

05 June 2017

STRATEGY AND RESOURCES COMMITTEE

A meeting of the Strategy and Resources Committee will be held on **TUESDAY 13 JUNE 2017** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **7.00 pm**.



David Hagg
Chief Executive

Please Note: This meeting will be filmed for live or subsequent broadcast via the Council's internet site (www.stroud.gov.uk). By entering the Council Chamber you are consenting to being filmed. The whole of the meeting will be filmed except where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

AGENDA

- 1 **APOLOGIES**
To receive apologies for absence.
- 2 **DECLARATIONS OF INTEREST**
To receive declarations of interest.
- 3 **MINUTES**
To approve the Minutes of the meeting held on 13 April 2017.
- 4 **PUBLIC QUESTION TIME**
The Chair of the Committee will answer any questions from members of the public, submitted in accordance with the Council's procedures.
DEADLINE FOR RECEIPT OF QUESTIONS
Noon on THURSDAY 8 JUNE 2017.
Questions must be submitted in writing to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud, and sent by post or by Email: democratic.services@stroud.gov.uk.
- 5 **SUBSCRIPTION ROOMS PETITION**
On 10 April 2017 a petition entitled "Support our subs (S.O.S)" was received with approximately 1700 signatories "calling upon District Councillors to do everything in their power to keep Stroud's Subscription Rooms as the vibrant publicly owned community venue it is, and to work with the community to secure its future."

In accordance with the Council's Constitution (Section 3, paragraph 22) the lead petitioner will be given 3 minutes to present the petition. Committee may debate the item for up to 15 minutes.

- 6 WORK PROGRAMME**
To consider the work programme.
- 7 APPOINTMENTS**
a) Performance Monitoring Representatives
b) Investment and Development Panel
- 8 MEMBER REPORTS**
a) Performance Monitoring
b) Investment and Development Panel
c) Subscription Rooms Task and Finish Group
- 9 BUDGET MONITORING REPORTS**
a) HRA outturn report for 2016/17 – Summary of Variations – **Report to follow**
b) General Fund revenue outturn report for 2016/17 – **Report to follow**
c) Capital outturn report for 2016/17 – **Report to follow**
- 10 CAPITAL PROJECT MONITORING**
a) Business Units, Littlecombe, Dursley (also refer to Agenda Item 11)
b) Brimscombe Port Redevelopment
c) Homes for Rent (also refer to Agenda Item 12)
d) ICT Investment Plan
- 11 BUSINESS UNITS, LITTLECOMBE, DURSLEY**
To approve funding and commence construction of the units.
- 12 HOMES FOR RENT**
To approve the Homes for Rent delivery programme and to consider further reports on a scheme by scheme basis.
- 13 CORPORATE DELIVERY PLAN 2017-21**
To approve the Corporate Delivery Plan 2017-21.
- 14 MERRYWALKS, STROUD**
A verbal update will be provided at the meeting.
- 15 MEMBER QUESTIONS**
See Agenda Item 4 for deadline for submission.

Members of Strategy and Resources Committee

Councillor Steve Lydon (Chair)
Councillor Doina Cornell (Vice-Chair)
Councillor Nigel Cooper
Councillor Stephen Davies
Councillor Nick Hurst
Councillor Keith Pearson
Councillor Simon Pickering

Councillor Steve Robinson
Councillor Mattie Ross
Councillor Tom Skinner
Councillor Ken Tucker
Councillor Martin Whiteside
Councillor Debbie Young

STRATEGY AND RESOURCES COMMITTEE

13 April 2017

7.00 pm – 9.17 pm
 Council Chamber, Ebley Mill, Stroud

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Minutes

Membership:

Councillor Steve Lydon(Chair)	P	Councillor Steve Robinson	P
Councillor Doina Cornell (Vice-Chair)	P	Councillor Mattie Ross	A
Councillor Nigel Cooper	P	Councillor Tom Skinner	P
Councillor Stephen Davies	P	Councillor Ken Tucker	P
Councillor Nick Hurst	P	Councillor Martin Whiteside	P
Councillor Keith Pearson	P	Councillor Debbie Young	A
Councillor Simon Pickering	P		
P = Present		A = Absent	

Officers Present:

Chief Executive	Strategic Head (Customer Services)
Accountancy Manager	Public Space Manager
Democratic Services Officer	Community and Facilities Manager

Councillor Lydon announced that a petition had been received regarding the Subscription Rooms. This was being processed and the main petitioners would be invited to the next meeting of this Committee, which was scheduled in June 2017.

The Full Council meeting which was due to take place on 27 April 2017 had now been cancelled.

SRC.048

APOLOGIES

Apologies for absence were received from Councillors Mattie Ross and Debbie Young.

SRC.049

DECLARATIONS OF INTEREST

There were no declarations of interest.

SRC.050

MINUTES

RESOLVED

To approve as a correct record the Minutes of the meeting held on 26 January 2017.

SRC.051

PUBLIC QUESTION TIME

There were none.

SRC.052 **WORK PROGRAMME**

The work programme for 2017/18 was discussed. An item on Homes for Rent was added to the next meeting of Committee in June 2017.

