

14 September 2017

HOUSING COMMITTEE

A meeting of the Housing Committee will be held on **TUESDAY 26 SEPTEMBER 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 20 June 2017.
- 4 **PUBLIC QUESTION TIME**
The Chair of Committee will answer questions from members of the public submitted in accordance with the Council's procedures.
DEADLINE FOR RECEIPT OF QUESTIONS
Noon on THURSDAY 21 SEPTEMBER 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 WORK PROGRAMME**
To consider the work programme.
- 6 MEMBER REPORTS**
a) Performance Monitoring
b) Housing Review Panel
- 7 CAPITAL PROJECT MONITORING**
a) Tenant Services Capital Programme
b) Assistance to Affordable Housing Providers
c) Disabled Facilities Grants
d) Sheltered Modernisation Project
e) New Homes and Regeneration Programme
- 8 BUDGET MONITORING REPORT 2017/18 Q1**
To note the outturn forecast for the General Fund and HRA Revenue budgets and Capital programmes for this Committee.
- 9 REFURBISHMENT AND REGENERATION OF COUNCIL OWNED PROPERTIES AND ENVIRONMENT**
To inform Members of the potential to invest in the Council's estates over a number of years.
- 10 HOUSING REPAIRS AND PLANNED MAINTENANCE POLICY 2017-2020**
To approve the above policy.
- 11 MEMBERS' QUESTIONS**
See Agenda Item 4 for deadline for submission.

Members of Housing Committee

Councillor Mattie Ross (Chair)	Councillor Norman Kay
Councillor Chas Townley (Vice-Chair)	Councillor Phil McAsey
Councillor Catherine Braun	Councillor Jenny Miles
Councillor Miranda Clifton	Councillor Tom Skinner
Councillor Colin Fryer	Councillor Debbie Young
Councillor Julie Job	1 vacancy

Tenant Representatives

Ian Allan
Sadie Tazewell

HOUSING COMMITTEE

20 JUNE 2017

7.00 pm – 8.55 pm
 Council Chamber, Ebley Mill, Stroud

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Minutes

Membership

Councillor Mattie Ross **	P	Councillor Norman Kay	P
Councillor Chas Townley *	P	Councillor Phil McAsey	A
Councillor Catherine Braun	P	Councillor Jenny Miles	P
Councillor Miranda Clifton	P	Councillor Elizabeth Peters	A
Councillor Colin Fryer	P	Councillor Tom Skinner	P
Councillor Julie Job	P	Councillor Debbie Young	P

** = Chair * = Vice Chair P = Present A = Absent

Tenant Representatives

Ian Allan	P	Sadie Tazewell	P
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Other Councillors in Attendance

Councillors George Butcher and Steve Lydon.

Officers in Attendance

Strategic Head (Tenant and Corporate Services)	Asset Operations Manager
Head of Housing Contracts	Business Development Manager
Head of Housing Management	Principal Accountant
Head of Asset Management	Democratic Services Officer

At the request of the Chair, members unanimously agreed to bring Agenda Item 10 forward after Agenda Item 4, Public Question Time.

HC.001

APOLOGIES

An apology of absence was received from Councillor Liz Peters.

HC.002

DECLARATIONS OF INTEREST

There were no declarations of interest.

HC.003

MINUTES – 28 MARCH 2017

RESOLVED

That the minutes of the meeting held on 28 March 2017 are confirmed and signed as a correct record.

HC.004 **PUBLIC QUESTION TIME**

Mr K Wilkes submitted questions on behalf of Mrs K Wilkes and Mr R Baker which were answered by the Chair. (Refer to the Council's [webcast](#) and [Item 4](#)). The Chair replied to supplementary questions confirming that if committee members requested information they would be given it and improvements had not been made to No.10 because of the cost.

HC.005 **PROPERTIES AT GLOUCESTER STREET AND BRADLEY STREET, WOTTON-UNDER-EDGE**

The Head of Asset Management outlined the above report and answered members' questions. The Town Council had met and suggested that if the land was not viable for social housing, that it be offered to it for public car parking. Ward members were supportive of the proposal to redevelop the site but with certain qualifications which were discussed. Members were very concerned that tenants may be forced to move when they did not wish to and were assured that tenants would be given considerable support, advice, financial assistance and time to move in accordance with the Council's Decanting Policy. An option could be for tenants to be decanted into suitable temporary accommodation and then given the choice to move back into a new property.

