



# STROUD DISTRICT COUNCIL

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## STRATEGY AND RESOURCES COMMITTEE

27 January 2022

7.00 - 8.50 pm

Council Chamber

### Minutes

#### Membership

##### **Councillor Doina Cornell (Chair)**

Councillor Chris Brine  
Councillor Gordon Craig  
Councillor Stephen Davies  
Councillor Nicholas Housden  
Councillor Nick Hurst  
Councillor Martin Percy

\*= Absent

##### **Councillor Catherine Braun (Vice-Chair)**

Councillor Keith Pearson  
Councillor Steve Robinson  
Councillor Mattie Ross  
Councillor Ken Tucker  
Councillor Chloe Turner

#### Officers in Attendance

Chief Executive  
Strategic Director of Resources  
Principal Accountant

Accountancy Manager  
Senior Democratic Services & Elections  
Officer

#### SRC.064 Apologies

There were none.

#### SRC.065 Declarations of Interest

There were none.

#### SRC.066 Stroud District Council Capital Strategy

The Principal Accountant introduced the report and referred Members to page 3 of the document pack. The Strategy was approved annually and set out the long term context of the council's capital expenditure, borrowing & investment and was a requirement of the 2018 Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code. In 2020 CIPFA carried out a consultation which resulted in the Prudential Code being revised.

The Principal Accountant drew Members attention to the amendments which had been made to the Strategy since it had been approved in 2021. They also advised that due to the recent changes to the Prudential Code some of the required changes may not be added to the Strategy until 2023/24. One of the main changes to the strategy was

identified on Page 10, item 3 of the Principals of the Capital Strategy. The Principal Accountant also advised that the General Fund (GF) Total on page 12 was incorrect and should be amended to 1174, 1310, 1266 and 1217.

Councillor Davies asked for confirmation as to the amount being spent on addressing climate change listed on page 13. The Principal Accountant confirmed that there were additional items in the Housing Capital Programme.

Councillor Braun asked whether Members would consider new projects next year or if projects would be taken individually to committees. The Principal Accountant advised that new projects could be taken to individual policy committees or they could be submitted during the budget setting process.

Proposed by Councillor Brine and Seconded by Councillor Turner.

Councillor Pearson expressed hope that the council were going to look at Electric Vehicle (EV) charging points as he believed that they were starting to fall behind other parts of the County. Councillor Turner confirmed that the County Council were rolling out 500 EV Chargers they would be asking the Parish and Town Councils whether they wanted to join in with the contract. It was also confirmed that the budget included a small sum for the District Council to become involved with some research carried out by the Forest of Dean to look at installing EV Charging Points in council owned Car Parks. The Chair, Councillor Cornell advised that the County Council was the lead authority for EV Charging Points.

Councillor Braun welcomed the Capital Strategy and confirmed that the Council's climate action plan had been assessed against 324 other Councils and it had made the top 20 of all Councils and the top 4 District Councils.

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

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

**SRC.067      General Fund Budget 2022/23, Capital Programme and Medium-Term Financial Plan**

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

**The provisional local government financial settlement**

- The provisional settlement was announced on December 16<sup>th</sup> 2021 as a one-year settlement.
- The provisional settlement received was better than anticipated.
- Any updates on the governments commitment to assess how future funding allocations were decided would be reported to Members.
- District Councils were allowed a £5 Band D increase for Council Tax.
- Council Tax base growth was higher this year at Stroud District Council (SDC).
- The reset of Business Rates Growth had been delayed by a further year.

- Business Rate Pool income was not included in the base budget as the level of funding available could not be confirmed
- An additional year of New Homes Bonus grant had been awarded. The District had seen a 1.9% increase in properties and 34% decrease in the number of long-term empty properties.
- The fair funding review was expected to result in a reduction and best estimates had been included.

#### Adjustments to revenue budget in future years

- Inflation was a key theme in the budget, at the time of writing the report the Consumer Price Inflation CPI was 5.4%.
- There was no certainty in terms of staffing costs as the pay award had not been agreed.
- A new table had been included to show the changes in the Ubico Contract
- Appendix B highlighted a number of different pressures and showed the changes that were made to the budget. It was confirmed that some of the items that had already been agreed were on hidden rows on the table.
- Appendix C showed adjustments that had been made due to the Council Plan priorities.

#### Medium Term Financial Plan and the use of reserves

- Set out how the budget would be managed over the medium term.
- There was a significant deficit on the Collection Fund at the end of the last financial year, there was a reserve in place to match the deficit.
- Table 3 showed the balance of the Equalisation Reserve. The Estimated Surplus / (Deficit) row should have been removed.

#### Capital Programme

- Appendix E showed the full capital programme.
- The figure for the total General Fund for 2022/23 in Table 4 should have been 14,032 instead of 14,012.