RESOLVED **To AGREE the Committee's Work Programme 2017/18.**

SRC.053 **MEMBER REPORTS****(a) Performance Monitoring Representatives**

Councillor Cooper presented the report, highlighting a few points including the Risk Register and Excelsis - the performance management system.

(b) Stroud Concordat

A written report had been circulated to Members. Councillor Simon Pickering highlighted a few points including car parking and the tourism film of the District.

(c) Planning Review Panel

The next meeting of the review panel was due to take place on Tuesday 18 April 2017 and this key group would report to a future meeting of Committee.

(d) Investment and Development Panel

This panel had only met recently and a note of the meeting would be circulated.

(e) Member Development Task and Finish Group

A report had been prepared by Councillor Catherine Braun and circulated to Members. The recommendations made in the report will need to be considered. Councillor Cooper will discuss with the group and report back to Committee.

(f) Subscription Rooms

Councillor Doina Cornell updated Committee, explaining that there is a strict timetable to adhere to following the registration of the building as an Asset of Community Value by Stroud Town Council. A public consultation event will take place in October/November when all bids will need to have been evaluated.

SRC.054 **BUDGET MONITORING 2016/17 – REPORT 3**

The Acting Section 151 Officer presented the report and summarised the key issues, he explained that this report should be viewed as a forecast.

Members discussed issues, such as the Brimscombe Port, the Multi Service Contract, including food and garden waste, recyclables and cost of bins.

RESOLVED **(a) to note the outturn forecast for the General Fund Revenue budget and Capital Programme.**

(b) the provisional carry forwards, as set out in Appendix C are approved in principle (subject to the outturn position).

SRC.055**CORPORATE DELIVERY PLAN 2016/17 – REVIEW**

The Chief Executive gave a presentation, as a year end review of the delivery plan.

Councillor Lydon thanked the Chief Executive for the hard work taking place by himself, all the staff and the wider community and expressed the need to embrace all the challenges the Council is being faced with.

SRC.056**LEADERSHIP GLOUCESTERSHIRE UPDATE**

The Chief Executive updated Committee on issues discussed at Leadership Gloucestershire - participation in sport, business rate pool, creation of an employment and skills board, strategic planning co-ordination and the Home Office funded review by the Police and Crime Commissioner of the Fire Service.

Members briefly discussed the possibility of the Council and Leadership Gloucestershire working with a Metro Mayor for the West of England combined authority area.

SRC.057**MEMBER QUESTIONS**

There were none.

The meeting closed at 9.17 pm.

Chair

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

13 JUNE 2017

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WORK PROGRAMME

Date of meeting	Matter to be considered	Reporting Member/Officer
13.07.17	Work Programme	Chair
	Member Reports a) Performance Monitoring b) Investment and Development Panel c) Subscription Rooms Task & Finish Group	Cllrs Cllr Cllr
	Capital Project Monitoring a) Littlecombe Business Units, Dursley b) Brimscombe Port Redevelopment c) Homes for Rent d) ICT Investment Plan	Head of Asset Management Head of Asset Management Chief Executive Head of ICT and Business Consultant
	Financial Reports	Acting Section 151 Officer
	Leadership Gloucestershire Update	Chief Executive
	ICT Infrastructure Investment Plan	Head of ICT
	Community Facilities Contribution for the Littlecombe Development	Regeneration Officer
	12.10.17	Work Programme
Member Reports a) Performance Monitoring b) Investment and Development Panel c) Subscription Rooms Task and Finish Group		Cllrs Cllr Cllr
Capital Project Monitoring a) Littlecombe Business Units, Dursley b) Brimscombe Port Redevelopment c) Homes for Rent d) ICT Investment Plan		Head of Asset Management Head of Asset Management Chief Executive Head of ICT and Business Consultant
Council Tax Support Scheme		Revenue and Benefits Manager
Financial Reports		Acting Section 151 Officer
Leadership Gloucestershire Update		Chief Executive
Capital Projects Monitoring		Corporate Team
Property Assets Review		Head of Asset Management
Corporate Delivery Plan – Progress with Implementation		Corporate Team

18.01.18	Work Programme	Chair
	Member Reports a) Performance Monitoring b) Investment and Development Panel c) Subscription Rooms Task and Finish Group	Cllrs Cllr Cllr
	Capital Project Monitoring a) Littlecombe Business Units, Dursley b) Brimscombe Port Redevelopment c) Homes for Rent d) ICT Investment Plan	Head of Asset Management Head of Asset Management Chief Executive Head of ICT and Business Consultant
	Financial Reports	Acting Section 151 Officer
	Leadership Gloucestershire Update	Chief Executive
12.04.18	Work Programme	Chair
	Member Reports a) Performance Monitoring b) Investment and Development Panel c) Subscription Rooms Task and Finish Group	Cllrs Cllr Cllr
	Capital Project Monitoring a) Littlecombe Business Units, Dursley b) Brimscombe Port Redevelopment c) Homes for Rent d) ICT Investment Plan	Head of Asset Management Head of Asset Management Chief Executive Head of ICT and Business Consultant
	Financial Reports	Acting Section 151 Officer
	Leadership Gloucestershire Update	Chief Executive
	Corporate Delivery Plan – End of Year Review of Implementation	Corporate Team