In view of the concerns over one of the tenant's wish to remain in their current home, members agreed amendments to the decision box to add a requirement that prior to applying to issue a Notice of Seeking Possession Order (Nosp), consultation takes place with the Chair, Vice-Chair and ward members and a requirement to report back to Committee to decide the means by which the site would be redeveloped.

Upon the vote the amendments were unanimously agreed.

- RESOLVED**
- 1. To authorise each of the following officers, namely the Heads of Asset Management, Housing Management and Housing Contracts (in consultation with the Chair and Vice-Chair of Housing Committee and relevant Ward Councillors):**
 - a. to make decisions in accordance with the Council's Decanting Policy;**
 - b. to serve demolition notices on relevant tenants, and**
 - c. to issue Notices of Possession Orders.**
 - 2. That the decision on the means of redeveloping property at Gloucester Street/Bradley Street is brought back to Committee**

HC.006 **WORK PROGRAMME 2017/18**

The Chair confirmed that there was a meeting arranged on Thursday to discuss the work programme and future reports.

RESOLVED **To note the work programme.**

HC.007 **APPOINTMENT OF PERFORMANCE MONITORING REPRESENTATIVES**

RESOLVED **To re-appoint Councillors Debbie Young and Catherine Braun for the current civic year.**

HC.008 **MEMBER REPORT – PERFORMANCE MONITORING**

The last report would be circulated to members.

HC.009 **CAPITAL PROJECT MONITORING**

The Head of Housing Contracts outlined the position on the five capital projects within the remit of committee and confirmed that each committee would be receiving similar update reports. Officers answered members' questions.

RESOLVED **To note the update on capital projects.**

HC.010 **HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2016/17 – SUMMARY OF VARIANCES**

The Chair apologised for the revised report that had been circulated to members and highlighted the minor changes; paragraph 5. of the decision box and text in paragraph 44.

The Principal Accountant summarised the report and answered members' questions.

- RESOLVED**
- 1. To note the HRA revenue and capital outturn for 2016/17, as shown in Table 1 and Table 4;**
 - 2. To support the revenue reserve transfers and capital slippage, as set out in Table 2 and Table 5;**
 - 3. To support the reprofiling of the 2017/18 New Build Programme budget, as set out in Table 6;**
 - 4. To support an additional budget of £700,000 for housing acquisitions in the 2017/18 capital programme;**
 - 5. To approve affordable rents on properties built or acquired using Right to Buy receipts.**

HC.011 **MEMBERS' QUESTIONS**

Questions were submitted by Councillor Liz Peters. (Refer to the Council's [webcast](#) and [Agenda Item 11](#)).

The meeting closed 8.55 pm.

Chair

STROUD DISTRICT COUNCIL**AGENDA
ITEM NO****HOUSING COMMITTEE****26 SEPTEMBER 2017****WORK PROGRAMME****5**

Date of meeting	Matters to be considered at the meeting	Notes
12.12.17	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Member Reports a) Performance Monitoring b) Housing Review Panel	Leads: Cllrs Debbie Young & Catherine Braun Chair: Cllr Chas Townley
	Capital Project Monitoring a) Disabled Facilities Grant Scheme b) Affordable Housing – Support to Registered Providers c) Planning and Cyclical Works d) New Homes e) Sheltered Modernisation	Leads: Head of Environmental Health Policy Implementation Manager Head of Contract Services Business Development Manager Business Development Manager
	Budget Reports	Lead: Accountancy Manager
20.02.18	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Member Reports a) Performance Monitoring b) Housing Review Panel	Leads: Cllrs Debbie Young & Catherine Braun Chair: Cllr Chas Townley
	Capital Project Monitoring a) Disabled Facilities Grant Scheme b) Affordable Housing – Support to Registered Providers c) Planning and Cyclical Works d) New Homes e) Sheltered Modernisation	Leads: Head of Environmental Health Policy Implementation Manager Head of Contract Services Business Development Manager Business Development Manager

