



WOKINGHAM BOROUGH COUNCIL

A Meeting of the **EXECUTIVE** will be held in David Hicks 1 - Civic Offices on **THURSDAY 31 MAY 2018 AT 7.30 PM**

A handwritten signature in black ink, appearing to read 'Manjeet Gill'.

Manjeet Gill
Interim Chief Executive
Published on 22 May 2018

This meeting will be filmed for inclusion on the Council's website.

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WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

MEMBERSHIP OF THE EXECUTIVE TO BE ADVISED FOLLOWING ANNUAL COUNCIL

Charlotte Haitham Taylor Leader of the Council

ITEM NO.	WARD	SUBJECT	PAGE NO.
1.		APOLOGIES To receive any apologies for absence	
2.		MINUTES OF PREVIOUS MEETING To confirm the Minutes of the Meeting held on 29 March 2018 and the Extraordinary Meeting held on 16 May 2018.	7 - 28
3.		DECLARATION OF INTEREST To receive any declarations of interest	
4.		PUBLIC QUESTION TIME To answer any public questions A period of 30 minutes will be allowed for members of the public to ask questions submitted under notice. The Council welcomes questions from members of the public about the work of the Executive Subject to meeting certain timescales, questions can relate to general issues concerned with the work of the Council or an item which is on the Agenda for this meeting. For full details of the procedure for submitting questions please contact the Democratic Services Section on the numbers given below or go to www.wokingham.gov.uk/publicquestions	
4.1	None Specific	Marina Stone has asked the Executive Member for Children's Services the following question: Question I would like to ask what has been put in place to manage the increased amount of referrals received in children services as a result of the increasing Wokingham population and the recent government campaign encouraging the public to report child abuse? Although I support this campaign there would have surely been some thought into how this would be managed. Currently social workers are already feeling pressured carrying a high caseload of children and working an unreasonable amount of hours which is impacting on their emotional and physical health and	

also the service they would like to provide for families. We need more social workers or social worker assistants so that we can “Improve the customer experience when accessing Council services”.

5.

MEMBER QUESTION TIME

To answer any member questions

A period of 20 minutes will be allowed for Members to ask questions submitted under Notice

Any questions not dealt with within the allotted time will be dealt with in a written reply.

5.1 Arborfield

Ian Pittock has asked the Executive Member for Children's Services the following question:

Question

Can the appropriate new Executive Member for Children's Services advise me what arrangements have been made for public access to the new leisure facilities at Arborfield Green, in particular during school hours?

5.2 None Specific

Gary Cowan has asked the Leader of the Council the following question:

Question

With the unfortunate loss of the one person who was putting effort into sorting the current and future transport problems around Wokingham in line with the overwhelming support from council which are only set to get much worse who will now lead on this?

5.3 Bulmershe and Whitegates;
Hawkedon;
Hillside; Maiden Erlegh

Chris Smith has asked the Executive Member for Highways and Transport the following question:

Question

Can I have an update on recent and planned works on Bus Stops in Earley?

5.4 None Specific

Parry Batth has asked the Executive Member for Finance the following question:

Question

WBC Housing Companies such as WHL, Loddon Homes etc. have been building affordable homes for some time but little exposure is available to the outside world. Would the Executive Member please provide details of the current and future build plans and provide details of the types of houses rented or sold.

Matters for Consideration

6.	None Specific	SHAREHOLDERS' REPORT	29 - 36
7.	None Specific	REVENUE MONITORING 2017/18 - OUTTURN	37 - 46
8.	None Specific	CAPITAL OUTTURN 2017-18	47 - 56
9.	None Specific	21ST CENTURY COUNCIL - UPDATE	57 - 62

A decision sheet will be available for inspection at the Council's offices (in Democratic Services and the General Office) and on the web site no later than two working days after the meeting.

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD ON 29 MARCH 2018 FROM 7.30 PM TO 8.05 PM**

Committee Members Present

Councillors: David Lee, Mark Ashwell, Richard Dolinski, Norman Jorgensen, Julian McGhee-Sumner, Stuart Munro and Simon Weeks

Other Councillors Present

Gary Cowan
Lindsay Ferris
Michael Firmager
Pauline Jorgensen
Malcolm Richards
Imogen Shepherd-DuBey
Rachelle Shepherd-DuBey

110. APOLOGIES

Apologies for absence were submitted from Councillors Keith Baker and Charlotte Haitham Taylor.

111. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Executive held on 22 February 2018 were confirmed as a correct record and signed by the Deputy Leader of Council.

112. DECLARATION OF INTEREST

Councillor Norman Jorgensen declared a personal interest in Agenda Item 111 Shareholders' Report by virtue of the fact that his wife was a paid Non-Executive Director of WBC Holdings Ltd. Councillor Jorgensen remained in the meeting during discussions and voted on the matter.

Councillors David Lee and Stuart Munro declared personal interests in Agenda Item 111 Shareholders' Report by virtue of the fact that they were paid Non-Executive Directors of WBC Holdings Ltd. Councillors Lee and Munro remained in the meeting during discussions and voted on the matter.

113. PUBLIC QUESTION TIME

In accordance with the agreed procedure the Chairman invited members of the public to submit questions to the appropriate Members.

113.1 Alexandra Fraser had asked the Executive Member for Environment the following question. As Ms Fraser was unable to attend the meeting the following written response was provided to her:

Question

The Council has increased our recycling initiative across the Borough. Historically we exported our recycled rubbish to China but this was stopped since January this year. Our Minister for the Environment said that the Government didn't have a clear idea on what to do for that eventuality. So where will our current recycling go let alone more of it - what will be done with it?

Answer

There's no doubt that the announcement relating to recycling going to China has affected many council's recycling. However, whilst news coverage has indicated that no materials can now go to China, this is not the case as the ban only relates to poor quality waste.

The Council's partner, re3, undertakes waste disposal on behalf of the Council and ensures that the recycling materials are of a high quality and that they are properly recycled not thrown in a hole out of sight in a faraway country.

Good quality material can still be sent to China for recycling and we send baled cardboard. Currently our plastics including the new additions of pots, tubs and trays is sent to a UK plant to be recycled.

The re3 Partnership produces an annual environmental report on its performance and recycling. This is available on the re3 website.

113.2 Janet Rogers had asked the Executive Member for Children's Services the following question. As Ms Rogers was unable to attend the meeting the following written response was provided to her:

Question

Many local groups (Children's Overview and Scrutiny Committee, Corporate Parenting Board, Officers within Children's Services, charities such as the Children's Society) recognise the difficulty caused by CTAX debt for the Borough's vulnerable care leavers. Please outline the steps WBC as the "corporate parent" will be taking to ensure an exemption from the upcoming 2018/19 CTAX bill is implemented for the Borough Care Leavers?

Answer

Children's Social Care in Wokingham have a proposal coming to Executive this evening which is to exempt all Wokingham Borough Care Leavers from paying council tax between the ages of 18 years and 21 years.

There is further work to be undertaken to look at council tax exemption from 21 years to 25 years in line with the Children and Social Work Bill 2017.

If approved this evening WBC as Corporate Parents will apply this exemption from the upcoming 2018/19 council tax bill for the Borough Care Leavers that qualify

114. MEMBER QUESTION TIME

In accordance with the agreed procedure the Chairman invited Members to submit questions to the appropriate Members

114.1 Gary Cowan asked the Executive Member for Environment the following question:

Question

How many trees has this Council given permission to be cut down each year for the last five years?

Answer

The Council does not keep a record of the number of such instances. It is very rare for the Council to grant a planning consent where the number of trees lost exceeds those proposed for planting; indeed in the vast majority of cases the number of trees planted vastly exceeds those that are lost. It is worth noting that the Council has secured the planting of approximately 30,000 new trees on the nine SANGs that have been completed so far in the Borough. You will recall I gave more detail on that at the Council meeting last week in response to a question.

Supplementary Question

When we see articles such as the “massacre of the tress supported by the Executive Member” and then “more trees cut down supported by a Deputy Executive Member” followed by an “abhorrent butchery of trees in Elms Field” and linking this to TPO trees cut down in Arborfield I need to comment that when I objected I was told that both elected Members and the public knew nothing about the trees and the Council didn’t consult on cutting them down. Adding to that the potential madness of building 1,000 houses on Barkham Square which will result in many more hundreds of trees being felled. To sum it all up I could easily say read a letter in the Wokingham paper which was headed “Why don’t Councillors stand up for the Borough?” and we would like an answer. So my question is as this Council has the world’s worst reputation for cutting down trees, especially those with TPOs on them, can I have an assurance that when they start concreting all over Grazeley with approximately 15,000 houses you will spare John Redwood’s oak on which a placard was placed in late 1998? The placard says “May the birds that rest in my branches always sing out over the green fields of Berkshire”

Supplementary Answer

The Deputy Leader of Council responded as follows:

Gary I would like to say that you were instrumental in actually getting additional tree officers into this Authority and I could not agree that it is the world’s worst: Sheffield is notorious for cutting down things. We have actually planted 30,000 trees as has been said. But the thing that I mentioned at the Council meeting, which I am going to mention again, is that we worked very closely with Barbara Stagles when I was Leader of this Authority and we planted the 60 Jubilee oak trees jointly with the Veteran Tree Association and this Council paid for them. We do not go down hacking down trees and you know that very clearly because of the work you have done when you were in charge of that.

The Executive Member for Environment responded as follows:

You asked a question about those particular trees at Council about six months ago and we gave you an answer to that. As you were aware there was long e-mail correspondence about those trees which you were involved in and in the case of those particular trees there was no statutory duty to consult and they didn’t consult. They speak to the parish and town councils about such things but there was no statutory duty to consult.

I think as far as Elms Field is concerned there has been a very, very long planning process and it was pretty clear quite a number of years ago what was going to happen on Elms Field so no-one should be surprised about what has happened as far as Elms Field is concerned. As we also said at the Council meeting last week: yes trees have been cut down. There are about 100 semi-mature trees to be planted as part of the scheme in Elms Field. There will be hedgerows planted and there are going to be nesting boxes and all sorts of things to make sure that the wildlife is suitably looked after and that the environment will be enhanced in time.

114.2 Imogen Shepherd-DuBey asked the Executive Member for Adult Services the following question:

Question

What process is being put in place to ensure that the the housing that the WBC owned companies are building are suitable for access by users with mobility problems? This would include ensuring that there is step free access, doorways that are wide enough for wheelchairs, bathrooms that are big enough for wheelchairs and that if stairs are included there is enough room for a stair lift to be installed.

Answer

When this question came through I was absolutely delighted that it actually came because it is a question that is dear to my own personal life. As you know I am disabled and I am reliant on splints on both legs so I can say that access is important to me.

I actually regularly meet with Officers here every two weeks and we discuss in detail new schemes that are coming forward and we look at our policies in meeting the needs of our residents which are in some cases very complex. So all our schemes developed by our housing companies come through this process as well to determine housing mix, tenure and the wider development requirements, including the accessibility standards.