Information sheets sent to Members

Date sent and ref no.	Topic
30.5.17 SR-2017/18-001	ICT Infrastructure Investment Plan 2017/18 to 2019/20
Pending	Brimscombe Port Redevelopment

STRATEGY AND RESOURCES COMMITTEE

13 JUNE 2017

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Report Title	CAPITAL PROJECT MONITORING
Purpose of Report	To inform the Committee of progress on capital projects within its remit.
Decision(s)	The Committee notes the report.
Consultation and Feedback	Details are contained within the body of the report
Financial Implications and Risk Assessment	This report is consistent with approved Council budgets. There are no direct financial implications as this report is for information only. Any additional expenditure outside of the agreed budget must be reported separately. David Stanley – Accountancy Manager (s151 Officer) Tel: 01453 754100 Email david.stanley@stroud.gov.uk Risks for these projects are set out in the Council's Corporate risk register.
Legal Implications	This report is for information purposes only and there are no specific legal implications. However, each individual capital project will have its own separate legal implications which will be dealt with in their individual reports as and when they come to committee. Craig Hallett, Solicitor Tel: 01453 754364 Email: craig.hallett@stroud.gov.uk
Report Author	Alison Fisk - Head of Asset Management Tel: 01453 754309 Email: alison.fisk@stroud.gov.uk Leonie Lockwood – Business Development Manager Tel: 01453 754153 Email: leonie.lockwood@stroud.gov.uk Philip Skill – Head of ICT Tel: 01453 754390 Email: philip.skill@stroud.gov.uk
Options	This report is for information only
Performance Management Follow Up	Update reports are to be supplied to this committee on a regular basis
Background Papers/ Appendices	A number of members information sheets have been prepared.

1. Introduction

- 1.1 The following report provides an **executive summary** of each of the Capital Projects within the remit of the Strategy and Resources Committee.

In some cases there is a Members' information sheet that provides further detail.

- 1.2 The purpose of this report is to advise the Committee on progress with the capital projects and allow members to question project managers.

2. Littlecombe Business Units – Dursley

- 2.1 The objective of this project is to bring forward 18,350sqft of new commercial buildings for use by small-medium businesses on the Littlecombe development site. The decision is based on a business case estimate which shows pay-back on full build cost between 0 years and 15 years, depending on pre-let, pre-sale and other contract terms.

- 2.2 Due to tender prices being returned at figures higher than budget estimates the project has been reviewed and an amended proposal is the subject of a separate report to members seeking approval to a revised budget of £1.93 million.

3. Brimscombe Port Redevelopment

- 3.1 The overall aim of this project is to see the redevelopment of this important site to deliver a minimum of 150 homes, some commercial uses, a community centre and to restore the canal and basin.

- 3.2 The first part of the project comprises the land assembly, design and planning permission for the 1st phase infrastructure (canal/river/road crossing, new bridge and access into the site) of this brownfield site, substantially de-risking the site for developers. This will be followed by the procurement of the development of the site.

- 3.3 A £3m Investment, made up from a £2m (recoverable loan) from the Homes and Communities Agency and £1m of capital from the Council has been made available for the phase 1 infrastructure works.

- 3.4 The Ship Inn was acquired in March 2017 to facilitate the development, this impacted on spend last financial year. Design consultants have been appointed for the Phase 1 infrastructure and are in contract.

- 3.5 The overall project programme requires updating to reflect the current position and different scenarios for some of the main streams of work (e.g. development procurement) as requested by the Project Board. The programme will endeavour to run tasks concurrently where possible and practical to do so with the aim of minimising the impact on the overall project due to any slippage in time for the phase 1 infrastructure works.

- 3.6 An Information Sheet is to be circulated to members prior to the meeting detailing the key milestones for the project.

4. Homes for Rent

- 4.1 The Council wishes to provide more rented homes for the district and has approved a four year expenditure profile in its Capital Programme 2017-21 under the heading Homes for Rent.

4.2 In making this decision, it was acknowledged this would require decision-making about the nature of the programme.

4.3 A separate report is to be presented to members at the meeting setting out the next steps prior to returning to members in October with proposals for delivering more homes for rent.

5. ICT Investment

5.1 The Council is committed to investing up to £600k over the next 3 years (2017/18 to 2019/20) in the corporate infrastructure of ICT and in achieving channel shift.

5.2 The investment plan is detailed in Members Information Sheet 2016/17 SR-003 and shows the spending profile balanced at £200k per annum. Due to recent events, we may have to look at this again, advancing some of our disaster recovery spend into years 1 and 2.

5.3 The spend is divided into two main areas,

5.3.1 **Infrastructure** – The servers, wiring, switches and other ancillary peripherals are either passed their 'use-by-date' or are about to exceed it. As such we are unable to maintain them nor source replacements should they fail. In addition, technology has moved on considerably since they were installed, and therefore replacements would be more energy efficient, quicker and more robust.

5.3.2 The Council also needs to keep up with advances in cyber attacks and increase its resilience in the event of penetration by malware, virus or any other threat to our data security. It is in this area that projects will have to be brought forward.

5.3.3 **Step Change** – The Council has a reputation for cutting edge software development, as evidenced by our award winning website. Times have moved on and so has the technology behind the scenes. The Council is committed to increasing the transactional nature of its website and e-communication. To facilitate this we need to invest in a suite of tools that will integrate the citizens request for service, our payment engines, booking/appointment services, and the back office systems.