27.03.18	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Member Reports a) Performance Monitoring b) Housing Review Panel	Leads: Cllrs Debbie Young & Catherine Braun Chair: Cllr Chas Townley
	Capital Project Monitoring a) Disabled Facilities Grant Scheme b) Affordable Housing – Support to Registered Providers c) Planning and Cyclical Works d) New Homes e) Sheltered Modernisation	Leads: Head of Environmental Health Policy Implementation Manager Head of Contract Services Business Development Manager Business Development Manager
	Budget Reports	Lead: Accountancy Manager
	Handyperson Service – income generation opportunities	Lead: Maintenance and Voids Manager

Information sheets sent to Committee Members

Date sent and ref no.	Topic
H-2017/18-001	Non-Traditional Stock Action Plan
H-2017/18-002	Sheltered Housing Modernisation Project
H-2017/18-003	New Homes and Regeneration Programme
H-2017/18-004	Small Sites, Garages and Disposals Update
H-2017/18-005	Corporate Asset Management Strategy Action Plan

Report Title	CAPITAL PROJECT MONITORING
Purpose of Report	To inform the Committee of progress on capital projects within its remit. A - Tenant Services Capital Programme B - Assistance to Affordable Housing Providers C - Disabled Facilities Grants D - Sheltered Modernisation Project E - New Homes and Regeneration Programme
Decisions	The Committee notes the reports.
Consultation and Feedback	Budget setting has previously been agreed at Council. Progress has been discussed with the Tenant Reps for Housing Committee, the scrutiny members assigned by Housing Committee and the Chair and Vice Chair of Housing Committee.
Financial Implications and Risk Assessment	<p>Item A - The capital budget for 2017/18 was approved by Council in February 2017. The capital programme for ongoing major works and maintenance is funded within the HRA Medium Term Financial Plan. This will be reviewed annually to ensure that the budget continues to support the delivery plan within the overall affordability of the HRA.</p> <p>Items B & C - 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.</p> <p>Items D & E - There are no direct financial implications as this report is for information only. These programmes will continue to be monitored through ongoing budget monitoring and any changes in profiling would need to be included within a budget report.</p> <p>Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p> <p>Risk assessment by the report author (item A) The capital programme of planned and cyclical maintenance provides relevant information of content and performance in the delivery of works. These are monitored and managed via Key Performance Indicators (KPI's).</p>

Legal Implications	The capital projects referred to are pertinent to the Council's high level strategic risks concerning housing services in particular CCR5 and CCR14. (Ref: r1109c1109d1209) K Trickey, Legal Services Manager Email: karen.trickey@stroud.gov.uk
Report Author (s)	<p>Item A - Kevin Topping, Head of Housing Services Tel: 01453 754196 Email: kevin.topping@stroud.gov.uk</p> <p>Item B - Pippa Stroud, Policy Implementation Manager Tel: 01453 754099 Email: pippa.stroud@stroud.gov.uk</p> <p>Item C - Jon Beckett, Head of Environmental Health Tel: 01453 754443 Email: jon.beckett@stroud.gov.uk</p> <p>Items D – Kimberly Read, Sheltered Housing Project Manager Tel: 01453 754175 Email: kimberley.read@stroud.gov.uk</p> <p>Items E - Leonie Lockwood, Business Development Manager Tel: 01453 754153 Email: leonie.lockwood@stroud.gov.uk</p>
Options	This report is for information only.
Performance Management Follow Up	Update reports are to be supplied to this committee within the timeline of the committee work programme.
Background Papers/ Appendices	Item A - Appendices can be supplied on request of specific KPI's.

Item A - Tenant Services Capital Programme

1.0. Introduction

- 1.1. The following report provides an ongoing **executive summary** of the Capital Projects within the remit of the Housing Committee. The purpose of this report is to advise Committee on progress and management of the capital projects and allow members to question project managers. The first report was presented at June 2017's Housing Committee where members asked for further detail within each report and for information sheets to be attached where appropriate.
- 1.2. The first quarter has been completed and positions of works against budget spend are detailed in 2.1.

