

**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD ON 29 OCTOBER 2015 FROM 7.30 PM TO 8.00 PM**

Committee Members Present

Councillors: Keith Baker (Chairman), Julian McGhee-Sumner, Charlotte Haitham Taylor, Pauline Jorgensen, John Kaiser, Philip Mirfin, Anthony Pollock and Angus Ross

Other Councillors Present

Prue Bray
Lindsay Ferris

65. APOLOGIES

There were no apologies for absence received.

66. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Committee held on 24 September 2015 were confirmed as a correct record and signed by the Chairman.

67. DECLARATION OF INTEREST

Councillor Pauline Jorgensen declared a personal interest in Item 70, Council Owned Companies Business, by virtue of the fact that her husband was a paid Non-Executive Director of WBC Holdings Ltd. Councillor Jorgensen remained in the meeting during discussions and voted on the matter.

Councillor Anthony Pollock declared a personal interest in Item 70, Council Owned Companies Business, by virtue of the fact that he was an unpaid Non-Executive Director of Optalis. Councillor Pollock remained in the meeting during discussions and voted on the matter.

68. PUBLIC QUESTION TIME

There were no public questions received.

69. MEMBER QUESTION TIME

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

69.1 Prue Bray asked the Executive Member for Children's Services the following question:

At the Budget meeting in February, the Liberal Democrats expressed some scepticism as to whether all the savings set out by the Conservatives would be achievable, specifically mentioning residential placements for children. It is clear from agenda item 71 pages 31, 32 and 36 that the overall cost of placements has not reduced in line with budget assumptions. The high unit cost of placements and the increasingly complex needs of children mentioned in the agenda were both well-known when the budget was set. What was the reasoning that led to the budget for placements being cut by 25% this year?

Answer

The Children's Services' placement budget was set as a result of a rigorous internal process of challenge which is based on practitioners' knowledge of care plans and planned levels of provision. The budget plan for children's residential placements included

funding for 17 placements. Within this part of the budget it was anticipated that two of our children in high cost placements would move to an alternative provision.

The Placement Review Panel regularly reviews all of our children and young people's placements and it was identified through this process that it was in the best interests of these two children to remain in their current placements. It is this that has generated the increase in costs as shown in the report; which is £226k.

Throughout the review process it may be possible to accelerate some care plans which would result in earlier moves than expected and in other instances revise other care plans for those children in particularly complex circumstances. I would like to emphasise that this service is needs based and this is very important. Therefore where there is a financial impact it needs to be dealt with. Where changes occur the financial impact is reflected within the revenue monitoring reports.

Increased early intervention, greater working with children and families and a more flexible approach to alternative provision has resulted in fewer mainstream lower cost placements. This has also led to an increased average unit cost as existing and new placements have more complex and higher cost needs.

Supplementary Question

I do recognise that this is a difficult area, precisely because it is needs based and there is nothing you can do if a child with very complex needs comes along. However the agenda does suggest that you are going to have to have a growth bid for next year's budget for children's placements and I wondered what options you had still got under consideration for how you might contain costs while recognising that the needs are still high?

Supplementary Answer

For next year's budget we are budgeting for one extra placement and that will be on an average medium to high range of placement which would be at £209k per annum. All of the care plans are reviewed every month and the last review took place on 7 October so I hope that gives you some further information.

69.2 Lindsay Ferris asked the Executive Member for Regeneration and Communities the following question:

The terms for the letting of the lease to the cinema operator on the Elms Field site in Item 75 and the terms for the letting of the lease to the supermarket on Elms Field in Item 76 both include figures for rent. What work has been done to make sure that the rent levels are sustainable in the long term in a smallish market town like Wokingham?

Answer

The Elms Field scheme has been developing in its current format for nearly two years now and we have been working in conjunction with our development partners, Wilson Bowden Developments, who are specialists in retail led mixed use schemes. Specifically in regard to retail, Strutt and Parker, the leading national retail agents, have been employed to provide retail advice and to market the commercial elements of the scheme.

In defining 'sustainable' it is assumed to be rent levels that have been market tested and able to be applied over a period of time.

Both the leases referred to have been identified as 'pre-let units' i.e. those that we would seek to contract with prior to the construction of the development. As well as demonstrating a confidence in the scheme, they also de-risk the project by obtaining commitment prior to development and send a strong message to the market about confidence in Wokingham.

Prior to starting negotiations and again immediately before contractual commitment, credit checks are made on these companies, using 'Creditsafe' to ensure they are financially robust. Current ratings identify these companies as 'Good' and 'Very Good'.

