



# WOKINGHAM BOROUGH COUNCIL

A Meeting of the **EXECUTIVE** will be held in David Hicks 1 - Civic Offices, Shute End, Wokingham RG40 1BN on **THURSDAY 27 JULY 2017 AT 7.30 PM**

A handwritten signature in black ink, appearing to read 'Andy Couldrick', written in a cursive style.

Andy Couldrick  
Chief Executive  
Published on 19 July 2017

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

Charlotte Haitham Taylor	Leader of the Council
David Lee	Deputy Leader and Strategic Highways and Planning
Julian McGhee-Sumner	Adults' Services, Health, Wellbeing and Housing
Stuart Munro	Business and Economic Development and Regeneration
Mark Ashwell	Children's Services
Norman Jorgensen	Environment, Sports, Environmental Health, Leisure and Libraries
Oliver Whittle	Finance, 21st Century Council, Internal Services and Human Resources
Chris Bowring	Highways and Transport
Simon Weeks	Planning and Enforcement

ITEM NO.	WARD	SUBJECT	PAGE NO.
23.		<p><b>APOLOGIES</b> To receive any apologies for absence</p>	
24.		<p><b>MINUTES OF PREVIOUS MEETING</b> To confirm the Minutes of the Meeting held on 29 June 2017.</p>	7 - 20
25.		<p><b>DECLARATION OF INTEREST</b> To receive any declarations of interest</p>	
26.		<p><b>PUBLIC QUESTION TIME</b> To answer any public questions</p> <p>A period of 30 minutes will be allowed for members of the public to ask questions submitted under notice.</p> <p>The Council welcomes questions from members of the public about the work of the Executive</p> <p>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 <a href="http://www.wokingham.gov.uk/publicquestions">www.wokingham.gov.uk/publicquestions</a></p>	
26.1	None Specific	<p>Kevin Morgan has asked the Executive Member for Children's Services the following question:</p> <p><b>Question</b> Can an update be provided on the plans for before and after school childcare from September for the academic year 2017/18? Many local parents are very concerned about the growing need for these services</p>	

26.2 Wescott

and the current lack of capacity.  
Keith Malvern has asked the Executive Member for Environment the following question:

**Question**

I have emailed you twice to ask about the decision making around the proposed relocation of Wokingham library but am asking this question as I have had no response.

In considering this issue did you look at the Impact Assessment that has a plan that fails to show the full location of the existing library and adjacent parking? In the Relocation Engagement feedback there were no comments supporting the move and no responses were made to customers who criticised the move.

To a comment about there being existing plans for the current library site to be sold for residential purposes there is no response.

How can any rational decision be made with these questions unanswered?

27.

**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

27.1 None Specific

Gary Cowan asked the Executive Member for Strategic Highways and Planning the following question:

**Question**

Following your presentation at Overview and Scrutiny on the 11th of July of the Local Plan update Flow Chart which I thought was very helpful as was the slide presentation by John Spurling. Slide 24 stated the following

1. **Interim Measure:** Release reserve sites and encourage sustainable proposals which meet our objectives.
2. **Medium Term:** Progress Local Plan Update (through Options Development) addressing the delivery and engagement concerns of residents.

How will you ensure that residents, Parish/Town Councils and Ward Members are kept fully engaged in

27.2 None Specific the process?  
 Angus Ross has asked the Executive Member for Environment the following question:

**Question**

In view of a recent fire where solar panels caught light on a new block of flats in East London this month, can the Executive Member for Environment, Sports, Environmental Health, Leisure and Libraries confirm that the Fire Risks posed by solar panels, as fitted to a number of schools and buildings owned by WBC, will be investigated after international warnings over the panels' flammability? This will include checks that they meet the latest safety standards.

27.3 None Specific Rachelle Shepherd-DuBey has asked the Leader of the Council the following question:

**Question**

Will the Executive guarantee that councillors will have a choice of retaining their IT allowance and providing their own IT equipment if they wish rather than forcing them to burden the rate payers with additional costs to pay for broadband and laptops or tablets maintained and provided by the Council?

27.4 Norreys; Wescott Imogen Shepherd-DuBey has asked the Executive Member for Highways and Transport the following question:

**Question**

The Bus stops in Broad St, in Wokingham have extremely low, shallow kerbs and do not have the raised kerbs that are required by disability groups. This means that there are many people with mobility problems that cannot use bus services to get into town. There are many kessel kerbs being installed around Wokingham, but not in the most important place, that being Broad St in the centre of town or anywhere close enough to be of use.

When are we likely to see Kessel kerbs being installed in Wokingham Town Centre?

**MATTERS FOR CONSIDERATION**

28.	None Specific	<b>REVENUE MONITORING 2017/18 - Q1 JUNE 2017</b>	<b>21 - 30</b>
29.	None Specific	<b>CAPITAL MONITORING 2017/18 - END OF JUNE 2017</b>	<b>31 - 36</b>
30.	None Specific	<b>TREASURY MANAGEMENT OUTTURN REPORT 2016/17</b>	<b>37 - 66</b>

<b>31.</b>	None Specific	<b>LOCAL PLAN UPDATE (LPU) OPTIONS DEVELOPMENT</b>	<b>67 - 94</b>
<b>32.</b>	None Specific	<b>HOUSING LAND SUPPLY AND RESERVE SITES</b>	<b>95 - 104</b>
<b>33.</b>	None Specific	<b>WOKINGHAM BOROUGH SECONDARY STRATEGY 2017</b>	<b>105 - 138</b>
<b>34.</b>	None Specific	<b>HEALTH AND SAFETY ANNUAL REPORT 2016/17</b>	<b>139 - 148</b>
<b>35.</b>	Wescott	<b>PEACH PLACE RESIDENTIAL</b>	<b>149 - 158</b>

### **EXCLUSION OF THE PRESS AND PUBLIC**

The Executive may exclude the press and public in order to discuss the Part 2 sheets of Agenda Item 35 above and to do so it must pass a resolution in the following terms:

That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act (as amended) as appropriate.

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.

### **CONTACT OFFICER**

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**MINUTES OF A MEETING OF  
THE EXECUTIVE  
HELD ON 29 JUNE 2017 FROM 7.30 PM TO 8.25 PM**

**Committee Members Present**

Councillors: Charlotte Haitham Taylor (Chairman), David Lee, Mark Ashwell, Chris Bowring, Norman Jorgensen, Julian McGhee-Sumner, Stuart Munro, Simon Weeks and Oliver Whittle

**Other Councillors Present**

Prue Bray  
Gary Cowan  
Lindsay Ferris  
Michael Firmager  
Pauline Jorgensen  
Malcolm Richards  
Beth Rowland  
Imogen Shepherd-DuBey  
Rachelle Shepherd-DuBey

**14. APOLOGIES**

There were no apologies for absence received.

**15. MINUTES OF PREVIOUS MEETING**

The Minutes of the meeting of the Committee held on 25 May 2017 were confirmed as a correct record and signed by the Chairman.

**16. DECLARATION OF INTEREST**

Councillor Norman Jorgensen declared a personal interest in Agenda Item 18 Shareholders' Report by virtue of the fact that he was a paid Non-Executive Director of WBC Holdings Ltd for part of the period reported and his wife was now a paid Non-Executive Director of WBC Holdings Ltd. Councillor Jorgensen remained in the meeting during discussions and voted on the matter.

Councillor Simon Weeks declared a personal interest in Agenda Item 18 Shareholders' Report by virtue of the fact that he was a paid Non-Executive Director of the Optalis Group for part of the period reported. Councillor Weeks remained in the meeting during discussions and voted on the matter.

Councillors David Lee and Stuart Munro declared personal interests in Agenda Item 18 Shareholders' Report by virtue of the fact that they were paid Non-Executive Directors of WBC Holdings Ltd. Councillor Lee and Munro remained in the meeting during discussions and voted on the matter.

**17. PUBLIC QUESTION TIME**

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

There were no public questions submitted.

## **18. MEMBER QUESTION TIME**

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

### **18.1 Charles Margetts had asked the Executive Member for Planning and Enforcement the following question but as he was unable to attend the meeting the following written answer was provided:**

#### **Question**

The Executive Member will be aware of various planning applications across the Borough from speculative developers. In some cases the applications relate to sites outside the settlement boundary, with limited public transport links, a limited level of local services and which are accessed via roads which are heavily congested at rush hour. Can the Executive Member clarify the general criteria which WBC looks at when considering new housing development?

#### **Answer**

The planning system is plan-led and we must determine applications in accordance with the development plan (Core Strategy and Managing Development Delivery Development Plan Document), unless material considerations indicate otherwise. Our Development Plan defends the Borough from inappropriate development; however, where we are thought to have less than a 5 year housing land supply a presumption in favour of development is given weight by Planning Inspectors. Up until this year our housing land supply has been underpinned by the Core Strategy 2006. Developers have however not built houses quickly and the Government has re-written how housing land supply is formulated. We have come under attack by speculative developers arguing that our housing need (856pa) should be increased, based on affordability and that our supply estimates should be reduced based on delivery constraints. Further pressure is also coming from:

- Appeal decisions (Stanbury House 862/890pa), (Park Lane 894pa);
- Current appeals at Barkham Road 950pa argued;
- the University of Reading's LPU submissions, estimated 1120pa; and
- the Housing White Paper standard formula for assessing housing need.

Going forward, our housing need figure is likely to continue to be viewed as a starting point unless the Local Plan Update adopts a fresh and robustly tested housing need number. It is clear that Inspectors are siding with the appellant in any '*on balance*' cases as this approach has already been successful. Our best defence in the longer term is to adopt the Local Plan Update and in the interim to aim at more planning consents to give us a 6 year housing land supply making it more risky for developers to appeal. It is planned to consider actions to address these concerns at the Executive meeting this evening.

### **18.2 Gary Cowan asked the Executive Member for Strategic Highways and Planning the following question:**

#### **Question**

With the Leadership change within the Conservative Administration which sees you now as the Executive Member responsible for Strategic Highways and Planning can you advise me if the existing various housing policies adopted by this Administration will have the continued support of the Administration.

I refer in particular to the following;

- The increase of the Core Strategy approved housing numbers from 661 to 856 without any public consultation to which Officers now say this is a minimum;
- The secret plan to build up to 15,000 houses at Grazeley; and
- finally continue to support the plan announced recently in Wokingham Town Hall to support Bracknell, Reading and West Berks should they have any housing shortfalls up to 2036.

### **Answer**

As I am sure you are aware we are required to use the most up to date housing assessment figures, and this has been confirmed by Government in various guidance, and that is the most recent and also the most recent planning appeals. GL Hearne carried out a revised housing needs assessment in October 2015 and we are now compelled to use that as the most up to date information that we have. As this is an objectively assessed piece of evidence the public consultation was not required and it is not something that we could have achieved anything by carrying out any public consultation on it.

We are forced, as I am sure you know, to accept these figures. We will challenge them but we are being constantly challenged at appeal and they keep pushing those figures up and those appeal inspectors are backing those people and still doing it. But we are not sitting back doing nothing we are challenging this.

### **Supplementary Question**

One of the concerns I do have is although I see leadership changes within the Administration two of the key architects of the above disastrous housing policies which I have listed in my original question, supported by the Conservative Group, one has to worry about the future for Wokingham's green fields.

If you look at Windsor and Maidenhead it has 53 Conservatives out of 57 Councillors yet they are in the same drive like us in support of the Hearne report housing numbers which has actually fractured that Council and its residents.

My supplementary question is how can our residents have any confidence at all in a Conservative Administration which is positively supportive of massive housing building on an epic and unimaginable scale that will lead to concreting over vast tracts of our green fields.

### **Supplementary Answer**

If I actually go back you had two other points in your original question so let me come back to that. The first one was the secret plan to build up to 15,000 houses at Grazeley. Grazeley was thought to have potential to be considered as a joint venture with neighbouring authorities to accommodate some of the housing requirement the Government is forcing us to accept; and that is Governments of all colours – Labour Government, coalition government of Conservative and Liberal and the Conservative Government. They are all forcing us to accept housing. This site is not totally in the Borough and it is not designed that we are taking anybody else's housing; which I think the third part of your question comes on to. It was as many other projects considered in a confidential environment to understand if it could be of benefit in alleviating some of our housing pressures; exactly what you were saying about building on greenfield sites. I

totally agree with you on that and it is certainly not my objective. It is now a formally submitted site and is being assessed alongside the other some 200 sites.

Finally you talked about something announced and I am totally ignorant of this in Wokingham Town Hall to support Bracknell, Reading and West Berkshire should they have any shortfalls. This Authority has over many years complied with Government requirements to assess our housing need and accommodate such need within our boundaries. While we have a responsibility under law to work together with our neighbours as part of the duty to co-operate, it is not our intention to take on any further un-necessary housing in our Borough; especially as we are the highest within our housing area, which is the west of Berkshire. We have the highest number of houses that has been pushed on us at 856 which is 221 more than Bracknell which is just down the road.

I will not sit by and see this area concreted over and I know Gary that you will make sure that none of us do that but you have my assurance because we will be writing to Government and we are arranging meetings with them. This Authority has granted some 10,000 planning applications and the appeals that we fail on are because the Inspectors challenge the affordability. Affordability, as everybody knows, is all to do with delivery. If you have more houses being delivered the houses are cheaper. Well, 10,000 planning applications out there you have to ask yourself, and I hope the press pick this up, who is it who is holding back on the delivery. It is not Wokingham Borough Council it is the developers and if they actually built what they say they would build you would have cheaper houses in this area. However we are constantly losing at appeal and the Government have got to change their attitude and we are going to make sure that they are aware of our frustrations.

### **18.3 Pauline Jorgensen asked the Executive Member for Planning and Enforcement the following question:**

#### **Question**

What is the Executive Member doing to hold the developers to account for the appalling landscaping and completion of the Sibly Hall development in Earley?

#### **Answer**

It is true that the Council has struggled to get the developer Persimmon to honour its s106 legal obligations in a timely fashion at the Sibly Hall development and anecdotally we understand that we are not alone in having this problem.

WBC Officers and Earley Town Council have met on site with representatives of Persimmon on at least three occasions in the last couple of years and I have been in regular contact with senior management at Persimmon with a view to persuading them towards a satisfactory conclusion. On each occasion Persimmon have agreed but then failed to fully implement a programme of outstanding agreed works. The current estimated date for completion of all works is at the end of June 2017 and should Persimmon again miss this deadline then the Council will have no option but to pursue a legal remedy.

#### **Supplementary Question**

That is good news on behalf of the residents particularly. This has now been going on for two years I think. It is completely unsatisfactory both for the residents who have moved into really nice new houses and found that the landscaping work has not been completed and also for the residents in the area that lived there before who have found that the roads are still not repaired and the whole thing is looking an eyesore.

I went round this morning and took some more pictures which I would be happy to show you which show that the promised reseeding and weed killing does not seem to be very effective. I got John Redwood involved in November last year to help and he wrote to Persimmon and at that point they were promising that everything would be resolved shortly. I have got the letter and I would be happy to give you a copy.

I would be very keen to see this fixed and I am very pleased to hear your reassurances. I actually talked to the Town Council this morning and they have still got a list that requires doing and they don't sound to me like the sort of things that will be done by tomorrow but we can remain hopeful.

### **Supplementary Answer**

It is disappointing that one or two national developers appear to have such disregard for agreed planning conditions often to the detriment as you say not just of the existing residents in the area but also to the purchasers of the new housing. So as indicated in my initial answer we will be pursuing an appropriate legal remedy.

### **18.4 Lindsay Ferris asked the Executive Member for Environment the following question:**

#### **Question**

In response to the terrible fire in North Kensington, has anyone in WBC clarified the status of all fire related issues in WBC owned buildings including working Fire/Smoke Alarms and Sprinkler Systems installed or retro fitted wherever recommended and whether the same cladding has been used on any building in the Borough as in Grenfell Tower.

#### **Answer**

First, I would like to give my condolences to the families of those killed and best wishes to those affected by the fire. Clearly it was quite a tragedy.

To answer your specific question, yes we have been reviewing the fire safety status of our buildings.

For the corporate portfolio which includes education, I can confirm the following.

- Buildings where we have a duty to provide a Fire Risk Assessment in accordance with the Regulatory Order are fully compliant;
- All the maintained Schools have been resurveyed this year and are being assessed for any works that are required;
- All corporate buildings were Fire Risk Assessed last year and of the three sites identified as moderate risk we have completed the necessary works to lower them to tolerable levels i.e. low risk;
- As part of the Council's policy all new educational properties that have been completed since 2012 have installed sprinklers. These include Waingels, Bulmershe, St Crispins, Charvil Primary, Wheatfield Primary, Windmill Primary and the new Arborfield School;
- Our buildings are not high rise and there are none over five storeys.

Moving on to cladding:

- Two new buildings have been constructed recently with cladding, Shinfield Infants hall and the new Bulmershe admin block. Both sites have used Marley Equitone

- Natura cement fibreboard rain screen cladding and they are only single storey in height. This product has a class 0 flame spread certification and is not insulating;
- Windmill and Wheatfield Primary Schools which are both academies are clad with Dura cladding plastic composite decorative planks with a fire rating to Euro Class Dfl-S1. Both are single storey and have multiple escape routes and sprinkler protection. This cladding meets building regulation, has been assessed, and Officers are not recommending any further action or testing of the cladding.

Looking at properties under construction by our Housing Companies next:

- There are two schemes under construction for Loddon Homes – Fosters Extra Care scheme and 52 Reading Road. These both include a sprinkler system within the designs and as part of the build specification due to the more vulnerable nature of the future tenants of both schemes;
- The apartment blocks at Phoenix Avenue under construction for Berry Brook Homes are of traditional brick construction with no sprinkler system. They will meet all fire safety requirements and will have to satisfy Fire Safety Officer checks and assessments prior to them being let.

In relation to the Town Centre Regeneration:

- No properties will be higher than five storeys;
- All our properties have been designed and will be built in compliance with Building Regulations and the relevant Fire Regulations;
- Up to date Fire Risk Assessments are in place where they are required.

The shocking tragedy of the Grenfell Tower fire provides an important reminder to us all that we cannot be complacent with regard to the security and safety of our buildings and accommodation. Although our records show we are diligent in fire risk assessments and that we are a relatively low risk in terms of the nature of our buildings, we must continue our efforts to keep our residents safe.

This is a summary of a response there is a more detailed response available if you wish.

### **Supplementary Question**

It might be in the full detailed response but could you just clarify that when you said the Fire Risk Assessment in the early part of your answer was that recent or was that last year? I just wanted to check that because my concern there is that the fire assessments were done in lots of places around the country and it has been found not to be quite right. So if you are saying that it was something that was done in 2014, 15 or 16 then I am looking for anything that we have done in the last few weeks.

In addition to the cladding serious concerns have been raised about the thermal insulation used. The most common thermal insulation used is Polyisocyanurate; known as PIR. This unfortunately has now been found to have problems both as a fire hazard and as a source of toxic products; in particular hydrogen cyanide. Has Wokingham Borough Council ascertained whether there are any buildings in Wokingham Borough which have used PIR?

### **Supplementary Answer**

I will check more thoroughly on that just to give you a 100% assurance on that. My understanding is that from the checks that we have undertaken so far we haven't identified any buildings but I will get back to you with a full response on that.

### **18.5 Prue Bray asked the Executive Member for Environment the following question:**

#### **Question**

Last year, the introduction of the new grass-cutting contract led to a large number of complaints and a lot of time and effort was expended by Councillors, residents and Officers sorting them out. Could the Executive Member please explain why the same problems are recurring with respect to some of the same areas of grass this year?

#### **Answer**

It is certainly true that we had problems during the early months of the Grounds Maintenance Contract in 2016 and these were explained at the time last year. However, last year those problems were generally dealt with by mid-July.

It is difficult to predict weather patterns and hence how things will grow. That is why we introduced an 'outcomes' based contract so that our contractor can be more flexible in responding to different weather patterns.

The 2017 cutting season started well in early March with the first cut being completed within four weeks. The second and third cuts started well but were disrupted by rain which saw the time for the second and third cuts fall behind by approximately two weeks.

ISS, our contractor, has mobilised an additional crew and they have almost caught up and expect the third cut to be completed by the end of June. They will then immediately start the fourth cut at the start of July and continue grass cutting during the growing period up to October. On top of the resources dedicated to grass cutting we have also worked in partnership with ISS to deal with overgrown vegetation and sight lines thereby avoiding many of the complaints we had last year.

On the positive front we have had a number of compliments from those who complained last year commenting on the improvements. We have also had a significant amount of compliments on the wild flower areas and especially those undertaken by ISS on the Showcase roundabout on the A329.

We will be extending the wild flower areas once again in 2018 so please let us know if you would like to put forward any specific areas in your respective wards. ISS has also agreed to assist in community bulb planting and are going to be working with the Wokingham District Veteran Tree Association on self-set hedgerow trees and how to develop and protect hedgerows around Cantley.

### **Supplementary Question**

Obviously I am the Member for Winnersh so most of my experience is with Winnersh and I do know, however, that there are problems in other areas such as Arborfield, Earley and Twyford. The issue is not so much whether the cuts are delayed it is the larger areas of grass which are not being cut in exactly the same way as they were not cut last year and we resolved to sort out which bits would be cut and which bits wouldn't but they have not cut the same bits they didn't cut last year. I could give you a whole list of roads starting with Allnatt Avenue and ending with Woodward Close in Winnersh where we need to

define more clearly how the larger areas should be kept because they are just not cutting them. They are leaving areas for informal play but you can lose your football in them because small children cannot see over the top of the grass and I am not really exaggerating very much.

So could you please try and sort out those larger areas of grass and get a plan for next year so that we know what they should look like. We don't mind if the cuts are delayed by rain but we do want them to be cut and not just left.

### **Supplementary Answer**

I will take that away. Clearly the idea of this was to let places like verges grow so that the plants and wildlife can thrive but the flipside of that was that the play areas would be cut as often as is required. So yes we need to be clear what has to be cut and at what frequency.

### **18.6 Rachele Shepherd-DuBey asked the Leader of Council the following question:**

#### **Question**

Shouldn't Councillors who go to functions for the WBC pay the difference between what we are allowed for reimbursement and the actual cost of the hotel?

#### **Answer**

The Members' Allowances Scheme, which is contained within the Council's Constitution, states that Members attending a conference may claim a "reasonable cost of overnight accommodation (e.g. 3\* star hotel)". This is in line with the Officers' accommodation expenses scheme. However, when anyone makes a choice about overnight accommodation for conferences they need to think about more than just cost. We need to think about convenience, closeness to the conference centre, where attendees attend the event organisers might gather for example, and the safety of being in an unfamiliar place particularly at night-time

I happen to prefer the previous arrangement used by the Council, where there was an upper limit on the amount Members and Officers can claim for conferences. We could ask the Constitution Review Working Group to look at this and put the system back into the Members' Allowances Scheme and the Officers' Scheme if Members felt that was correct and make new changes. A scheme perhaps would need to reflect the fact that prices in city centres would be higher than in less urbanised areas or for example in university campuses where I have been to a number of different conferences. For example a 3\* hotel in Manchester may be significantly more expensive than a 4\* hotel, for example, in Bournemouth. On top of this hotels are known to increase their prices for large conferences so this would also need to be taken into account.

What we do not want is a scheme that stops Members or Officers being able to attend conferences because they are unable to claim for suitable, sensible and safe accommodation when they travel on Council business.

### **Supplementary Question**

Since governors are expected to pay £1 every time they come for training for parking in the car park out here this is something they volunteer for. We are saying that we can spend more money on hotels, £149 possibly more than the allowance would be per night, and this could represent almost 900 governor visits. I would ask you at least if you were preparing not to do this could you give governors a special thing that says "we are

governors here for this meeting xxx date and we won't be paying for the parking this time", please?