2.0. Current position

- 2.1. The first quarter works of the capital programme are as follows broken down by contractor:

NKS (North of the district)					
	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Planned works					
Kitchens	0	0	386,250	215,136	171,114
Bathrooms	3	12,115	386,250	281,165	105,085
External works	10	59,665	850,000	830,423	19,577
Disabled adaptations (Both sides of the district)	15	76,231	308,000	240,000	68,000

Mears (South of the district)					
	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Planned works					
Kitchens	28	97,965	386,250	327,337	58,913
Bathrooms	0	0	386,250	204,447	181,803
External works	0	0	850,000	807,254	42,746

Proframe (Both sides of the district)					
	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Doors & windows	19	13,633	515,000	514,694	306

Glevum (Both sides of the district)					
	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Heating & boiler upgrades	54	218,652	690,000	730,000	(40,000)

Mitie & Bell (Mixed sides of the district)					
	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Painting/communal areas	0	0	515,000	400,000	115,000

3.0. Performance

3.1. Performance in the first quarter has been slow, however, spend projection is due to accelerate over the next 2 quarters. All works have been subject to accurate stock validations which have caused some works to be removed or deferred to future years. Coupled with more robust contractor management and the revision of the key performance indicator suite, making this a smarter tool to analyse contractor performance and resident satisfaction within specific work streams.

3.2. To note, an additional commercial boiler upgrade at St Nicholas Court has been added to the programme, causing a forecast overspend. The current existing system condition and potential system failure was highlighted following a stock condition survey.

4.0. Summary

4.1. We continue to be committed to a smarter way of working and more robust contract management, which in turn has reflected in the slow start and the current spend levels for the first quarter. Programmes of work have been fully validated and issued to our service providers.

Item B - Support to Social Housing Providers Capital Programme

1.1. The Council has a small General Fund capital programme that provides occasional grant assistance to housing associations, and this supplements the much greater resources available to them from the Homes and Communities Agency.

1.2. The Council's Affordable Housing Capital Programme comprises a mixture of recycled funding from the old Stroud Homebuy scheme, which ceased in 2014, where properties then bought under the scheme have now been sold on and the grant repaid, and s.106 commuted sums where developers have paid a contribution to the provision of affordable housing elsewhere rather than providing it on-site.

1.3. We allocate our resources to those schemes that best meet housing need in the Stroud district in terms of type, location and tenure. However, value for money is also a consideration, and those projects that produce the greatest number of homes for the lowest grant cost are obviously more attractive.

1.4. At the time of writing, there was £50,000 in uncommitted funds remaining in the s.106 code, and £230,000 of former Homebuy funds being held. The residual Homebuy funds are likely to be committed to support a large-scale ExtraCare scheme for older people, should a suitable site be identified.

1.5. Recent funding allocations and forthcoming commitments are set out below:

Location	Grant	No of units	Grant Per Unit	Provider	Date paid	Notes
Littlecombe, Dursley	£240,000	22	£11,000	SDC	July 2013	SDC regeneration site
Bisley Old Road Stroud	£130,000	23	£5,700	Stonewater	July 2014	All rented homes
Lynch Road Berkeley	£66,374	10	£6,600	Fortis	March 2016	Abnormal costs for sewer re-routing
Commitments						
Stagholt Standish	£30,000	7	£4,300	Two Rivers	Feb 18	Rural site
Elm Road Stonehouse	£90,000	8	£11,300	Two Rivers	Sept 17	Off the shelf purchase

Item C - Disabled Facilities Grants

- 1.1. The Council has a statutory duty to provide Disabled Facilities Grants (DFG) under the Housing Grants, Construction & Regeneration Act 1996. Funding is provided by Central Government for this purpose through the Better Care Fund (BCF) which is jointly administered by the County Council and Clinical Commissioning Group (CCG).
- 1.2. The DFG is a means tested grant to assist disabled occupants to remain living safely in their own homes by the provision of adaptations such as stairlifts and wet floor showers. The maximum limit for a DFG is £30,000.
- 1.3. This is a statutory function and the Council has no discretion as to the use of these funds and no control over demand as referrals must come from the County Council Occupational Therapy Service. There is no waiting list and all applications are dealt with expediently.
- 1.4. For 2017/18 a sum of £330,000 has been identified in the BCF for DFG's in the Stroud district and this is considered sufficient to meet demand based on previous expenditure. Any unspent allocation has to be returned to the BCF.
- 1.5. The table below illustrates the numbers of approvals and expenditure since 2015.