All of the homes that Wokingham Housing Limited have built are to the Lifetime Homes Standard, although not all blocks of flats have lifts in them. Lifetime Homes Standard is a set of 16 design criteria that provide a model for building accessible and adaptable homes. The features include level access, wider doors, sockets and switches that are neither too high nor too low, space for a stair or a future floor lift for a wheelchair user, WC space that could also be adapted for future shower use. Actually on that note we had some residents from Gorse Ride that visited Phoenix Avenue and one resident walked into one of the newly built houses and looked at the downstairs toilet and said "oh my good this room is huge and has just got one little toilet in the corner". Well that is ready for to meet the lifetime needs of a resident there. So that could be adapted with, you know, all sorts of things: bath, a wet room, a lift to the next floor up etc. So it is very keenly looked at and we ensure that new builds actually achieve that.

Talking about some of our most vulnerable residents I do a lot of engagement with our residents and again going to visit Gorse Ride I met a couple who were both reliant on wheelchairs and they are living in an environment which is not fit for purpose. They cannot even turn their wheelchairs around therefore the post-regeneration of Gorse Ride will provide them with those 16 design criteria plus anything else we can do to enable their lives rather than to disable their lives.

Supplementary Question

Does your design criteria include the things I mentioned? Can we get reassurance that everything we build at least can be adapted?

Supplementary Answer

Yes I can give you reassurance on that and actually I really would welcome your involvement in this. We have got a number of forums we have formed especially around Gorse Ride where your keen eye would be welcome.

The Deputy Leader of Council stated:

There is another forum called the Local Plan Update and this might be a policy you might like to submit to the group who are looking at this. You might want to suggest that it is a policy that needs reviewing or looking at.

114.3 Lindsay Ferris asked the Executive Member for Planning and Enforcement the following question:

Question

I am very pleased to see proposals for the introduction of an improved Unauthorised Encampment Protocol to deal with removing such encampments. Over the past few years not only has it cost various councils and residents considerable sums of money, it has also caused considerable nuisance and upset.

Ireland a few years ago introduced measures whereby Travellers had to indicate where they were travelling from as well as the designated destination including timescales. To not advise of this movement, or to adhere to these would be considered a criminal offence. Is anyone in WBC aware of anything like this being considered in the UK?

Answer

I am pleased that you are supportive of the proposal although I think it would be difficult not to be. The draft protocol being produced by Thames Valley Police, in conjunction with the relevant Thames Valley local authorities, does not refer to or mention any current or proposed legislation relating to the point you make in your question. Operational officers are not aware of any such proposal coming forward.

Thames Valley Police have also confirmed that there is no current legislation in place that would allow us to do this and are not aware of anything similar being considered by the UK Government.

Supplementary Question

Perhaps we should consider something and take a note of what happens in Ireland and learn from it?

Supplementary Answer

I have to say I am slightly surprised that you should be promoting an idea that sounds to me like a restriction of freedom of movement to the minority. I appreciate Traveller encampments are a pain for local residents but I really do hope that the revised approach we are having here, which gives us a greater amount of ammunition to address this, will actually mean that we can move such encampments on more quickly and also get a reputation for not being a location which would welcome such incursions.

114.4 Rachelle Shepherd-DuBey had asked the Executive Member for Highways and Transport the following question which was answered by the Executive Member for Finance in his absence:

Question

How often will there be ongoing regular checks on the intelligent systems to test and tweak the two new systems on the Winnersh Relief Road (King Street Lane and Lower Earley Way) to better co-ordinate with both the signals at Winnersh Crossroads and the Showcase roundabout as traffic volume changes on the relief road?

Answer

This contract for the maintenance of the ITS equipment and the rectification of faults, the management and configuration of the systems falls outside the contract's scope.

The testing and tweaking of the system is undertaken by the Council. Both junctions mentioned will operate the MOVA, which will be set up by the installation contractor and approved by the Council, from day one. This system will monitor traffic conditions and automatically make the adjustments needed, according to the parameters set within the MOVA configuration and what is realistically achievable.

The installation contractors will undertake a further review of the MOVA database a couple of months after opening and the traffic has increased. Any further changes will be made by the Council on an ad hoc basis.

Supplementary Question

Since you mention the MOVA system this requires sensors in the road and there have been no sensors placed in either King Street Lane or Lower Earley Way that I have seen nor on the relief road as well. I assume you cannot answer that and you are going to have to ask Keith to give me an answer?

Supplementary Answer

We will come back to you on that.

115. SHAREHOLDERS' REPORT

(Councillors David Lee, Norman Jorgensen and Stuart Munro declared personal interests in this item)

The Executive considered a report which provided the budget monitoring position of the Council owned companies and an operational update for the period to 31 January 2018.

RESOLVED that:

- 1) the budget monitoring position for the month ending 31 January 2018 be noted;
- 2) the operational update for the period to 31 January 2018 be noted.

116. CUSTOM AND SELF-BUILD HOUSING REGISTER ELIGIBILITY CRITERIA AND FEES

The Executive considered a report which outlined the changes to legislation and regulations relating to self-build and custom housebuilding and proposed the introduction of a local connection test.

The Deputy Leader of Council advised the meeting that the proposal was intended to encourage self-building to assist people to get onto the housing ladder who could not otherwise afford the market price of houses in the Borough. It was noted that further details would be included in the future Local Plan Update. Councillor Lee also informed the meeting that the first project was due to take place within the coming year in Winnersh; for which a budget had been set aside.

RESOLVED that:

- 1) the inclusion of a local connection test for the Wokingham Borough Self and Custom Build Register, as set out in the report, be approved;

- 2) the implementation date of 1 June 2018 for the local connection test be introduced for new and existing applicants.

117. ST NICHOLAS HURST NEIGHBOURHOOD PLAN AREA DESIGNATION

The Executive considered a report relating to an application received requesting that St Nicholas Hurst Parish be designated as a Neighbourhood Plan Area.

The Executive Member for Strategic Highways and Planning informed the meeting that St Nicholas Hurst Parish Council wished to prepare a neighbourhood plan which would help to influence development decisions across the parish. The first step in the process was for the Council to designate St Nicholas Hurst Parish as a Neighbourhood Plan Area. It was noted that the proposal had been consulted upon and of the 10 responses received none of these gave rise to any substantive issues regarding the appropriateness of the designation.

Councillor Dolinski queried whether the Plan would entitle the Parish Council to Community Infrastructure Levy (CIL) specifically to enable local development. Councillor Lee confirmed that the Plan would entitle the local community to get 25% of any CIL which was attributable to development in that particular area. It was noted that a Neighbourhood Plan could not override any senior plan i.e. the Local Plan once it was revised and the community would not be able to state that they did not want to take any housing. It did however give the community the ability to recommend where any housing should be placed.

RESOLVED: That St Nicholas Hurst Parish be designated as a Neighbourhood Area.

118. SELECTION OF PREFERRED REGISTERED PROVIDER PARTNERS

The Executive considered a report relating to the selection of Registered Providers as Partners to manage and oversee the quality of affordable housing and ongoing housing management services.

Whilst introducing the report the Executive Member for Adults Services highlighted that a rigorous application and selection process, which included Members from both political groups and residents, had been undertaken to select the eight registered providers which have been chosen.

Councillor Dolinski confirmed that the difference in size, specialisms and geographical spread of the registered providers would provide the ability to better match provider to the individual needs of the relevant sites and their residents eg some registered providers were expert in providing the needs of the disabled community.

RESOLVED that:

- 1) the following Registered Providers (RP) be approved as Partners for the next five year period commencing on 1st April 2018, subject to satisfactory performance:

Bracknell Forest Homes (to be rebranded as Silva Homes during 2018)
Catalyst Housing Limited
Housing Solutions
Loddon Homes Limited
Southern Housing Group

- 2) the Council and the eight RPs enter into a Partnership Agreement. The Agreement will detail expectations and responsibilities, and will outline the basis for regular performance monitoring.

119. FOSTER CARER BENEFITS AND ENTITLEMENTS: EXEMPTION OF COUNCIL TAX

The Executive considered a report setting out options for specific incentives for foster carers including exemption from council tax.

The Executive Member for Children's Services informed the meeting that the policy would give council tax exemption to foster carers recruited by the Council. Councillor Ashwell felt that this would deliver a positive message to foster carers that the Council valued their service and were supporting local residents to meet local needs. It was also highlighted that this was an invest to save proposal as a newly recruited in-house foster carer would save £450 per week per child i.e. £35k per annum as opposed to using an independent fostering agency.

Councillor Weeks queried whether this proposal would help the Council to continue to ensure that the vast majority of children would be fostered within the Borough or nearby rather than at remote locations. Councillor Ashwell confirmed that the proposal was to assist in the recruitment and retention of foster carers and highlighted that 97% of the Council's children in care in the last year had been placed with in-house foster carers and it was hoped to build on this number going forward.

RESOLVED that:

- 1) the proposal for Council tax exemption or payment equivalent to council tax for those living outside the Borough for Wokingham in-house foster carers as part of a retention and recruitment strategy to obtain sufficient in house foster carers for the children of Wokingham be approved;
- 2) the Council Tax Section 13A Policy be amended to include this proposal;
- 3) it be noted that the costs of this proposal are planned to be funded from the savings generated from transferring higher cost IFA carers to lower cost in-house carers.

120. CARE LEAVERS LIVING SUPPORT: EXEMPTION OF COUNCIL TAX

The Executive considered a report setting out a proposal that council tax exemption, or payment equivalent to council tax for those living outside the Borough, be provided to Care Leavers up to the age of 21 years old.

The Executive Member for Children's Services outlined the proposals which were intended to give council tax exemption to Wokingham Borough care leavers. Councillor Ashwell explained that all Councillors were corporate parents to the children within its care and when these children reached the age of 18 they then became care leavers. The exemption was therefore a way to assist with the transition to care leaver. It was noted that the Council had a statutory duty to support care leavers up to the age of 25 and it was

intended to work with the Children's Services Overview and Scrutiny Committee to carry out a further review to consider if a potential sliding scale could be worked up to age 25.

RESOLVED that:

- 1) Council tax exemption or payment equivalent to council tax for those living outside the Borough be provided to Wokingham Borough Council care leavers up to the age of 21 years;
- 2) additional budget of £66,160 be approved for 2018/2019 onwards for the cost of this proposal;
- 3) the Council Tax Section 13A Policy be amended to include this proposal.

121. THE WOKINGHAM BOROUGH COUNCIL (ARBORFIELD CROSS RELIEF ROAD) COMPULSORY PURCHASE ORDER

The Executive considered a report setting out a proposal to make a compulsory purchase order (CPO) in order to acquire all necessary land and interests to deliver the Arborfield Cross Relief Road which was a highways project supported by the planning and corporate policies of the Council.

The Executive Member for Strategic Highways and Planning introduced the report and advised that the proposal was to CPO a section of road which was required to bypass Arborfield Village and which currently suffered from heavy trucks going through it. It was noted that three landowners would be affected by the proposal and that two of the landowners had already agreed terms. It was therefore the third landowner who would be the subject of the CPO and negotiations would, of course, continue with the landowner during the CPO process.