### **Supplementary Answer**

I think this has been raised before and a number of people come here for a number of different reasons to visit the Council offices and it was voted through to charge for car parking in the evening. We could look at it again but the question is who you charge for and who you do not and there will always be a group of people that will be particularly unhappy about being charged for or not being charged for. I can take that away to look at in terms of those who are volunteering their time but equally you could say that our Members who are coming here in the evening are also volunteering their time and the question would then be would they be charged as well. So that I would also put back to you as well.

### **18.7 Beth Rowland asked the Executive Member for Business and Economic Development and Regeneration the following question:**

#### **Question**

In the Executive papers before you tonight you are being asked to agree to spend a further considerable amount of money purchasing property for the regeneration of Wokingham Town Centre.

The residents of Woodley along with others in the whole Borough are picking up the bill for a huge amount of borrowing to spend on one of the three towns in the Borough.

When can Woodley residents expect the same treatment – that is around £138 million being spent on Woodley Town Centre?

#### **Answer**

Later on this evening there is a proposal for a further acquisition in the town centre. As is set out in that paper it is an opportunity that has arisen and has been assessed in terms of the benefit to WBC as a whole; not only is it a good financial deal for WBC but it also adds benefits to the regeneration of the town by its adjacency to one of our current sites.

The regeneration of Wokingham is identified within the adopted Core Strategy and it also forms part of our Vision. Inside all our agendas if you look at the fourth point down in our Vision it says "Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth" and this is one of our core visions.

In terms of the total cost of the regeneration scheme, and I will come back to answer your question in a second, based on the cash flow developed in April this year, it is expected to generate £3.5 million per annum financial contribution in 2022 to 2023 when the whole scheme is complete and fully income producing. This figure is after meeting the cost of interest on the borrowing; at 2.8% interest per annum, the current PWLB rate that has been secured. This potentially rises to £4.4m income after the debt is fully repaid; currently estimated to be financial year 2029/30.

This surplus is for the benefit of all our residents, including those who live in Woodley. Not only are we regenerating the town of Wokingham, providing additional homes, local employment and creating a great place to shop, it also makes a significant financial contribution for the benefit of all the residents across the whole of the Borough.

We will continue to evaluate other opportunities that make sense when they present themselves and make financial sense across the Borough. So it is for the whole of the Borough not just for the Wokingham residents.

### **Supplementary Question**

I have lived in Woodley for about 40 years and been a Member of this Council for well over 20 years and a few years ago the Conservative Administration sold off the premises that they owned in Woodley. They sold the Woodley silver and took the cash then.

The imbalance of spending in this Borough, between Wokingham and Woodley and the other towns and villages, is clearly not fair. The Authority needs to be less Wokingham centric. I would like you to assure us that all future spending will be fair and equitable in the Borough and I am very sad that not I, or many of my residents, will live long enough to see any work done in Woodley town centre that repays them for what they have paid for Wokingham town centre.

### **Supplementary Answer**

I would just like to point out that my colleagues have reminded me that there are two extra care home facilities in Woodley and also there have been quite a lot of leisure developments in Woodley. I hear what you are saying. This was a process that we are starting across the Borough and I think my brief is to do town centres and villages throughout the Borough not just to concentrate on one place but we started with one place quite rightly.

The Leader of Council stated that every time we bring something here in terms of investment it is to generate income as well which can then be spent in other areas in the Borough. It can either be spent as investment or as revenue to then help our more vulnerable throughout the community. So it is not just limited to spend again in Wokingham; it can be spent throughout the whole of the Borough.

## **19. SHAREHOLDERS' REPORT**

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

The Executive considered a report setting out the budget monitoring position for the month ending 30 April 2017; the operational update for the period to 31 May 2017 of the Council Owned Companies and the changes to the senior leadership structure of Optalis Limited.

The Executive Member for Finance went through the report and provided background to the structure of the companies and the membership of the various Boards. Members were reminded that the Optalis Group was split out from WBC Holdings on 1 April 2017 following the formation of a partnership with the Royal Borough of Windsor and Maidenhead. It was noted that the Managing Director of Optalis had since resigned and a recruitment campaign for a successor would start in July. It was expected that this would provide a great opportunity to move the company forward and explore opportunities for new contracts and potentially find more clients.

Councillor Whittle advised the meeting that the financial information contained in the report only covered the first month of the financial year and no variations from budget were showing.

Councillor Lee highlighted that one of the ventures that both the Housing Company and Optalis were involved in was Fosters, the new extra care housing development at

Woodley. Members were pleased to note that a number of houses at Phoenix Avenue had recently been handed over and the people who had moved into these were very pleased with their new homes. The scheme would also be generating substantial income to the Council.

**RESOLVED** that:

- 1) the budget monitoring position for the month ending 30 April 2017 be noted;
- 2) the operational update for the period to 31 May 2017 be noted;
- 3) the changes to the senior leadership structure of Optalis Limited be noted.

## **20. MAP-BASED TRAFFIC REGULATION ORDERS (TROS) FORMAL CONSULTATION**

The Executive considered a report setting out the results of a consultation on proposals for a map-based Traffic Regulation Order (TRO) to replace the current system of text-based TROs.

The Executive Member for Highways and Transport advised that the report was concerned with the consultation which was conducted in April to prepare for the digitisation of existing traffic regulation orders in the Borough which pertained to parking. Councillor Bowring explained that currently TROs were held in paper form but it was proposed to update the way that TROs were dealt with to enable all the parking regulations to be placed on the Council's website in colour. Residents would be able to see precisely where the regulations applied and other information including times at which the regulations apply.

Councillor Bowring further stated that the opportunity would also be taken to look at the operation of parking permits with a view to providing a more flexible and easy to use service. It was noted that the digitisation process of TROs was also a prerequisite for the introduction of Civil Parking Enforcement (CPE) whereby the Council would take over the regulation of traffic from the police; which would provide the ability to improve road safety, manage traffic congestion in a better way and enforce parking regulations. It was also confirmed that CPE was likely to be introduced in the early part of October this year.

**RESOLVED** that:

- 1) the making of the Wokingham Borough Council (Various Roads, Wokingham Borough)(Stopping, Waiting, Loading and Unloading Prohibitions and Restrictions, Parking Places and Resident Permit Parking Places)(Map-Based) Order 2017 be approved;
- 2) Officers be authorised to inform respondents of the results of the consultation.

## **21. BUS SERVICES IN WOODLEY AND EARLEY**

The Executive considered a report setting out options for the provision of the 19a and 19c bus routes; the contract for which was due to come to an end in September 2017.

The Executive Member for Highways and Transport advised the meeting that the 19a and 19c bus routes were services, including providing access to the Royal Berkshire Hospital and Reading town centre, which offered lifelines to some of the most deprived and vulnerable residents in the Woodley and Earley area. Due to rising costs Reading Buses

was now requiring a higher subsidy from the Council who were now having to look at not only the benefits to residents but the overall cost of providing such services.

Councillor Bowring advised that the previous contract had expired in May but following protracted negotiations the contract was extended until September 2017. An interim arrangement was now being considered to safeguard the valued service over the next 12 months. Members were advised that Option 4 was the preferred option as it best maintained the current service in terms of route and frequency of service for a reasonable cost to the Council.

Councillor Ashwell asked if consideration had been given to carrying out a review of all bus services supported by the Council and it was agreed that it was probably an opportune time to consider the Council's strategy, including ways of trying to get people to use their cars less and use public transport more.

Although supportive of the proposal Councillor Jorgensen felt that there was a need to look at the way services would be provided in the future and the routes that the buses followed. In particular there was a need to consider a more direct route for the 19a and 19c buses.

The Leader of Council gave thanks to the bus company for agreeing to let the Council place advertising on these buses and also for the partnership working.

**RESOLVED** that:

- 1) Option 4 be implemented as presented in the report that maintains for one year an hourly service on the existing 19a and 19c bus routes, whilst a new contract is put in place through a tender process;
- 2) options be explored to make the provision of these bus routes more financially sustainable through identifying alternative sources of funding;
- 3) a supplementary estimate for £35,225 for 17/18 be approved and the pressure of £8,958 growth for 18/19 be noted.

## **22. ACQUISITION OF PROPERTY (THE LODGE) DUE TO THE ARBORFIELD CROSS RELIEF ROAD**

The Executive considered a report proposing the purchase of the Lodge in Arborfield following a wish by the current owners to sell their property due in part to its immediate proximity to the approved alignment of the Arborfield Cross relief road and the impact it would have on them and their future plans.

The Executive Member for Strategic Highways and Planning informed the meeting that if people lived near a roadway such as this and it impacted on them they had a minimum of 12 months after the opening of the new road to claim compensation. Councillor Lee reminded the meeting that the Executive had adopted the Discretionary Land Acquisition Policy for Highway Works in March 2017 which enabled people who were directly affected in certain circumstances to apply for compensation before the road was built.

Members were keen that the property would be rented out at the earliest opportunity in order to achieve rental income that would over time mitigate the acquisition costs.

Following a query about when work on the relief road was due to start it was noted that it would take around a year to carry out all the surveys along the route and make sure that there was no ground water.

**RESOLVED** that the purchase of The Lodge be agreed in principal and Officers be authorised to undertake:

- 1) detailed negotiations with the property owners to establish a draft heads of terms for sale and proceed on acquiring the property;
- 2) the purchase of The Lodge is delegated to the Director of Corporate Services and Director of Customer and Locality Services in consultation with the Executive Members for Highways and Transport and Planning and Regeneration to proceed and make the discretionary purchase of The Lodge;
- 3) detailed discussions with Property Services to optimise the use of the asset whilst owned by the Council and minimise the impact on existing project budget as outlined in the Financial Implications Section.

### **23. A COMMERCIAL OPPORTUNITY TO ACQUIRE A WOKINGHAM TOWN CENTRE PROPERTY**

The Executive considered a report relating to a commercial opportunity to acquire a Wokingham Town Centre property.

The Executive Member for Business and Economic Development and Regeneration advised the meeting that the proposal was a great opportunity to acquire a property which was situated right in the middle of the town centre next to the Council's existing sites. This would enable economies of scale in terms of the ongoing management of the site; whilst generating a healthy revenue stream to fund vital services.

Councillor McGhee-Sumner wanted to ensure that an independent valuation would be sought from valuers not used previously to ensure that the Council was not overpaying for the asset.

**RESOLVED:** That the opportunity presented be taken and the acquisition of this key property within the town (as set out in the Part 2 report) be agreed, subject to the outcome of the due diligence process.

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# Agenda Item 28.

<b>TITLE</b>	<b>Revenue Monitoring 2017/18 – Q1 June 2017</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director Corporate Services
<b>LEAD MEMBER</b>	Oliver Whittle, Executive Member for Finance, 21st Century Council, Internal Services and Human Resources

## **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 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.
- 2) note the 17/18 carry forward requests are £0.

## **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 forecasting a net variance of £0, Housing Revenue Account a net variance of £0 and Schools Block an adverse variance of £385k.

## Background

### General Fund

The table below shows the expected forecast outturn for 2017/18 by Service. An explanation of the major budget variances are shown in Appendix A.

Service	End of Year Position	
	Current Approved Budget	Net over / (under) spend
	£,000	£,000
Chief Executive	3,828	0
Children's Services	33,187	0
Environment	37,383	0
Finance & Resources	10,339	0
Health & Wellbeing	45,612	0
<b>Net Expenditure Total</b>	<b>130,349</b>	<b>0</b>

The forecast represents a General Fund net variance of £0.

There are currently no material forecast variances.

General Fund balances as at 31 March 2018 are projected to be £9.16m. The Statement of General Fund balance is shown in Appendix C.

### Other Funds

#### **Housing Revenue Account forecast a net in-year variance of £0**

The indicative Housing Revenue Account (HRA) balance as at the 31st March 2018 is £4.05m. Shown in Appendix D.

#### **Schools Block forecast a net in-year variance of £385k**

The current forecast overspend of £385k has been reported to Schools Forum in July '17.

This is a result of new commitments from the high needs block for Oak and Northern house out of borough recoupment. Shown in Appendix E

#### **Investment Portfolio**

The authority's investment portfolio shows current investments of £63.5m being invested by the Council's External Fund Managers. Shown in Appendix F.

## 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 £130m	Yes	Revenue
Next Financial Year (Year 2)	To be determined	Yes	Revenue
Following Financial Year (Year 3)	To be determined	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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<b>Date</b> 17 July 2017	<b>Version No.</b> v2

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## REVENUE MONITORING REPORT June 2017

### GENERAL FUND SUMMARY

Service	End of Year Position			Comment on major areas of estimated over/underspend
	Current Approved Budget* £,000	Current Forecast £,000	Net over/(under) spend £,000	
Chief Executive	3,828	3,828	0	No material forecast variances expected.
Children's Services	33,187	33,187	0	No material forecast variances expected.
25 Environment	37,383	37,383	0	No material forecast variances expected.
Finance & Resources	10,339	10,339	0	No material forecast variances expected.
Health & Wellbeing	45,612	45,612	0	No material forecast variances expected.
<b>Revenue Expenditure Total</b>	<b>130,349</b>	<b>130,349</b>	<b>0</b>	

\* Note - Includes carry forward requests which were approved by Exec on 25th May 2017.

## REVENUE MONITORING REPORT June 2017

### GENERAL FUND - CARRY FORWARDS

	Carry Forwards £,000	Comments
Chief Executives	0	No carry forwards indentified at present.
Children's Services	0	No carry forwards indentified at present.
Environment	0	No carry forwards indentified at present.
Finance & Resources	0	No carry forwards indentified at present.
Health & Wellbeing	0	No carry forwards indentified at present.
<b>Carry Forwards Total</b>	<b>0</b>	

## REVENUE MONITORING REPORT June 2017

## STATEMENT OF GENERAL FUND BALANCE

	£,000	£,000
<b>General Fund Balance (as at 31/3/2017)</b>		<b>(10,036)</b>
<u>Supplementary Estimates</u>		
	0	
		<b>0</b>
<u>Carry Forwards from 2016/17</u>		
Chief Executive	129	
Children's Services	0	
Environment	630	
Finance & Resources	50	
Health & Wellbeing	69	
		<b>878</b>
<u>Service Variance (excluding 17/18 carry forwards requests)</u>		
Chief Executive	0	
Children's Services	0	
Environment	0	
Finance & Resources	0	
Health & Wellbeing	0	
		<b>0</b>
<b>General Fund Balance 31/3/2018 - Before Carry Forwards</b>		<b>(9,158)</b>

17/18 Carry Forward Request Total 0

**General Fund Balance 31/3/2018 - After Carry Forwards (9,158)**

## REVENUE MONITORING REPORT June 2017

## HOUSING REVENUE ACCOUNT SUMMARY

Service	End of year position			Comment on major areas of estimated over/underspend
	Current Approved Budget	Current Forecast	Net over/(under) spend	
	£,000	£,000	£,000	
Rents	(15,049)	(15,049)	0	No material forecast variances expected.
Fees & Charges / Capital Finance Charges	(27)	(27)	0	No material forecast variances expected.
Housing Repairs	2,707	2,707	0	No material forecast variances expected.
General Management	1,604	1,604	0	No material forecast variances expected.
28 Sheltered Accommodation	211	211	0	No material forecast variances expected.
Other Special Expenses	150	150	0	No material forecast variances expected.
Capital Finance	7,246	7,246	0	No material forecast variances expected.
<b>Subtotal excluding Internal and Capital Charges</b>	<b>(3,158)</b>	<b>(3,158)</b>	<b>0</b>	
Internal and Capital Charges	4,029	4,029	0	
<b>Total</b>	<b>872</b>	<b>872</b>	<b>0</b>	

HRA Reserves as at 31st March 2017

**(4,922)**

Net in-year planned spend

**872****Estimated HRA balance as at 31st March 2018****(4,050)**

## REVENUE MONITORING REPORT June 2017

## SCHOOLS BLOCK MONITORING REPORT

Service	End of year position			Comment on major areas of estimated over/underspend
	Current Approved Budget £,000	Current Forecast £,000	Net over/(under) spend £,000	
<b>Schools Block</b>				
Total Individual Schools Budgets, High needs & Early Years Allocations	118,878	119,263	385	The high need block is currently overspending due to new commitments for Oak and Northern house out of borough recoupment.
Total Central Expenditure	5,874	5,874	0	
<b>Total Schools Budget Expenditure</b>	<b>124,752</b>	<b>125,137</b>	<b>385</b>	
<b>Total Schools Block Funding Income</b>	<b>(123,397)</b>	<b>(123,397)</b>	<b>0</b>	
<b>Total in-year (surplus) / deficit</b>	<b>1,356</b>	<b>1,741</b>	<b>385</b>	
Brought Forward (surplus) / deficit balance	(1,356)	(1,356)	0	
<b>Total Year End (Surplus) / Deficit</b>	<b>(0)</b>	<b>385</b>	<b>385</b>	

## REVENUE MONITORING REPORT June 2017

## CURRENT INVESTMENT PORTFOLIO

Institutions	Amount	Rate	Date Deal made	Maturity Date	Trade Date	Broker
Leeds BS	2,000,000	0.43%	24/01/2017	24/07/2017	26/01/2017	Tradition
Leeds CC	5,000,000	0.35%	28/09/2016	01/09/2017	01/11/2016	Tradition
Blackburn Coucil	5,000,000	0.40%	15/06/2017	29/03/2018	15/06/2017	Tradition
Suffolk County Council	3,000,000	0.35%	06/10/2016	14/09/2017	06/10/2016	Tradition
Conwy County Borough Council	3,000,000	0.40%	03/11/2016	02/11/2017	30/11/2016	Tradition
London Borough of Enfield	4,000,000	0.40%	01/12/2016	28/11/2017	01/12/2016	Tradition
Lancashire CC	5,000,000	0.50%	04/05/2017	15/01/2018	04/05/2017	Tradition
East Lincolnshire Council	5,000,000	0.40%	20/02/2017	16/01/2018	20/04/2017	Sterling
North Ayrshire Council	5,000,000	0.40%	23/01/2017	22/01/2018	03/04/2017	Tradition
Barnsley BC	3,000,000	0.40%	27/02/2017	16/02/2018	16/05/2017	Sterling
Fife Council	5,000,000	0.52%	28/02/2017	27/02/2018	18/04/2017	Tradition
Islington Council	5,000,000	0.45%	03/04/2017	28/02/2018	02/05/2017	Tradition
Highland Council	5,000,000	0.45%	06/04/2017	21/03/2018	16/05/2017	Tradition
Thurrock Borough Council	5,000,000	0.47%	03/04/2017	29/03/2018	03/04/2017	Tradition
<b>Institutions Total</b>	<b>60,000,000</b>					

Daily Money Market Funds	Amount	Rate
Goldman sachs	3,500,000	Variable
<b>Money Market Funds Total</b>	<b>3,500,000</b>	

<b>Total Current Investments</b>	<b>63,500,000</b>
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# Agenda Item 29.

<b>TITLE</b>	<b>Capital Monitoring 2017/18 – End of June 2017</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director Finance and Resources
<b>LEAD MEMBER</b>	Oliver Whittle, Executive Member for Economic Development and Finance

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Effective use of our capital resources to meet service investment priorities, offering excellent value for resident's council tax.

## **RECOMMENDATION**

The Executive is asked to:

- 1) note the Capital Monitoring report for 1<sup>st</sup> quarter of 2017/18 as set out in Appendix A to the report;
- 2) approve and note that the overall value of the 2017/18 capital programme has increased due to the receipt of ring fenced capital grants and contribution, for:
  - (a) Schools Formula Devolved Capital grant of £11k.
  - (b) Home and Communities Agency, Platform for Life Programme (2015 – 2017) grant for £304k;
  - (c) Wokingham Town Centre – environmental improvements contribution from Wokingham Town Council to match fund project for up to £650k.

## **SUMMARY OF REPORT**

To consider the 2017/18 Capital Monitoring Report to the end of June 2017. Executive agreed to consider Capital Monitoring Reports on a quarterly basis. This report is to the end of the 1<sup>st</sup> quarter, and shows a nil variance forecast against budget.

## Background

The capital monitoring report to the end of June 2017 (Appendix A) is forecasting a nil variance against budget. The forecast variance has been arrived at by analysing the actual commitments to date and assessing how expenditure may continue to the end of the year based on the latest information available.

The current approved Capital Budget for year 1 is £124,044k following the implementation of a new methodology to increase the level of technical analysis being used to reassess the profiling of expenditure from budget and project managers. It is estimated that £124,044k will be spent this financial year. The remaining budget will be carried forward into 2018/19. The carry forward is estimated at £60,705k.

## 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. There is a forecast nil variance on the Capital Programme for the current financial year.

Uncommitted Capital balances are currently estimated to be £1.4m as at 30<sup>th</sup> June 2017 (prior to any announcement about funding cuts and on the assumption that the level of capital receipts will be achieved). The estimated capital receipts received for 2017-18 are expected to be £945k.

We have been notified of the following ring fenced capital grants and contribution to be received by the Council in 2017/18:-

Schools Devolved Formula Capital grant for £11k, being additional grant contribution to schools.

Home and Communities Agency for Platform for Life Programme (2015 – 2017) grant for £304k, specifically for supported housing unit for young people aged 16 to 24 years of age, relating to regeneration works at 52 Reading Road.

Wokingham Town Council contribution agreed to match fund the environmental improvements project in Wokingham Town Centre with the Council, for up to £650k.

These ring fenced grants and contributions are to be added to the capital programme, and must be spent in accordance with the specific activities required by the grant or contribution, or would otherwise need to be returned to the government, third party.

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## 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)	£124 million	Yes	Capital
Next Financial Year (Year 2)	£61 million	Yes	Capital
Following Financial Year (Year 3)	To be determined	Yes	Capital

<b>Other financial information relevant to the Recommendation/Decision</b>
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None
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<b>Cross-Council Implications</b>
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Budgets are clearly monitored and do not impact on other Council services and priorities
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<b>List of Background Papers</b>
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None
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<b>Date</b> 17 July 2017	<b>Version No.1</b>

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**Capital Summary Report to End of June 2017**

Service	Full Year Budget 2017/18 £000	Profile Year 1 £000	Profile Year 2 £000	Forecast Outturn 2017/18 £000	Proposed Carry Forward 2018/19 £000	Estimated (Under)/ Overspend £000	Total Works Complete £000	Comments
Chief Executive	38,680	22,114	16,566	22,114	0	0	4,662	<b>Explanations of year 2 profile:</b> £16.56m Town Centre Regeneration - Elms Field - Revised scheme, Designs are currently being considered on commercial and residential options and will be subject to a full tender.
Children's Services	29,463	22,410	7,053	22,410	0	0	4,669	<b>Explanations of year 2 profile:</b> £5.7m Basic Needs Primary - Additional Places (including £4.4m Matthews Green Sch - Reflects the timing of the delivery of host residential development, £1.3 other schemes - reflects the development timetables required to ensure schools can continue to operate safely and effectively while major works occur on their sites), £980k Special Education Needs (including £653k Southfield School Expansion - The delivery programme has been delayed due to the transition of the school from being a Maintained Community Special School to an Academy under the Northern House Multi- Academy Trust)
Environment	46,264	42,242	4,022	42,242	0	0	1,615	<b>Explanations of year 2 profile:</b> £1.1m Strategic Land Purchases – based on possible purchases in pipeline, £680k Wokingham Town Centre Regeneration Environmental Improvements – full scope & programme not yet agreed, £586k Highway Infrastructure Flood Alleviation Schemes - revised cost-effective A327 scheme re-programmed later in year with further design for works to continue into next year, £566k Matthews Green Sch/Community Centre - community facility built with school, assuming completion by Sep 2020, £407k Ryeish Green Sports Hub - reflects anticipated construction programme, £250k Library Offer – some elements dependant on service needs coming out of SDLs and the locality requirements of the 21CC model, £247k Superfast Broadband – Phase 3 contracts to be in place by June however works are unlikely begin until 17/18
Finance & Resources	19,183	4,472	14,711	4,472	0	0	389	<b>Explanations of year 2 profile:</b> £13.3m Affordable housing future schemes (to be allocated and approved in future years), £1m Central Contingency - due to overall programme slippage into year 2.
Health & Wellbeing	51,159	32,806	18,354	32,806	0	0	1,993	<b>Explanations of year 2 profile:</b> £11.3m Investment in Wokingham housing loan - Based on WHL's anticipated construction costs split by projects, £4.3m Bulmershe swimming pool/Leisure centre (New build) and £1.15m HRA Building programme at Tape Lane - both reflect anticipated construction programmes, £1.4m Nursing home - Scope to be determined.
<b>Grand Total</b>	<b>184,749</b>	<b>124,044</b>	<b>60,705</b>	<b>124,044</b>	<b>0</b>	<b>0</b>	<b>13,327</b>	

Please note when a negative number is shown in the Proposed Carry Forward this shows that the schemes expenditure has accelerated from the original profile of spend

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<b>TITLE</b>	<b>Treasury Management Outturn Report 2016-17</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director Corporate Services
<b>LEAD MEMBER</b>	Oliver Whittle, Executive Member for Finance

## **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 that this report was presented to the Audit Committee on 13 June 2017;
- 2) approve and recommend to Council:
  - (a) the Treasury Management Annual Report for 2016/17; and
  - (b) the actual 2016/17 prudential indicators within the report.