Year	No. of DFG's Approved	Amount Paid
15/16	27	£269,935
16/17	31	£279,710
17/18 Q1	4	£48,454

Item D - Sheltered Modernisation Project Update

1.1. Dryleaze Court, Wotton-under-Edge

We have now successfully relocated all residents at Dryleaze Court to alternative accommodation. Planning permission for the new laundry facility has been secured and the contract is being tendered. The contractor will be appointed ready to start on site at the beginning of October. The work will comprise the conversion of two existing garages to provide a new laundry facility.

The main building at Dryleaze Court will be closed off. However secure access to communal areas will remain to enable residents in the surrounding bungalows to continue using the existing laundry facility at the top of the building. This arrangement will remain in place until the new laundry facility is complete and ready for use in early November.

Dryleaze Court will now be marketed for sale in line with the Committee's decision in June 2016, to dispose of the Council's freehold interest in the property.

1.2. Ringfield Close & Tanners Piece, Nailsworth

The planning application for new purpose built older persons accommodation at Tanners Piece is currently pending consideration. It is likely that the application will be called in for review at Development Control Committee, due to the

sensitive nature of the site. Due to a full agenda it is not likely to go to Committee until October/November and at which point a decision will be made.

The new development will provide 7 one bedroom flats and 4 two bedroom flats, as well as a lift and scooter store facility. The design of the new flats will encourage independent living and in addition they will be energy efficient, reducing the overall running costs of the properties.

Numbers 26 and 28 Ringfield Close were marketed for sale and both properties have now been successfully sold.

1.3. Cambridge House, Dursley

We will begin the consultation with residents to begin re-housing them in early 2018.

1.4. Glebelands, Cam

We will begin the consultation with residents to begin re-housing them in early 2019.

1.5. Ex-Warden Accommodation

The ex-scheme warden's accommodation at Dryleaze House is virtually complete and is partially occupied. The conversion at Trinity Drive in Minchinhampton will be completed by September. These schemes have endured delays due to service installations.

Planning permissions have been secured for the conversion of the ex-wardens accommodation at Grange View, George Pearce House, Malvern Gardens and Hamfallow Court. The contract is out to tender and a contractor will be selected in mid-September ready for a start on site in October. It is anticipated that the conversions will be complete and ready for occupation by January 2018.

We remain in negotiation with a local charity specialising in support for vulnerable people. They are interested in leasing three of our ex-warden properties, Grove Park Road, Archway Gardens and Willow Road. Negotiations are progressing well and leases are currently being drafted and agreed.

1.6. Sherborne House

An architect has been appointed and a number of options for scheme improvements have been identified. An interior designer and furniture supplier have also been appointed to work with the architect on the delivery of the improvements to the scheme.

Officers will begin consultation with residents at Sherborne House shortly to open dialogue about the changes and improvements to their communal areas. The residents will be able to engage in activities with the interior designer to select colour schemes for the communal lounge, kitchen and corridors.

The work is due to start in January 2018 and the next step will be to procure a contractor to undertake the works.

1.7. Communication

The second issue of the Sheltered Modernisation News went out to all residents in July. The third issue of the Sheltered Modernisation News is due out in October.

Due to the sensitive nature of the information, Members requiring information on re-housing and numbers of voids are asked to contact officers direct.