RESOLVED That:

- 1) the Council make a compulsory purchase order ("CPO") for the acquisition of land and interests which are not already owned by the Council and new rights within the area as shown indicatively edged red on the draft plan at Appendix 1 of the report ("the Site") pursuant to sections 239, 240, 246, 250 and 260 of the Highways Act 1980 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 and the Acquisition of Land Act 1981;
- 2) the Interim Director of Environment, in consultation with the Leader and Executive Member for Strategic Highways and Planning, be authorised to:
 - (a) continue to take all necessary steps to secure the making, the confirmation and, in accordance with a programme approved by the Executive, the implementation of the CPO including land referencing, serving any requisitions for information, preparing all necessary documentation (including the CPO, the Order Plan and the Statement of Reasons), publication and service of all relative notices, submission of the CPO to the Secretary of State for confirmation, and the presentation of the Council's case at any Public Inquiry; and

- (b) approve terms for the acquisition of legal interests (including rights) by agreement including for the purposes of resolving any objections to the CPO and acquire all interests in the Site either compulsorily or by agreement;
- (c) deal with objections to the CPO including agreeing terms for the withdrawal of objections and where possible or necessary enter into compromise agreements;
- (d) remove from the CPO any plot or interest no longer required to be acquired compulsorily and to amend the interests scheduled in the CPO (if so advised);
- (e) make amendments to the boundaries of the interests to be acquired if necessary;
- (f) make any amendments to the Statement of Reasons annexed at Appendix 2 to the report as are considered necessary prior to its submission to the Secretary of State;
- (g) confirm the CPO if granted the power to do so by the Secretary of State; and
- (h) exercise the compulsory purchase powers authorised by the CPO by way of General Vesting Declaration[s] and/or notice to treat.

122. INTELLIGENT TRAFFIC SYSTEMS MAINTENANCE - BUSINESS CASE APPROVAL

The Executive considered a report setting out a proposed business case for the pan-Berkshire procurement of a new Intelligent Traffic Systems (ITS) Maintenance Contract.

RESOLVED: That the Business Case, as set out in the report, for the pan-Berkshire procurement of a new Intelligent Traffic Systems (ITS) Maintenance contract be approved.

123. UNAUTHORISED ENCAMPMENT POLICY FOR WOKINGHAM BOROUGH COUNCIL

The Executive considered a report setting out a proposed joint protocol with Thames Valley Police which would provide a collective and consistent approach when dealing with unauthorised encampments using all legal remedies available.

Members were informed by the Executive Member for Planning and Enforcement that the proposed policy would provide a broader range of options for dealing with encampments. The options would include using common law which would mean that the Council, with Police support, would not need to apply to the courts. There were also options being looked at which would allow the Council to potentially impound unauthorised vehicles and sell them and use that to defray any costs that had been incurred in removing them in the first place. It was noted that there would be a similar set of powers across the whole of the Thames Valley area which would make things easier for the Police and Local Authorities as wherever the incursions occurred the approach would be the same.

RESOLVED that:

- 1) signing of the joint protocol with the Thames Valley Police for dealing with unauthorised encampments across the Thames Valley Police operating area be delegated to the Director of Corporate Services;

- 2) the use of additional legal options available to Wokingham Borough Council be authorised for dealing with unauthorised encampments.

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD ON 16 MAY 2018 FROM 7.00 PM TO 7.30 PM**

Committee Members Present

Councillors: Charlotte Haitham Taylor (Chairman), Richard Dolinski, Julian McGhee-Sumner, Stuart Munro and Simon Weeks

Other Councillors Present

Prue Bray
Andy Croy
Philip Mirfin
Ian Pittock
Malcolm Richards

124. APOLOGIES

An apology for absence was submitted from Councillor Keith Baker.

125. DECLARATION OF INTEREST

There were no declarations of interest received.

126. PUBLIC QUESTION TIME

In accordance with the agreed procedure the Chairman invited members of the public to submit questions to the appropriate Members.

126.1 Michael Jones asked the Executive Member for Adult Services the following question:

Question

On several previous occasions over the last three years both Council employees and Councillors have publicly stated all the existing homeowners on the estate will be offered a like-for-like swap for their homes. Currently, Council employees will not confirm such. Is this not still the case?

Answer

The Council can confirm that existing homeowners currently living on the estate will be offered and have priority for a newly built home that has the equivalent number of bedrooms as their existing property. However, as set out in the report, the brand new homes are likely to be worth significantly more than existing homes and therefore, the Council is not proposing a straight swap.

The Council recognises that the full market value of existing homes may not be enough to enable homeowners to purchase outright a similar home on the rebuilt estate or elsewhere locally. Therefore, the Council is offering resident homeowners the option of purchasing a new home, with the same number of bedrooms on the rebuilt estate or off site, through a shared equity scheme. Through this scheme you can invest the proceeds of your current home into the new one with the Council retaining a percentage share. You will not be expected to pay any rent or interest on the part you do not own and will only need to repay the Council's share when or if you sell the home in the future.

On a scheme of this size, it will not be possible to exactly replicate your existing home. Some features of your new home will be the same and some features will be different. You will however benefit from a brand new, thermally efficient home, which in most cases, will be built to higher space standards.

Supplementary Question

On the extra payment front (the shared ownership option) this has only come out recently and was not mentioned previously in any discussion. I find that a trifle problematic to accept.

Supplementary Answer

That has been brought up in Steering Group Meetings. It is not something that has not been made public already.

It was subsequently agreed that Mr Jones would be provided with the relevant Steering Group meeting minutes.

126.2 Carole Bates had asked the Executive Member for Adults' Services the following question. As Ms Bates was unable to attend the meeting the following written response was provided:

Question

I currently own 100% of my home and would like to continue to do so once the regeneration takes place, but you're not letting me. How can we work it so that I own 100% of my new home?

Answer

As set out in the report, the brand new homes are likely to be worth significantly more than existing homes. The Council understands that not all homeowners will be able to afford to buy a 100% share in a newly built home on the estate with the sale proceeds from their current home, even with the 10% home loss payment. The Council will therefore offer resident homeowners an opportunity to purchase a new home via an equity share scheme. You would still own the home but the Council would have second charge on the property.

The Council has listened to the views of homeowners during our recent consultation and has widened the choice for homeowners. This includes the option for homeowners to decide how much of their home loss payments they invest in equity in a new home and enabling homeowners to buy properties outside the new estate.

If the shared equity option does not suit, it may be possible for you to own 100% of your new home on or off site if you are able to invest a lump sum payment to cover the difference in property values. Alternatively, another option may be to purchase a smaller property on or off site using the value of your current home.

126.3 Chris Wallace asked the Executive Member for Adults' Services the following question:

Question

If the Executive approve the recommendations of the Gorse Ride Regeneration report they will once again be in breach of their Statutory Duty to all the affected Tenants. Why are you allowing Officers to present reports with consultation outcomes that do not meet the

requirements laid out quite clearly by the HCA in the Tenant Involvement and Empowerment Standard (See below)?

The omission of any cost data from the Consultation means that the results of that Consultation are distorted in favour of redevelopment and should be disregarded.

“(2.2.3 Where registered providers are proposing a change in landlord for one or more of their tenants or a significant change in their management arrangements, they shall consult with affected tenants in a fair, timely, appropriate and effective manner. Registered providers shall set out the proposals clearly and in an appropriate amount of detail and shall set out any actual or potential advantages and disadvantages (including costs) to tenants in the immediate and longer term. Registered providers must be able to demonstrate to affected tenants how they have taken the outcome of the consultation into account when reaching a decision.)”

Answer

Over the last year the Council has been actively involving and engaging tenants, homeowners and other interested parties on the Gorse Ride estate in the development of our proposals. This has been done through informal arrangements, such as fortnightly regeneration surgeries and regular Steering Group meetings, which I know you have been a welcome active member of that, as well as a formal consultation survey sent out to all affected residents in February 2018. You were very active in engaging residents to get those surveys returned to us so thank you for doing that as well.

The tenant consultation document contained significant detail around the project history, including the funding issues faced by the Council since 2015. The document set out the advantages and disadvantages for tenants of different landlord options, including security of tenure, rent levels, right to buy and succession rights. It also clearly laid out the home loss and disturbance payments that tenants would be entitled to and again I know you led on some of those really key questions around those areas. We have listened to and responded to the views of tenants, for example, by introducing more bungalows into the indicative masterplan and by adding in some flexibility where tenants are expected to downsize.

I am satisfied that the proposals in the report have been informed by appropriate consultation and engagement with affected residents in line with Section 105 of the Housing Act 1985 and the regulator's Tenant Involvement and Empowerment Standard.

Supplementary Question

That answers part of it but the bit that is missing is that the tenants have no concept of what rents they are likely to pay. There was a meeting on 5th February, with yourself and others, and it was suggested that indicative rents were put in because people have no concept of what social rent is or affordable rent. One of the Officers present said “no we can't do that because it would terrify the less able on the estate”. The actual response received that was positive was 17.5% not the half that has been put in the report that were positive. There was a large group of 30% who were unsure because they didn't have all the details. Now if those people knew how much the rents could potentially go up, which is between 50% for social and 100% for affordable, what would their choice have been? So the report is unclear and misrepresenting the case to the rest of the Executive.

Supplementary Answer

As always your observations are really helpful Christine. I believe that the rents that tenants will be paying will be in line with what they are actually paying now. Obviously there will be some differences in terms of people who are actually downsizing or there may even be people that might decide that they want to move from the estate and move elsewhere. I think it is going to have to be done by individual tenant.

The Leader of Council stated:

You have raised some really interesting points and there will be different circumstances for different families wanting to potentially move into different types of properties. So may I ask again, this is just a starting point, and again these conversations will continue and they will continue for a long time and may I ask that you work very closely with Richard after this meeting.

126.4 Matt Sales asked the Executive Member for Adults' Services the following question:

Question

Gorse Ride Estate regeneration: We are in favour of regenerating the estate. We own one of the brick built houses in Whittle Close. A few years ago our local Councillor lobbied to have us excluded from the scheme as our houses were deemed of good standard and different character to the rest of the estate. At the time there was no other plans or information. I have been a member of the steering group since its inception. From the current indicative plans we seem to have houses closer to our property and our road is no longer a cul de sac. Please can I ask that our views are taken into consideration, and further to this, a special meeting be arranged for us to talk about this with the relevant parties including the architects or town planners before any options are put to planning?

Answer

Again thank you for your really helpful question because again that adds to the engagement that we want with the whole of the community not just the community that actually lives on Gorse Ride but the wider community.

Firstly, I'd like to start by thanking you for your continued support for the regeneration proposals and to extend this gratitude to all the residents who give up their valuable time to input into the Steering Group. You guys play a key role in shaping the future of your estate and the community and the Council really does appreciate this.

As you are aware the Council's project team have been gathering views on various different design options that has culminated in the indicative masterplan. We know that this isn't a finished product and that there is further discussion to be had on the end design. Subject to tonight's decision a fresh tender process will need to be undertaken to appoint architects to develop the final plans ahead of a planning application. We will expect the successful company to continue to engage with the residents and other affected parties, including yourself and others living outside the redevelopment boundary. We are happy to do this through special meetings if that is felt necessary. Obviously, once the planning application is submitted, there is a formal process by which you can comment on development proposals to our Planning Department. As you can see this is just the start of the process.