## **SUMMARY OF REPORT**

This report summarises the Treasury Management operations during 2016/17. It is presented for the purpose of monitoring and review, in accordance with Council's treasury management practices.

The Council adhered to all agreed prudential indicators in 2016/17.

As at 31<sup>st</sup> March 2017 the Council achieved an average investment return rate of 1.66%. In house team achieved an average external investment of 0.50% against the London Interbank Bid Rate (LIBID) for 2016/17 which was 0.20%.

The Council has taken 3 new loans out on the 31<sup>st</sup> March 2017 of £18m. These Public Works Loan Board (PWLB) loans were at a special rate (40 bases point lower than the standard PWLB rate) they will be used to fund capital expenditure in 2017/18. This was secured through work with the Local Enterprise Partnership. The Hosing revenue account repaid an external loan of £3.5m.

## Background

The Council operates a balanced budget, which broadly means cash raised during the Year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising Investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its Capital spending operations. This management of longer term cash may involve arranging long or short term loans or using longer term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

## Analysis of Issues

### External Debt

In 2016/17 the external general fund debt increased by £18m, the Council also took the opportunity to use internal funds and other sources to fund the capital programme. The Housing Revenue Account external debt decreased by £3.5m.

As at 31<sup>st</sup> March 2017 external debt was:

- General fund (Non- Housing Revenue Account): £65.8m
- Housing Revenue Account: £81.5m.

### Capital Expenditure year end outturn

As at 31<sup>st</sup> March 2017:

- General fund (Non- Housing Revenue Account): £72.0m
- Housing Revenue Account: £4.9m.

### Investment actual year end outturn

As at 31<sup>st</sup> March 2017:

- Returns on investments (external and internal companies): £1.3m compared to a budget of £1.2m

### Appendices

The full Treasury Mid-Year report for 2016/17  
The Council's Prudential indicators  
The Council's Loan Portfolio as at 31<sup>st</sup> March 2017  
The Council's Investments as at 31<sup>st</sup> March 2017  
Economic update  
A Glossary of Terms

Appendix A  
Appendix B  
Appendix C  
Appendix D  
Appendix E  
Appendix F

## 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)	£147.4m External Loans £1.3m Return on Investments	Yes	Capital and Revenue
Next Financial Year (Year 2)	To be determined through the Medium term financial plan		Capital and Revenue
Following Financial Year (Year 3)	N/A		

<b>Other financial information relevant to the Recommendation/Decision</b>
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None
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<b>Cross-Council Implications</b>
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None
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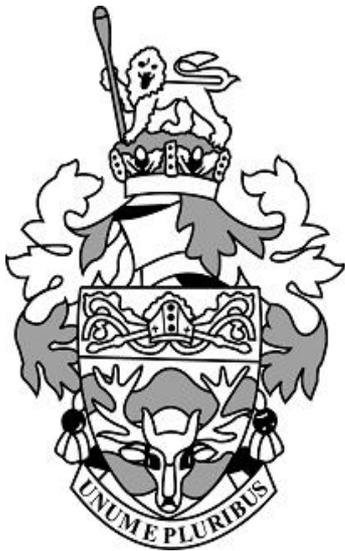
<b>List of Background Papers</b>
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None
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<b>Date</b> 17 July 2017	<b>Version No.</b> 1

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# WOKINGHAM BOROUGH COUNCIL



# WOKINGHAM BOROUGH COUNCIL

## Treasury Management Outturn Report 2016-17

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Economic review and update (Inc. Interest rates forecast)	Appendix E
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## 1. Introduction

This report presents the Council's treasury position for 2016/17 in accordance with the Council treasury management practices. This is a backward looking report reviewing performance to 31<sup>st</sup> March 2017.

The report provides a summary of the economic conditions affecting the Council's investment strategy over the last financial year. It then analyses the capital outturn which is a key driver of treasury management, driving the borrowing requirement of the organisation. It then shows how the Council has financed its borrowing between internal and external borrowing and then how the Council has managed its short-term cash investments.

The Council's treasury management strategy is largely influenced by capital expenditure. Revenue expenditure is largely balanced with expenditure matching income, and short term borrowing and deposits. The large driver of the longer term treasury management strategy is therefore capital expenditure and financing.

There are two aspects of treasury performance – debt management and cash investment:

- debt management relates to the Council's borrowing;
- Cash investment relates to the investment of surplus cash balances.

## 2. Economic Review

UK economic growth remained relatively strong at around 2% in the year to the 4<sup>th</sup> quarter of 2016/17. The Bank of England kept monetary policy on hold since the rate decrease to 0.25% in the summer and re-enforced its commitment to maintain interest rates the same and to continue it's the Quantitative Easing (QE) programme in February 2017 meeting . For a more detailed economic summary please look at Appendix E.

## 3. The Council's Capital Expenditure and Financing 2016/17

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- financed in year, immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need or;
- funded by borrowing (internal or external).

The actual capital expenditure forms one of the required prudential indicators. During August 2016 the Council under took an exercise to obtain more accurate forecasts of capital expenditure from budget managers. This provides the Council with a more realistic year end outturn giving the Council the opportunity to adjust its capital budget and related funding plans, tables 1 and 2 on the following page show the actual capital expenditure and the funding.

Table 1:

General fund capital expenditure and financing	2016/17 Budget £'000	2016/17 forecast outturn @ Sept £'000	2016/17 Outturn £'000
<b>Capital expenditure</b>			
Financed in year	63,710	33,685	27,168
Funded by borrowing (borrowing requirement)	81,495	50,945	44,858
<b>Total</b>	<b>145,205</b>	<b>84,630</b>	<b>72,026</b>

Table 2:

HRA capital expenditure and financing	2016/17 Budget £'000	2016/17 forecast outturn @ Sept £'000	2016/17 Outturn £'000
<b>Capital expenditure</b>			
Financed in year	7,853	5,909	4,857
Funded by borrowing (borrowing requirement)	0	0	0
<b>Total</b>	<b>7,853</b>	<b>5,909</b>	<b>4,857</b>

#### 4. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). It represents the 2016/17 capital expenditure financed by borrowing, and prior years' unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

The Council's general fund underlying borrowing need (CFR) is not allowed to rise indefinitely. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This ensures the general fund pays for the capital asset and is a proxy for depreciation. The total CFR can also be reduced by:

- The application of additional capital financing resources (such as unapplied capital receipts); or
- An additional revenue contribution to the statutory minimum revenue provision (MRP) each year through a Voluntary Revenue Provision (VRP).

This differs from the treasury management arrangements which relates to cash transfers. External debt can be borrowed or repaid at any time, but this does not change the CFR.

The Council's CFR forecast for 2016/17 year end is shown below, and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. However no borrowing is actually required against these schemes as a borrowing facility is included in the contract.

Table 3:

Capital financing requirement: General Fund	2016/17 Budget £'000	2016/17 forecast outturn @ Sept £'000	2016/17 Outturn £'000
<b>Opening balance</b>	<b>113,397</b>	<b>118,580</b>	<b>118,580</b>
Capital expenditure funded by Borrowing	73,014	50,946	44,858
Prior year adjustment (Swap funding)	0	0	(771)
<b>Sub Total</b>	<b>186,411</b>	<b>169,526</b>	<b>162,667</b>
<b>Less Minimum Revenue Provision</b>			
MRP Charge	(3,310)	(3,024)	(2,362)
PFI Principal Charge	(215)	(215)	(283)
<b>Sub Total</b>	<b>(3,525)</b>	<b>(3,239)</b>	<b>(2,645)</b>
<b>Closing Balance</b>	<b>182,886</b>	<b>166,287</b>	<b>160,022</b>
<b>Movement</b>	<b>64,305</b>	<b>47,707</b>	<b>41,442</b>

Table 4:

HRA Capital financing requirement:	2016/17 Budget £'000	2016/17 forecast outturn @ Sept £'000	2016/17 Outturn £'000
<b>Opening balance</b>	<b>93,876</b>	<b>93,876</b>	<b>92,964</b>
Repayment of Loan Principle	(3,476)	(3,476)	(2,564)
<b>Closing Balance</b>	<b>90,400</b>	<b>90,400</b>	<b>90,400</b>

Table 5

Capital financing requirement: General fund and HRA	2016/17 Budget £'000	2016/17 forecast outturn @ Sept £'000	2016/17 Outturn £'000
<b>Opening balance</b>	<b>207,273</b>	<b>212,456</b>	<b>211,544</b>
<b>Movements</b>	<b>66,013</b>	<b>44,231</b>	<b>38,878</b>
<b>Closing Balance</b>	<b>273,286</b>	<b>256,687</b>	<b>250,422</b>

The in-year increase in the borrowing requirement is due to a large increase in the capital programme for schemes such as the town centre regeneration and loans to group companies and will reduce again when capital receipts are recovered or loans repaid. It has also increased as a result of the forward funded infrastructure schemes. These will decrease again as developer contributions are received.

The council's total capital financing requirement (CFR) of £250.4m was considerably lower than the council's external borrowing of £147.4m (see table 6 below)

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. The Council does not borrow all of this money externally but uses some of its internal cash reserves to fund this expenditure. This is referred to as "internal borrowing". This means that the Council's capital financing requirement is higher than its external borrowing figures. External borrowing may be sourced from bodies such as the Public Works Loan Board [PWLB] or the money markets.

### 5. External borrowing and compliance with treasury limits and prudential indicators

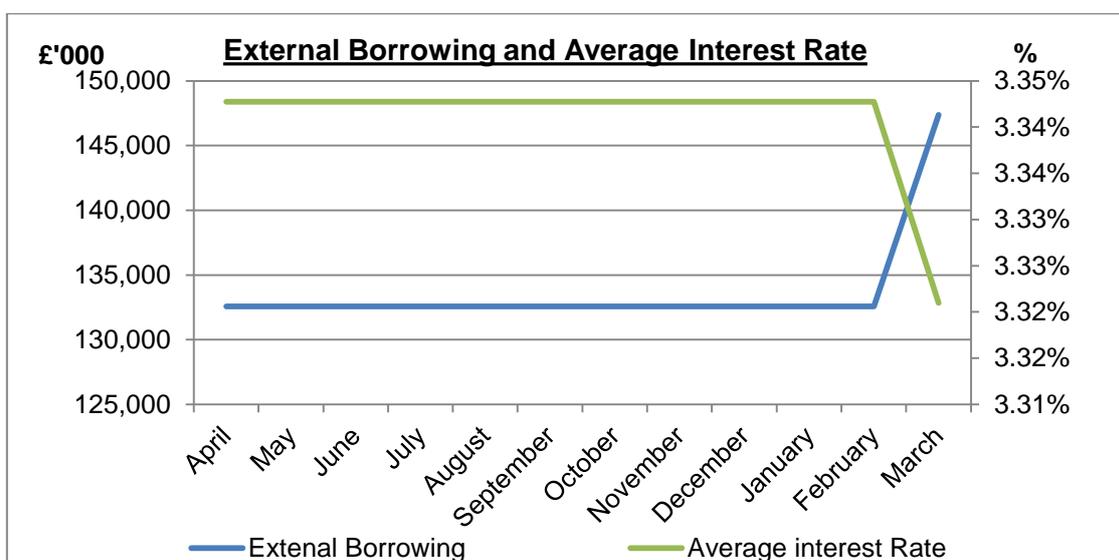
On the 31st March 2017 the Council took out a £18m loan, this was at a special rate of 40 bases point lower than the PWLB rate. (Local Enterprise Partnership agreement)

Table 6 demonstrates the outturn for 2016/17 external borrowing.

**Table 6:**

External Borrowing	2016/17 Budget £'000	2016/17 Outturn £'000
<b>Market</b>	<b>24,000</b>	<b>24,000</b>
<b>PWLB</b>	<b>107,482</b>	<b>122,006</b>
<b>Local Enterprise Partnership</b>	<b>750</b>	<b>1,380</b>
<b>Total borrowing</b>	<b>132,232</b>	<b>147,386</b>

**Graph 1 Total external borrowing and average interest rate by month**



Graph 1 above includes the £18m loan taken out on the 31<sup>st</sup> March 2017. This increased the external borrowing to £147.4m. This meant as of the 31<sup>st</sup> March 2017 the average interest rate dropped to 3.32%.

During 2016/17, the Council operated within the treasury limits as set out its borrowing treasury management strategy. The position for the prudential indicators is shown in table 7, which is found below. These show that all prudential indicators have been complied with. Further detail on each of these indicators is included in Appendix B.

**Table 7:**

Prudential Indicator – Debt	Year-end position 2016/17	
	Does gross borrowing exceed CFR?	Has the limit/boundary been broken
<b>Gross external borrowing</b>	<b>NO</b>	
<b>Authorised limit</b>		<b>NO</b>
<b>Operational boundary for external debt</b>		<b>NO</b>
<b>HRA debt limit</b>		<b>NO</b>
<b>Maturity structure of borrowing</b>		<b>NO</b>
<b>Upper limits on interest rate exposure</b>		<b>NO</b>
<b>The percentage of financing costs set aside to service debt financing costs</b>		<b>NO</b>

In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (plus the estimates of any additional capital financing requirement for the current and next two financial years). This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs.

## **6. Compliance with treasury limits and prudential indicators for investments**

The treasury management team ensure the cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return. The return on investments contributes to the Council's budget for both the general fund and housing revenue account.

During 2016/17 the Council yield on investments has been impacted by the EU Referendum vote and the Bank of England's decision to reduce interest rates earlier in the financial year.

The Council will continue to monitor the economic outlook and money markets to ensure it is able to achieve a yield in line with market expectations whilst ensuring security and liquidity of capital are maintained. Graph 2 below demonstrates the change in investment by type up to 31 March 2017.

**Graph 2 Total amount invested April 2016 to March 2017 by category**

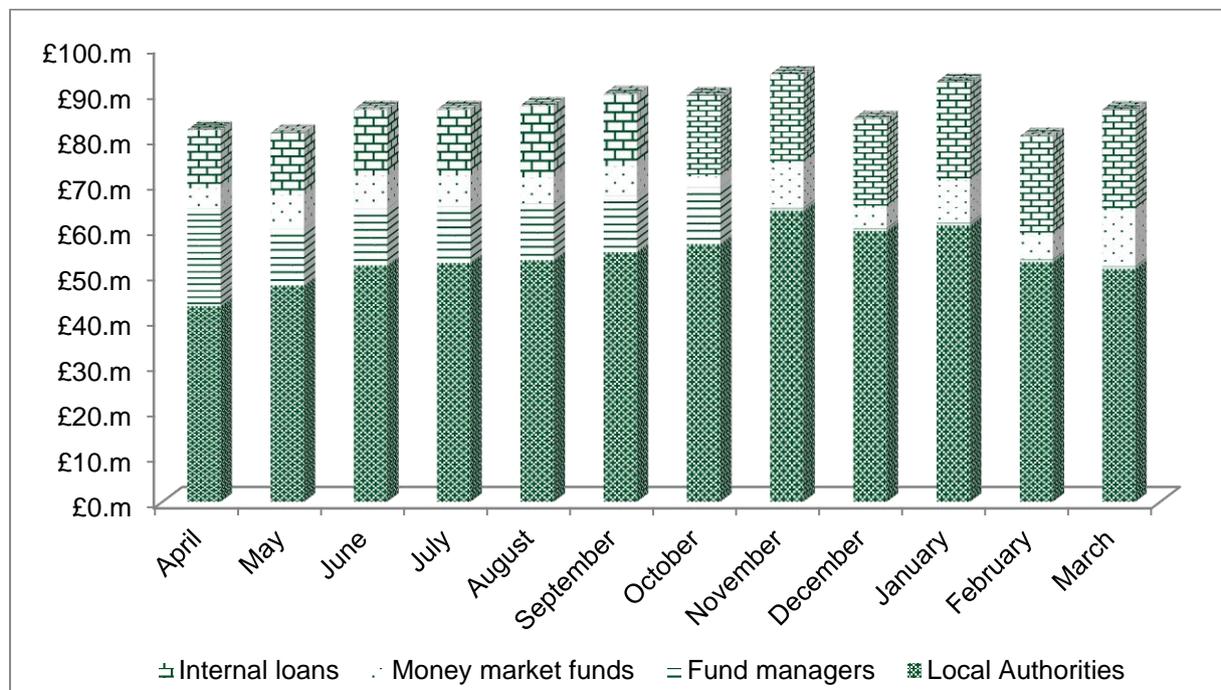
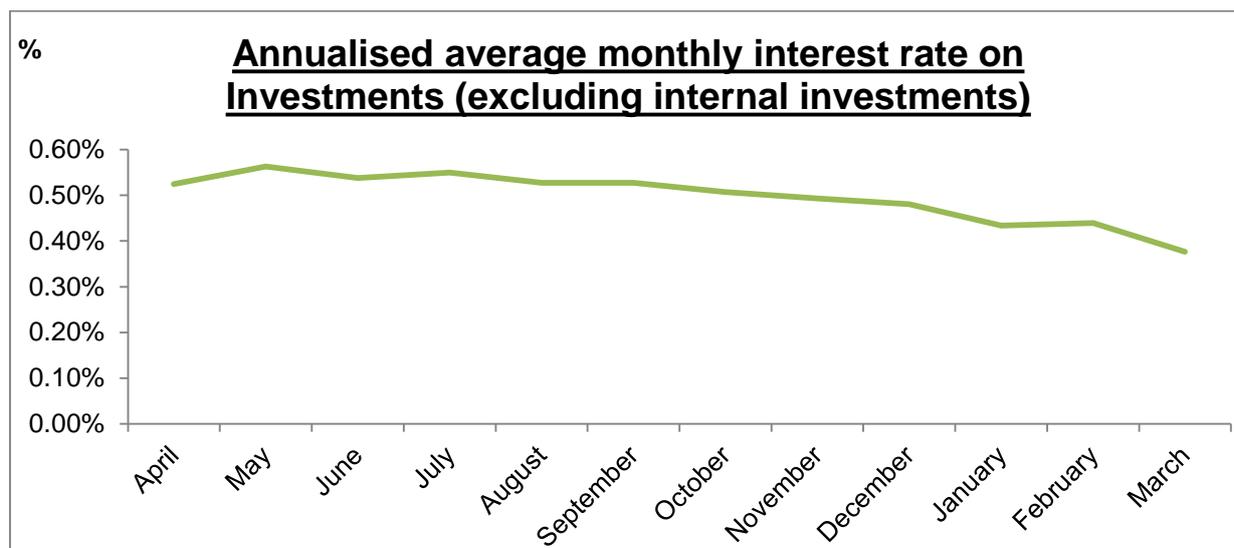


Table 8, below shows the counterparties where cash deposits are held. Further detail is available in appendix D.

**Table 8:**

Investment Type	Actuals invested @ 31-03-16	Actuals invested @ 30-09-16	Actuals invested @ 31-03-17
	£'000	£'000	£'000
Local Authorities	37,000	52,000	39,000
Fund Managers / Money Markets	21,413	12,575	12,882
Internal investments (WBC companies and HRA)	12,128	15,961	22,117
<b>Total</b>	<b>70,541</b>	<b>80,536</b>	<b>73,999</b>

Graph 3 on the following page shows an analysis of the rate of return for 2016/17.

**Graph 3 Average return on investments**

During 2016/17 year the Council operated within the treasury limits as set out in investment strategy. The position for the investment prudential indicators is shown in table 10 and full details are available in appendix B.

The average return on the Council's portfolio (excluding internal loans) to 31 March 2017 was 0.46%. This is 0.26% above the average 7-day London Interbank Bid Rate (LIBID) of 0.20%. The average rate of return including internal loans is 1.66%.

Table 9 below, gives a breakdown of returns per type and the annual interest rate received.

<b>Table 9:</b>	<b>Amount of interest received 2016/17 £'000</b>	<b>Cumulative interest %</b>
<b>Return on Investment</b>		
<b>Local Authorities</b>	<b>271</b>	<b>0.50%</b>
<b>Fund Managers / Money Markets</b>	<b>58</b>	<b>0.31%</b>
<b>Internal loans</b>	<b>952</b>	<b>5.34%</b>
<b>Total</b>	<b>1,280</b>	<b>1.62%</b>

<b>Table 10: Prudential Indicator – Investment Year-end position @ 31-03-17</b>	<b>Has the limit/boundary been broken</b>	<b>Was the budget achieved at year end</b>
<b>Upper limits on interest rate exposure</b>	<b>NO</b>	
<b>Investment interest received</b>		<b>Yes</b>

## 7. Conclusion

The Director of Corporate Services confirms that the approved limits and prudential indicators incorporated within the Annual Investment Strategy were not breached during 2016/17 with the prudential indicators. The Council is operating in a stringent financial climate, but is still managing to deliver within budgeted interest levels.

**Prudential and treasury indicators as at 31<sup>st</sup> March 2017****General Fund**

Table 1: Prudential Indicators	Capital	2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		Budget	16/17	16/17	16/17	16/17
		£'000	Year end forecast	Year end forecast	Year end forecast	Year end Actual
Capital expenditure		148,922	105,077	84,630	87,561	72,026
Capital Financing Requirement (CFR)		182,886	171,952	166,287	166,222	160,022
Annual change in CFR		64,305	53,372	47,707	44,402	41,442
<b>In year borrowing requirement</b>		<b>80,532</b>	<b>56,611</b>	<b>50,945</b>	<b>47,712</b>	<b>44,858</b>

Table 2: Prudential Indicators Borrowing	2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Budget	16/17	16/17	16/17	16/17
	£'000	Year end forecast	Year end forecast	Year end forecast	Year end Actual
Ratio of financing costs to net revenue stream	3.8%	3.6%	3.4%	2.9%	2.8%

The percentage of the revenue budget set aside each year to service debt financing costs is shown above. The outturn figure is below budget as a result of favourable returns compared to budget.