5.3.4 The projects team are currently reviewing a number of services including the Customer Service Centre so that efficiencies can be realised from Channel Shifting calls to the most appropriate method of communication.

5.3.5 Of particular interest to members is investment in a more secure means of getting, reading and replying to councillor emails, whilst at the same time making it far simpler to use. A product called Blackberry Works (formally the GoodApp) has been procured and is in the process of being installed. It is planned to deploy the system to early adopters (live testing) in two months, with it going mainstream after the summer holidays. This work has been promoted and reviewed by the Members Development Working Group and led by Cllr Braun.

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

13 JUNE 2017

11

Report Title	BUSINESS UNITS, LITTLECOMBE, DURSLEY
Purpose of Report	To seek approval to funding and to commence construction of these units
Decision(s)	<p>The Committee RESOLVES to:</p> <ol style="list-style-type: none"> 1. delegate authority to the Head of Asset Management to enter into a contract with St. Modwen to construct a phase of business units at Littlecombe, Dursley and acquire the freehold interest in those units, as set out in this report and 2. approve the revised budget of £1.93m.
Consultation and Feedback	The Investment and Development Panel has considered the detailed business case for this project and is supportive of the proposal.
Financial Implications and	<p>A budget of £1.75m, funded by borrowing, is currently included in the capital programme for the new business units at Littlecombe.</p> <p>An increase in cost of £180k would also require additional borrowing to be undertaken which will increase the revenue costs associated with borrowing (interest payments and minimum revenue provision) by £13k per year. If the additional budget is approved this would need to be included in the Medium Term Financial Plan.</p> <p>If the contract is not signed by 16th June the cost of the works is expected to increase by £20k. If a full retender is required this is likely to increase to £50k.</p> <p>If the scheme does not progress, the costs incurred to date of approximately £56k would need to be met by the Council.</p> <p>Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p>
Risk Assessment	As costs are now fixed for the Council, the main risk is in letting the units at the estimated rental levels. The Council's agents advise that this is a specific, minor market with consistent enquiries from small businesses wanting to buy and lease premises in Dursley. Their opinions on rental and sale value have helped form the project estimates

Legal Implications	<p>This project will be the subject of a development agreement between the Council and St Modwens involving a transfer of the freehold estate to St Modwens with a simultaneous lease back of a 999 year lease to the Council. A separate building agreement will be entered into for the construction of the units to be procured by St Modwens through their successful tenderer. This is a tried and tested model for such a development agreement. The parties are at an advanced stage of settling the draft documentation. All agreements will need to be concluded prior to the 16th June in order for the construction contract to proceed in accordance with the revised budget figure referred to in recommendation 2 of this report.</p> <p>Alan Carr, Solicitor Tel: 01453 754357 Email: alan.carr@stroud.gov.uk</p>
Report Author	<p>Alison Fisk, Head of Asset Management Tel: 01453 754430 Email: alison.fisk@stroud.gov.uk</p>
Options	<p>The Council could decide not to go ahead with this project.</p>
Performance Management Follow Up	<p>In contract by June 16th 2017</p>
Background Papers/ Appendices	<p>Appendix A – Scheme Layout</p>

1.0 INTRODUCTION / BACKGROUND

1.1 The objective of this project was to bring forward 20,000sqft of new buildings for use by small-medium businesses. The decision was based on a business case estimate which showed pay-back on full build cost: 12 years, with a minimum 0 years depending on pre-let, pre-sale and contract terms.

1.2 Progress since May 2016:

- Terms agreed with St Modwen for the design and build and acquisition of the units.
- Planning permission secured and design completed.
- Appointed marketing agents (Ash and Co.) and agreed marketing strategy .
- Appointed Employer’s Agent to monitor the project on SDC’s behalf.
- After receiving cost estimates from St. Modwen’s Quantity Surveyors (Wakemans, Birmingham), redesigned scheme to reduce costs to within budget) – from 20,000 to 18,350 sq ft (i.e. loss of one small unit) before tendering.
- Selected the preferred contractors through an open tender with 3 responses received in January 2017. An additional bid was secured from a 4th contractor to validate the bids.

1.3 The Scheme

The project will deliver 18,350 sq ft (net internal area) of modern employment space in 3 blocks with the following mix of units*:

5 x	1000 sq ft
2 x	1500 sq ft
1 x	3500 sq ft
1 x	5000 sq ft

Plus approx 1,850 sq ft of mezzanine across the units* *all figures rounded*
(See attached layout plan at Appendix A).

2.0 ISSUES FOR CONSIDERATION

2.1 Construction costs

- St Modwen encountered reluctance among construction companies to tender for the contract due to the location and relatively small project size. The 3 principal tenders exceeded the QS's estimates. A fourth tender was sought by St. Modwen to benchmark the prices and their bid was above the shortlisted contractor which demonstrated that the pricing structure was realistic.
- The tenders showed that the cost of construction at this location is up to 30% higher than those for similar size projects currently being built within 10 miles, including Stroudwater, Quedgeley, Hardwicke, Tewkesbury and Cheltenham. St Modwen has thoroughly examined the costing outcome by interviewing the 4 companies who were approached and reviewing the effect of location on construction costs with other contractors.
- By value engineering the tender price has been reduced without significant change in quality or the specification and there are now no further avenues for savings to be made.
- The project cost requires a 10% increase to the original budget.