127. MEMBER QUESTION TIME

In accordance with the agreed procedure the Chairman invited Members to submit questions to the appropriate Members

127.1 Prue Bray asked the Executive Member for Adults' Services the following question:

Question

The plans for the redevelopment of Gorse Ride increase the number of properties by 65 from 178 to 243. Whilst I am pleased to see money being spent on new affordable housing in the Borough, I am disappointed that 37 – more than half - of the additional properties are for private sale, while the rest of the increase is either for shared ownership or intermediate/affordable rent. There are no plans for any additional properties at social rent, even though these are the type of properties that would be of most help to the residents who are most in need. Why are so many of the extra properties being built for sale on the open market?

Answer

I just want to begin by thanking the Liberal Group for the support you guys have given moving forward on this project and the contributions that you have already made. This is a good example of another question that actually adds to the dialogue we need to have around Gorse Ride so thank you for that.

As set out in the report the tenure mix is indicative and is likely to change over the life of the project. We are proposing to replace the current council homes with the same number of high quality, new social rented homes. However, through the masterplan, we are also seeking to provide a range of housing types and tenures and to create a balanced and mixed community.

The current proposal is for, as you said, 136 social rented, 12 affordable rented homes and 19 shared ownership homes. That is a total of 167 affordable homes. The indicative mix includes 76 market properties. Of these, 39 will be prioritised for existing homeowners and the remainder will help cross-subsidise the overall development. Without these open market sales, the Council would need to inject further commuted sums into the project.

Supplementary Question

As you have just said the final details of this are not yet fixed and I think whilst we all want a good build quality, because the poor build quality is what has got us into this situation, I think we all want the money that we have to spend, that can go on affordable housing, to stretch as far as possible and provide as much as possible. What I would like to ask you is will you undertake to look at some of the things that are nice to have such as the number of garages on the site and see if there is an option for providing more social rented or affordable rented housing on the site as we go forward. As you have said already tonight this is the starting point and there are options to make changes.

Supplementary Answer

The answer to that is yes.

127.2 Ian Pittock asked the Executive Member for Adults' Services the following question:

Question

Can any of these homes, in particular the bungalows, be designated as 'specialist' so they can be protected from 'Right To Buy' ensuring that they are thereby retained in the social sector?

Answer

Again I thank you for coming along to all of the meetings I really appreciate it.

The Council commissioned external legal advice on tenants' rights, including the Right to Buy. This advice recommended that as far as possible tenants' existing rights should be replicated through new tenancy agreements with Loddon Homes as the Council's Registered Provider Company. As a result, the report is proposing under Recommendation 5 that existing tenants will be offered a new home on the estate on "a lifetime assured tenancy with broadly similar terms to their current Council tenancy". This would include a preserved right to buy where tenants currently have this provision in their tenancy agreement.

Generally, bungalows in the Housing Revenue Account are exempt from the Right to Buy as they are deemed as "specialist". It is likely that the new build bungalows on Gorse Ride will be occupied by tenants moving from the existing bungalows on the estate, who are unlikely to currently benefit from the Right to Buy. In this case, the preserved Right to Buy would not apply.

The Right to Buy scheme is currently only being piloted as a voluntary scheme for Registered Providers. It is unlikely that the Right to Buy will be offered to new tenants moving into new homes on the redeveloped estate.

Supplementary Question

With that in mind could I ask you also to consider perhaps building a few more bungalows in the mix for this project along with some one-bed houses which are noticeably absent from the mix?

Supplementary Answer

I know you are not the greatest fan of garages and you would like to see bungalows instead of garages. Let us have that discussion with the architects that hopefully after this evening we will be in the position to start tendering for.

127.3 Andy Croy asked the Executive Member for Adults' Services the following question:**Question**

The Land Transfer section states that it is necessary to appropriate the site from the HRA but does not show the point at which that becomes necessary.

Residents have been led to believe that the planning application process will be completed for the whole site at one time but that residents will be decanted in stages.

From the report: *"General Consent AA allows a council to dispose of vacant HRA land to any organisation at less than market value for housing development, subject to certain conditions, without the need for Secretary of State consent"*.

As the land will not be vacant at the time of transfer who will be the landlord for tenants in this period and what exploratory steps have been taken to obtain consent of the Secretary of State and how long will this process take?

Answer

Again I want to begin with a thank you because again Andy and his Labour Group have been very supportive of this and have engaged in really good constructive conversations so thanks for that.

Whilst the planning application may be submitted covering the whole site, the intention is to bring the development forward in phases.

It is anticipated that the residents on each phase will be rehoused (either to an earlier phase on the estate or to an alternative housing development depending on their wishes) and then that part of the site will be cleared prior to the transfer to Loddon Homes. We therefore expect each phase of the site to be transferred with vacant possession and for each transfer to be covered by the general consent. Should this change our experience with other schemes is that the process for securing Secretary of State consent is relatively straight-forward and takes around 2-3 months.

The Council will remain the landlord for all affected tenants until they are decanted and rehoused on or off the site.

Supplementary Question

In the early 1990s the tenants of the estate were offered a choice of different landlord and they voted against it. In the mid-90s the tenants were also offered a choice of different landlord and they voted against it. It seems in this case the tenants are being told they are going to get a new landlord and they are not being offered a choice of a vote on it. Will there be a vote and if so at what stage in the process will tenants be given a vote?

Supplementary Answer

I have got to be honest with you we have never considered tenants having a vote on this particular case. I think it would potentially muddy the waters. But what I am saying to you is that the tenants are going to be involved at every single stage of this process.

128. GORSE RIDE ESTATE REGENERATION

The Executive considered a report relating to the outcome of the feasibility work on the Gorse Ride estate, a residential area of Finchampstead, Wokingham, and the proposals for the redevelopment of that estate.

The Executive Member for Adults' Services reminded the meeting that in March 2017 the Executive had agreed the intent to regenerate the Gorse Ride estate and as a result of that decision various technical studies, feasibility, masterplanning and community engagement work had been undertaken.

Councillor Dolinski highlighted the commitment to the redevelopment project of £28m funding from S106 commuted sums for affordable housing with the remainder coming from company borrowing and capital receipts from private shared ownership sales. He also highlighted that Loddon Homes would be the end landlord for the new homes and Wokingham Housing Limited would act as the development partner.

In response to a query by the Executive Member for Finance, regarding whether there was any financial uplift included to take account of inflation, Councillor Dolinski confirmed that a 3.5% uplift for inflation had been included.

Councillor McGhee-Sumner also queried whether the £1.3m from the Housing Revenue Account, as set out in Recommendation 3, was sufficient given how much change there could be over the life of the project. In order to address this issue he proposed that the wording in Recommendation 3 should be amended to state “up to £2m from the Revenue Housing Account ...” and this was agreed by the Executive.

Councillor Weeks, the Ward Member for Finchampstead South, stated his support for the reinvestment in the site as he felt that the regeneration was essential as many of the properties were no longer fit for purpose and the redevelopment was long overdue. He highlighted that there would be approximately 25 more affordable homes on the site that there were currently.

RESOLVED that the outcome of the feasibility work on the Gorse Ride estate be noted and the following be approved:

- 1) the rehousing of tenants and acquisition of owner occupied homes and the subsequent demolition and redevelopment of the Gorse Ride estate (comprising all properties in Billing Avenue, Dart Close, Firs Close, Orbit Close and Whittle Close (excluding numbers 19 to 26), as well as, Gorse Ride South (numbers 8 – 42, even numbers only);
- 2) the indicative development brief for the regeneration project;
- 3) the proposed funding model, including the allocation of £28,015,683 Section 106 receipts (for the provision of affordable housing) towards the regeneration project and up to £2m from the Housing Revenue Account (HRA) for statutory compensation payments to tenants, in accordance with the Part 2 Report;
- 4) the selection of Wokingham Housing Limited (WHL) as the development partner for the regeneration project and Loddon Homes Limited as the end landlord for the new homes;
- 5) that tenants living in the affected homes will be offered a new home on the regenerated estate on a lifetime assured tenancy with broadly similar terms to their current Council tenancy;
- 6) that homeowners living in the affected homes will be offered a range of options to enable them to purchase alternative housing, including the option to buy a new home on the regenerated estate (or potentially off-site) with financial support where needed through an equity loan scheme (or similar);
- 7) that the Council transfers the site to Loddon Homes Limited on terms to be agreed by the Director of Corporate Services in consultation with the Leader of the Council and Lead Members for Adult Services and Finance;
- 8) that the Director of Corporate Services, in consultation with the Lead Members for Adult Services and Finance, can agree the terms and sign off the acquisition of homes required for the project;

- 9) that the site is appropriated for planning purposes under Section 227 of the Town and Country Planning Act 1990 and Section 122 of the Local Government Act 1972;
- 10) that the transfer of land and funding for the regeneration will be subject to WHL securing a planning consent for the scheme and the necessary Board approvals.

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TITLE	Shareholder's Report
FOR CONSIDERATION BY	The Executive on 31 May 2018
WARD	None specific
DIRECTOR	Graham Ebers, Director of Corporate Services
LEAD MEMBER	Julian McGhee-Sumner, Executive Member for Finance, 21 st Century Council, Internal Services and Human Resources

OUTCOME / BENEFITS TO THE COMMUNITY

Transparency in respect of Council Owned Companies.

RECOMMENDATION

The Executive is asked to note:

- 1) the budget monitoring position for the month ending 31 March 2018;
- 2) the operational update for the period to 31 March 2018;

SUMMARY OF REPORT

The Council have established a group of housing subsidiaries to provide much needed affordable housing across the Borough and generate a financial return for the Council. This return will help towards its aspiration of becoming increasingly self-sufficient. At a high level the housing group has now become well established and will see Wokingham Housing (WHL) handing over 125 new homes in the financial year to its sister housing companies Loddon and Berry Brook Homes and will generate a profit of £1.1m. In 2018/19 WHL will hand over a further 60 new homes at a profit of just short of £1m. Year on year WHL will deliver 50-70 homes per year generating an ongoing profit of at least £1m per annum.

Optalis was established to be the provider of choice for Adult Care Services. Its key objectives were to reduce the cost of services commissioned by the Council and provide a financial return to the Council, whilst providing safe and good quality Adult Social Care Services. To date over £1m per annum costs have been reduced in the cost to the Council and the business has expanded from approximately £11m p.a. to £40m p.a. following a recent merger with RBWM. This will enable Optalis to create further financial returns through its economies of scale and place the company in a stronger position to generate additional streams of income.

Strategy and Objectives of the Council's Subsidiary Companies

There has been no change to the Strategy and Objectives of the Council's Subsidiary Companies since the last report to Executive in October 2017.

Financial Report

A budget monitoring report is provided in section 1 for each of the companies for December 2017.

Operational Update

An operational update is provided in section 2 for each of the companies as at 31st March 2018. Any changes to the Directorships of the companies is provided at the end of the relevant company's operational update.