This is calculated as follows: Financing cost Divide by Net revenue stream

As per budget 2016/17: £4,293 / £113,973 = 2.8%

**HRA**

Table 3: Prudential Indicators HRA	2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Budget	16/17	16/17	16/17	16/17
	£'000	Year end forecast	Year end forecast	Year end forecast	Year end Actual
Capital expenditure	9,827	9,991	5,909	6,923	4,857
Capital Financing Requirement (CFR)	90,400	90,400	90,400	90,400	90,400
Annual change in CFR	0	0	0	0	0
<b>In year borrowing requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 4: Prudential Indicators Borrowing	2016/17 Budget	Quarter 1 16/17 Year end forecast	Quarter 2 16/17 Year end forecast	Quarter 3 16/17 Year end forecast	Quarter 4 16/17 Year end Actual
	£'000	£'000	£'000	£'000	£'000
<b>Ratio of financing costs to net revenue stream</b>	<b>18.8%</b>	<b>18.6%</b>	<b>18.6%</b>	<b>18.8%</b>	<b>18.7%</b>

The percentage of the revenue budget set aside each year to service debt financing costs.

This is calculated as follows: Financing cost Divide by Total income received

As per budget 2016/17: £2,851 / £15,164 = 18.8%

## General Fund & HRA

Table 5: Prudential Indicators – Capital Expenditure & CFR	2016/17 Budget	Quarter 1 16/17 Year end forecast	Quarter 2 16/17 Year end forecast	Quarter 3 16/17 Year end forecast	Quarter 4 16/17 Year end Actual
	£'000	£'000	£'000	£'000	£'000
Capital expenditure	148,928	115,069	90,539	94,484	76,883
Capital Financing Requirement (CFR)	273,286	262,352	256,687	256,622	250,422
Annual change in CFR	61,740	53,372	47,707	44,402	41,442
In year borrowing requirement	79,740	56,611	50,945	47,712	44,858

Table 6: Internal Borrowing	2016/17 Budget	Quarter 1 16/17 Year end forecast	Quarter 2 16/17 Year end forecast	Quarter 3 16/17 Year end forecast	Quarter 4 16/17 Year end Actual
	£'000	£'000	£'000	£'000	£'000
CFR (year end position)	273,286	262,352	256,687	256,622	250,422
Less External Borrowing	(197,119)	(150,232)	(150,232)	(150,232)	(147,386)
Less Other long term liabilities	(10,000)	(10,000)	(10,000)	(10,000)	(8,429)
<b>Internal Borrowing *</b>	<b>66,167</b>	<b>102,120</b>	<b>96,455</b>	<b>96,390</b>	<b>94,607</b>
Movement	(5,499)	46,306	40,641	40,576	38,793
<b>% of internal borrowing to CFR</b>	<b>24.21%</b>	<b>38.92%</b>	<b>37.58%</b>	<b>37.56%</b>	<b>37.78%</b>

Note:\* This will be reviewed on a regular basis to make sure we are getting best value for money. The Council is currently using its own cash flow (as rates of return are low), if rates start to increase a new external loan may need to be taken out.

Table 7: Upper limit -Investments Only	2016/17 Budget	Quarter 1 (Apr-Jun) Actual	Quarter 2 (Jul-Sep) Actual	Quarter 3 (Oct - Dec) Actual	Quarter 4 (Jan-Mar) Actual
	£'000	£'000	£'000	£'000	£'000
On fixed rate exposures	(80,000)	(41,114)	(56,120)	(59,000)	(39,000)
On variable rate exposures	(40,000)	(12,432)	(12,432)	0	(12,882)

Table 8: Upper limit -Debt Only	2016/17 Budget	Quarter 1 (Apr-Jun) Actual	Quarter 2 (Jul-Sep) Actual	Quarter 3 (Oct-Dec) Actual	Quarter 4 (Jan-Mar) Actual
	£'000	£'000	£'000	£'000	£'000
On fixed rate exposures	180,000	107,482	107,482	107,482	123,386
On variable rate exposures	40,000	24,000	24,000	24,000	24,000

Table 9: Internal investments: interest Received	2016/17 Budget	Quarter 1 16/17 Year end forecast	Quarter 2 16/17 Year end forecast	Quarter 3 16/17 Year end forecast	Quarter 4 16/17 Year end Actual
	£'000	£'000	£'000	£'000	£'000
HRA Internal loan from The General fund	399	399	399	399	399
Wokingham Housing	0	320	503	484	553
Age Concern	0	3	3	0	0
	399	722	905	883	952

Table 10: Internal investments:	Quarter 1 16/17 Year end forecast £'000	Quarter 2 16/17 Year end forecast £'000	Quarter 3 16/17 Year end forecast £'000	Quarter 4 16/17 Year end Actual £'000
HRA Internal loan from The General fund	8,874	8,874	8,874	8,874
Wokingham Housing	8,095	13,562	14,488	13,243
Optalis	50	50	50	0
Age Concern	75	75	0	0
<b>Total</b>	<b>17,094</b>	<b>22,561</b>	<b>23,412</b>	<b>22,117</b>

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## General Fund Loan portfolio @ 31<sup>st</sup> March 2017

PWLB/Market	Loan no	Principle £'000	Interest Rate %	Maturity Date
<b>General Fund</b>				
PWLB - GF	485805	976	4.88	01 August 2022
PWLB - GF	488876	2,343	4.95	01 February 2034
PWLB - GF	491320	2,929	3.85	01 August 2051
PWLB - GF	491456	1,431	4.35	30 September 2046
PWLB - GF	491474	5,587	4.40	01 August 2052
PWLB - GF	493309	9,764	4.60	31 March 2054
PWLB - GF	505949	8,000	2.34	31 March 2035
PWLB - GF	505950	4,000	2.37	31 March 2036
PWLB - GF	505948	6,000	2.30	31 March 2034
Market - GF	3b	4,882	4.35	24 February 2077
Market - GF	2c	4,882	4.60	11 January 2077
Market - GF - KA Finanz	1c	4,882	4.88	06 February 2066
Market - GF	4	1,953	3.68	16 February 2066
Market - GF	5	4,882	3.73	19 October 2076
Market - GF	6	1,953	3.77	19 October 2076
Local Enterprise Board		380	0.00	01 December 2017
Local Enterprise Board		250	0.00	01 December 2017
Local Enterprise Board		750	0.00	01 December 2019
<b>Total</b>		<b>65,844</b>		

## Housing Revenue Fund Loan portfolio @ 31<sup>st</sup> March 2017

PWLB/Market	Loan no	Principle	Interest Rate %	Maturity Date
<b>Housing Revenue Account</b>				
PWLB - HRA	485805	24	4.88	01 August 2022
PWLB - HRA	488876	57	4.95	01 February 2034
PWLB - HRA	491320	71	3.85	01 August 2051
PWLB - HRA	491456	35	4.35	30 September 2046
PWLB - HRA	491474	135	4.40	01 August 2052
PWLB - HRA	493309	236	4.60	31 March 2054
HRA Self Financing	501033	1,750	1.50	28 March 2018
HRA Self Financing	501034	3,482	2.21	28 March 2021
HRA Self Financing	501035	8,516	3.30	28 March 2032
HRA Self Financing	501036	1,988	1.99	28 March 2020
HRA Self Financing	501037	7,231	3.26	28 March 2031
HRA Self Financing	501038	4,199	2.40	28 March 2022
HRA Self Financing	501039	6,378	3.15	28 March 2029
HRA Self Financing	501040	5,415	3.01	28 March 2027
HRA Self Financing	501043	9,276	3.34	28 March 2033
HRA Self Financing	501044	1,000	3.37	28 March 2034
HRA Self Financing	501045	3,744	2.82	28 March 2025
HRA Self Financing	501046	5,981	3.08	28 March 2028
HRA Self Financing	501047	6,789	3.21	28 March 2030
HRA Self Financing	501048	3,971	2.92	28 March 2026
HRA Self Financing	501049	4,116	2.70	28 March 2024
HRA Self Financing	501050	3,484	2.56	28 March 2023
HRA Self Financing	501051	3,098	1.76	28 March 2019
Market - HRA	3b	118,129	4.35	24 February 2077
Market - HRA	2c	118,129	4.60	11 January 2077
Market - HRA - KA Finanz	1c	118,129	4.88	08 February 2066
Market - HRA	4	47,252	3.68	16 February 2066
Market - HRA	5	118,129	3.73	19 October 2076
Market - HRA	6	47,252	3.77	19 October 2076
<b>External</b>		<b>81,542</b>		
WBC General Fund *		8,874	4.5	
<b>Total</b>		<b>90,416</b>		

\* Note this is an internal loan from the general fund to the HRA and is not included in the total external loans.

## Total external borrowing loans @ 31<sup>st</sup> March 2017

WBC External Borrowing	Actuals @ 30-09-16 £'000	Actuals @ 31-03-17 £'000
Market	24,000	24,000
PWLB	107,482	122,636
Local Enterprise Partnership	750	750
<b>Total borrowing</b>	<b>132,232</b>	<b>147,386</b>

## Maturity structure @ 31<sup>st</sup> March 2017

Long Term Borrowing	31st March 2016 £,000	31st March 2017 £,000	Average rate %
Between 1 and 2 years	3,856	28,098	3.45
Between 3 and 5 years	7,086	5,470	2.10
Between 6 and 10 years	23,996	20,514	3.31
Between 11 and 15 years	31,794	31,794	3.14
Between 16 and 20 years	21,192	39,192	3.37
Between 21 and 25 years	0	0	0.00
Between 26 and 30 years	1,465	1,465	4.35
More than 30 years	42,723	18,723	4.28
<b>Total Long Term</b>	<b>132,112</b>	<b>145,256</b>	
<b>Short Term Borrowing</b>			
less than 1 year	120	2,130	0.75
<b>Total Borrowing</b>	<b>132,232</b>	<b>147,386</b>	<b>3.32</b>

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## Investment portfolio

Current Investments @ 31st March 2017

Institution	Amount	Rate	Maturity Date	Broker
<b>Current lending</b>				
Blaenau Gwent County Borough Council	3,000	0.58%	16/05/2017	Tradition
Conwy County Borough Council	3,000	0.38%	02/11/2017	Tradition
Corby Borough Council	3,000	0.60%	15/06/2017	Tradition
Eastleigh BC	5,000	0.54%	18/04/2017	Tradition
Lancashire CC	5,000	0.58%	04/05/2017	Tradition
Leeds BS	2,000	0.43%	24/07/2017	Tradition
Leeds CC	5,000	0.35%	01/09/2017	Tradition
London Borough of Enfield	4,000	0.40%	28/11/2017	Tradition
North Ayrshire Council	3,000	0.60%	03/04/2017	Tradition
Salford CC	3,000	0.35%	26/06/2017	Tradition
Suffolk County Council	3,000	0.35%	14/09/2017	Tradition
<b>Total</b>	<b>39,000</b>			
<b>Money Market Funds / Fund Managers</b>				
Fund Managers	632	Variable		
Invesco	5,000	Variable		
Deutsche Global (Henderson)	4,500	Variable		
Goldman sachs	2,750	Variable		
<b>Total</b>	<b>12,882</b>			
<b>Grand total</b>	<b>51,882</b>			
<b>Investments with internal companies</b>				
Wokingham Holdings	13,243	5.5% + bank rate (variable)		
Housing Revenue Account	8,874	4.5%		
<b>Total</b>	<b>22,117</b>			
<b>Grand Total</b>	<b>73,999</b>			

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## **Economic Update**

### **1.1 Growth**

Change in gross domestic product (GDP) is the main indicator of economic growth. 3rd quarter growth came in at 0.6% and the 4<sup>th</sup> quarter growth of 0.7%, but 1<sup>st</sup> quarter 2017 is expected to ease back. At its meeting of 19th January, the European Central Bank (ECB) left its main policy for interest rates at -0.4%. The easing in monetary policy in the euro area over the past few years has reduced the interest rates facing households and companies, and so has been one factor supporting GDP growth.

The Federal Reserve in February decided to keep interest rates on hold following its first meeting since President Donald Trump took office and the uncertain international backdrop. Despite the positive outlook on the economy, the central bank signalled there would be further gradual interest increases. Quarterly US GDP growth fell from 0.9% in the 3<sup>rd</sup> quarter to 0.5% in 4<sup>th</sup> quarter 4 2016.

### **1.2 Inflation:**

The Consumer Prices Index (CPI) inflation rose to 1.6% in December and further substantial increases are very likely over the coming months. In the central projection, conditioned on market yields that are somewhat higher than in November, inflation is expected to increase to 2.8% in the first half of 2018, before falling back gradually to 2.4% in three years' time. Inflation is judged likely to return to close to the target over the subsequent year. Measures of inflation compensation derived from financial markets have stabilised at around average historical levels, having increased during late 2016 as concerns about a period of unusually low inflation faded.

### **1.3 Monetary Policy:**

On 1 February 2017 the Monetary Policy Committee (MPC) voted unanimously in favour of maintaining the bank rate at 0.25% and re-enforcing its commitment to maintain the Quantitative Easing (QE) programme at £435bn. All Committee members judged it appropriate to leave the stance of monetary policy unchanged. The MPC noted that the path of monetary policy would continue to depend on the evolution of prospects for demand, supply, the exchange rate and therefore inflation. As a result, monetary policy could move in either direction to ensure a sustainable return of CPI inflation to the 2% target.

### **1.4 Interest Rates**

The Council's treasury advisor, Capita Asset Services, has provided forecasts for PWLB rates based on the certainty rate (minus 20 bps), as shown in table on the following page

## Interest rate forecast (as per Capita Treasury solutions)

	Jun 2017	Sep 2017	Dec 2017	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Mar 2020	Jun 2020
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%	0.75%
5 yr. PWLB rate	1.40%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%	2.00%
10 yr. PWLB rate	2.10%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%
25 yr. PWLB rate	2.70%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%
50 yr. PWLB rate	2.50%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%

## **Glossary of terms**

**Authorised Limit** – Represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desirable, could be afforded in the short term, but is not sustainable in the longer term.

**Boundary Limit** – Is an estimate of the authorised limit but reflects an estimate of the most likely, prudent, but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements.

**Capital Financing Requirement (CFR)** - reflects the Council's underlying need to borrow for a capital purpose. It shows the total estimated capital expenditure that has not been resourced from capital or revenue sources. This requirement will eventually be met by revenue resources through the Minimum Revenue Provision mechanism.

**CIPFA Prudential Code** - is a professional code of practice to support local authorities in taking capital investment decisions. Local authorities determine their own programmes for capital investment in fixed assets that are central to the delivery of quality local public services in accordance with the Prudential Code.

**Consumer price index (CPI)** - measures changes in the price level of a market basket of consumer goods and services purchased by households.

**Department for Communities and Local Government (DCLG)** - Is a ministerial department, supported by 11 agencies and public bodies. They are working to create great places to live and work, and to give more power to local people to shape what happens in their area.

**European Central Bank (ECB)** - The central bank for the euro and administers monetary policy of the eurozone, which consists of 19 EU member states and is one of the largest currency areas in the world.

**Fair value** - Is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price

**FED** - The Federal Reserve System (also known as the Federal Reserve, and informally as the Fed) is the central banking system of the United States.

**Financing Cost to Net Revenue Stream**-The percentage of the revenue budget set aside each year to service debt financing costs.

**Funding for Lending Scheme (FLS)** – was launched by the Bank and HM Treasury on 13 July 2012. The FLS is designed to incentivise banks and building societies to boost their lending to the UK real economy.

**Gilt** - is a UK Government liability in sterling, issued by HM Treasury and listed on the London Stock exchange.

**Gross domestic product (GDP)** - is the market value of all officially recognized final goods and services produced within a country in a given period of time(usually the fiscal year).

**Local Authority Lender Option Borrower Option (LOBO)** - The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates, such as every 5 years.

**Local enterprise partnerships** - Are partnerships between local authorities and businesses. They decide what the priorities should be for investment in roads, buildings and facilities in the area.

**London Interbank Bid Rate** - the rate at which banks will bid to take deposits in Eurocurrency from each other. The deposits are for terms from overnight up to five years.

**Monetary Policy Committee (MPC)** - Interest rates are set by the Bank's Monetary Policy Committee. The MPC sets an interest rate it judges will enable the inflation target to be achieved.

**Minimum Revenue Provision (MRP)** - Is a provision the council has set-aside from revenue to repay loans arising from capital expenditure financed by Borrowing.

**Private Finance Initiative (PFI)** - This is funding public infrastructure projects with private capital.

**Public Works Loan Board (PWLB)** - is a statutory body operating within the Debt Management Office, an Executive Agency of HM Treasury.

**PWLB certainty rate** - A reduced interest rate from PWLB to principal local authorities, which provided required information to government on their plans for long-term borrowing and associated capital spending.

**Quantitative easing (QE)** -A government monetary policy occasionally used to increase the money supply by buying government securities or other securities from the market. Quantitative easing increases the money supply by flooding financial institutions with capital, in an effort to promote increased lending and liquidity.

**Voluntary Revenue Provision (VRP)** – This a discretionary provision to reduce the unfinanced capital expenditure (Borrowing) by additional loan repayments.

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<b>TITLE</b>	<b>Local Plan Update (LPU), Options Development</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	None Specific
<b>STRATEGIC DIRECTOR</b>	Josie Wragg, Interim Director of Environment Graham Ebers, Director Corporate Services
<b>LEAD MEMBER</b>	David Lee, Executive Member for Strategic Planning and Highways

## **OUTCOME / BENEFITS TO THE COMMUNITY**

The Local Plan Update (LPU) will provide a robust strategy for managing development to ensure that it occurs in suitable and sustainable locations and that it is deliverable, well-designed, helping to regenerate towns and villages within the borough, support social and economic prosperity, whilst encouraging economic growth.

## **RECOMMENDATION**

The Executive is advised to:

- 1) approve a supplementary estimate of £400k to support the site assessments process for the Local Plan Update; and
- 2) note the update to process.

## **SUMMARY OF REPORT**

The council needs to ensure that it has an up to date and robust planning framework to manage development in the borough. This is the purpose of the Local Plan Update, particularly given recent feedback by Planning Inspectors through appeal decisions.

Detailed work is required to assess the opportunities for sustainable development across all sites promoted to the local plan process. The number and nature of the promoted sites exceeded the expectations when setting the original budget for the Local Plan Update. Supplementary funding is required to support the assessment process, in particular the formulation of more in depth infrastructure delivery plans for larger sites, which was a theme of consultee responses to date.

These assessments will address all of the 260+ sites and will assist in choosing the future planning strategy. Future consultation on the Local Plan Update will be supported by the detailed assessment of all sites. This is effectively an options development phase where some sites or clusters of sites will be explored in more detail to fully understand their potential, some of which will be recommended for allocation for specific uses as part of a balanced strategy for delivery.

## Background

Local Plans are the key documents through which local planning authorities can set out a vision and framework for the management of future development.

The council's current planning policies are set out in the [Core Strategy](#) (adopted 2010) and [Managing Development Delivery](#) (adopted 2014) plans.<sup>1</sup> Notwithstanding the relatively recent adoption of these plans, changes to national planning policy and guidance and associated commentary on appeal by Planning Inspectors in this theme necessitate their review.

The Local Plan Update will review and put in place up-to-date planning policies seeking to cover the period to 2036. It will replace both the Core Strategy and the Managing Development Delivery documents both of which look to the year 2026.<sup>2</sup> The timetable for the preparation of the Local Plan Update was originally agreed by Executive in July 2016.<sup>3</sup>

### Geographical context and the duty to cooperate

Local Plans cannot be completed in isolation with many planning issues requiring discussion and cooperation over a wider area. The council has been and continues to work closely with other local authorities and other organisations. A number of joint evidence studies have been commissioned, notably those relating to the need for housing and economic development.

Core local authorities for engagement on housing and economic issues are set out in the table below. The council is already working closely with these local authorities to understand the scale of development needs and how these might best be met. This collaborative approach has been endorsed by the local authorities through the [West of Berkshire Spatial Planning Framework](#).

Functional geography	Local authorities
Western Berkshire Housing Market Area	<ul style="list-style-type: none"><li>• Bracknell Forest Council.</li><li>• Reading Borough Council.</li><li>• West Berkshire Council.</li><li>• Wokingham Borough Council.</li></ul>
Central Berkshire Functional Economic Market Area	<ul style="list-style-type: none"><li>• Bracknell Forest Borough Council.</li><li>• Reading Borough Council.</li><li>• Royal Borough of Windsor and Maidenhead.</li><li>• Wokingham Borough Council.</li></ul>

<sup>1</sup> Separate, county-wide plans sets out planning policies for minerals and waste development.

<sup>2</sup> A separate process will review both the minerals and waste plans. This work is being undertaken jointly with Bracknell Forest Council, Reading Borough Council, the Royal Borough of Windsor and Maidenhead and West Berkshire Council.

<sup>3</sup> See the [Local Development Scheme](#) for further detail.

Studies looking at the future need for homes and jobs suggest that over the period 2013 to 2036 around 19,500 new homes (equates to 856 additional homes per annum)<sup>4</sup> are required in Wokingham Borough. The level of housing needed in the future has been subject to challenge through the planning application appeal process. Inspector's when determining recent appeals, concluded that housing need is higher at 894 additional homes per year and pressure remains from further appeal challenges on this basis.

Studies on the need for homes and jobs will need to be robustly tested using updated information. Since the studies were undertaken, the government has published new 2014-based household projections. The government has also stated its intention in the housing white paper<sup>5</sup> to introduce a new standard methodology for calculating housing needs.

### Call for Sites

A key input to the local plan process is what land may be available for new housing, jobs and other uses such as leisure development.

The council made an open invitation for anyone to promote where land may be suitable for development through the 'call for sites' exercises in 2016. Through these exercises around 260 sites across Wokingham Borough have been promoted for consideration. The majority of sites have been promoted by the landowner or a developer. Details of promoted land are available on the council's website.<sup>6</sup>

### Issues and Options Consultation

The council undertook an Issues and Options consultation over the summer 2016. The primary purpose of this consultation was to get an understanding from residents, businesses and other people on what the Local Plan Update should cover as well as how some issues might be approached.

A wider range of responses were received. A summary of the main issues raised by respondents was published on the council's website in January 2017 and is reproduced in Appendix A to this report. The following draws out the key messages.

- Respondents favoured using a combination of approaches to meeting development needs. The most supported individual approach was to utilise a small number of larger developments incorporating their own infrastructure and designed with regard to garden settlement principles.
- Respondents strongly supported the need to provide infrastructure alongside development, and preferably its early provision ahead of when it is needed.
- Respondents supported the protection of the green belt<sup>7</sup> and countryside areas. There was recognition that previously developed sites in these areas might be suitable for redevelopment.

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<sup>4</sup> See the [Berkshire \(including South Bucks\) Strategic Housing Market Assessment February 2016](#). Since the publication of the SHMA there have been several appeal decisions where Inspectors have concluded that the level of housing need may be higher.

<sup>5</sup> [Fixing Our Broken Housing Market, DCLG February 2017](#).

<sup>6</sup> See 'Call for sites update' on the [Local Plan Update webpage](#).

<sup>7</sup> Within Wokingham Borough the land situated to the north is designated part of the Metropolitan Green Belt surrounding London. Land elsewhere in the borough which is situated outside of the main built-up areas is considered countryside.

- Respondents acknowledged the need for some flexibility towards employment to allow adaptation to new ways of working (including technologies) and the growth of non-traditional businesses.

## **Analysis of Issues**

The big challenge for the Local Plan Update is how to achieve high quality and sustainability whilst providing for new infrastructure, new jobs and new homes.