2.2 The cost of construction plus fees is now fixed (this excludes the Council's costs in terms of officer time and professional advice and any borrowing costs). However, the price will be held by the contractor until 16th June 2017. Beyond that because of the cost of materials, the contract price will increase by at least £20,000.

2.3 Revised Business Case

The reduced building floor area and the increased costs have been put into the financial appraisal. Crudely, building costs per sq ft are 20% above the original estimates, but this has been partly offset by the decrease in total floor area, requiring a 10% overall increase to the budget.

2.4 If all the units were let rather than sold (a mixed tenure approach has been discussed and can still be considered) the minimum pay-back period is extended from 12 years to 15 years. Return on capital has dropped by between 0.1% - 1.7%. If the whole phase were sold in the current market, using the scenarios of modest and reasonable growth, its value is expected to meet costs or exceed them by £100,000.

Table 1

	March 2016	May 2017
Floor area	20,000sq ft	18,350 sq ft
No of units	10	9
Cost	£1,75m	£1,93m
Cost per sq ft	£87.50	£105.17
Return on capital	6.7%-8.4%	6.6%-6.7%
Payback period (modest growth)	12 yrs	15 yrs
Freehold Market Value	£1.7m to £2.1m	£1.9 m to £2.0m

2.5 Construction Programme

Tenders were going to be awarded on 7th April, but this has been put on hold whilst cost savings were identified and a further tender secured. The contract will not be let until the Council confirms it wishes to proceed.

- 2.6 The construction programme once started is:
- | | |
|---|----------|
| Discharge of pre-commencement planning conditions | 6 weeks |
| Contractor mobilisation | 12 weeks |
| Construction period | 30 weeks |
- 2.7 Assuming the Council confirms it wishes to go ahead and is in contract by the middle of June, completion would be by early May 2018.

3.0 CONCLUSION / RECOMMENDATION

- 3.1 The risks of this project were set out clearly to Council in 2016. Whilst the returns on the investment are lower because of the increase in costs and recouping the investment will take longer, it still provides the Council with a future income stream, generating revenue to offset the increasing pressure on the Council's financial resources and/or a capital receipt if it decides to sell on all or part of the asset.
- 3.2 The original reasons for the Council wishing to invest in these units remain valid i.e. to bring forward part of the remaining 4 acres. The land has been prepared for development but construction has not gone forward because of values and profitability, location and business risk. This has been amply demonstrated by the changes in the financial appraisal for the Council and the need to put in the land at nil cost.
- 3.3 Full design and build costs are prohibitive for small businesses, particularly as units would be aimed at local companies expanding and new investors from the SME community, often without the financial wherewithal to carry design and build costs. Given the issues facing St Modwen in bringing this whole site into profit, speculative development will not happen.
- 3.4 It is still a Council priority to see the land at Littlecombe remediated, brought into economic use and this part of Dursley and Cam (which has seen substantial job losses) provided with new homes and jobs. Creating more employment uses in the area will support corporate and community objectives.
- 3.5 It is therefore recommended that the Council proceeds with this project.

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

13 JUNE 2017

12

Report Title	HOMES FOR RENT
Purpose of Report	<p>The Council wishes to provide more rented homes for the district and has approved a four year expenditure profile in its Capital Programme 2017-21 under the heading Homes for Rent.</p> <p>In making this decision, it was acknowledged this would require decision-making about the nature of the programme.</p> <p>The political landscape around the delivery of new housing, and affordable housing in particular, is currently a rapidly changing one. This report sets out the proposed next steps.</p>
Decision(s)	<p>The Committee RESOLVES: To approve the activity programme set out at 4.1 in the report and to consider a further report on the nature and scale of a delivery programme for Homes for Rent at its meeting in October.</p>
Consultation and Feedback	<p>At a joint seminar on 6th April, officers presented a wide range of options to members of the Housing Review Panel and the Investment & Development Panel. Subsequent Panel meetings (10th and 11th April) continued to discuss options.</p> <p>An officer meeting with the Homes & Communities Agency took place on the 16th May and a meeting with Registered Providers took place on the 25th May.</p>
Financial Implications and Risk Assessment	<p>The Homes for Rent budget offers a number of options within the General Fund, each of which would need a robust business case to ensure financial viability before progressing.</p> <p>Approval of an increase in borrowing capacity in the HRA could, subject to financial viability of new build schemes, allow for further development in the HRA.</p> <p>Lucy Clothier Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p>