BACKGROUND

1. Financial Report

WBC (Holdings) Group (comprising WBC (Holdings))

P:12 Mar -18	WBC (Holdings) Group Consolidated - Profit & Loss					
	YTD			Full Year		
	Mar-18	Mar-18		Mar-18	Mar-18	
	Actual	Budget	Variance	Forecast	Budget	Variance
	£K	£K	£K	£K	£K	£K
Income	922	1,104	(182)	922	1,104	(182)
Expenditure	(1,122)	(1,367)	245	(1,122)	(1,367)	245
Operating Profit/(Loss)	(200)	(263)	63	(200)	(263)	63

Monthly figures for just March have not been included due to the year-end adjustments made. Total figures for the year are shown above.

Income for WBC Holdings closed at £972k for FY17/18 against a budget of £1,104k which reflects a negative variance of £(182)k. The variance was caused by lower funding requirements from WHL, BBHL and LHL.

Operating profit for full year FY17/18 closed at £(200)k against a budget of £(263)k. The positive variance of £63k was mainly due to lower spend in legal and professional fees.

Wokingham Housing Limited (WHL)

P:12 Mar-18	Month			Full Year		
	Mar-18	Mar-18		Mar-18	Mar-18	
	Actual	Budget	Variance	Actual	Budget	Variance
	£K	£K	£K	£K	£K	£K
Income	1,522	1,297	225	12,581	20,750	(8,169)
Expenditure	(1,650)	(1,345)	(305)	(11,786)	(19,592)	7,806
Operating Profit/(Loss)	(128)	(48)	(80)	795	1,158	(363)

Income & Expense: As part of the year end process, accruals have been put through in the month of March to reflect the full year position. These have not been reallocated to prior months, resulting in unusual variances in the month. Therefore, the focus of the financial commentary will largely be on the year-end figures. Please note these figures are currently under audit and are subject to change.

Income for FY17/18 reached £12,581k which was £8,169k below budget due to delays in the project pipeline with indicative schemes not coming to fruition. However, operating expenditure also fell to £11,259k, which was £7,806k less than budgeted for the year. Full year operating profit at WHL was £795k, which is £363k short of the full year budget. This is also reflective of not only project pipeline delays but also higher interest costs due to project delays as WHL absorbs these additional costs under the contract transfer price agreements.

In addition to the highlighted profitability for the year, WHL also repaid £1 million of its operational loan through cash flows generated in the year.

Loddon Homes Limited (LHL)

P:12 Mar-18	Month			Full Year		
	Mar-18	Mar-18		Mar-18	Mar-18	
	Actual	Budget	Variance	Actual	Budget	Variance
	£K	£K	£K	£K	£K	£K
Income	29	38	(9)	121	210	(89)
Expenditure	(39)	(24)	(15)	(218)	(223)	5
Operating Profit/(Loss)	(10)	14	(24)	(97)	(13)	(84)

Income & Expense: Income for FY17/18 at LHL reached £121k, which reflects an £89k negative variance. This is largely due to delays in completion of Fosters. Expenditure reached £218k in the year, which was £4k lower than budget and reflects lower costs due to the Fosters delays which were countered against higher than

budgeted repairs and maintenance charges at existing schemes. The operating loss of £45k is £84k under budget for the year, which is primarily due to completion delays as most other expenditure items were either close to or below budget.

During FY17/18, the Fosters development completed and was moved into LHL and income started to be received from February. A few days before year-end, Reading Road, Elizabeth Road and Barrett Crescent also completed, which are not included in the financial results as tenants did not move into them or shared ownership sales had not completed before year-end.

Berry Brook Homes Limited (BBHL)

P:12 Mar-18	Month			Full Year		
	Mar-18	Mar-18		Mar-18	Mar-18	
	Actual	Budget	Variance	Actual	Budget	Variance
	£K	£K	£K	£K	£K	£K
Income	49	54	(5)	279	355	(76)
Expenditure	(16)	(19)	3	(127)	(182)	55
Operating Profit/(Loss)	33	35	(2)	152	173	(21)

Income & Expense: Income for FY17/18 at BBHL reached £279k, which reflects a £76k negative variance. This is largely due to delays in completing projects and moving tenants into units. Expenditure reached £127k in the year, which was £55k lower than budget and reflects lower costs due to development delays and lower than budgeted expenditures in most categories. The operating profit of £152k is £21k under budget for the year. However, interest and depreciation charges result in a net loss of £82k for the year.

During FY17/18, the Phoenix, Anson and half of Grovelands developments completed and was moved into BBHL.

Optalis Group (comprising Optalis Ltd, Optalis Wokingham Ltd and Optalis Holdings Ltd.)

P:12 Mar-18	Month			Full Year		
	Mar-18	Mar-18		Mar	Mar-18	
	Actual	Budget	Variance	Forecast	Budget	Variance
	£K	£K	£K	£K	£K	£K
Income	3,812	3,723	89	44,422	44,513	(91)
Expenditure	(3,773)	(3,722)	(51)	(44,363)	(44,494)	131
Operating Profit/(Loss)	39	1	38	59	19	40

March 2018 results:

Optalis made a £39k profit for the month of March and therefore an increased profit YTD of £59k. This is after the netting of both major contracts as per the Shareholder agreement.

Our budget planning takes into account provision against the potential financial risks to the Company.

1. Operational Report

WHL Schemes In Progress/Under Development:

Summary:

WHL delivered 123 new homes in 2017/18. To date WHL have delivered 138 homes to its sister companies, with another 26 units currently on site, including 11 units being delivered for WBCs HRA. Sites that will deliver approximately another 370 potential units are being worked on to build up the future development pipeline.

SITE:	PROGRESS:
Grovelands (6 units)	<ul style="list-style-type: none">The last two units currently being built will be water tight this month and we expect the units to be complete by July.
Norton Road (9 units)	<ul style="list-style-type: none">Good progress is being made with piling complete and groundworks started, with net valuations being at around 20% of the contract sum of around £1.5m.

Pipeline site with planning permission:

SITE:	PROGRESS:
Finch Road (2 units)	<ul style="list-style-type: none">A start on site date is still to be agreed with our Joint Venture partner, Burrwood Developments, as a result of a third party being interested in buying all four of their units which would simplifying the whole deal. Work is ongoing over agreeing costs with SSE to deal with the electrical cable that crosses over the corner of our units foundations.
Middlefields (2 units)	<ul style="list-style-type: none">Initial site set up meetings have taken place with the contractor Resource Building Services (RBS), with Holdco having signed off WHLs recommendation to appoint RBS, so that we can now enter in to contract with RBS.
Tape Lane (11 units for the HRA)	<ul style="list-style-type: none">Housing Service have been provided with the tender report and a number of clarifications requested and we await their approval to formally appoint the winning tenderer who was LifeBuild.Housing Services are still to decant two of the six properties due to be demolished where tenants have been given multiple alternative offers which they have refused.

Gorrick
Square
(1 units)

- The water drainage pipe that needs to be moved has now received approval from Thames Water so that it is now possible to tender the build contract with no unknown costs which we would otherwise have to accept as provisional sums.

Changes to Directors:

There have been no changes to WHL company directors since the last report.

Loddon Homes Limited (LHL)

Arrangements for managing homes through WBC Housing Services continue to evolve with the new interim Housing Manager looking to ensure Loddon's stock is well managed through the current Council 21st Century change programme in Housing Services. A focus on ensuring rent collection is effective and voids are let as quickly as possible are the two key areas Loddon want Housing Services to focus upon.

Work is progressing well around the sale of the four shared ownership homes at Elizabeth Road and Barrett Crescent. One property is reserved and moving to sale, two offers have been given which we expect to progress to reservations, with the final unit having a potential buyer nominee currently being assessed for suitability.

Reading Road, a scheme for young care leavers, currently has 5 of the 9 units let and seems to be working very well. We are looking to let the two studio flats when two of the residents living in the rooms are ready to move to more independent living, and so are planning for a longer void period than we would in general needs housing

Changes to Directors:

There have been no changes to Loddon Homes' company directors since the last report.

Berry Brook Homes Limited (BBHL)

The Berry Brook Board have been further considering the strategic direction of the company and developing their Business Plan. These discussions will be worked in to the current draft plan with a view to further refining this at an away day in mid-June.

The Berry Brook Board are looking for the arrangements for managing homes through WBC Housing Services to evolve further and expecting Berry Brook's stock is managed effectively. A focus on ensuring rent collection and filling current voids are the two key areas the Board require maximum effort upon.

The Berry Brook Board agreed to implement a rent increase following appropriate notice to residents for the remainder of 2018/19 based on the September 2017 Consumer Price Index (CPI). Thereafter rents will be increase each April.

Managing the defects at Phoenix with the contractor continues to be hard work, with the contractor being recently given a final deadline to meet outstanding snagging and defect works or have them undertaken by ourselves using retention money that would normally be due at the end of the 12 month defect period.

Changes to Directors:

There have been no changes to Berry Brook Homes' company directors since the last report.

Optalis Limited

General:

Planning is underway to deliver our Star Awards (for staff) which will take place in June; a fitting opportunity to celebrate the work that our teams do every day to fulfil the potential of our customers.

Strategically, Optalis 2020 was unanimously approved by our shareholders, giving us the mandate to deliver a successful organisation which will enable us to reach out to more customers, recruit and train more colleagues and positively impact more communities.

Staff

The number of people joining us continues to increase and this is further supported by an improvement in retention rates. Our average FTE vacancy rate when compared over the year to March 2018 has reduced by nearly 40%.

Our pipeline of applicants for roles continues to improve, driven by our initial pathway and process analysis work and our subsequent increased focus in the areas with most impact. Our proactive google campaign and increased social media activity are all contributing factors. This will be further enhanced by the introduction of our E-Recruitment applicant tracking system and on line application form will help streamline our recruitment processes.

Quality

Our i-auditor tool for compliance measurement is being rolled out across the organisation. Our Quality review programme is ongoing as we continue to drive a culture of continuous improvement.

Business development

Our supported employment service has achieved "support with confidence" accreditation for a 5th year in a row. This is a joint initiative between local authority trading standards and adult social care services which serves to reassure members of the public that the service they use will be delivered safely.

Our contract with Reading College, which provides specialist training, coaching for students transitioning from college into work has been extended for its third year due to our 2017 results - a 90% success rate in helping people into employment

Our work to provide services to the two newly built Extra Care housing schemes is going well.

Our Supported Employment Service achieved the 10th highest LA out of 166 Local Authorities because of its outcomes for Learning Disability (supporting 14.4% of people with learning disabilities into work where the UK average is c8%)

2.3 Changes to Directors

There have been no changes since the last report.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See other financial implications below	Yes	Revenue
Next Financial Year (Year 2)	See other financial implications below	Yes	Revenue
Following Financial Year (Year 3)	See other financial implications below	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

The Council will benefit from reduced costs in commissioning services, the interest and management charges to WBC (Holdings) Ltd and future profits paid out as dividend. These will be factored into the Medium Term Financial Plan under the appropriate service.