The proposed lease to the cinema operator is 25 years and to the foodstore operator is 20 years, both representing long terms and demonstrating their confidence in, and their commitment to, Wokingham and I might add as an aside that even last evening I was approached by a fourth cinema operator wanting to come to Wokingham. So that shows that there is interest in Wokingham. The rents being discussed, together with the term of the lease, are part of a much wider negotiation with each prospective tenant who will have carried out their own research into a whole host of issues including the locations in which they want to operate, the unit requirements, and the rent payable. Once agreed and signed, the agreements with the respective tenants will form a binding commitment from each party to the agreement, and thus demonstrate that the rents are sustainable over the period of the lease.

Supplementary Question

Because Councillor Ferris's supplementary question might stray into areas which could relate to Part 2 information he agreed to ask his question outside the meeting.

70. COUNCIL OWNED COMPANIES' BUSINESS

(Councillors Pauline Jorgensen and Anthony Pollock declared personal interests in this item)

The Executive considered a report relating to an update on the operational position for the period to 31 September 2015 and the budget monitoring position for the period ending 31 August 2015.

The Leader of Council highlighted a number of areas in the report including that fact that following a Care Quality Commission inspection Suffolk Lodge residential home had received an overall rating of 'good'. Councillor Baker also reported on changes in personnel in Optalis which included the appointment of Metta Le Jakobsen as Managing Director and Sanjay Gandhi as Finance Director. He thanked Paul Steadman, the previous Finance Director, for all his hard work which had been a major contributor to the success of Optalis.

With regard to Wokingham Housing Ltd (WHL) Members were informed that the Phoenix Avenue project was progressing well and the successful contractor would be on site in November 2015. In addition the Fosters Extra Care Home project had now received nine returns from interested parties and WHL were about to go back to those contractors that had met the pre-qualification questionnaire criteria.

Councillor Baker also reported that Loddon Homes had submitted their registration documents, to become a for-profit registered provider, to the HCA and a new director, Lionel Haynes, had been appointed to the Loddon Homes Board.

RESOLVED that:

- 1) the budget monitoring position for the month ending 31 August 2015 be noted;
- 2) the operational update for the period to 31 September 2015 be noted.

71. REVENUE MONITORING 2015/16 - END OF SEPTEMBER 2015

The Executive considered a report setting out the forecast outturn position of the revenue budget and the level of forecast balances of the General Fund, Housing Revenue Account, Schools Block and the Authority's investment portfolio as well as requests for supplementary estimates for Children's Services and Health and Wellbeing.

The Executive Member for Economic Development and Finance went through the report and highlighted some of the pressures that had led to the variances which included: a grant that was expected but which was subsequently withdrawn after the budget was agreed; a reduction in healthcare funding; a rise in residential placements; and an increase in homelessness in the Borough. As a result of these pressures supplementary estimates for Children's Services and Health and Wellbeing areas were being requested.

With regard to the request for a supplementary estimate for Children's Services Councillor Haitham Taylor highlighted the importance of the Multi-Agency Safeguarding Hub (MASH) as an important aspect of children's safeguarding. By bringing all partners together in one place allowed intelligence to be shared and thereby better inform initial safeguarding decisions. This would contribute to much better outcomes for children and young people in the Borough.

RESOLVED that:

- 1) the forecast outturn position of the revenue budget and the level of forecast balances in respect of the General Fund, Housing Revenue Account, Schools' Block and the Authority's investment portfolio be noted;
- 2) Supplementary Estimates for Children's Services in the sum of £50,000 and Health and Wellbeing in the sum of £300,000 be approved.

72. CAPITAL MONITORING 2015/16 - END OF SEPTEMBER 2015

The Executive considered a report setting out the current position of the Capital budget and requesting the allocation of s106 money to a number of currently approved projects.

The Executive Member for Economic Development and Finance informed the meeting that the Capital budget was on track and was only showing a slight variance of £14k; which in an overall budget of £1.7m was very small. Councillor Pollock highlighted that the Council still had around £70m in investments which supports a large amount of the capital programme.

The Executive Member for Planning and Highways clarified that although it appeared that the Council was substantially underspending on roads this was not actually the case. Because of the closure of the A327 it was decided to pull the work that was due to be undertaken on the barriers and this had the effect of pushing £1.5m worth of work into next year. Also because a grant had been received for street lighting this had the effect of reducing that budget by about £8m and work had been delayed until confirmation of the grant was received.