At the outset it is important to note that the strategy for the Local Plan Update must be deliverable. Options which are not supported by evidence will not succeed when tested at examination by an independent Planning Inspector.

The central aspect of the Local Plan Update is the spatial strategy. This will set out the answers to the three questions:

1. How much development is required?
2. Where should it go?
3. Where shouldn't it go?

The Council currently seeks to focus the majority of development in the four Strategic Development Locations, with a lesser level of development supported within towns and villages subject to consideration of accessibility and impacts. The Council specifically resists inappropriate 'backland development'. This approach means that the council manages the location and rate of development and has enabled significant new infrastructure to be delivered alongside to help mitigate impacts and to try to alleviate pressure on other areas.

The Local Plan Update will need to consider the future planning strategy. As part of this process all sites promoted to the local plan process will be assessed for their suitability, availability and achievability (deliverability).

The number and nature of the sites promoted to the local plan process have exceeded the expectations when setting the original budget for the Local Plan Update. With detailed work required to assess all the sites supplementary funding is required to support the assessment process. In particular some of the sites or clusters of sites are large and will need consideration of how they might best contribute to sustainability and quality objectives as well as what infrastructure might be required.

Larger and more complex sites require a proportionally more detailed assessment compared to smaller sites. Understanding the potential opportunities for sustainable development on larger and complex sites may require master planning to be undertaken. This ensures that analysis captures holistic impacts and opportunities, including identifying the correct infrastructure should the site be deemed suitable. The supplementary funding will support such analysis including engagement with stakeholders. Undertaking detailed work now provides residents and others with the opportunity to engage and influence assessments early in the local plan process, allowing us to address a number of lessons learned through the Core Strategy.

Future consultation on the preferred strategy will be supported by the detailed assessment of all sites, some of which will be recommended for allocation for specific uses as part of a balanced strategy for delivery.

### **Risk Management**

The main risk is whether the Local Plan Update is ultimately found to be 'legally compliant' and 'sound' by a Planning Inspector who will conduct an independent public examination. This examination will include consideration of how the community have been engaged in the process of helping to shape the content of the Local Plan Update.

### **Legal compliance**

In producing the Local Plan Update, the council has to assess whether the document was compatible with the legal requirements associated with plans of the authority. This included the Town and Country Planning (Local Development) (England) Regulations 2012; the Environmental Assessment of Plans and Programmes Regulations 2004; the Conservation of Habitats and Species Regulations 2010; the Human Rights Act; compliance with Directives of the European Commission and subsequent UK Regulations and ensuring that no segment of the borough's community was likely to be unfairly penalised.

## **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) 2017/18	Circa £715k	£400k is required to progress the detailed site investigation works.  Other costs for the LPU (671k) will be covered by the existing budget.	Revenue
Next Financial Year (Year 2) 2018/19	Circa £335k		
Following Financial Year (Year 3) 2019/20	Circa £21k		
	Total £1071k		

### **Other financial information relevant to the Recommendation/Decision**

The table above sets out the project costs associated with producing the Local Plan Update.

This is a multi-year project and therefore the costs will be spread across a number of financial years, the exact timing of which will be subject to external influences such as the Planning Inspectorate's availability for the examination. The profile of the budget may vary according to other factors but can be covered by existing agreed budgets.

### **Cross-Council Implications**

The Local Plan Update is an opportunity to creatively meet the needs of residents and business within Wokingham Borough in a number of different areas, including housing,

education, health & well-being, etc. As such, other services are involved in the production of the Local Plan Update and supporting information, largely through the engagement of key internal champions.

#### **List of Background Papers**

Attached to this Executive Report:

- *Issues and Options Consultation: The main issues raised*

<b>Contact</b> Ian Bellinger	<b>Service</b> Environment
<b>Telephone No</b> 0118 974 6231	<b>Email</b> <a href="mailto:ian.bellinger@wokingham.gov.uk">ian.bellinger@wokingham.gov.uk</a>
<b>Date</b> 26 June 2017	<b>Version No.</b> 5

## Appendix A

### Issues and Options Consultation The Main Issues Raised



## Issues & Options Consultation – The main issues raised

The Issues and Options consultation ran between 4 August and 30 September 2016. This represented the first formal consultation stage of the Local Plan Update and opened discussion about what the local plan should contain. We asked a number of questions about different planning issues that should be dealt with in the update and what people saw as the future for Wokingham Borough.

This report summarises the main issues which have arisen through the consultation, based around the different topic areas. Where relevant, the level of response and agreement to continued policy approaches have been shown.

### 1. Vision and Objectives

Main ideas for consideration in the LPU vision and objectives:

- Thriving businesses with flexible employment options and a highly skilled, innovative workforce
- Strong communities that are lively, diverse and healthy
- Open space for leisure and nature
- Ease of movement and strong connections including cycle and pedestrian routes and sustainable transport
- Housing for all and the appropriate infrastructure to support it
- Achieving a work life balance
- Digital connectivity
- Agreement of a balance of the environmental, social and economic pillars to guide objectives within the LPU

### 2. Plan period

- Agreement for the LPU to cover the period up to 2036
- Need to ensure consideration of issues and opportunities beyond the plan period also

### 3. Where should development go?

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#### The Options Identified...

**Option 1:** Continue the approach of a small number of large developments that provide for their own infrastructure needs based on garden town/village principles

**Option 2:** A large number of smaller developments around the Borough

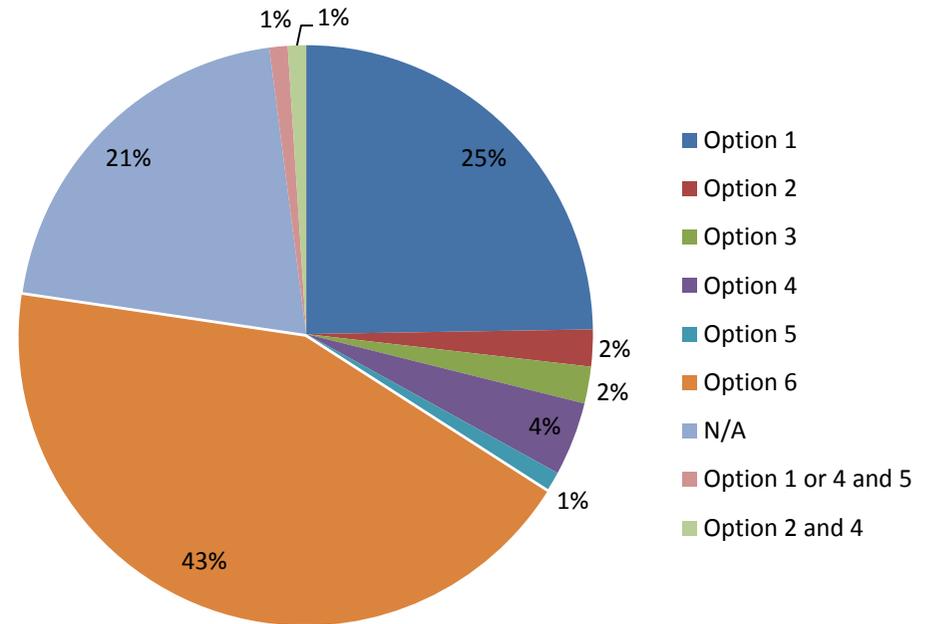
**Option 3:** Do nothing and let the market dictate when and where development will take place

**Option 4:** Focus development at existing larger settlements

**Option 5:** Focus development at existing smaller settlements

**Option 6:** A combination of some / all of the above approaches

*Which option should the Council use for where development should go (its spatial strategy)?*



Answer	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	N/A	Option 1 or 4 and 5	Option 2 and 4
Number of respondents	24	2	2	4	1	42	20	1	1

- The majority of developer responses were Option 6
- Resident responses were split between Options 1 & 6

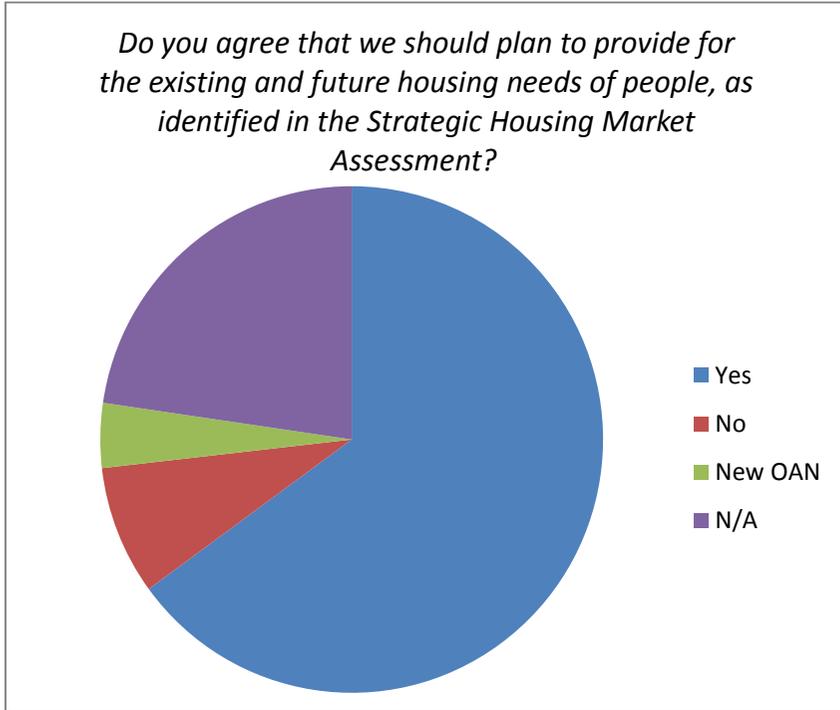
Main issues:

- Infrastructure should be provided alongside development
- Brownfield developments in areas of Green Belt should be utilised
- Consider development at existing settlements where there is a shortage of infrastructure in order to warrant new infrastructure
- Consideration of lead in times for different types of developments will need to be considered
- Settlement boundaries should be reviewed

## 4. Housing

### Housing need

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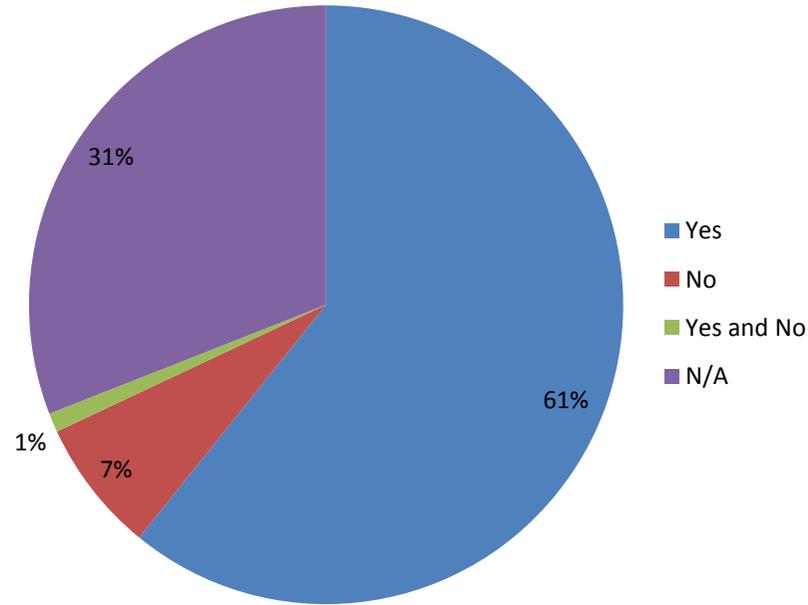


- Main issues:
- We should provide for the need as set out in the Berkshire (including South Bucks) SHMA 2016
  - Ensure diversity in the housing provided – social, affordable, sizes
  - Ensure mitigation of effects of large developments on smaller settlements and ensure positive impact on existing communities
  - Identify a range of sites in order to meet the need
  - Views expressed that the SHMA is not fully robust and the Objectively Assessed Housing Need identified is too low

Response	Yes	No	New OAN	N/A
Number of Responses	63	8	4	22

**Mix of housing**

*Do you think we should have a policy to ensure that a range of homes are provided? If not, what approach should we take?*



**Main issues:**

- The market should be left to naturally dictate the mix of housing in the borough
- An appropriate dwelling mix is needed in order to provide smaller, more affordable properties suitable for older and younger people
- Any policy introduced should be flexible to reflect locations of developments; certain developments will be better suited to accommodate a mix of housing

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Response	Yes	No	Yes and No	N/A
Number of Response	59	7	1	30

### ***Affordable housing***

Main issues:

- Flexibility needed in mix of tenure, size, etc. of affordable housing
- Promotion of social integration and cohesion across developments and areas
- Realistic targets for provision, taking into consideration viability

### ***Gypsies & Travellers***

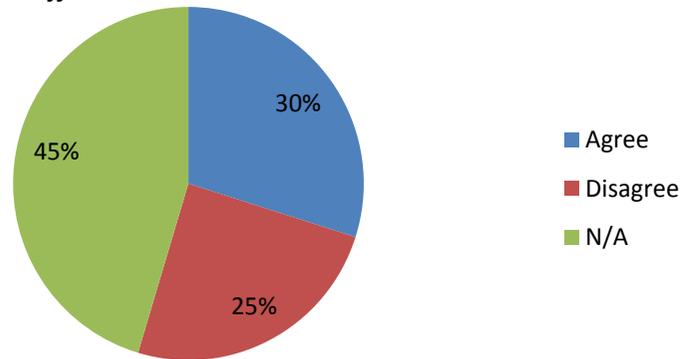
Main issues:

- We should meet the need identified for gypsies and travellers
- Maximise the potential of existing sites
- Further understanding is required of the appropriate size, location etc. of sites
- Different views expressed about whether sites should be close to services and infrastructure, or away from settlements

## Starter Homes

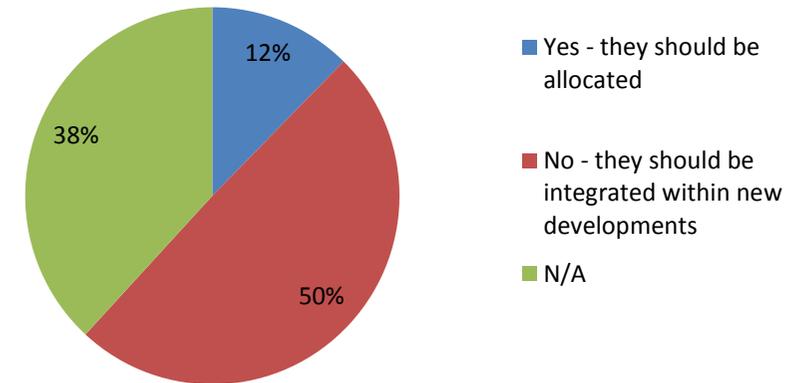
In March 2015, the Government introduced the concept of Starter Homes, which are homes for first-time buyers aged under 40, and which are sold at a minimum 20% discount below market value for the first occupier only. This discounted sale price is capped at £250,000 outside of London.

*The Government is currently proposing that developments of 10 homes or more should provide 20% Starter Homes. If local authorities are given some discretion do you agree with this threshold or should we be looking to provide a different standard?*



Response	Agree	Disagree	N/A
Number of Response	29	24	44

*If there is discretion for local authorities to set their own Starter Home policy, should land be allocated for Starter Homes or should they be integrated within new developments?*



Response	Yes - they should be allocated	No - integrated within new developments	N/A
Number of Response	12	48	37

### Main issues:

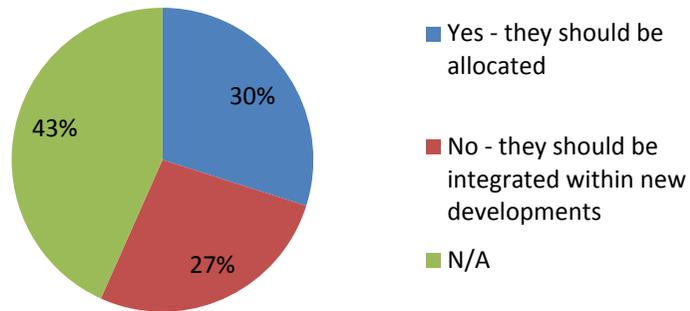
- General support for starter homes, although not enough information currently regarding the introduction of them to provide full comments
- Developers' view that starter homes should form part of the provision for affordable housing
- Support for allocation of plots for self-build integrated into larger developments
- Further understanding of the self-build need and government requirements necessary

**Self-build and custom build**

The Government published new planning legislation and guidance for providing for people who wish to build their own homes. This can include building a home yourself, getting others to build it for you or part of a community project ([see the Self Build Portal for further information](#)).

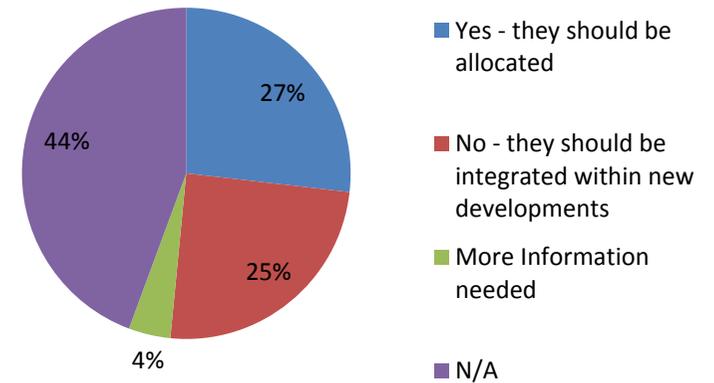
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*Should specific land be allocated for self-build plots or should they be integrated within new developments?*



Response	Yes - they should be allocated	No - integrated within new developments	N/A
Number of Response	29	26	42

*Should specific land be allocated for affordable self-build plots or should they be integrated within new developments?*



Response	Yes - they should be allocated	No - integrated within new developments	More Information needed	N/A
Number of Response	26	24	4	43

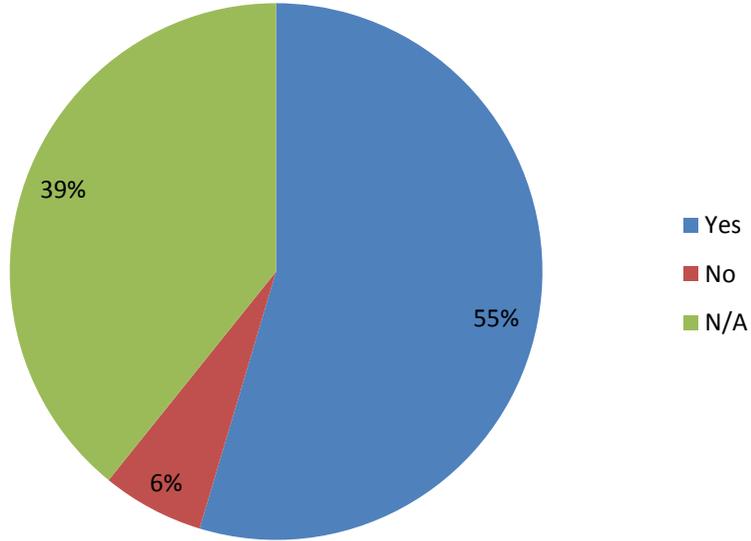
**Main issues:**

- The allocation of areas for self-build and custom build within SDLs would encourage architectural variety
- Flexibility in whether to allocate in large developments or ad-hoc outside settlements
- Potential timeframe for allocated plots not built out to revert back to conventional housing

**Housing for older people and other vulnerable groups**

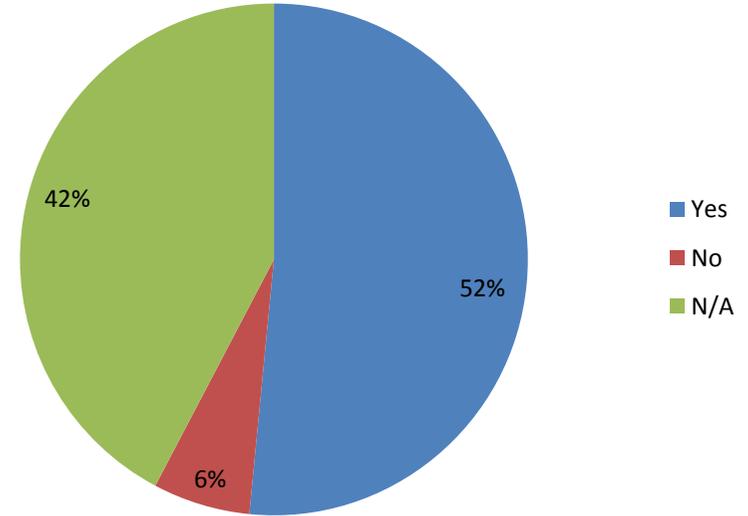
82

*Should the Council have a specific policy about accommodating Older People's Housing Need?*



Response	Yes	No	N/A
Number of Response	53	6	38

*Should the Council have a specific policy which supports proposals for accommodation for other vulnerable groups?*



Response	Yes	No	N/A
Number of Response	50	6	41

**Main issues:**

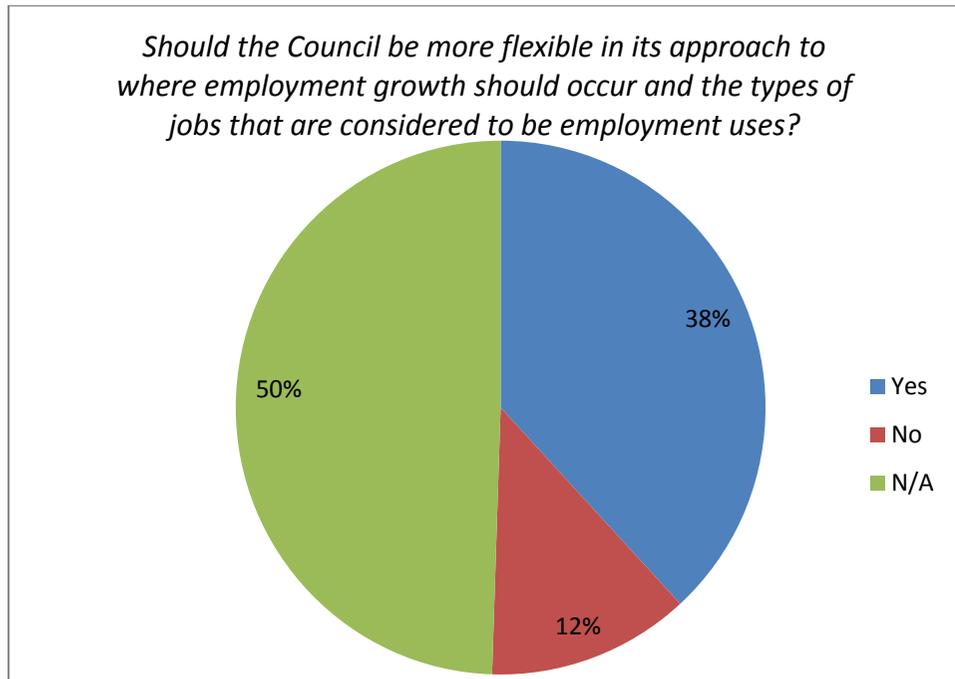
- Consideration should be given to smaller units, rather than only care homes and sheltered accommodation
- Choice of type and tenure should not be too limited

## 5. Employment & Retail

### Employment

The current policy approach is very focussed on preserving certain types of employment uses based around offices, industry and warehousing (known in planning as 'B' Use Classes). However, other types of uses, that don't fall within the 'B' Use Classes, also create jobs and could complement such uses, i.e. a café.