Item E - New Homes and Regeneration Programme

1.0. Introduction

- 1.1. Stroud District Council has an objective to invest in 150 new Council homes by March 2018 and has also approved the regeneration of 3 sites where defective Woolaway properties are to be replaced with new homes providing a total number of 236 homes.
- 1.2. In addition to the construction of new homes, the programme includes the properties purchased from Hanover in 2013/14 and the conversion of the ex warden's properties funded through the Sheltered Housing Modernisation Project.
- 1.3. An additional budget of £700,000 was approved at Strategy and Resources on the 13 June, with 30% of that budget funded from right to buy receipts, to purchase properties on the open market. It is anticipated that this will deliver up to four new properties.

2.0. Programme

- 2.1. To date 189 new homes have been built. These comprise 35 new homes at Minchinhampton, 22 at Littlecombe, all 4 phases of our regeneration scheme at the Top of Town in Stroud where 53 new homes have been completed, 4 new homes at an ex garage site at Fishers Road, Berkeley, 6 additional properties at The Corriett, 51 homes at our large regeneration scheme at Mankley Road in Leonard Stanley, 4 homes that replaced 2 defective Woolaway properties in Far Green Coaley and the new 14 unit scheme at Chapel Street in Cam. These 189 new homes are a mix of tenures with 150 for rent and 39 for shared ownership.
- 2.2. Together with the properties purchased from Hanover and the 11 ex wardens conversions, where houses have been converted to flats to create additional units, the Council has provided 218 new homes.
- 2.3. The conversion of a further 4 ex-wardens houses are to be completed this financial year along with the property purchases which will bring the total to 226, depending upon the values of properties acquired.
- 2.4. This leaves the delivery of 10 units to reach the target of 236 and there is budget remaining to deliver approximately 19 new homes.

The table below sets out the schemes within the programme.

Scheme	No. of Units	Status
New Homes Completed		
Hanover, Dursley	18	Completed
Ex Warden conversions	11	Completed
Minchinhampton Woolaways	35	Completed
Top of Town, Stroud -Phase 1	22	Completed
Littlecombe, Dursley	22	Completed
Leonard Stanley Woolaways	51	Completed
Top of Town – Phase 2	13	Completed
The Corriett, Cam	6	Completed
Fisher’s Road, Berkeley	4	Completed
Hillside, Coaley	4	Completed
Top of Town – Phase 3	12	Completed
Chapel Street, Cam	14	Completed
Top of Town – Phase 4	6	Completed
Sub Total	218	
Completions by Year End		
Ex Warden conversions	4	Design stage
Property purchases	4	Feasibility
Sub Total	8	
Balance of Programme		
The Ship Inn, Bridgend	10	Design Stage
Southbank, Woodchester	5	Feasibility
Site to be identified	4	Design Stage
Sub Total	20	
Grand Total	245	

3.0. Balance of Programme

- 3.1. The Ship Inn site is in the design stage with feedback awaited from highways that may require some changes to the layout of the scheme prior to a planning application being submitted within the next few months with work starting in 2018/19. This is later than planned due to various issues on the site. This scheme is now due to deliver 10 new homes with a mix of 6 properties for rent and 4 for shared ownership.
- 3.2. A scheme to develop 5 homes at Southbank Woodchester is in contract but has experienced delays due to drainage issues for the site and issues with the contractor. We propose to terminate the contract with the contractor and have obtained a revised budget estimate from our Employer’s Agent to deliver the scheme and this figure has been included within our budgets for the remainder of the programme. There are various abnormal on the site such as piled foundations and the viability of the site is in question. Further financial appraisals are currently being carried out with one of the options being to introduce some shared ownership properties on to the site.
- 3.3. There is a remaining budget of £565k to complete the programme due to the fact that the Council has not been able to persuade owner occupiers to sell or swop their properties at Top of Town to enable a more comprehensive demolition and replacement option to be carried out at the top of Mason Road.

The two properties at the top of Mason Road attached to the owner occupied properties are now on the market. Various alternative sites are being considered and, once initial sketch plans have been prepared, consultation will take place in order that a recommendation can be brought to members in December on which site to progress to deliver more homes from this remaining budget.