Cross-Council Implications

No Cross-Council Implications

List of Background Papers

None

Contact Kajal Patel	Service Resources
Telephone No 07769957900	Email Kajal.Patel@wokingham.gov.uk
Date 21 May 2018	Version No. 1

Agenda Item 7.

TITLE	Revenue Monitoring 2017/18 - Outturn
FOR CONSIDERATION BY	The Executive on 31 May 2018
WARD	None Specific;
DIRECTOR	Director of Corporate Services - Graham Ebers
LEAD MEMBER	Executive Member for Finance - Julian McGhee-Sumner

OUTCOME / BENEFITS TO THE COMMUNITY

Effective management of the Council's finances to ensure value for money for council tax payers, tenants and schools.

RECOMMENDATION

The Executive is asked to:

- 1) note the outturn position of the revenue budget and the level of balances in respect of the General Fund, Housing Revenue Account, Schools Block and the Authority's investment portfolio;
- 2) agree the General Fund carry forward requests of £1,598,670 as set out in Appendix B to the report.

SUMMARY OF REPORT

To consider the Revenue Monitoring, General Fund, Housing Revenue Account, Schools Block and Treasury Management Reports. The Executive agreed to consider Revenue Monitoring Reports on a quarterly basis.

The General Fund is reporting an adverse variance of £814k (0.64%) against planned spend of £127m, Housing Revenue Account a favourable variance of £6k (0.66%) against a net planned spend of £872k and Schools Block an adverse variance of £453k against a net planned spend of £309k.

Background

General Fund

The table below shows the outturn position for 2017/18 by Directorate. Details of the General Fund summary are shown in Appendix A.

Directorate	2017/2018 - End of Year Position		
	Approved Budget	Actual Spend	(Favourable) / Adverse Variance
	£,000	£,000	£,000
Chief Executive	£2,301	£2,208	(£93)
Corporate Services	£12,638	£12,524	(£114)
Customer and Localities	£35,370	£35,187	(£183)
People Services	£76,285	£77,489	£1,204
Net Expenditure Total	£126,594	£127,408	£814

The end of year position represents an adverse variance of £814k on the General Fund, however a favourable movement of £523k from the last position reported to Executive in January 2018.

Material areas of favourable / adverse variances include;

Chief Executives favourable variance of £93k, this relates to overachievement of procurement savings, through an increased use of the procurement system (e.g. Agency). Rental income across all corporate assets was greater than expected.

Corporate Services favourable variance of £114k, this relates to favourable increases in government grants and income however offset by short term pressures from interim staffing costs.

Customer and Localities favourable variance of £183k, this relates to salary efficiencies in Development and Regeneration and additional capitalisation of salary costs in SDL's. In addition, Community Infrastructure Levy (developer) receipts were greater than expected. Within highways & transport, pressures from staffing costs and car park income was lower than expected. These are offset from income better than expected for searches, street naming and numbering. Within development management & enforcement, pressures from agency and consultancy spend are offset with planning application income higher than expected as a result of higher demand and charges.

People Services adverse variance of £1,204k, approx. £1m relates to significant pressures in Adult Social Care commissioned care and support for Older People and Learning Disability, and the impact of National Minimum Wage on sleep-in services. In addition, continued pressures on Home to School Transport reflects the increasing costs associated with SEN services. While Children's Social Work & Early Intervention

services managed within budget overall for the 2017/18 financial year increasing pressure on caseloads and front door services has been experienced.

The end of year position for People Services represents a favourable movement of £63k from the variance reported to Executive in January. Management action under the People Services Recovery Plan has delivered a reduction on forecast agency spend and on various smaller, discretionary budgets. Some further favourable movements were experienced as a small number of high cost placements that were in the forecast for Adults Mental Health and Children were not required prior to the 31st March. Higher than forecast expenditure pressures were experienced in Adult Social Care and further analysis of this continues to inform ongoing recovery plan actions.

General Fund

General Fund balances as at 31 March 2018 are reported to be £9.124m before requested carry forwards of £1.599m. Members are asked to approve the carry forward requests detailed in Appendix B. The General Fund balance following approval would be £7.525m.

The Statement of General Fund balance is shown in Appendix C.

Housing Revenue Account (HRA)

The Housing Revenue Account reports a favourable variance of £6k against a net planned spend of £872k. This reflects the same position reported to Executive in January 2018.

The HRA faced pressures in rent collection due to void properties unoccupied during the year being greater than expected. In addition, money was transferred into the bad debt provision to help cover potential rent pressures in future years. Other pressures included additional reactive maintenance costs and void property repairs.

Capital financing charges also increased as depreciation charges for all HRA assets increased in respect of the stock valuation. These costs were offset by lower Voluntary Principal Repayments of debt after a prudent review of debt management.

The HRA balance as at the 31st March 2018 is £4.056m. Shown in Appendix D.

Schools Block (Dedicated Schools Grant (DSG))

Schools are funded through a direct grant from Central Government known as Dedicated Schools Grant (DSG). This is used to fund individual schools through an agreed formula, costs associated with Early Years Services, support for children with Special Educational Needs (SEN), and to fund relevant support services. This year the Schools Block reports an adverse variance of £453k against a net budgeted spend of £309k – this represents less than 0.4% of the total budget. Although an adverse variance, this represents a favourable movement of £277k from the position reported to Executive in January 2018. Shown in Appendix E.

Within the DSG, there were continued pressures on the High Needs Block, mainly in relation to high-cost placements for those with SEN and post-16 provision. The Council are in the process of carrying out a review of the High Needs Block funding and

expenditure with head teachers from various schools to develop solutions to contain future financial pressures that arise.

As at 31st March 2018, the Council does not hold any DSG balance in reserve.

Investment Portfolio

The authority's investment portfolio shows current investments of £60.5m being invested by the Council. This is made up of £54m invested with approved institutions (e.g. banks, building societies, councils, etc.) and £6.5m invested in daily money market funds.

Analysis of Issues

Effective monitoring of budgets is an essential element of providing cost effective services and enables any corrective action to be undertaken, if required. Many of the budgets are activity driven and can be volatile in nature.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	General Fund £127m	Yes	Revenue
Next Financial Year (Year 2)	£130m – based on MTFP budget	Yes	Revenue
Following Financial Year (Year 3)	N/A – subject to MTFP review	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

The Council will continue to review cost reduction measures to contain expenditure with the overall budget.

Cross-Council Implications

None

List of Background Papers

None

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REVENUE MONITORING REPORT OUTTURN 2017/2018

GENERAL FUND SUMMARY

	Year End Position			Details of Year End Variance
	Budget £,000	Actuals £,000	Variance £,000	
Chief Executive	2,301	2,208	(93)	Overachievement of procurement savings, through the use of matrix system. Strategic Asset rental income compensated for underachievement in Town Centre rental income.
Corporate Services	12,638	12,524	(114)	Net overspend in employee cost due to use of interim staff. Favourable increase in government grants and other miscellaneous income.
Customer and Localities Services	35,370	35,187	(183)	Overachievement primarily as a result of salary efficiencies in Development and Regeneration and capitalisation of salary costs in SDL's.
People Services	76,285	77,489	1,204	Reflects pressures in Home to School Transport, demand and cost pressures in Adult Social Care (including previously unbudgeted costs from the application of National Minimum Wage to sleep-in services), and agency costs across the Directorate. While Social Work & Early Intervention in Children's has experienced an overall underspend for the 2017/18 financial year, increasing case loads and significant pressures on front door services are being experienced.
Total	126,594	127,408	814	

Note

Actual figure includes carry forward request amounts.

Budget has been reduced as a result of lower capital depreciation charges.

GENERAL FUND SUMMARY - CARRY FORWARDS

Service	Budget Description	Reason for Carry Forward	Amount £
Chief Executive	21st Century Council Project	21st Century Council programme delays resulting in spend commitments estimated to be in 18/19.	272,500
Chief Executive Total			272,500
Corporate Services	Corporate Training	To support investment in 21st Century Council related training.	25,000
Corporate Services Total			25,000
Customer and Localities Services	Major inquiry for site allocations	At Executive in July 2016, an amended process for taking forward the Local Plan Update was agreed. This pushed the preferred option stage and key areas of spending into later project years. The carry forward will go towards meeting future year costs.	462,070
	Minerals and Waste	The original draft contract envisaged larger initial payments in the early years to reflect up front evidence work however the final contract incorporates an amended payment profile of consistent yearly payments. The carry forward will go towards meeting future year costs.	136,240
	School Crossing	School Crossing Patroller service to continue in line with school year rather than financial year. Budget spend aligned with phased approach to ending the delivery of the SCP service. Funding relates to a two year "special item" funding.	26,000
	LPU – Strategic Master Planning	Spend is profiled for 2018/19 in accordance with the updated contract payment plan.	400,000
	Staffing	Cover the additional costs of agency staff pending 21st CC for EDO role (6 months agency contract) and extra planned business engagement activity for 18/19.	18,000
Customer and Localities Services Total			1,042,310
People Services	Optalis Contract	Delayed start of a 2 year consultancy contract with Optalis, part of contract will now fall into 18/19.	69,000
	Deprivation of liberty cases	There is a back log of cases (including MCA DOLs doctors' assessments pending review in line with legal ruling in 2013/14, dedicated resources over and above existing establishment is required to clear this backlog and ensure that in the coming year only current cases are being reviewed. There is a risk with the backlog that the council is not meeting its legal obligations and may be at risk of significant financial and reputational damage.	94,000
	Multi Agency Safeguarding Hub (MASH)	Continue to invest in development of Multi Agency Safeguarding Hub (MASH) arrangements at WBC. Carry forward is remaining part of 2017/2018 supplementary estimate.	60,000
	Improvement and Change Programme	In 2018-19 there are various high profile programmes and events around quality of social care, safeguarding that require dedicated resources in order to ensure WBC is meeting its statutory responsibilities. This includes an Ofsted inspection. Carry forward is remaining part of 2017/2018 supplementary estimate.	35,860
People Services Total			258,860
17/18 Carry Forward Requests Total			1,598,670

STATEMENT OF GENERAL FUND BALANCE

	£,000	£,000
General Fund Balance (as at 31/3/2017)		(10,036)
<u>Supplementary Estimates</u>		
Customer and Localities Services (Jun'17 Exec Approval)	35	
Customer and Localities Services (Jul'17 Exec Approval)	400	
People Services (Oct'17 Exec Approval)	300	
Customer and Localities Services (Oct'17 Exec Approval)	49	
Customer and Localities Services (Feb'18 Exec Approval)	36	
		820
<u>Carry Forwards from 2016/17</u>		
Corporate Services	50	
Chief Executive	129	
People Services	69	
Customer and Localities Services	630	
		878
<u>Service Variance (excluding 17/18 carry forwards requests)</u>		
Corporate Services	(139)	
Chief Executive	(366)	
People Services	945	
Customer and Localities Services	(1,226)	
		(786)
General Fund Balance 31/3/2018 - Before Carry Forwards		(9,124)