The list of currently approved projects that required the allocation of s106 monies, as set out in Appendix B, was noted.

RESOLVED that:

- 1) the Capital Monitoring report for 2nd quarter of 2015/16, as set out in Appendix A to the report, be noted;
- 2) the allocation of s106 to currently approved projects, as listed in Appendix B to the report, which will reduce borrowing costs by £395,014.73 (plus indexation to be calculated) be approved.

73. EXTENSION TO TERM MAINTENANCE CONTRACT

The Executive considered a report proposing an extension of no more than 12 months of the Term Maintenance Contract. This contract provides the Council's response to reactive maintenance needs across its estate eg offices and schools.

Members were advised by the Executive Member for Regeneration and Communities that following agreement to set up an Operational Property Shared Service with the Royal Borough of Windsor and Maidenhead (RBWM) the opportunity was being taken to consider aligning both authorities' Term Maintenance Contracts. The RBWM contract was not due to expire until the end of May 2016, which was after the expiry date of the Wokingham contract, therefore the proposal was to extend the Wokingham contract for no more than 12 months. This would ensure that savings from the existing contract could be maintained and would afford the opportunity to negotiate a joint contract next year.

RESOLVED: That an extension of the Term Maintenance Contract for no more than 12 months be agreed.

74. OFFICER SCHEME OF DELEGATION

The Executive considered a report proposing a revised Officer Scheme of Delegation. Most of the delegations included in the Scheme related primarily to matters which were functions of the Executive and therefore best practice states that the Executive should be approving these delegations prior to full Council adoption for inclusion in the Constitution.

Members noted that the revised Officer Scheme of Delegation had been considered and agreed by the Constitution Review Working Group.

RESOLVED that: revised Sections 11.2 and 11.3 of the Constitution, as set out in Appendix A to the report, be recommended to Council for adoption and inclusion in the Council's Constitution.

75. NEW LEASE TO A CINEMA OPERATOR ON ELMS FIELD SITE

The Executive considered a report outlining a proposal to agree a new lease to a cinema operator on the Elms Field Site.

The Executive Member for Regeneration and Communities reported that a cinema in Wokingham Town Centre was one of the facilities that residents had asked for and that the proposal would deliver a three screen boutique cinema that would not just show films but live performances as well, in conjunction with other events.

Councillor Mirfin informed Members that the Council was in the process of holding a number of meetings with stakeholders about the Elms Field site and hopefully the planning application for the site would be submitted by the end of November. As part of this operation the Council had sought to secure leases for some of the primary areas on the

site and already agreements had been reached with Premier Inn for a hotel to be built at the bottom of Elms Field.

Members were pleased to note that the pre-contract lease that was being proposed with the contractor was for a minimum of 25 years which was very good given that currently the average lease term that was being secured across the country, particularly in the retail environment, was just over 5 years.

Councillor Jorgensen requested that any agreement would have some form of inflation clause built in. Councillor Kaiser also wanted to ensure that that if the operator ever decided to pull out or something happened during the lease term that the cinema would revert back to the Council rather than the operator being able to hand it over to another operator.

RESOLVED That:

- 1) a pre-let with the operator identified within Part 2 of the report be agreed;
- 2) any further related and subsidiary decisions, if required to complete the transaction, be delegated to the Chief Executive in conjunction with the Leader and Executive Member for Regeneration and Communities.

76. NEW LEASE TO A FOODSTORE OPERATOR ON ELMS FIELD SITE

The Executive considered a report setting out a proposal to provide a new lease to a foodstore operator on the Elms Field Site.

The Executive Member for Regeneration and Communities informed the meeting that following a review of the marketplace it had become clear from undertaking this exercise that a large foodstore, as was previously envisaged, was not required in the current climate. Several operators had come forward and following negotiations an operator had been identified who was keen to trade in Wokingham and would require a 20 year lease with the option of an additional 20 years.

Councillor Mirfin further advised that the combined value of the hotel, cinema and foodstore leases, with a further potential restaurant in Elms Field, would amount to approximately 72% pre-lets prior to any construction commencing.

Members were pleased with the lease arrangements and praised the Officers who had negotiated these agreements and particularly the way the negotiations had been handled.

RESOLVED That:

- 1) a pre-let with the operator identified within Part 2 of the report be agreed;
- 2) any further related and subsidiary decisions, if required to complete the transaction, be delegated to the Chief Executive in conjunction with the Leader and Executive Member for Regeneration and Communities.