83



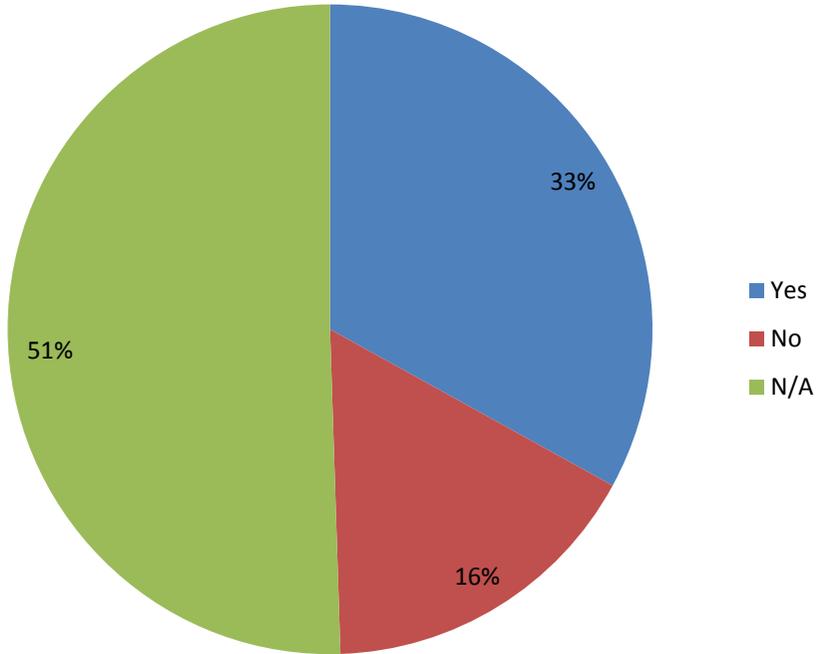
#### Main issues:

- Employment and working habits are changing and we need to adapt and be flexible
- Employment must be supported by e.g. sustainable transport, improved broadband, etc.
- Further focus on - Innovation hubs, communal space, starter businesses
- Include other community and leisure uses within employment areas if appropriate rather than limiting to B uses
- Flexibility should not mean unsustainable locations

Response	Yes	No	N/A
Number of Response	37	12	48

**Retail**

*Do you think we should continue to apply the same policy approach to retail development?*



**Main issues:**

- Need to understand that shopping habits are changing and improve flexibility of the retail experience
- Support of local, independent businesses

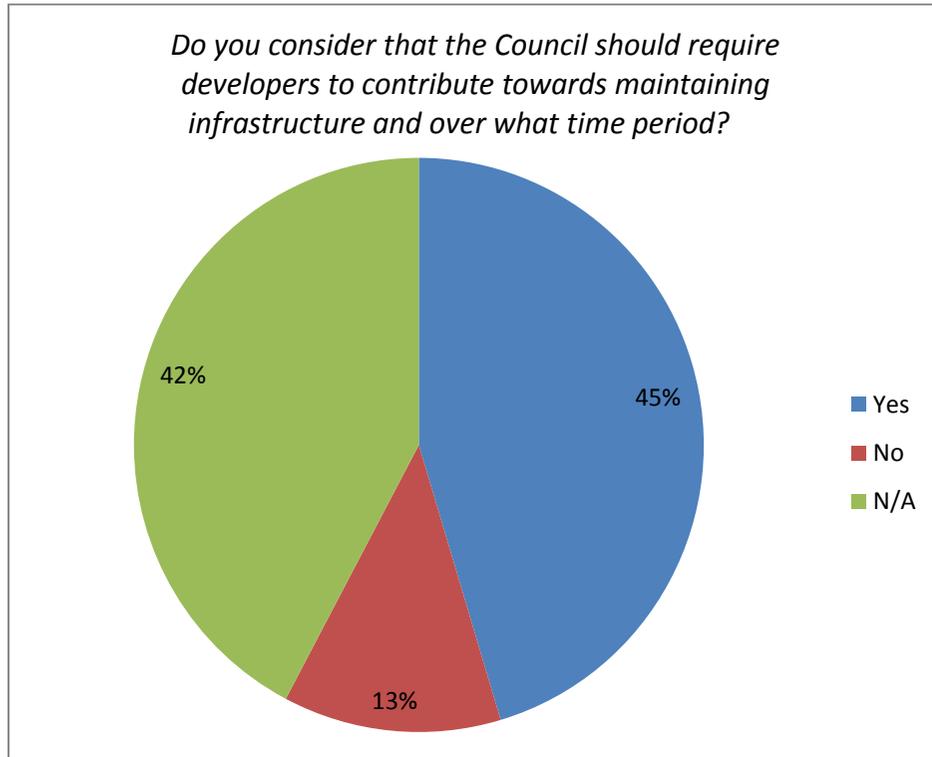
84

Response	Yes	No	N/A
Number of Response	37	12	48

## 6. Infrastructure and Community

### Infrastructure planning

85



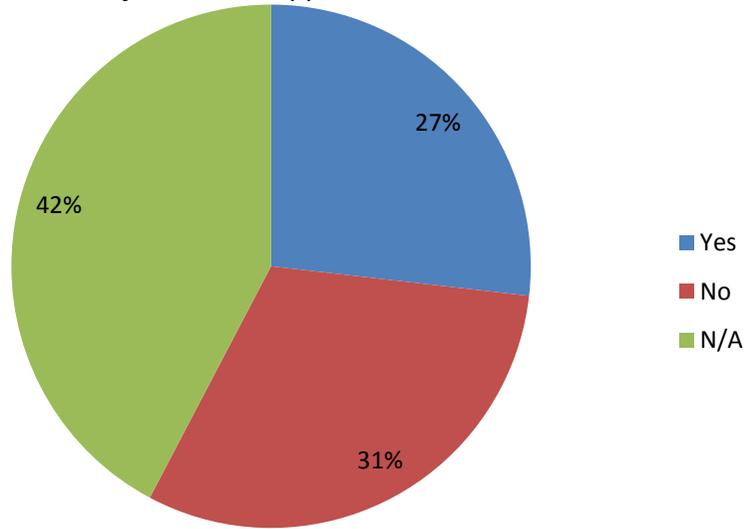
- Main issues:
- Provision of infrastructure to meet both the physical and social needs of the community
  - New infrastructure should be provided before/during housing being built, rather than after
  - Necessary infrastructure suggested includes: health, sports and leisure, transport, education, retail, community facilities, broadband access, green infrastructure
  - Various views were expressed towards the proposed time for developers to contribute to maintenance of infrastructure ranging from not at all, to forever, with a number of respondents stating 10 years
  - Consideration of renewable energy opportunities – wind turbines, solar power
  - Safe cycling
  - Need for a more consistent approach to cross-border issues regarding development

Response	Yes	No	N/A
Number of Response	44	12	41

- The majority 'Yes' responses were from Residents and Town & Parish Councils
- The majority of developers did not answer the question regarding maintenance

**Open space**

*Should the Council continue the policy approach of allowing the loss of open space, sports and recreational buildings and land as long as a suitable alternative is provided? If not, what approach should we take?*



**Main issues:**

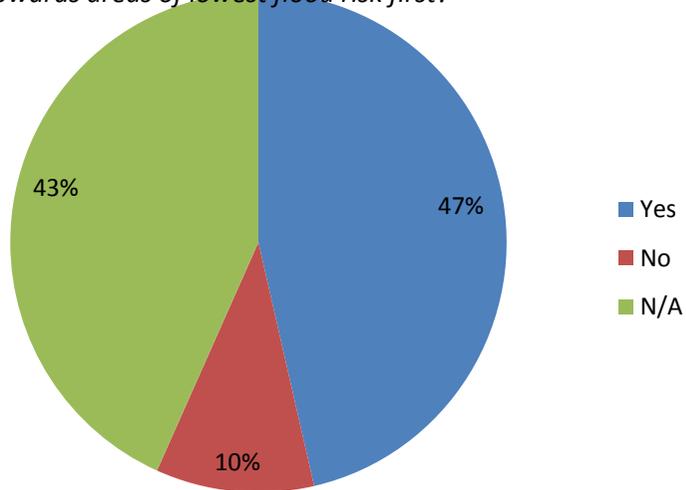
- Open space should only be lost if it is not fit for purpose
- Any alternative provided should be better rather than equivalent to that provision lost
- Any alternative must be local and accessible
- Where respondents said no to a continued policy approach, views expressed were largely that all open space should be retained

Response	Yes	No	N/A
Number of Response	26	30	41

## 7. Flooding and Sustainable Drainage Systems

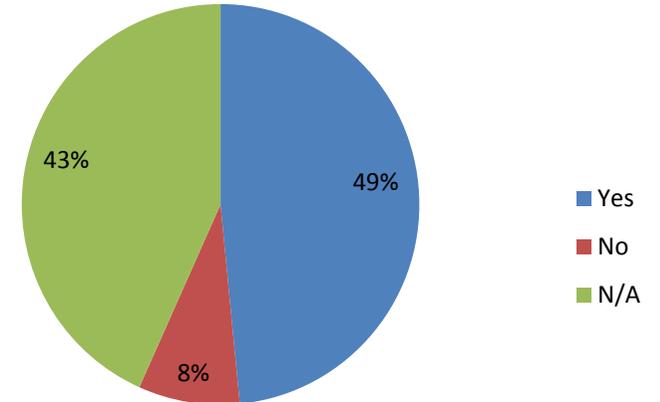
87

*Do you agree with the current approach to flooding; minimising the risk of flooding and guiding development towards areas of lowest flood risk first?*



Response	Yes	No	N/A
Number of Response	45	10	42

*Do you think that the implementation of Sustainable Urban Drainage Systems should be required on all residential development including Minor applications for 1-9 dwellings? If not, what approach should we take?*

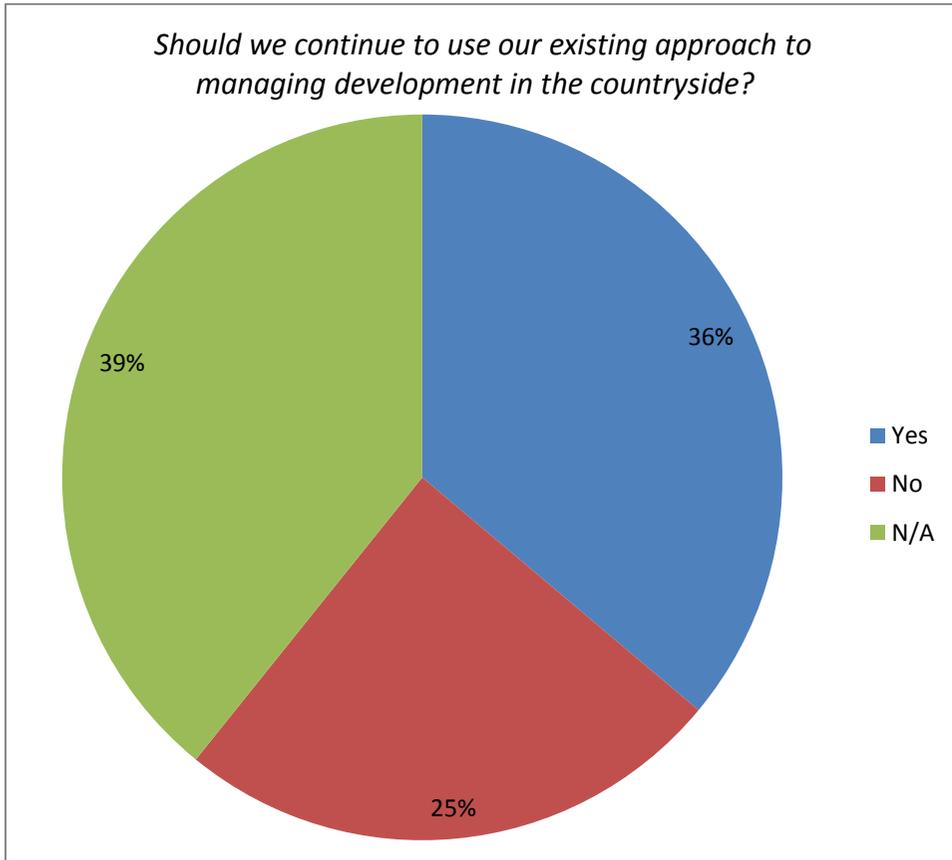


Response	Yes	No	N/A
Number of Response	47	8	42

### Main issues:

- Views expressed were largely in agreement with a continued approach, so long as it is applied with sufficient rigor
- Take a more positive approach to flood mitigation
- Utilise green infrastructure

## 8. Countryside



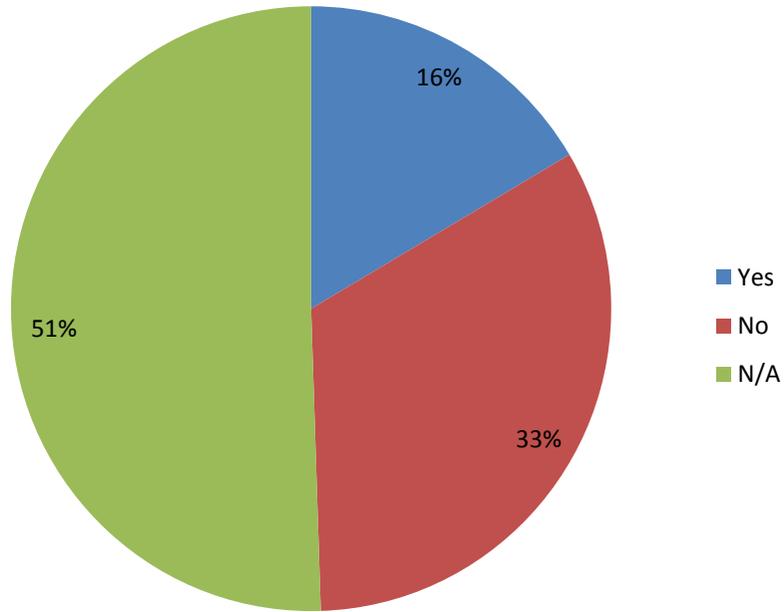
- Main issues:
- Development in the countryside should be restricted and sensitively handled
  - Retain separation between settlements with green gaps
  - Consideration at a local level needed based on sustainability of locations and sympathetic to local area

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Response	Yes	No	N/A
Number of Response	35	24	38

## 9. Green Belt

*Are there locations within the Green Belt for sustainable development that would warrant us looking at altering the Green Belt boundaries?*



Main issues:

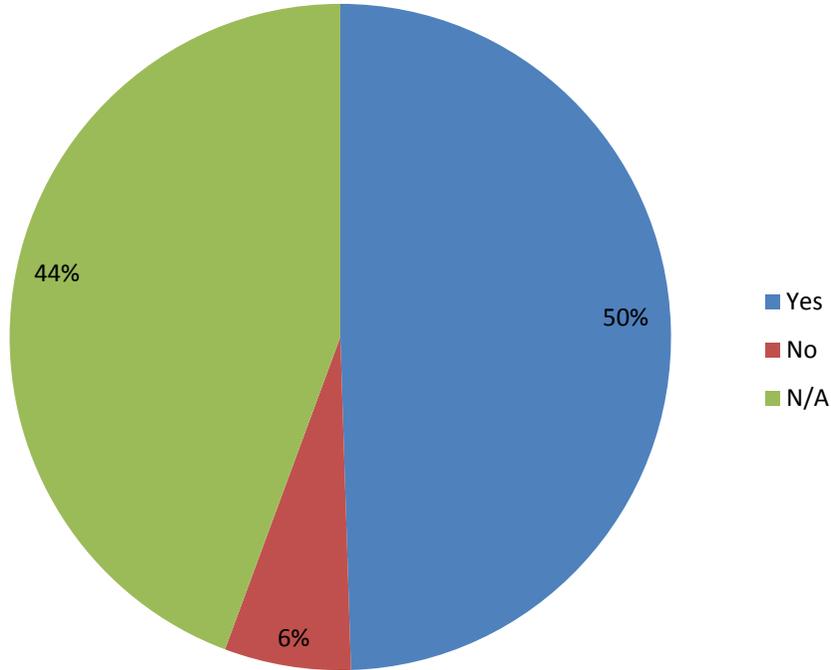
- Allow development of brownfield sites within the Green Belt
- Continue to protect the Green Belt

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Response	Yes	No	N/A
Number of Response	16	32	49

## 10. Natural Environment

*Do you agree with the Council continuing this approach to protecting designated nature conservation sites? If not, what approach should we take?*



### Main issues:

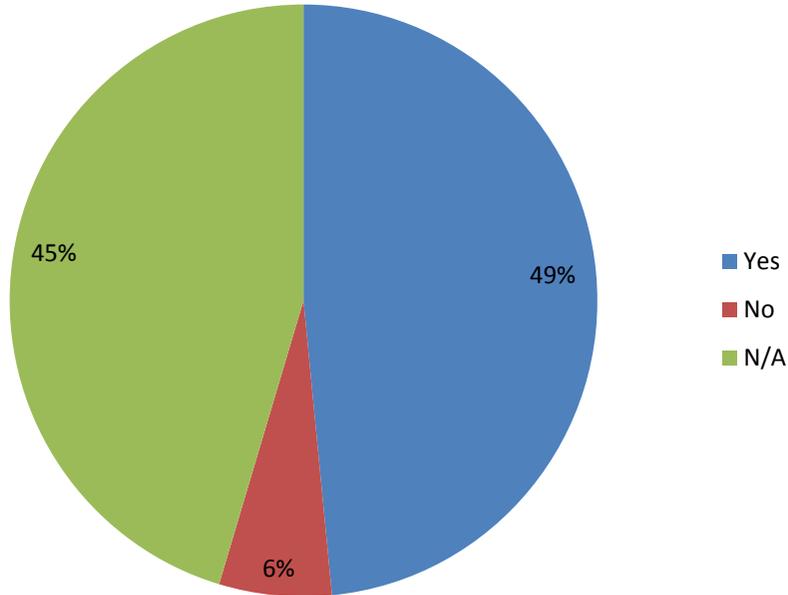
- Protection should be afforded to areas with no designation which support biodiversity, rather than only those with local designations
- Policies should positively impact the conservation and enhancement of the natural environment

06

Response	Yes	No	N/A
Number of Response	48	6	43

## 11. Heritage & Historic Environment

*Do you agree that we have got the right level of protection for our heritage assets?*



Main issues:

- Take account of significant assets through the plan making process
- Give communities the opportunity to submit features for inclusion in the Buildings of Traditional Local Character register
- Ensure protection without being too restrictive eg. To allow improvements

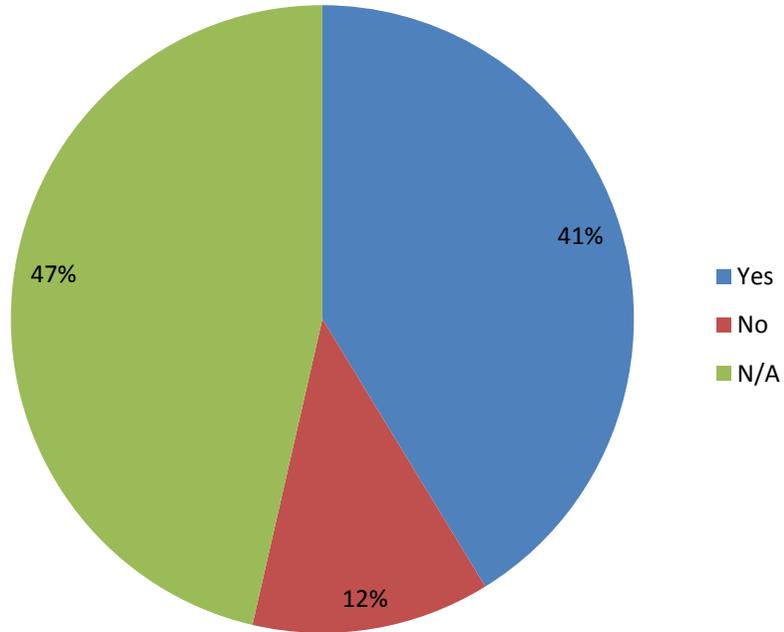
91

Response	Yes	No	N/A
Number of Response	47	6	44

12. Sustainable Design

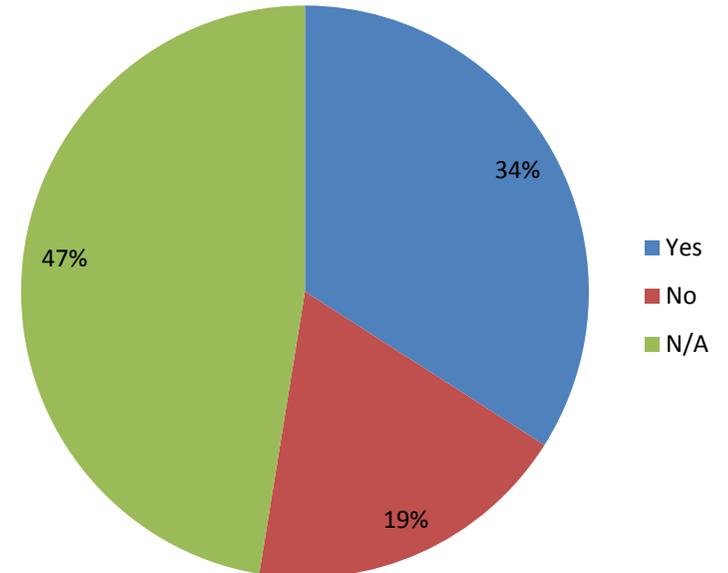
92

*Should we 'opt in' to the tighter Building Regulations requirement for water efficiency?*



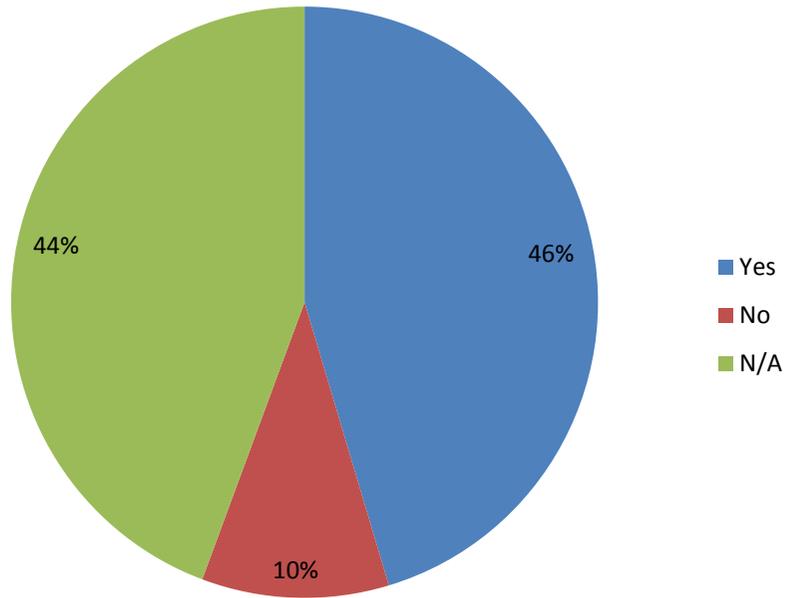
Response	Yes	No	N/A
Number of Response	40	12	45

*Should we specify what proportion of new housing should be within Categories 2 accessible and adaptable dwellings and 3 wheelchair user dwellings?*



Response	Yes	No	N/A
Number of Response	40	12	45

Should we 'opt in' to central government's minimum living space standards?