17/18 Carry Forward Request Total

1,599

General Fund Balance 31/3/2018 - After Carry Forwards**(7,525)**

HOUSING REVENUE ACCOUNT

Director: Graham Ebers

Lead Member, Housing Services: Richard Dolinski

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Service		Year End Position			Details of Year End Variance
		Budget £,000	Actuals £,000	Variance £,000	
Rents	Expenditure	85	0	(85)	Increase in the HRA tenant bad debt provision and loss of rental income due to void properties.
	Income	(15,134)	(14,653)	482	
	Net	(15,049)	(14,652)	397	
Fees & Charges / Capital Finance Charge	Expenditure	33	104	72	Electricity bill for communal areas and additional insurance costs not recoverable.
	Income	(60)	(112)	(52)	
	Net	(27)	(8)	19	
Housing Repairs	Expenditure	2,737	2,817	80	Increased reactive maintenance jobs, increase in average repair cost per void property completed and waste management contract offset by efficiencies in the heating repairs & maintenance contract and new ground maintenance contract.
	Income	(30)	(21)	9	
	Net	2,707	2,796	89	
General Management	Expenditure	733	716	(17)	Lower than anticipated community orientated programmes for tenants in 2017/18.
	Income	0	(19)	(19)	
	Net	733	697	(36)	
Sheltered Accommodation	Expenditure	694	665	(28)	Additional recoverable service charges received in year and lower than anticipated repairs and maintenance jobs.
	Income	(483)	(469)	15	
	Net	211	197	(14)	
Other Special Expenses	Expenditure	150	134	(16)	Lower than anticipated community orientated programmes for tenants in 2017/18.
	Income	0	0	0	
	Net	150	134	(16)	
Capital Finance	Expenditure	7,282	6,503	(780)	Lower than anticipated Voluntary Principal Repayments of loan than budgeted for in 2017/18.
	Income	(36)	(29)	7	
	Net	7,246	6,473	(773)	
Subtotal Excluding Internal and Capital Charges		(4,029)	(4,363)	(334)	
Internal and Capital Charges		4,029	4,357	328	Depreciation charge higher than expected as a result of an increased valuation of housing stock being greater than budgeted.
Total		0	(6)	(6)	

Housing Revenue Account Reserve		£,000
HRA Reserves as at 31st March 2017		(4,922)
2017/2018 Planned Spend		872
2017/2018 Variance		(6)
Estimated HRA balance as at 31st March 2018		(4,056)

SCHOOLS BLOCK MONITORING REPORT

Director: Paul Senior

Executive Member, Children's Services: Mark Ashwell

	Year End Position			Details of Year End Variance
	Budget £000	Actuals £000	Variance £000	
Total Individual Schools Budgets, High needs & Early Years Allocations	122,668	122,831	163	Costs pressures around Independent Special Schools (part of the High Needs Block).
Total Central Expenditure	2,351	2,381	30	Overspend in Growth fund, which some has been offset by underspends in schools admissions.
Total Schools Budget Expenditure	125,020	125,213	193	
Total Schools Block Funding Income	(123,355)	(123,094)	260	DFE reduced the income allocated in 18-19 due to recalculating the Early year income on the January 2017 census.
Total in-year (surplus)/ deficit	1,665	2,118	453	
Brought Forward (surplus) / deficit balance	(1,356)	(1,356)	0	
Total Year End (Surplus) / Deficit	309	762	453	

Agenda Item 8.

TITLE	Capital Outturn 2017-18
FOR CONSIDERATION BY	The Executive on 31 May 2018
WARD	None Specific;
DIRECTOR	Director of Corporate Services - Graham Ebers
LEAD MEMBER	Executive Member for Finance - Julian McGhee-Sumner

OUTCOME / BENEFITS TO THE COMMUNITY

Effective and safe use of our resources to deliver service improvements and service continuity through capital investments

RECOMMENDATION

The Executive is asked to:

- 1) note the Capital Outturn, as set out in Appendix A to the report;
- 2) approve the carry forwards into future financial years, as set out in Appendix A to the report.

SUMMARY OF REPORT

The report informs members of the outturn and performance of the capital programme for 2017/18. (See Appendix A for breakdown of expenditure).

Background

In 2017/18 the Council's capital investment was in the following key priorities:

- £38.0m - Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth
- £14.4m - Improve educational attainment and focus on every child achieving their potential
- £13.2m - Provide affordable homes
- £7.5m - Ensure strong sustainable communities that are vibrant and supported by well-designed development
- £5.4m - Improve health, wellbeing and the quality of life
- £3.8m - Tackle traffic congestion in specific areas
- £3.1m - Deliver quality in all that we do
- £3.0m - Improve the customer experience when accessing services
- £0.1m - Maintain and improve waste collection, recycling and fuel efficiency

This gives a total investment in services of £88.6m, the highest investment that the Council has made in any single year.

Budget and Performance

In 2017/18 the Council's capital performance was:

Budget	£190.9m
Expenditure	£88.6m
Carry forward to future years	£99.7m
Under spend	(£2.6m)

The amount expected to be carried forward and spent in future years has increased by £7.5m compared to the quarter three outturn report figure of £92.2m.

Please see Appendix A for an analysis of the above figures.

During closedown the capital programme has been reviewed and the Council is planning to re-phase £99.7m to future years of the capital vision. The table below illustrates the distribution of the phasing requested.

	Total carry forward £'000
Key priority carry forwards	
Ensure strong sustainable communities that are vibrant and supported by well-designed development	9,548
Improve the customer experience when accessing services	3,618
Deliver quality in all that we do	2,022
Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth	31,077
Improve health, wellbeing and the quality of life	8,196
Improve educational attainment and focus on every child achieving their potential	15,148
Provide affordable homes	25,961
Look after the vulnerable	221
Tackle traffic congestion in specific areas	3,869
Maintain and improve waste collection, recycling and fuel efficiency	41
Total	99,701

Capital outturn

The table below illustrates capital investment by asset type.

	Actual spend 2018/19 £'000
Asset type	£'000
Affordable housing	9,911
Car parking	312
Country parks & play areas	317
Cultural enhancement/new build	49
Cycle infrastructure improvement scheme	568
Enhancing provision for children & young people with disabilities	41
Flood alleviation / drainage	479
Foot/bridal/cycle ways enhancements/new build	613
Highway bridges	350
Highways and maintenance	2,713
ICT equipment for children in care	21
IT systems (including hardware/software)	3,109
Leisure facilities	5,680
Mandatory disabled facility grants	338
Road & highways infrastructure improvement scheme	6,959
Safety / crash barriers	115
Schools	14,126
Social housing	8,506
Strategic asset enhancement/new build	3,001
Strategic development	4,467
Street lighting asset replacement & column testing	1,692
Town centre regeneration	12,152
Waste schemes	98
Wokingham housing limited	12,929
Total	88,551

Analysis of Issues

The analysis of capital spend and funding of the capital programme 2017/18 is shown in Appendix A.

Schemes in the capital programme have previously been approved, and therefore, if they are not releasing any under or over spends, unspent funds will be carried forward into future years to enable the continued delivery of the previously agreed project. These are listed in Appendix A.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	n/a	Yes	Capital
Next Financial Year (Year 2)	n/a	Yes	Capital
Following Financial Year (Year 3)			

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications

None

List of Background Papers

Appendix A – Capital programme outturn analysis

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WOKINGHAM BOROUGH COUNCIL



WOKINGHAM BOROUGH COUNCIL

CAPITAL PROGRAMME 2017/18 OUTTURN REPORT

WOKINGHAM BOROUGH COUNCIL
Capital Programme 2017/18 Outturn

INDEX

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1.0 Capital Budget

For 2017/18 the capital outturn is being reported in line with the Council plan's key priorities and underpinning principles. The Council approved the 2017/18 capital budget of £138,936k in February 2017. In May 2017 Executive agreed to carry forward £41,135k into 2017/18 which was not spent in the previous year. During the year further changes of £10,828k were made to support the latest updates of the capital programme such as recognising new ring-fenced funding, or additional spend in key areas.

Complex capital build budgets are notoriously hard to profile accurately and in order to ensure smooth delivery of projects, profiles are weighted towards the fastest possible delivery timeline, although these are not always achievable. This budget is then carried forward into the next financial year, and often later expenditure also slips back to match the expected project delivery timescales.

Overall these resulted in a final 2017/18 budget 37% higher than the original 2017/18 budget of £138,936k as shown in table 1.1 below.

The breakdown by key priorities of the total programme budget for 2017/18 is shown in table 1.1 below.

Table 1.1

Key priority	Approved Budget 2017/18 £'000	Cfwd from 2016/17 £'000	In Year Movements & Additions* £'000	Total 2017/18 Budget £'000
Ensure strong sustainable communities that are vibrant and supported by well-designed development	13,007	3,114	1,225	17,346
Improve the customer experience when accessing services	13,900	1,296	-8,512	6,685
Deliver quality in all that we do	1,672	2,711	744	5,127
Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth	52,167	16,736	63	68,965
Improve health, wellbeing and the quality of life	9,069	448	4,076	13,592
Improve educational attainment and focus on every child achieving their potential	21,180	9,686	-552	30,315
Provide affordable homes	21,238	5,229	14,170	40,636
Look after the vulnerable	732	168	-591	308
Tackle traffic congestion in specific areas	5,887	1,692	206	7,786
Maintain and improve waste collection, recycling and fuel efficiency	85	55	0	140
Total	138,936	41,135	10,828	190,900

Note: * This funding movement is for new schemes, additional funding for current schemes and to release WBC/un-ring-fenced grants for use in future years.

The total 2017/18 budget has been forecast to be spent across varying time periods, with expectations reported quarterly to Executive. The table below shows how the amount expected to be carried forward and spent in future years has increased from £92.2m in the quarter three outturn report up by £7.5m to £99.7m as shown in the table below.

2.0 Financial summary

Table 2.1, below, illustrates the Council's capital outturn 2017/18 by key priority

Table 2.1

	Budget 2018/19	Actual spend 2018/19	Cfwd to future years	(Under) /Over spend
Key priority	£'000	£'000	£'000	£'000
Ensure strong sustainable communities that are vibrant and supported by well-designed development	17,346	7,495	9,548	(303)
Improve the customer experience when accessing services	6,685	3,050	3,618	(17)
Deliver quality in all that we do	5,127	3,109	2,022	5
Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth	68,965	38,031	31,077	143
Improve health, wellbeing and the quality of life	13,592	5,379	8,196	(17)
Improve educational attainment and focus on every child achieving their potential	30,315	14,368	15,148	(799)
Provide affordable homes	40,636	13,155	25,961	(1,520)
Look after the vulnerable	308	21	221	(67)
Tackle traffic congestion in specific areas	7,786	3,843	3,869	(73)
Maintain and improve waste collection, recycling and fuel efficiency	140	98	41	0
Ensure strong sustainable communities that are vibrant and supported by well-designed development	17,346	7,495	9,548	(303)
Improve the customer experience when accessing services	6,685	3,050	3,618	(17)
Total	190,990	88,551	99,701	(2,648)

In December 2017 the projected year end outturn was £855k underspend. This has increased to an underspend of £2,648k at the end of March 2018. See below for a breakdown of underspends:

- £1,500k Nursing home – the multi-year scheme of £8.2m has been withdrawn, as the project has failed to progress. This scheme may be reviewed in the future via a new bid
- £850k Highways Infrastructure Flood Alleviation Schemes – modelling determined the current scheme is not feasible, with future options to be investigated
- £270k Street Lighting – LED Project
- £28k net underspend – other small under and overspends

A breakdown of all under and overspends by service is shown in table 2.2, below.