#### Statement of the Chief Financial Officer

- Additional money was being included for a number of council plan priorities and the overall reserve balance had improved.
- The risk of inflation had been flagged.
- Highlighted paragraph 6.6 on page 44.

In response to questions from Councillor Davies the Strategic Director of resources confirmed the following:

- He would be able to provide figures showing the Council Tax collection rates and arrears following the meeting if required. At the end of 2021 the arrears had risen however this year the arrears were falling and the collection rate was stabilising.
- He would need to confirm following the meeting how many of Ubico's vehicles were low carbon.
- Biodiversity knowledge was scattered throughout the council and this knowledge could be increased for both staff and Councillors.
- The Homelessness Grant varied in Appendix B because there was an assumption that from the following year the level of grant would decrease.

- The New Homes capital programme totals shown on page 65 had been subject to variation between years
- There was an average of 3% increase across parking charges, some tariffs had been frozen in the past as it was difficult to increase small charges without increasing only by pence.

Councillor Hurst asked for assurance that the local plan had been provided with sufficient budget. The Strategic Director of Resources confirmed that as part of the budget setting process they had reviewed the local plan and a reserve of £31k had been included. Further funding would be received for Strategic Planning from the Gloucestershire Economic Development Fund.

In response to Councillor Craig it was confirmed that new posts for additional Officers would mostly be helping to deliver projects for the Council Plan which would be reported to Committees. The performance monitoring process could therefore be used to monitor progress and ensure we are delivering good value.

The Chair, Councillor Cornell, asked whether the water source heat pumps impact had been reflected in the report. The Strategic Director of Resources advised that they would probably see any impact later in the year.

Proposed by Councillor Turner and Seconded by Councillor Brine.

Councillor Brine stated that the report showed that we were in a better position than last year and that the Council now had a council plan which they could set the budget against and KPIs to ensure that progress could be tracked.

Councillor Davies thanked the finance team for the hard work in putting the budget together and stated that the Council had received a good settlement. He questioned whether the council was doing enough and advised that the Council Plan and the measures set against it would mean they could evaluate in the future whether we have had any impact. He stated he was unable to support the budget because it included the HRA and because it included increased car park charges in Stroud at a time when the high streets were under pressure.

Councillor Housden stated that he was pleased to see the following:

- Support from central government was higher than expected.
- Council Tax income was up against the forecast and that arrears have fallen.
- Reserves were up.
- The employment rate was up.
- 1158k increase in salary budgets.

However, he also stated that the budget did not address Climate Change and he would therefore not be supporting the budget.

Councillor Hurst advised that he would, reluctantly, support the budget but highlighted his concerns with the housing retrofit programme.

Councillor Pearson advised that he had some reservations about the capital budget and that he would have preferred to vote separately on Council Tax.

Councillor Braun stated that it was a great budget as it would help us to deliver the council plan. She also drew Members attention to the following:

- Some of the new staff posts could save the Council money.
- The investment included help to tackle the climate emergency.
- The video available on the website showed how every department at the Council was looking to tackle the climate emergency and how it was embedding the 2030 strategy throughout.
- New tourism and Biodiversity posts which highlighted partnership working.

Councillor Craig confirmed that he was in a similar position to Councillor Pearson and advised that there were some aspects that concerned him. He expressed a wish to see more focus on things that produce a real change.

Councillor Ross offered her support for the report and stated it was a measured and good budget.

The Chair, Councillor Cornell, stated that Carbon Neutral (CN) 2030 had been embedded across the organisation and the budget. CN2030 was intrinsically linked to many projects including the health and wellbeing programme.

Councillor Pearcy advised that he was encouraged by the level of investment in sustainability proposed by the budget.

Councillor Turner stated that the budget was reflective of the council plan and that she was happy to see the level of investment in green initiatives.

On being put to the vote, the Motion was passed with 11 votes in favour and 2 against.

- RECOMMENDED TO COUNCIL**
- a) To approve the updated Medium-Term Financial Plan as set out in Appendices A-E
  - b) To increase the council tax by £5 to £222.52 at Band D, an increase of less than 10p per week for the services provided by Stroud District Council;
  - c) To note the uncertainty around the impact of changes to future local government funding
  - d) To approve the Capital Programme, as set out in Appendix F
  - e) To approve the planned changes to the reserves as set out in Section 4 of the report and Appendix G
  - f) To approve the fees and charges policy and list of Council fees and charges as set out in Appendices H and I.

**SRC.068      HOUSING REVENUE ACCOUNT ESTIMATES – REVISED 2021/22 AND ORIGINAL 2022/23 AND MEDIUM-TERM FINANCIAL PLAN 2021/22 – 2025/26**

The Accountancy Manager introduced the report and explained that it had already been to Housing Committee on the 7 December 2021. She further explained that since that report there had only been one adjustment which was to include the role for a Resident Involvement Officer for a period of 2 years.