Legal Implications	It is permissible to use General Fund resources to provide social housing, such having been the subject of legal advice in 2014 – 2016. The relevant powers, which vary according to which legal vehicle is used to develop, own and manage the new housing units, are subject to various restrictions (e.g. State Aid, Secretary of State approval, borrowing cap rules etc.). Once the available external options to which this report refers have been investigated, the most advantageous vehicle(s) which will be used to develop, own and manage the units can be resolved. K Trickey, Legal Services Manager Email: karen.trickey@stroud.gov.uk
Report Author	David Hagg Chief Executive Tel: 01453 754290 Email: david.hagg@stroud.gov.uk Leonie Lockwood Business Development Manager Tel: 01453 754153 Email: leonie.lockwood@stroud.gov.uk Pippa Stroud Implementation Manager Tel: 01453 754099 Email: pippa.stroud@stroud.gov.uk
Options	The range of investment options was set out at the joint seminar and are not repeated in this report. Based on discussions at the seminar and at subsequent Panel meetings, members indicated that there should be a focus on specific housing needs and that the opportunity to draw in capital funding from partners should be explored.
Performance Management Follow Up	Dependant on the detailed programme that has yet to be agreed.
Background Papers	Homes for Rent (version 1) Spectrum of Housing Options Officer presentations made to the Joint Seminar

1. THE CONTEXT FOR A 'HOMES FOR RENT' PROGRAMME

1.1 The District's housing situation impacts on the local economy as well as the environment, health and well being of citizens.

- the need for affordable housing is substantial – estimated to be 425 new units per annum. Effectively, all the new homes built each year in the District would need to be affordable to meet this need. Of the 430 new homes built in 2015/16, 117 were affordable (27%)
- there are 2,117 households on the housing register, with around 440 new lettings of affordable housing each year.
- rent levels in the private sector are increasing faster than wage levels, resulting in more households having to look for affordable accommodation outside the District – this is particularly true of young people

- the average wage to house price ratio is almost 1:10 (well above the national ratio of 1:8), meaning fewer people are able to get onto the home ownership ladder and therefore seek rented accommodation
- standards of private rented accommodation are generally lower than those provided by registered providers of affordable housing.
- discussions with local employers have highlighted housing costs as a major factor affecting the local labour market
- some elements of the affordable housing market e.g. extra care, are not available in the District
- during 2016/17 there was a 30% increase in homeless applications

2. INVESTMENT AVAILABLE FOR THE HOMES FOR RENT PROGRAMME

- 2.1 As the Council has reached its borrowing cap in the Housing Revenue Account, a sum of £8m has been agreed within the General Fund's Capital Programme over 2017-21. In addition to this investment, it is hoped that other partners will be willing to make substantial capital investments.
- 2.2 Discussions have taken place with senior colleagues in the Homes & Communities Agency (HCA) about the availability of Government funding. The HCA has several funding streams that may be appropriate, albeit there are conditions associated with HCA funding.
- 2.3 Discussions also took place with senior representatives of 10 Registered Providers (RPs). The Council already has a positive and successful working relationship with these registered providers and they were encouraged to invest alongside the Council on key sites throughout the District. The RPs have agreed to meet in June with a view to setting up a Stroud District Strategic Partnership. Using a consortium approach, this would help increase the supply of affordable homes.
- 2.4 Both this committee and the Housing Committee have previously been made aware of the potential loss of right to buy receipts out of the District back to central government. The Council can use unapplied capital receipts from Right to Buy sales to help finance schemes brought forward by registered providers.
- 2.5 Overall, the aim is to use our £8m and land opportunities to attract 'match funding' from partners over the 4 years.

3. THE CURRENT POLICY CONTEXT

- 3.1 The political landscape around the delivery of new housing, particularly affordable housing is changing. There currently seems to be support across the major political parties for HRA borrowing caps to be reviewed and perhaps lifted. Councils like SDC that have a strong delivery track record and with sites that are readily available may benefit from a change in national policy.
- 3.2 The Council has previously lobbied Government Ministers for this and also presented the case through the Local Government Association and the District Councils Network. The HRA is able to access subsidy for affordable rented

housing through the use of Right to Buy receipts or through HCA funding, which a Housing Company, wholly owned by the Council, cannot.

- 3.3 If the HRA borrowing cap were to be lifted there are several readily available opportunities to deliver more affordable housing on the sites currently identified for redevelopment as part of the Sheltered Modernisation Project. The Council is able to draw on the successful, award winning council house build programme in terms of experience, expertise and capabilities.
- 3.4 Options for the provision of new specialist accommodation for vulnerable households, including temporary accommodation for homeless families, will be further explored with registered providers. The Council would only go forward with the project if a suitable organisation (charity, trust, registered provider) is identified with the ability to fund the running costs without recourse to the Council. The Council would pay for any use of the accommodation by homeless people.
- 3.5 Throughout the District there are opportunities for community based initiatives. Using the Community Housing Fund allocation and the Self Build grant provided to the Council , efforts will be made to develop small scale schemes by community land trusts, housing co-ops and 'self build' individuals.

4. NEXT STEPS

- 4.1 It is important that the momentum of the work already undertaken is maintained. Regardless of the outcome of the general election, the following activity programme will be undertaken:

June 2017

- Establish a Stroud District Strategic Partnership amongst registered providers
- Arrange HCA visit to key strategic sites
- Progress discussions with Registered Providers, charities and trusts about a foyer/shared housing/home in multiple occupation scheme as outlined in 3.6 above.