Table 2.2 Capital outturn by service

	Budget 2018/19	Actual spend 2018/19	Cfwd to future years	(Under)/ Over spend
SERVICE	£'000	£'000	£'000	£'000
Chief Executive	45,912	18,500	27,412	0
Corporate Services	65,406	34,850	30,531	(25)
Localities and Customer Services	47,755	20,864	25,722	(1,168)
People Services	31,828	14,337	16,036	(1,455)
TOTAL	190,900	88,551	99,701	(2,648)

A breakdown of all carry forwards and under and overspends by asset types is shown in table 2.3 below.

Table 2.3

	Budget 2018/19	Actual spend 2018/19	Cfwd to future years	(Under)/ Over spend
Asset type	£'000	£'000	£'000	£'000
Adult social care asset enhancement/new build	1,605	0	105	(1,500)
Affordable housing	10,596	9,911	686	0
Car parking	1,015	312	703	0
Country parks & play areas	2,289	317	1,972	(1)
Cultural enhancement/new build	873	49	824	0
Cycle infrastructure improvement scheme	3,015	568	2,452	5
Enhancing provision for children & young people with disabilities	192	41	152	(0)
Flood alleviation / drainage	1,424	479	96	(849)
Foot/bridle/cycle ways enhancements/new build	1,095	613	482	(0)
Highway bridges	711	350	359	(2)
Highways and maintenance	3,251	2,713	689	151
Highways footway structural maintenance & improvement	146	1	0	(145)
ICT equipment for children in care	26	21	5	0
IT systems (including hardware/software)	5,127	3,109	2,022	5
Leisure facilities	12,124	5,680	6,427	(16)
Mandatory disabled facility grants	870	338	305	(227)
Road & highways infrastructure improvement scheme	16,561	6,959	9,581	(21)
Safety / crash barriers	836	115	720	0
Schools	29,081	14,126	15,007	51
Social housing	33,743	8,506	25,440	203
Strategic asset enhancement/new build	6,617	3,001	3,597	(19)
Strategic capital reserve	2,020	0	2,020	0
Strategic development	8,821	4,467	4,354	0
Street lighting asset replacement & column testing	2,959	1,692	982	(284)
Town centre regeneration	37,686	12,152	25,534	0
Waste schemes	140	98	41	0
Wokingham Housing Limited	8,076	12,929	(4,853)	0
Youth provision	0	1	0	1
Total	190,900	88,551	99,701	(2,648)

Performance

The performance (actual compared with the budget) by key priority is shown in table 2.4. As expected and explained above, spend lags behind budget across all areas, although forecast outturn is within 7% of the forecast outturn of £95,337k reported to executive at the end of quarter three.

Table 2.4 – Outturn performance

	£'000
Forecast outturn at end of December	95,337
Actual outturn	88,551
Variance	6,786 (7%)

An exercise is currently underway to profile the carry forwards into 2018/19 and later years. This is because it is not always possible to be able to spend the full value of the carry forwards on top of the existing 2018/19 programme budgets, with re-phasing occurring across the life of each capital project. Updated figures will be provided to Executive alongside the first quarter capital monitoring report.

Agenda Item 9.

TITLE	21st Century Council - Update
FOR CONSIDERATION BY	The Executive on 31 May 2018
WARD	None Specific;
DIRECTOR	Director of Customer and Localities Services - Heather Thwaites
LEAD MEMBER	Executive Member for Finance - Julian McGhee- Sumner

OUTCOME / BENEFITS TO THE COMMUNITY

The transformation of the way the Council operates will achieve the following benefits:

- Improved availability of, and access to, Council services through digital channels
- Swifter resolution of issues and queries
- Ability for residents to track the progress of their issue as it is resolved by the Council
- Greater focus on problem-solving and customer responsiveness
- A leaner, more efficient Council costing significantly less to run

RECOMMENDATION

The Executive is recommended to note the progress in implementing the 21st Century Council programme.

SUMMARY OF REPORT

The purpose of this report is to inform the Executive of progress over the last quarter in the implementation of the 21st Century Council programme. The Executive receives quarterly reports during the implementation period reporting on progress of implementation and revenue return on investment.

The key highlights are set out in the report. These include the significant progress in preparation for the new Customer and Localities functions and the implementation of a raft of IT improvements for the public and staff.

Background

The C21 Change Programme forms an essential element of the savings contained within the medium term Financial Plan. The programme involves the implementation of a new model of working and organisation for the Council. It is underpinned by an extensive IT programme and will extend to all parts of the organisation over the implementation period. When complete, the programme will contribute ongoing annual savings in staff costs of c.£4m.

Implementation commenced following Executive approval of the business case in September 2016. The implementation was phased into two parts, to ensure transition to the new model of working is safe and effective.

Phase 1 ran from October 2016 to Spring 2017 and included:

- Establishment of the reconfigured senior leadership team (Directors and the management tiers below)
- Establishment of the reconfigured Strategy and Commissioning and Support Services
- Implementation of the key IT improvements and integration

Phase 2 was planned to be delivered in two tranches

Tranche 1:

- Environment
- Income and Assessments
- Customer Services
- Children's Social Care

Tranche 2:

- Health and Wellbeing
- Education
- Integrated Mental Health
- Housing
- Public Health

As reported in the last quarterly update progress in the areas within People Services was delayed whilst the incoming Director undertook a thorough appraisal of the service areas particularly to understand resilience, to benchmark and to understand changes in demand.

Analysis of Issues

Customer and Localities

The creation of the new Customer and Localities Directorate is well advanced and on schedule. This will see the transitioning of the existing service areas of Environment; Income and Payments, Customer Services and Housing into the new functions lead by:

- Clare Lawrence – AD Place (Development Management, Highways and Transport Management; Contract Management of Shared Services, Waste, Grounds Maintenance, the Countryside Service etc.)
- Mark Cupit – AD Delivery and Infrastructure (Strategic Development Locations; Major Highway and Infrastructure schemes, Specialist Highway and Drainage advice: CIL and Infrastructure funding; and Heritage and Green Infrastructure)

- Josie Wragg – AD Customer and Localities (the new roles of Customer Management; Case Management and Locality Services)
- AD Housing, Income and Assessment Staff consultation is currently underway to migrate the existing Housing Services into Customer and Localities as per the Council's new operating model.

Members will be aware that the move to customer management, case management and locality delivery is key to the implementation of the new operating model. Each of the service areas transitioning is now entering a period of intense activity and pressure. Mobilisation will commence in June and is expected to take 6-9 months before new ways of working and new systems are fully embedded. Over 60% of the staff involved will have new and different roles, they will be in new teams reporting to new or different managers. All will have new processes to become familiar with together with new or improved IT systems and so an intense period of familiarisation and training will be required. In addition whilst this happens we will be asking staff to keep existing tasks going until they can be safely transitioned into the new arrangements. The ask to our staff should not be underestimated.

The elements of the services transitioning into Customer and Localities will go live in a sequenced programme over the summer period. Each area has identified the key IT changes necessary to enable it to go live and development of these is ongoing. For each element in addition to the staff changes there will be the introduction and testing of these new IT systems; the review of information available, usability and functionality of the service's web presence; the preparation of scripts, the setting of handoff thresholds and the preparation of instruction notes and how to do guidelines.

Design work is underway for Leisure and Communications and Engagement. It is hoped this will be completed shortly allowing the services to transition into Customer and Localities and Corporate Services during the summer.

Customer Enhancements

A whole raft of improvements to enable the customer to interact more easily and successfully with the Council have been implemented over recent months with many more to come.

Those implemented and planned include:

- New modern mapping software
- School admissions online
- Blue badges online
- New planning Search and planning map search facility
- Improved customer account facility
- New online payment system including contactless and app pay facilities across the borough
- Council Tax online service
- Benefit online service
- Housing online service
- Ability to manage and track planning applications online
- Online booking for services e.g registrars
- Improved online highways reporting, tracking and information
- Members Intranet

Adults and Children's

The programme has restarted in these two remaining service areas. The C21 programme is being considered alongside the current financial and service challenges faced by these two demand led areas. Members will be aware that demand continues to grow in adult social care as the population ages, eg the local population aged 85+ is projected to increase by 131% by 2035, outstripping both SE and national increases. The complexity increases as pathways for adults extend across a number of partners and a number of allied initiatives, such as the emerging local health and social care integration 2020 plans. In Children's the national rise in child referrals is being mirrored locally. The number of children subject to child protection plans has increased by 132% since June 2017. These challenges are being considered in the round to determine the optimum way forward to secure the C21 objectives.

Member update and involvement

The cross party Member Group continues to meet regularly receiving progress updates and IT previews for comment and involvement. The group has been involved in the development of the intranet for Members and has been road-testing the site. The group is also particularly involved in steering the communication activity for Members and our residents and public. Regular briefings for Members are published and the group has agreed a communication plan for the public which is currently being implemented. Members continue to be involved in the emerging design of our locality service.

The progress of the programme was also discussed at Management Overview and Scrutiny in March. The committee requested further quarterly updates be provided to it on an ongoing basis.

Risk mitigation

As we enter the period of mobilisation and go live for Customer and Localities the risk that existing service levels may be temporarily impacted becomes more likely. As described above the degree of change both for individuals and teams, coupled with the significant IT and process changes will make this period extremely challenging. Managers will be closely monitoring performance and where necessary will bring in additional staff resource to help during the period of intense change. This may temporally impact on agency staffing budgets.

Members will also be aware that the Customer and Localities Director is currently seconded to the programme. Interim arrangements have been in place to cover the Environment operations however as we move to implementation of this new resident facing service area having the Director and a significant AD post being covered by only one person will place inevitable risk on the success of this transition.

The financial risk of a delay in securing the programme's financial benefits from People Services reported last time has been mitigated within the MTFP agreed by Council in February. As reported above the detailed planning is underway to ensure that the savings as now planned for 2019/2020 are delivered.

Financial update

Phase 1 (Corporate Services) and the creation of Customer and Localities remain on track to provide the savings as per the business plan and the MTFP as set out below.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	<i>£'000</i>	2016/17	2017/18	2018/19	2019/20	Total
Business Case	Revenue	710	2,180	1,500	0	4,390
	Capital	2,752	1,577	0	0	4,329
	Saving	0	(2,000)	(2,000)	0	(4,000)
Actual/Forecast	Revenue	591	2,079	1,720	0	4,390
	Capital	939	2,045	1,345	0	4,329
	Saving	0	(2,000)	(750)	(1250)	(4,000)
Variance	Revenue	119	101	(220)	0	0
	Capital	1,813	(468)	(1,345)	0	0
	Saving	0	0	(1250)	1250	0

Other financial information relevant to the Recommendation/Decision
None

Cross-Council Implications
As set out in the report.

List of Background Papers
None

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