- 3.4. Due to the delays stated above and the need to find an alternative site, the completion of a number of the units will not take place until the end of 2018/19. The re-profiling of the budget for 2017/18 has therefore been carried out to reflect this situation, as members were advised would be necessary in the June update report. The revised figures are included within the HRA outturn report for this meeting.
- 3.5 As a condition of receiving grant from the HCA, the Council has to be part of their compliance audit process and was selected to have schemes audited in the 2016/17 compliance audit programme. The purpose of the compliance audit exercise is to carry out a comprehensive review of a sample of HCA funded schemes to validate adherence to the HCA guidelines as set out in the Capital Funding Guide and any other supplementary compliance audit criteria.

The HCA uses the audit findings to inform their future investment decisions and to reassure the HCA chief accounting officer that public funds have been properly used.

The HCA awards green, amber and red gradings and the Council received the highest award, a green grading, for the audit, which demonstrates that it meet their requirements. This included two low severity breaches, the same issue for each scheme, as the Council had not carried out a whole life costing assessment. This is now to be done on all schemes.

HOUSING COMMITTEE

26 SEPTEMBER 2017

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Report Title	BUDGET MONITORING REPORT 2017/18 Q1
Purpose of Report	To present to the Committee a forecast of the outturn position against the revenue budget and Capital programme for the General Fund and HRA for 2017/18.
Decision(s)	The Committee RESOLVES to note the outturn forecast for the General Fund and HRA Revenue budgets and Capital programmes for this Committee.
Consultation and Feedback	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated in the report to explain differences between budgets and actual income and expenditure.
Financial Implications and Risk Assessment	There are significant levels of revenue underspends and capital slippage in the HRA, which will need to be considered as part of the budget setting process. The ongoing capital programme should be set at a realistic level, with the New Build programme reprofiled to reflect the deliverability of schemes. David Stanley – Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk
Legal Implications	Report for noting only; no legal implications to report on the information provided, beyond the need for the Council to effectively manage its finances both HRA and General Fund, an issue which is particularly pertinent at current time due to the strategic risks regarding the Council's budget position over the medium term. (Ref: r0709/c1209/d1209) K Trickey, Legal Services Manager Email: karen.trickey@stroud.gov.uk
Report Author	Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk
Options	None
Performance Management Follow Up	Budgets will continue to be monitored on a regular basis by budget holders supported by Finance. Further finance reports will update the committee in December 2017 and April 2018, with the outturn position reported to Strategy and Resources Committee in May 2018.

Stroud District Council General Fund Medium Term Financial Plan (MTFP) position

Members should note that the following relates to the General Fund MTFP position only. The HRA MTFP will be included in the Budget Setting papers at Housing Committee in December.

1. The Committee has previously been advised that we are faced with a challenging financial climate.
 - Stroud will be the first council in Gloucestershire to lose all government Revenue Support Grant (RSG) and will pay more money back to government than other councils in Gloucestershire (£549,000 from our own resources will go to Whitehall in 2019/20. Cheltenham will pay £391,000 and Cotswold will pay £218,000. The other three districts - Gloucester, Tewkesbury and Forest of Dean will continue to receive small amounts of RSG.
 - The current MTFP has already built in council tax increases of £5 per annum – the maximum allowed under government rules before triggering the need for a referendum of council taxpayers.
 - Potential changes to New Homes Bonus will mean further reduction to this 'reward' payment and, as a result, our income will fall regardless of performance.
 - The Government has yet to decide on business rate retention by local government. The expected primary legislation has been abandoned.
2. **It is against this background that it is important that budgets are not overspent. In cases where an overspend is forecast, management action must be taken to minimise or mitigate the impact on the council's financial position of an overspend.**
3. The current MTFP, approved by Council in February 2017, anticipates that there will be a £3.5m gap between the Council's income and expenditure by 2020/21. At that point we will have used up all our reserves unless we take action before then.
4. **Generating income and creating even greater efficiencies remain as important as ever, but there are likely to be cuts to the committee's budgets to close the funding gap. The budget setting process during the autumn will need to focus on these, with the budget proposals being considered by Strategy and Resources Committee on 18th January 2018.**

Background

5. This report provides the first monitoring position statement for the financial year 2017/18. The purpose of this report is to notify members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.