July 2017

- Review outcome of RP strategic meeting
- Approach DCLG Ministers with a proposal for lifting the HRA borrowing cap

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

13 JUNE 2017

13

Report Title	CORPORATE DELIVERY PLAN 2017-21
Purpose of Report	To approve the Corporate Delivery Plan (CDP). <i>It is important to stress this document is not intended to capture all that the Council does, but seeks to identify a number of key actions that will be delivered in 2017-18 under the Council's five key priorities.</i>
Decision(s)	The Committee RESOLVE To approve the Corporate Delivery Plan 2017-21
Consultation and Feedback	The Plan has been prepared using the Medium Term Financial Plan, Capital Programme 2017-21, committee decisions and following consultation with Administration Leaders. The CDP priorities are informed by a variety of public consultations and the annual Resident and Business surveys conducted by an independent organisation for the Council. This is the first time the CDP is being brought to the committee as in previous years it has been signed off by the Leader and Chief Executive.
Financial Implications and Risk Assessment	The Medium Term Financial Plan (MTFP) allocates resources to the services and activities supporting the Corporate Delivery Plan, and is revised annually. The revenue and capital budgets for 2017/18 were approved by Council in February 2017. Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk
Legal Implications	None. (Ref: KRT/ Legal/23517)
Report Author	David Hagg, Chief Executive 01453754290 Email: david.hagg@stroud.gov.uk
Options	The Council does not have to have a CDP. However, it is a useful way of drawing together the political and managerial key actions for 2017/18 and setting them in the context of the Council's priorities and 4 year focus. It enables the Council to set out what it is seeking to achieve and give the public and partners a means by which they can be informed and hold the Council to account.
Performance Management Follow Up	As in previous years, the CDP will be published on the Council's website and in hard copy. Progress on implementing the CDP will be updated

	<p>on a regular basis using the Council's performance management system (Excelsis). A summary of performance is given annually at Strategy & Resources Committee – the Chief Executive gave a presentation on the 2016/17 plan at the meeting on 13th April 2017. Members responsible for performance monitoring will also look at CDP implementation at their regular meetings with Committee Chairs and senior officers.</p>
Background Papers	None were used in the preparation of the report.

1. The Council has produced a Corporate Delivery Plan (CDP) for more than seven years and across different political administrations. Its value is in bringing together in a relatively short and succinct document, the Council's vision, priorities and key actions. The latter are framed in terms of a four year focus and key actions for the immediate financial year.
2. It is a form of 'high level' business plan but it is not intended to detail all the activities of the Council. There are a suite of service plans that are the focus for this; all of which are available on the Council's performance management system, Excelsis.
3. In previous years, the CDP has included a statement under each of the five priorities. This has summarised achievements and the issues on which the Council has been focused in the previous year. For the CDP 2017-21, these have been brought together in a shorter statement.
4. The focus for the document are the sections 'Key Actions For 2017/18'. The number and nature of these are increasingly constrained by the availability of finance and the staff capacity in the organisation. There are 25 key actions.
5. The CDP provides the public, partners and members with a clear statement of where the Council's focus will be for the year and what it intends to deliver for the District.
6. With the next District elections scheduled for 2020, and the Council's capital and revenue budgets heavily constrained, some CDP key actions are likely to remain the same for the next two years.
7. The CDP will be published on the website and a limited number of hard copies will be produced. The cost of this can be met from existing budgets.

CORPORATE DELIVERY PLAN 2017-21

Our plan is framed in a challenging financial climate.

Like almost all councils across England, we have signed up to a four year grant settlement offered by Government. The certainty this provides is offset by the fact that we will be the first authority in Gloucestershire to lose all revenue support grant and by 2019/20 we will be paying £549,000 to Government. This will be the largest sum paid by any Gloucestershire council and marks a new relationship

between central and local government. Effectively, we have to become a '*self financing*' council.

We are very concerned about the long term future and stability of local government finance. By 2020, our principal sources of income will be council tax and business rates. Although Government has indicated that business rates will be retained by local government, it is currently unclear how the income will be distributed between councils. The Government is consulting on further reductions in New Homes Bonus and, as a result, our income will fall regardless of performance.

We are tackling these budget challenges confident in the knowledge that the District's residents and businesses have a very positive view of the Council.

- Highest ever public and business satisfaction with the Council (80% and 70% respectively)
- Resident and business rating for value for money, efficiency and service standards at best ever

We also continue to deliver on our priorities;

- Council housebuilding programme delivering to timetable and budget (236 homes at cost of £19m over 5 years)
- House building and commercial development rates being sustained
- Council seen as an effective and valued partner in economic development and regeneration by local companies, investors, business organisations and GFirst Local Enterprise Partnership
- Carbon management programme delivered – the Council was the first in Europe to be 'carbon neutral'
- Membership at both leisure centres at record levels (good for health and well being, good for income!)
- New 'invest to earn' capital investment completed at The Pulse, Dursley – a £1.7m scheme providing new leisure and well being facilities
- Gloucestershire's only local plan adopted under the National Planning Policy Framework – shortlisted for national award – and the first Community Infrastructure Levy scheme in the county
- Successful management of the single largest regeneration site in Gloucestershire (Council owned site at Littlecombe, Dursley)
- Award winning canal regeneration project with high levels of public support, over £113m private investment and, in three years alone, 48,000 hours of volunteer work
- Substantial reduction in waste to landfill – already half the countywide target for 2020 – and a substantial increase in recycling (the success of which has brought issues and increased cost)
- Nationally acclaimed natural flood management schemes in the Stroud Valleys – one of only two UK projects sponsored by the Environment Agency – CPRE award
- Successful work on education-business links and skills – our Skills for Stroud programme (Stroud Ambitions, Employability Charter and support for Festomane)

