire Economic Growth Scrutiny Committee (GEGSC) e) Canal Update f) Fit for the Future Update g) Work Programme	Chair & Chief Executive Chair & Chief Executive Canal Manager Strategic Director of Transformation and Change

This page is intentionally left blank