Response	Yes	No	N/A
Number of Response	44	10	43

Main issues:

- There is a national standard – ensure consideration of viability and affordability if tighter restrictions will be used
- An incentive may be more appropriate
- Will need evidence to support any changes

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<b>TITLE</b>	<b>Housing Land Supply and Reserve Sites</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Josie Wragg, Interim Director of Environment
<b>LEAD MEMBER</b>	David Lee, Executive Member for Strategic Planning and Highways

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Maintaining a five year housing land supply will help ensure the effective management of future development so that it occurs in suitable and sustainable locations and that it is well-designed.

## **RECOMMENDATION**

The Executive is advised to:

- 1) note the current five year housing land supply position;
- 2) approve the release of the allocated reserve sites to boost housing supply in the short term;
- 3) approve the invitation of an application on land south of Cutbush Lane.

## **SUMMARY OF REPORT**

National planning policy and guidance requires the council to maintain supply of land sufficient to provide five years' worth of housing.

The council's latest assessment undertaken as of 31<sup>st</sup> March 2017 indicated a 5.27 year supply against the level of housing need identified by the Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA).

The level of supply and housing need have been, and continue to be, challenged through appeal decisions. This means that whilst we can show a five year housing land supply in the annual update against the SHMA, Inspectors who accept partial updates to the deliverable land supply or find that housing need is higher, are likely to find a periodic deficit as not all sources of supply are considered.

The five year housing land supply position coupled with the previous appeal decisions continue to place undue pressure on the council from opportunist appeals.

Adopted planning policy SAL03 in the Managing Development Delivery plan allocates six reserve sites for residential development that could be released in the absence of a five year housing land supply. The area of land south of Cutbush Lane is currently constrained prior to 2026 by a unilateral s106 agreement. This report recommends their release to boost housing supply in the short term.

## Background

### Introduction

The National Planning Policy Framework (NPPF) sets out the government's planning policies. With regards to housing one of the key requirements is that local planning authorities should:

*"...identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer...moved forward from later in the plan period to ensure choice and competition in the market for land"*<sup>1</sup>

In the absence of a five year supply the NPPF advises that housing applications should be considered in the context of the presumption in favour of sustainable development and that housing supply policies should not be considered up-to-date.<sup>2</sup>

### Housing need

The Berkshire (including South Bucks) Strategic Housing Market Assessment (published in 2016) (hereafter referred to as the SHMA) is the latest, full assessment of housing needs covering Wokingham Borough.<sup>3</sup> It was jointly commissioned by the six Berkshire local authorities and the Thames Valley Berkshire Local Enterprise Partnership and has been agreed by each party under the Duty to Cooperate.

The SHMA identified housing need for Wokingham Borough to be 856 additional homes per year between 1 April 2013 and 31 March 2036.

The level of housing need has been subject to challenge through the planning application appeal process. Inspectors, when determining two recent appeals, concluded that housing need was higher at 862-890 or 894 additional homes per year. The adjustments were made to reflect worsening affordability and past under delivery in housing.

An appellant in a recent planning appeal progressed the position that housing need should be 960 additional homes per year. Further, a submission by the University of Reading to the Local Plan Update Issues and Options consultation suggested housing need should be 1,120 additional homes

Appeal	Inspector's Objectively Assessed Need - Dwellings per Annum (DPA)	SHMA Objectively Assessed Need – Dwellings per Annum	Difference
Stanbury House	862 dpa	856 dpa	6 dpa

<sup>1</sup> NPPF, paragraph 47.

<sup>2</sup> NPPF, paragraph 14 and 49.

<sup>3</sup> Planning Practice Guidance: Housing and Economic Land Availability Assessment advises that housing requirements in up-to-date local plans should be used as the starting point for calculating the five year housing land supply, where a local plan has become out dated, information provided in the latest full assessment of housing needs should be considered (ID-3-030-20140306).

	890 dpa		34 dpa
Park Lane and Broughton Farm	894 dpa		38 dpa
Barkham Road	960 dpa		104 dpa
University of Reading	1,120 dpa		264 dpa

The government in the housing white paper<sup>4</sup> has stated their intention to introduce a new standard methodology for calculating housing needs. This is likely to err on the side of higher housing supply.

### Housing land supply

The council's latest assessment of the housing land supply was undertaken as at 31<sup>st</sup> March 2017. This calculated a deliverable supply of 6,563 dwellings. This equates to a 5.27 year housing land supply when calculated against the recommended housing need figure of 856 additional homes from the SHMA plus the 20% additional buffer required by the NPPF.<sup>5</sup>

Through the appeal process, appellants have disputed the deliverable housing supply across a number of specific sites and advanced the argument that a lapse / non-implementation rate should be applied.

Notwithstanding the clear requirement to assess the housing land supply position annually, Inspectors, at various appeals, have reached their conclusion based only on partially updated information, i.e. only taking into account more recent information on specific developments without considering projected delivery on other sites, or the number of dwellings being completed or granted elsewhere.

The number of dwellings completed in 2016/17<sup>6</sup> was 933 net additional dwellings, an improvement over previous years. Notwithstanding the latest assessment showing a five year housing land supply is maintained against the housing need identified in the SHMA and the improvements to the process to ensure its robustness, the supply has less of a buffer than when assessed at 31<sup>st</sup> March 2016. We remain under intense pressure because the latitude given to Inspectors.

### **Analysis of Issues**

With the five year land supply position similar to that held over the last few years, the council is likely to see continued challenged from speculative landowners and developers.

#### a) The challenge to good planning

The council's Core Strategy approach to development was to concentrate the majority of residential development in four Strategic Development Locations, each delivering well

<sup>4</sup> [Fixing Our Broken Housing Market, DCLG February 2017.](#)

<sup>5</sup> Paragraph 47 of the NPPF requires an additional buffer to be applied on top of the housing requirement to ensure choice and competition in the market for land. The size of the buffer to be applied is either 5% or 20% depending on past delivery. At present, the council applies the 20% buffer based on under delivery against past housing requirements.

<sup>6</sup> From 1 April 2016 to 31 March 2017.

planned, high quality and infrastructure rich communities. The council's New Homes Survey shows that public perception of SDLs is showing a steady increase in satisfaction as SDLs are built and occupied.

Historically the approach to development was dispersed, incremental development. Development lacked supporting infrastructure and quality. This resulted in residents seeing pressure building on existing infrastructure and services, reducing accessibility, and leading to further congestion on the existing road network, which lacked sustainable expansion, as people travelled further.

A number of allowed planning application appeals have undermined the plan-led, concentrated development approach, and the good planning benefits that led to the council electing this option.

#### b) The likely increase in housing need

Inspectors, in two planning appeals,<sup>7</sup> have concluded that in their opinion the level of housing need is higher than that calculated by the SHMA. The introduction of a standard methodology for calculating housing need may remove lengthy debate about the validity of the calculation, but it is likely that any methodology will err towards higher housing supply as this is government policy.

Any substantial increase in housing need would reduce the five year land supply. The absence of supply would undermine the plan-led system.

#### c) The challenge of continuing delivery

Through the planning application process, the council has already acted to bolster the development industry's lack of delivery by approving additional large developments where there are opportunities to consolidate delivery on land within the existing SDLs and/or on land adjoining where this can be clearly demonstrated as being beneficial to the original vision and development concept, for example at Bell Farm and Keephatch Beech. Continuing this flexible approach will continue to boost housing supply.

#### d) The number and potential cost of planning application appeals

At the time of writing, the council has received 5 appeals, 7 planning applications and 3 pre-application approaches for proposed developments where the adequacy of the five year land supply has been raised by the applicant/appellant. The cost of 15 public inquiries is estimated to be around £1m on resources.

### **Options for addressing the challenge**

The Local Plan Update is the medium term solution to addressing issues around housing need and land supply. Through this, the council will establish a new housing target, allocate sufficient land to meet this and coordinate supporting infrastructure.

Whilst the Local Plan Update evolves continuing actions to bolster land supply will reduce the risk of unplanned and unsustainable development occurring.

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<sup>7</sup> Appeals at Stanbury House and Park Lane.

Adopted planning policy SAL03 in the Managing Development Delivery plan<sup>8</sup> allocates six reserve sites for residential development that could be released in the absence of a five year housing land supply (see Appendix A to this report). The challenge in land supply moving forward, coupled with the scale of the demonstrable land supply, is considered sufficient to enable release to be considered in order to establish a buffer large enough to suppress opportunist approaches via the appeal system based on the lottery of partly updating the five year land supply position.

Adopted planning policy CP19 in the Core Strategy<sup>9</sup> allocates land south of the M4 as a strategic development location (SDL). Development of the area within the SDL known as land south of Cutbush Lane prior to 2026 is constrained by a unilateral s106 agreement. The agreement allows development prior to 2026 in the event that an application is invited by the Council.

These sites are considered to be sustainable, having been subject to scrutiny through the plan process for the Managing Delivery Development consultation and examination process. The reserve sites can be released through a resolution of Executive or a Neighbourhood Plan. Development on land south of Cutbush Lane (see Appendix B to this report) can similarly be invited by a resolution of Executive. Their release would supplement the other actions already being taken and put us in a stronger position to defend decisions at appeal as well as sending messages to those considering opportunist appeals that we have the matter in hand.

## **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)	NA	NA	NA
Next Financial Year (Year 2)	NA	NA	NA
Following Financial Year (Year 3)	NA	NA	NA

### **Other financial information relevant to the Recommendation/Decision**

There are a number of ongoing pre-application, planning application and appeals relating to the reserve sites. The release of the reserve sites would enable the withdrawal of the reason for refusal relating to land supply.

Considering at wider planning activity, at the time of writing, the council has received 5 appeals, 7 planning applications and 3 pre-application approaches for proposed developments where the adequacy of the five year land supply has been raised by the

<sup>8</sup> Available via <http://www.wokingham.gov.uk/planning/planning-policy/local-plan-and-planning-policies/>

<sup>9</sup> Available via <http://www.wokingham.gov.uk/planning/planning-policy/local-plan-and-planning-policies/>

applicant/appellant. The cost of 15 public inquiries is estimated to be around £1m on resources.

### **Cross-Council Implications**

Reserve site W1111 Land off Wheatsheaf Close, Sindlesham is being considered for self-build housing. The release of the sites would facilitate an early application for the development of this land and use.

### **List of Background Papers**

- Core Strategy.
- Managing Development Delivery/
- Strategic Housing Land Availability Assessment 31<sup>st</sup> March 2016.
- National Planning Policy Framework.

<b>Contact</b> Ian Bellinger	<b>Service</b> Environment
<b>Telephone No</b> 0118974 6231	<b>Email</b> <a href="mailto:ian.bellinger@wokingham.gov.uk">ian.bellinger@wokingham.gov.uk</a>
<b>Date</b> 26 June 2017	<b>Version No.</b> 7

## Appendix A: Reserve sites and current activity

Reserve Site (address)	Allocated Capacity (dwellings)	Current activity (comment)
Land to rear of 216b-242a Nine Mile Ride, Finchampstead North (site FI140)	40	No recent pre-app or application.
Land rear of 328-348 Barkham Road, Barkham Hill (site WK122)	25	<p>Land Rear of 336 – 350 Barkham Road</p> <ul style="list-style-type: none"> <li>• Appeal Allowed: 13<sup>th</sup> April 2014 for 25 dwellings.</li> </ul> <p>Land Rear of 328b-336 Barkham Road</p> <ul style="list-style-type: none"> <li>• APPEAL HEARING HELD</li> <li>• Application for 10 dwellings (ref: 160732) refused 4<sup>th</sup> July 2016.</li> <li>• Public Inquiry completed 13<sup>th</sup> June 2017.</li> </ul>
Land north of The Shires (off Sandy Lane), Barkham Hill (site WK151)	5	Outline applications for either 4 or 5 dwellings (ref: 162150 & 162151) refused 30 <sup>th</sup> September 2016.
Land at Valley Nurseries, Broadwater Lane, Hurst (site SA104)	16	<p>Full application for 16 dwellings refused 22<sup>nd</sup> December 2016.</p> <p>Applicant advised appeal to be submitted.</p>
Land off Wheatsheaf Close, Sindlesham (site WI111)	24	Pre-app ongoing to provide self-build development of circa. 24 dwellings.
Land at Sonning Farm (off Glebe Gardens), Sonning (site ref SO101).	25	No recent pre-app or application.
<b>TOTAL</b>	<b>135</b>	

Appendix B: Map showing land south of Cutbush Lane



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<b>TITLE</b>	<b>Wokingham Borough Secondary School Strategy 2017</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Judith Ramsden, Director Peoples Services Graham Ebers, Director Corporate Services
<b>LEAD MEMBER</b>	Mark Ashwell, Executive Member for Children's Services

## **OUTCOME / BENEFITS TO THE COMMUNITY**

That sufficient secondary school places are available to meet the needs of the Wokingham Borough community.

## **RECOMMENDATION**

That Executive approve the Wokingham Borough Secondary School Strategy 2017 to 2020 as appended.

## **SUMMARY OF REPORT**

The attached Wokingham Borough Secondary School Strategy 2017 to 2020 sets out an analysis of the need for school places and a strategy for the delivery of the places (if required) over that period. It takes account of the most recent changes, including the opening of the new Bohunt Wokingham School. It also considers the need for places outside of the period, to the extent that initial preparation work for delivery is required.

The period of the plan is established by the timetable for the adoption of the new Wokingham Local Plan. This may lead to fundamental changes to the size of some Wokingham communities and the total and distribution of the child population. Until this is determined there is no value in establishing a longer term plan.

The analysis underpinning the strategy indicates that taking account of the rising number of children coming through from the primary sector and the possible impact of new housing the number of surplus places is likely to fall and there is a need to prepare to deliver additional places towards the end of the period. There are though a number of factors that could lead to demand not rising to the extent that additional capacity is required, and at least in the period of the strategy it is likely that growth could be managed within surplus capacity in existing schools.

The core recommendation is that the demand may rise so it becomes necessary to agree or create additional capacity. Specifically 100 additional Year 7 places may be required in the strategy period from 2019/20 (which need not be in additional or new permanent accommodation) split between the north and south areas. This is subject to

growth being in line with the higher numbers in the strategy projections. Associated with this is a need for preparatory work to create 270 new permanent places through school expansion to begin (based on 60 places per year in permanent accommodation) to commence for delivery outside the strategy period. The growth (and therefore the scheme development) is though dependent on continuing high levels of cross border movement and the impact of housing developments.

There are good reasons to believe that any additional capacity required in this period can be delivered through use of existing premises and expansion on school sites. Longer term growth may require a new school, to be delivered in conjunction with new housing proposals in the adopted Local Plan.

## **Background**

The Council has a duty under the Education Act 1996 to ensure there are sufficient secondary school places. Where additional capacity is required it must broker new capacity through partnerships with existing schools and supporting the creation of new schools through the Free School Presumption or Free School bid-led processes.

The most recent secondary provision strategy, the “Wokingham Secondary School Provision Strategy 2013 to 2016” (the 2013 Strategy) was adopted by Wokingham’s Executive on 28<sup>th</sup> March 2013 for the period from 2013 to the 2016/17 academic year. As the 2017 Academic year will commence shortly it is appropriate to refresh the strategy.

Under the 2013 Strategy the Council committed to deliver a new secondary school in Arborfield. This school opened in temporary premises in September 2016 as the Bohunt Wokingham School. By September 2017 it will have transferred to new permanent premises in Arborfield, creating 1,200 additional secondary places, with planning consent for growth to 1,500 place capacity. The Bohunt Education Trust have opted to offer 240 Year 7 places for 2017 and 2018 entry so the current premises are only suitable for Years 7 to 11. It is proposed to review sixth form accommodation needs during the life of this strategy.

This strategy sets out Wokingham Borough Council’s Secondary Place Strategy, for 2017 to 2020 (the 2020/21 academic year). It sets out the expected need for school places and proposed responses for the secondary sector (age 11 to 18) in the Wokingham BC area. The relatively short period covered by the Strategy is established by the need for the strategy for the period after 2019 to be consistent with the Local Plan that is currently in development.

## **Analysis of Issues**

The cores issues the strategy considers are:

- Current school capacity
- The number of places projected to be required (as a consequence of children moving through from the primary sector).
- The number of children generated by new housing developments
- The impact of cross border movement (and factors that may lead to changed rates of movement)
- Other changes (such as Grammar Schools)

It considers needs at a borough level, at an area level (north and south areas).

Currently there is a surplus of both secondary capacity and Year 7 places. However, the number of children coming through from the primary sector is projected to increase, significantly reducing the surplus and the impact of cross border movement and new housing could lead to a need for new Year 7 places in this period.

Cross border movement rates are assumed to remain constant. There are though a number of factors that could lead to significant changes. In particular, in the north area there is a significant movement into WBC schools from the Reading area of children who do not live in the designated area of a WBC school with admissions arrangements

designed to serve a local area. If demand increases in the Wokingham areas then a likely immediate effect is that the proportion of Wokingham children in Wokingham schools will rise. Conversely a major proportion of the movement out is to schools where proximity to the school is a less important factor (e.g. Reading Grammars) or the Wokingham residents have priority under existing admissions arrangements (e.g. Edgbarrow School and Wokingham Without).

Housing completions are expected to rise sharply in this period compared to the 10 year average. Developers have planning consents for large sites and can now make up the shortfall against the new capacity that was anticipated when the Core Strategy was adopted. However, development is likely to have a greater impact initially on the number of births, pre-school and key stage 1 pupils than on secondary admissions. These children will in time (from 5 years after the completion of each annual housing delivery phase) lead to an increased need for secondary places, but the impact is delayed compared to the primary sector.

The need for Year 7 places is therefore expected to rise and at least greatly reduce the current level of surplus places. It may be that additional capacity is required, and contingency plans must be made if numbers rise in line with the projections. It is a reasonable assumption that secondary school expansion should be the first mechanism considered to provide any additional capacity required.

The revenue costs of the strategy would be met by DSG (Dedicated Schools Grant). The capital costs are provisional at this stage as the recommendation is to work up expansion schemes. If capital works are required it is currently anticipated they will be contained within the developing next iteration of the Council's 10 Year Vision.

## **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.***

The current 10 year vision includes annual budgets to continue school capacity expansion after the completion of the Bohunt School. This is a prudent provision reflecting the likelihood of additional capacity being required within and after the strategy period.

The current expectation is that spend can be contained within the following budgets:

2020/21 -	£387,000
2020/21 onwards	£980,000 per annum.

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

<b>Other financial information relevant to the Recommendation/Decision</b>
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The revenue impact of any expansion will be on the DSG funded growth fund. The anticipated new national funding arrangements for schools will be important here as this means the growth fund will be a stand-alone pot (currently it is agreed in conjunction with the allocation of funding to schools). Any new arrangement will need a degree of flexibility and sufficient funding to enable school places to be delivered.

A funding stream has been identified in the 10 Year Vision. This would be funded from a mixture of Basic Need Capital Grant, S106, CIL and other funding sources held by WBC.

<b>Cross-Council Implications</b>
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None

<b>List of Background Papers</b>
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None

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## Appendix A – Wokingham Borough Secondary School Strategy 2017-2020

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## Wokingham Borough Secondary Schools Strategy 2017-2020

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### A Executive summary

The strategy considers needs in the period from 2017 to the 2020/21 Academic year; between the end of the previous secondary strategy (the 2016/17 academic year) and the formal adoption of the new Local Plan scheduled for 2019.

It looks at the borough as a whole, broken down into North and South Secondary Planning Areas and at issues that are specific to individual schools and communities. It looks at the impact of housing growth and considers how other factors, such as cross border movement, changing admission arrangements and new initiatives such as Free Schools and Grammar Schools could affect the need for school places.

It has a focus on mainstream education, so does not consider specialist provision for children with higher levels of Special Education Needs.

The core recommendation is that the demand may rise so it becomes necessary to agree or create additional capacity. Specifically 100 additional Year 7 places may be required in the strategy period from 2019/20 (which need not be in additional or new permanent accommodation) split between the north and south areas. This is subject to growth being in line with the higher numbers in the strategy projections. Associated with this is a need for preparatory work to create 270 new permanent places through school expansion to begin (based on 60 places per year in permanent accommodation) to commence for delivery outside the strategy period.

This capacity can be created through partnership working with existing schools and an action plan is set out to monitor rolls and deliver capacity in a timely manner if required.

### B Current position

#### Current Position Summary

This section sets out what the strategy sets out to achieve (purposes and objectives), the context and the role of a local authority.

It goes on to establish the current provision, projected future rolls, the impact of housing development and the importance of cross border movement. It considers all these factors at a borough and local (north and south areas) level.

The analysis shows that depending on changes to the level of cross border movement and the impact of new housing there may be a need for additional capacity towards the end of the strategy period. It recommends a prudent response of timely contingency planning.

Finally it considers a number of factors that bear on the need for school places, including the forthcoming Local Plan, the need to consider the Bohunt Wokingham School sixth form requirements and nationally promoted new schools such as Grammar and Free Schools.

### Purpose and objectives of this Strategy

This strategy sets out Wokingham Borough Council Council's Secondary Place Strategy, for 2017 to 2020 (the 2019/20 academic year). It sets out the expected need for school places

and proposed responses for the secondary sector (age 11 to 18) in the Wokingham Borough Council area. It succeeds the Wokingham Borough Secondary School Provision Strategy adopted by Wokingham Borough's Executive on 28<sup>th</sup> March 2013 for the period from 2013 to the 2016/17 academic year. The relatively short period covered by the Strategy is established by the need for the strategy for the period after 2019 to be consistent with the Local Plan that is currently in development.

The 2013 to 2016 Strategy established the need for a new secondary school in Arborfield. This has been delivered and the Bohunt Wokingham Borough School offers 240 places per year from premises with a current capacity of 1,200 places with planning consent for a further 300 places.

The aim of this Strategy is to ensure there are sufficient secondary school places in good or outstanding schools, where possible with walking distance of home to meet the needs of Wokingham Borough Council resident children. This is in accordance with the priorities established in the Wokingham Borough Council Plan Update 1.2.16 to "improve educational attainment and focus on every child achieving their potential" and in line with the adopted Core Strategy Development Plan.

The Strategy has the following objectives:

- To ensure that there are sufficient places available for pupils, in outstanding schools.
- To ensure that parental preferences are met to the greatest possible extent consistent with the elements of this policy.
- To ensure more children can walk and cycle to school consistent with the objectives in the Council's Sustainable Environment Strategy.
- To support the delivery of the objectives established in the Council's Core Strategy and maximise the opportunities that the Strategic Development Locations (SDLs) provide.

To achieve these objectives schools should be established to offer a broad and balanced curriculum at all three secondary key stages (ages 11 to 18). They should be able to meet the needs of all pupils up to the age of 16 (including those with Special Education Needs) and, post 16, at least able to offer a sustainable academic (A level focus) curriculum for 60% of the planned initial admission number. As far as possible (given the need for efficient and effective education) they should be within walking distance of pupils' homes.

To help ensure that places are accessible the strategy looks at:

- The borough as a whole
- North and South Wokingham Borough (the north is Earley, Woodley and communities north of Wokingham Town, the South is the shared area served by the Wokingham Town schools)
- Individual communities that may be served by oversubscribed schools that may not be able to meet local needs.

The strategy considers school place needs in the light of other WBC strategies. Of particular importance is the borough planning framework set out in the Core Strategy. The Local Plan is currently being refreshed with a view to adoption in 2019 and it is anticipated as this will impact on the demand for secondary school places. The end point of this strategy is intended to coincide with the adoption of the Local Plan to ensure the plan only deals with provision in a period that has an established land use plan.

It considers briefly the potential impact of the proposed new legislation concerning Grammar Schools that is expected to be introduced in the life of the next parliament and of the Free School programme that is currently being delivered.

This document identifies the background and supporting evidence leading to the recommendations. It also considers the continuing actions that will be required in the light of the changing pattern of the pupil population.