The Accountancy Manager then drew the Committees attention to a few key points within the report which included:

- The proposed increase of Social Rents by 4.1% - This was in line with National Rent Guidance and the Budget Strategy approved by Council. A full list of the charges was included in Appendix A.
- The service charges for communal areas and Independent Living were estimated to rise by more than the proposed increase. The decision was made to wait until the figure was known before passing these charges onto tenants which could result in higher charges next year.
- Shared Ownership rents were not included in the report due to the charges being set out in each individual lease not set by the Council, however these were due to increase in line with retail prices.
- Table 1, on page 155 of the document pack, sets out the individual changes to the HRA. The changes included in table 1 were largely short term and overall had an effect of an additional £100k away from the predicted budget.
- They would be looking to transfer just over £1 mill from HRA General Reserves in order to balance the budget.
- Table 3, page 159, sets out the financial position of the Medium Term Financial Plan (MTFP) for the period 2021-2026. This showed in 2025/26 the forecasted reserves were lower than the minimum recommended balance which was largely due to the inclusion of the retrofit works agreed by Housing Committee in 2021.
- Graph 1, page 160, showed the forecast of the HRA General Reserves over the next 30 years should things stay as they were. This graph enabled them to see how sustainable their decisions would be and showed there was time to put in a measured approach with regards to making savings for the HRA.
- Page 161 identified the risks and uncertainties, the biggest of those being cost inflation which would have a big impact on the Retrofit and New Build programmes.
- Page 161, section 10, sets out the borrowing position which included borrowing for the Retrofit and the New Build Programmes.
- Page 162 sets out the Capital Programme which included Major Works, New Homes and Regeneration Programme, Independent Living Modernisation and the Land Appropriation in May Lane, Dursley.

The Accountancy Manager gave the following answers in response to questions asked:

- The 3% inflation figures were produced for the Housing Committee and have since increased. If they continued to increase, further funding would need to be allocated or the projects re-evaluated to see what could be delivered.
- The existing budgets for Services that had been brought in house had been re-allocated however, the expectation was that those savings would be included once they were in place.

It was agreed to get back to Councillor Davies with an estimate of the number of new houses completed by Stroud District Council next year.

Councillor Hurst questioned whether the New Build Programme reflected the age demographic and what types of houses were being built. The Accountancy Manger explained that each individual scheme recognised the housing needs of the area and details of these were reported to the Housing Committee.

Councillor Housden questioned why £1.5 mill was set aside for the former Ship Inn site in 2 years time provided that there had been no time scales or plans for the site. The Accountancy Manager confirmed the Canal Side site was included as per the existing programme. She further explained it was likely that things could change but each site

was included in the budget around the time that they were expected to be brought into the programme.

Councillor Housden further questioned whether the £1.5 mill set aside for the Canal side Site could be invested to balancing the HRA budget instead. The Accountancy Manager explained that the one-off payment of £1.5 mill was borrowed income and would be funded through future rental income from the site in order to be repaid. In addition, she explained that the £1 mill needed to balance the HRA was an annual figure and would need to be repeated each year.

Councillor Ross proposed and Councillor Brine seconded.

Councillor Robinson commended the new homes being built in Nailsworth.

Councillors debated the topic of building Social Housing in Stonehouse specifically around the Canal Site in Stonehouse.

Councillor Ross commended the work being done with regards to building new social housing and for shared ownership homes and the work being completed on the relevant task and finish groups.

After being put to a vote, the Motion carried with 8 votes for, 3 votes against and 2 abstentions.

- RECOMMEND TO COUNCIL**
- a) That the revised HRA revenue budget for 2021/22 and original budget 2022/23 are approved
  - b) That the movement to and from HRA balances and capital reserves as detailed in Appendix B and section 9 are approved;
  - c) That from 1 April 2022:
    - i. Social rents and affordable rents are increased by 4.1% (CPI +1%), in line with national rent guidance
    - ii. Garage rents are increased by 4.1%
    - iii. Landlord service charges are increased by 4.1%
  - d) That the HRA Capital Programme for 2021/22 to 2025/26, as detailed in Appendix C, be included in the Council's Capital Programme
  - e) To delegate authority to the Strategic Director of Resources to appropriate land and buildings at 11/11A May Lane (as shown on the plan at Appendix D) into the HRA and the New Build Programme from the General Fund, once a market valuation has been received; and
  - f) To delegate authority to the Head of Property Services to continue work on progressing this site with land to the rear of Parsonage Street, Dursley, including opening negotiations to acquire land from 3rd party private owners.

The meeting closed at 8.50 pm

Chair

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