- Substantial chunk of LEP Growth Deal 1 and 2 funding for infrastructure and skill training projects in the District
- Continuing high quality services – accreditation such as EMAS for environmental management and Green Flag for park management
- 7th best council tax collection rate in UK and best in Gloucestershire, improved position re business rates (up from 207 to 87)
- Top quartile performance for homeless prevention

OUR VISION

LEADING A COMMUNITY THAT IS MAKING STROUD DISTRICT A BETTER PLACE TO LIVE, WORK AND VISIT FOR EVERYONE

The plan seeks to demonstrate how this will be achieved around key priorities;

Economy

Help create a sustainable and vibrant economy that works for all

Affordable Housing

Provide affordable, energy efficient homes for our diverse and changing population

Environment

Help the community minimise its carbon footprint, adapt to climate change and recycle more

Health and Wellbeing

Promote the health and wellbeing of our communities and work with others to deliver the public health agenda

Delivery

Provide value for money to our taxpayers and high quality services to our customers

ECONOMY

Our 4 Year Focus

- Promote investment to create rewarding jobs that benefit the local area, with a focus on environmental technologies, engineering and manufacturing, creative industries and high quality social care
- Work with partners to promote safe, accessible and efficient transport that is healthy and does not damage our special environment, with an emphasis on limiting car use through cycling, walking and improvements to public transport
- Work with business, education and the voluntary sector to build skills and employment opportunities
- Promote investment in our high streets and regeneration sites to help sustain and enhance our distinct and varied service provision and cultural heritage
- Lobby for key infrastructure investment, particularly transport improvements to link Stroud to Bristol, the Midlands and Wales

Key Actions for 2017/18

- Working with partners, lead the project to link the award winning canal to the national network (Stonehouse to Saul) – a £10m bid to the Heritage Lottery Fund in November 2017 and volunteer led restoration
- Commission 18,500 sq ft of flexible business space at Littlecombe, Dursley using £1.7m of capital funding
- Implement the £50,000 scheme for market town centre initiatives
- Progress the Stroud Valleys Initiative (a flood management programme releasing regeneration sites for housing and employment) with a £800,000 bid to EUSIF and use £500,000 SDC and £300,000 HLF match funding
- Use the Great Gloucestershire High Street project, led by GFirst LEP, to inform our work on the future of town centres and direct investment
- Extend our successful Skills for Stroud initiatives with schools and employers and work with GFirst LEP and partners to shape a skills strategy for Gloucestershire

AFFORDABLE HOUSING

Our 4 Year Focus

- Deliver 243 new affordable homes through our £19 million council house building programme
- Implement the sheltered housing modernisation plan
- Reduce the number of empty homes in all tenures
- Drive up standards in private rented housing
- Use £8m of General Fund capital funding to provide homes for affordable rent

Key Actions for 2017/18

- Invest £4.5m in the final phase of the new build programme
- Carry out £6.4m of planned and cyclical capital work to council homes
- Deliver the £1.37m sheltered housing modernisation programme for 2017/18 on key sites
- Agree the content of the four year Homes for Rent programme and deliver the 2017/18 elements

ENVIRONMENT

Our 4 Year Focus

- Reduce the number of households in fuel poverty through energy efficiency measures
- Complete a review of the Local Plan by 2020
- Reduce household waste going to landfill through cost effective recycling
- Design and implement a Cycling and Walking Plan

Key Actions for 2017/18

- Provide 'warm and well' advice to 400 households in fuel poverty and help 50 low income private households install energy efficiency measures
- Review the refuse and recycling service
- Working with the Environment Agency and landowners, carry out more natural flood management projects throughout the District
- Implement first year projects in the Cycling and Walking Plan
- Work with partners to design an improvement scheme for Stratford Park Lido

HEALTH AND WELLBEING

Our 4 Year Focus

- To work with partners to help deliver the public health agenda across a range of services including the ageing population
- To work with and influence Health providers to ensure the delivery of locally accountable services
- Reduce poverty and inequality and help vulnerable people cope with welfare reform

Key Actions 2017/18

- Invest £60,000 in youth facilities and services across the District
- Promote 'dementia friendly' services and facilities throughout the District, working with business, care and community groups
- Commission 'warm and well' services using £20,000 revenue funding
- Implement the Motor Neurone Disease Charter
- Help 10 vulnerable households carry out essential repairs to their homes using our Healthy Home Loans scheme
- Help local people cope with national changes to the benefits system

DELIVERY

Our 4 Year Focus

- Deliver our Medium Term Financial Plan (MTFP) and Workforce Plan
- Use IT investment to provide better customer access and enhance workforce productivity and service innovation
- Invest in projects and assets that deliver a return, generate income or deliver savings, so enabling us to continue to fund essential public services
- Develop and implement a self-financing plan for the Council

Key Actions 2017/18

- Invest in key ICT infrastructure to reduce security risks, assist mobile working and deliver service efficiencies
- Implement 'channel shift' projects that deliver savings and better customer service
- Transfer community buildings and other assets to local organisations as part of implementing our property assets strategy
- Agree the key elements of the 'self financing' plan