## Context

The number of children and young people requiring secondary school places is currently increasing in the Borough. The available evidence is that this trend is set to continue throughout and beyond the Strategy period. This is the consequence of an increased number of live births in the Borough, and migration into recently completed residential developments. Large scale planned development is expected to lead to a continuation of this trend. As well as rising demand, the geography (distribution) of secondary school provision and cross border movement of pupils are also factors that drive this strategy.

The ability to walk (or cycle) to school is a guiding principle. This helps reduce traffic congestion, provides health benefits and will lead to lower revenue spend by Council on home to school transport. By law the Council must provide transport where a child cannot walk to school. The statutory maximum walking distance is 3 miles, measured along a safe walking route (assuming the child is accompanied as necessary) and can include footpaths, bridleways and some roads without adjoining pavements. The opening of the new Bohunt Wokingham School in Arborfield means that only smaller communities in rural areas do not have a school within walking distance.

The strategy must take account of the high volume of cross border movement. To a large part this is a legacy of Berkshire County Council, with schools in Wokingham Borough Council (Bulmershe and Maiden Erlegh) serving communities in the Reading area and Bracknell Forest's Edgbarrow School in Crowthorne serving much of Wokingham without Ward. Other movements (both into and out of the borough) are also significant – as an example Yately school in Hampshire educates a number of Wokingham Borough Council resident children. Demographic and school provision changes in neighbouring boroughs are therefore also important factors for Wokingham Borough Council. Not only does the borough face challenges from rising demand, the movement of pupils and the distribution of schools, but the nature of school governance and management is changing. New and many long standing schools are now Academies and as such are largely independent of the local authority. This impacts on how the Borough can work with its partners and other agencies to develop new provision. It also means these schools become their own admissions authorities and could choose to set arrangements that provide priority to children living in communities in other local authority areas.

The Strategy identifies the key forces affecting the need for secondary school places, and proposes options for ensuring that there are sufficient school places available in all the necessary areas of the Borough. These key issues can be summarised as follows:

- The rising trend in the number of live births in the Borough seen until 2012 has worked its way through the primary sector and the impact is now being seen in the secondary sector.
- The long term need for places will be substantially affected by the planned new housing developments. The Borough's Core Strategy for the period 2006 to 2026 plans for 13,000 new homes over this period, largely in four new Strategic Development Locations (SDLs). A proportion of these homes have now been built and all four SDLs have active housing development sites contributing to a housing trajectory of over 700 new homes per year. The Strategic Housing Market

Assessment for Berkshire 2015 states an Objectively Assessed Need figure of 856 homes per year. The figures underpinning the projection use a lower rate of 500 homes (split 10% to the north and 90% to the south) to minimise the risks of double counting (children captured in the projection and generated by new homes).

- The high level of movement of pupil both within Wokingham Borough Council and between different boroughs. Long standing patterns may change though as new secondary schools open and the impact of rising demand for secondary school places across Berkshire impacts on established community and school relationships. Cross-border movement may be more restricted in the future as a result of a growing population in part due to new housing developments. As demand rises many schools will increasingly only admit from their local area, so reducing the number of places available to pupils crossing borough boundaries. This will impact in the future on the ability of parents to gain places for their children at their preferred schools.

## Local Authority role

Local Authorities have a continuing duty to ensure there are sufficient school places for children of statutory school age under the Education Act 1996. New schools are presumed to be Academies or Free Schools under S6A of the Education and Inspection Act 2006 (as modified by the Education Act 2011) and the majority of secondary schools have now converted to Academy status. This means that any change to school capacity (except for the small number of remaining Community Schools) has to be negotiated with the DfE and schools and cannot be imposed.

There are two ways in which local authorities can support the development of new schools.

Firstly, they can promote new schools under the “Free School Presumption” process. Under this arrangement the authority meets both capital costs and revenue start-up costs and through a competitive process makes recommendations to the Regional Schools Commissioner (who works for the Secretary of State for Education) as to who should become the school sponsor.

Secondly, they can support other bodies (such as parents or other Academy Schools) to promote their own Free School proposals. If these bodies are successful with their Free School bids they will receive start-up funding and have their premises provided by the DfE. This does though carry a number of risks as the local authority has a much lower level of control over the entire process. It cannot guarantee when (or if) premises will be available, it cannot exercise significant influence over the choice of Free School sponsor, it would be subject to the continued interest of the sponsor and would have less influence over critical issues such as school size and admissions arrangements.

School expansion decisions are taken by the local authority for community schools after a statutory consultation process. Expansion of Academies would be with the agreement of the DfE and the Academy Trust, with an expectation that revenue and capital funding would be provided by the local authority.

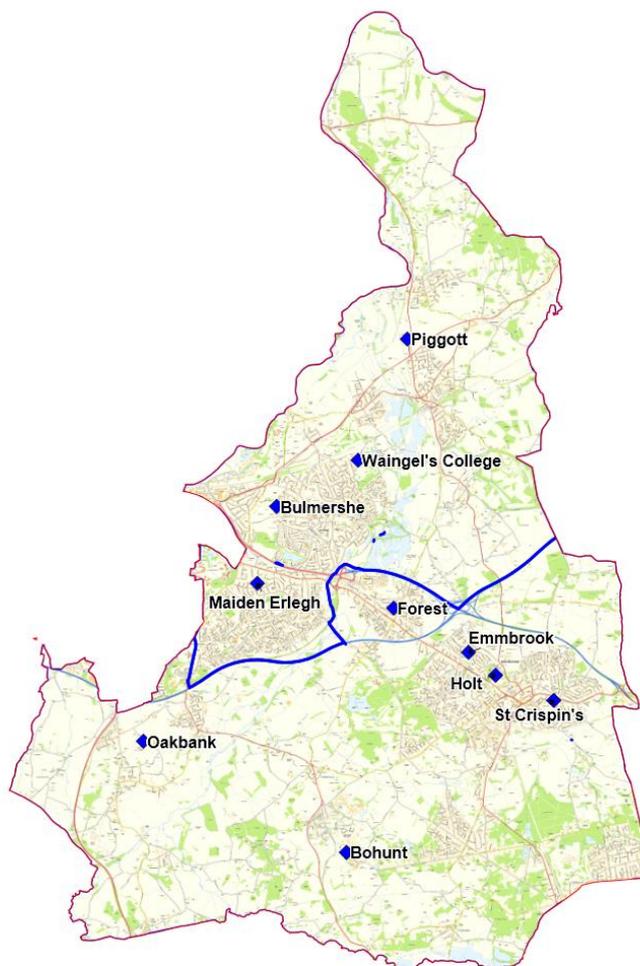
## Present Provision

Wokingham Borough Council has 10 secondary schools:

6 in South Wokingham Borough (Forest School for Boys, Holt School for Girls, Emmbrook School, St Crispins School, Oakbank Free School and the new Bohunt Wokingham School.

4 in North Wokingham Borough (Maiden Erlegh School, Bulmershe School, Waingels College, and the Piggott School)

Of these Emmbrook, St Crispins, and Bulmershe schools are maintained schools while other schools are Academies or Free Schools.



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School	Area	Capacity	Admission Number
Bulmershe (Community)	N	1,383	240
Maiden Erlegh (Academy)	N	1,788	278
Piggott (Academy)	N	1,338	203
Waingels College (Academy)	N	1,500	240
Bohunt Wokingham (Free School)	S	1,200	240
Emmbrook (Community)	S	1,219	210
Forest (Academy)	S	1,208	200
Holt (Academy)	S	1,209	210
Oakbank (Free School)	S	560	112
St Crispin's (Community, converting to Academy)	S	1,123	189
<b>Total</b>		<b>12,528</b>	<b>2,122</b>

Note St Crispins will increase its Admission Number to 200 from 2018/19

## Rolls within the Strategy period

The strategy begins with analysis of demand for school places. This is based on:

**Roll projections**

**+**

**Housing development impacts.**

**+**

**Cross Border movement changes**

**=**

**Forecast Need**

### Roll projections

These are created by applying the historic proportions of the year 6 rolls of all Wokingham Borough Council primary or junior schools arriving in the following year's Year 7 in a particular secondary school to the projected Year 6 rolls to generate projected Year 7 rolls. Other projected year groups are generated by applying historic cohort survival rates (the percentage change in the size of a year group as it ages by one year) to current and projected future year groups. A swell factor is applied to each school's projected year 7, representing the proportion of children who arrive who were not previously on the roll of a Wokingham Borough Council primary level school (in the main this represents out of borough children).

Changes such as the impact of new housing are captured through the impact on the transition and cohort survival rate, provided that the rate of future housing growth matches the historic levels.

This projection uses the summer allocations data for September 2017 places. This is subject to significant variation until September, but ensures the projections take account of the impact of the new Bohunt Wokingham School, offering (and filling) as it does 240 places and the increased popularity of Bulmershe School.

As a projection this is not a forecast. The model does not mimic the impact of the admissions arrangements (for example in limiting the number of children admitted to a school) and in itself takes no account of changing rates of new home construction

Appendix one sets out some additional information.

## **Housing development impacts**

In parts of the borough new housing construction rates significantly exceed historic home construction rates and an allowance is made for the additional children generated by the new homes.

As most development is in the south (associated with the four SDL areas) and only Woodley is seeing significant volumes of house building in the north, the additional pupil impacts are split 10% to the North and 90% to the South areas

## **Cross Border movement changes**

The interest here is in factors that may lead to either an increased out or in flow of children from other boroughs. The most significant inflows are into Maiden Earley and Bulmershe Schools from parts of Reading and to Edgbarrow School in Bracknell Forest from Wokingham Without on the fringes of Crowthorne.

The projection includes an element for pupils who were not previously on the roll of a WBC primary school. Almost all these children will live in neighbouring boroughs. The projections are shown (for Year 7 only) with WBC resident and Out of Borough resident children separated out.

Over the three year life of the strategy it is assumed there will be no changes to cross border movement. This is the “highest pressure” scenario as there are good grounds to take the view that a more credible scenario is that recruitment of out of borough children by Wokingham Borough Council Schools will fall as local (Wokingham Borough Council) demand rises but that existing admissions arrangements protect Wokingham Borough Council children’s access to a number of out of borough schools. The base line data – 2017 admissions round data – has been chosen because this includes the impact of Bohunt School (recruiting to 240 pupils and offering a school within walking distance to a number of south Wokingham Borough communities for the first time) and the increased popularity of Bulmershe School, recruiting to full capacity for the first time.

## **Borough level**

The borough level need assessment considers:

- The total roll projection
- The Year 7 roll projection
- School capacity
- Housing development
- Cross border movement impacts

The analysis shows that even with the opening of the new Bohunt Wokingham School in Arborfield demand could rise to close to capacity (4% margin) in the life of the strategy and that there is a need for contingency plans to offer an increased number of year 7 places. This is based on:

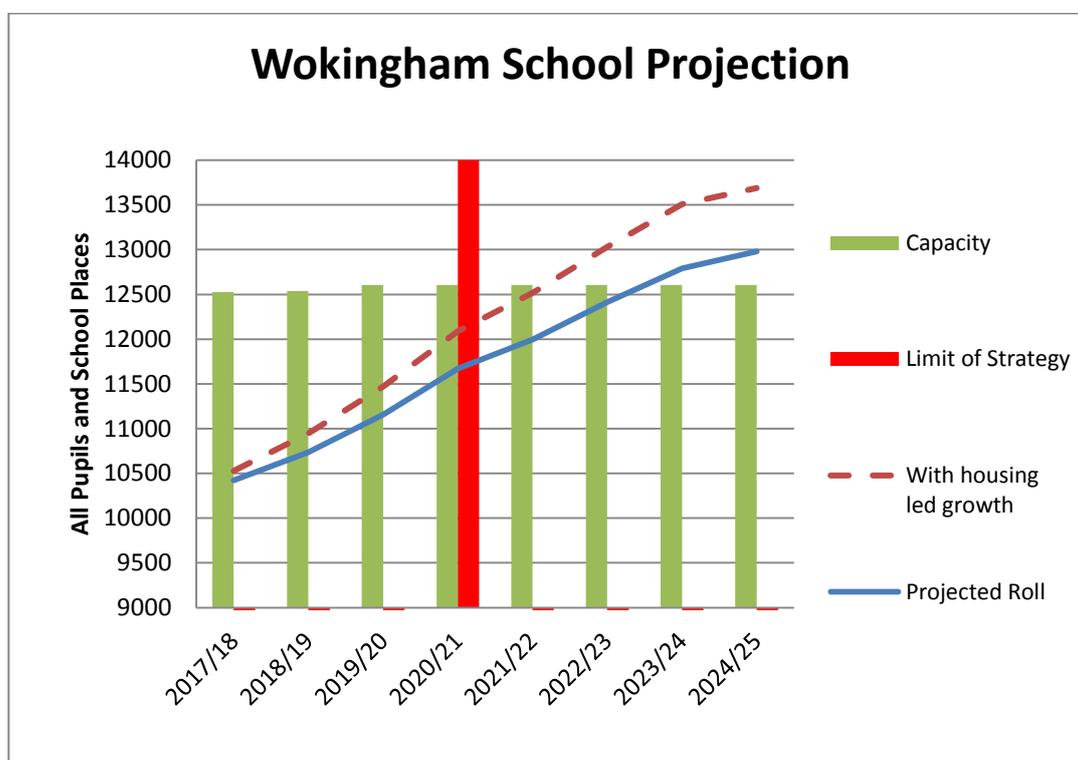
- A rising roll, as the increased numbers of children in the primary sector work their way into secondary schools.
- The impact of new homes on Wokingham Borough pupil numbers.
- No significant changes to the rate of cross border movement

The new homes impacts are necessarily uncertain, as they depend on the rate of new home construction remaining high and on new families arriving from outside Wokingham Borough with secondary age children. Historically the housing market has been intensely cyclical with significant periods of low house building rates locally and nationally, while ONS evidence indicates most migration into the borough is of younger primary school age children. While in the long term housebuilding will undoubtedly have a major impact on the demand for school places, the impact in the period of the strategy will be limited.

Cross border movement is, as established above, a major factor in the demand for school places. It is assumed that this will remain constant in this period as no changes or potential changes have been notified that will increase demand in Wokingham Borough. One impact of rising demand could be that as more schools become oversubscribed pupils living in areas further from these schools will find they cannot be offered preferred Wokingham Borough schools and will be offered school places closer to home.

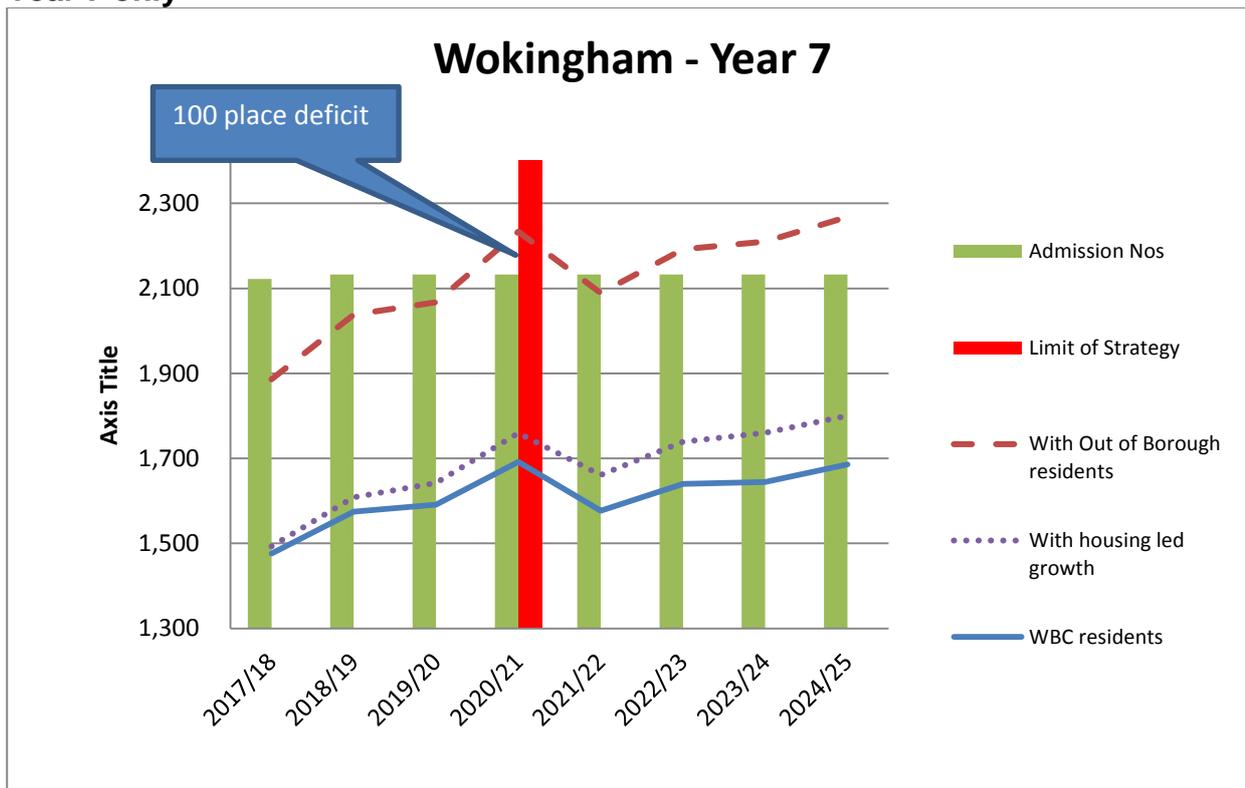
### *Future need for school places*

#### **Secondary sector projection**



The projection indicates that demand could rise to be a close match to place availability over the period of the strategy. In the longer term (after 2021) demand could outstrip capacity. It is therefore important that one action during the strategy period is the development of plans to increase capacity from the 2021/22 academic year.

Year 7 only



Year 7 is of particular interest because the most significant changes in demand can be expected to be those working their way through from the primary sector.

The year 7 projection indicates that Wokingham Borough Council may need to agree 100 additional year 7 places for 2020/21. However cross border movement of children from neighbouring boroughs into Wokingham Borough Council Schools accounts for a high proportion of the total roll. Therefore the normal operation of the admissions arrangements does mean that the proportion of non-Wokingham Borough Council resident offers can be expected to fall as local demand rises and in turn this could lead to all Wokingham Borough Council children receiving local offers, without additional capacity being required. In this scenario it would be important that there were undersubscribed schools to provide local headroom for families moving into the area and to provide places for children who could not be offered any of their preferred school places. Note here that under the Greenwich judgement neither Wokingham Borough Council or “own admissions authority” schools (Academies and Free Schools) can discriminate against out of borough applicants or reserve places for Wokingham Borough Council resident. They can give priority to children living in specific designated areas or by distance and both measures will tend to give Wokingham Borough children priority for Wokingham Borough schools.

Note that while initially additional year 7 places may not require capital investment (because under-utilised secondary school accommodation can be brought into play) permanent school growth will require capital investment.

So the Year 7 projection indicates the need to agree contingency plans for 100 additional year 7 places from 2020/21, preferably leading into permanent expansion schemes required from 2021/22. These will only be required though if it is clear that the proportion of out of borough offers to in-borough offers is maintained.

### *Development impact*

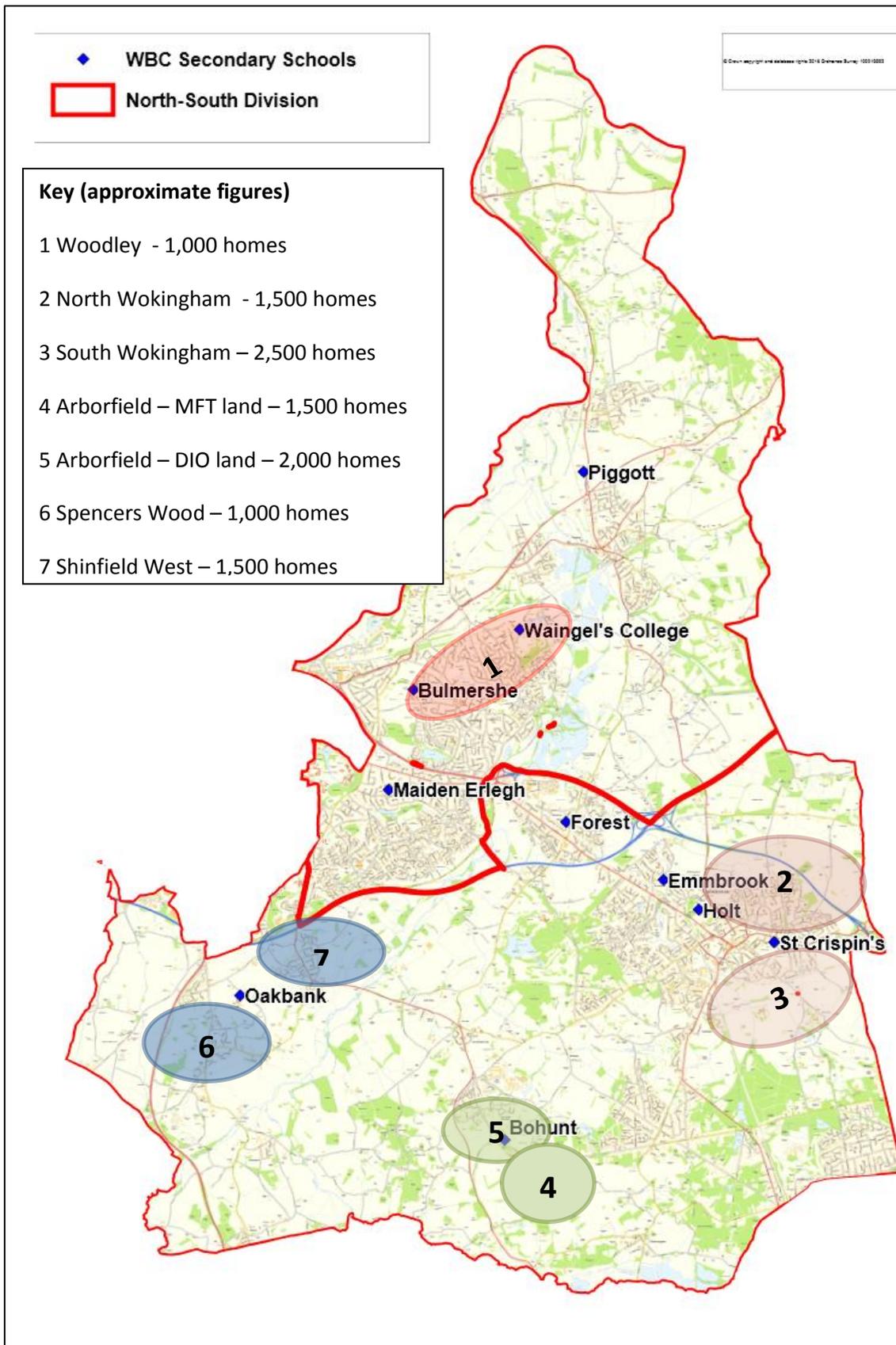
The development map below shows the major development locations in the borough.

The interest here is the likely scale of development throughout the life of the strategy. The roll projection model effectively captures the impact of recent house building rates through cohort survival and primary to secondary school transfer rates. Roll growth due to new housing lead to cohorts increasing in size as they age and this percentage change is captured in the model. Given the number of sites that are now active across the borough it is assumed that housing construction will be in the order of 1,000 homes per annum but that 50% of the increase is captured by the roll projection model. The current high rate of house building can occur because developers have sites with planning consent they could not build out during the economic downturn. Furthermore all the SDL sites are in the south areas, while only Woodley has a number of larger scale development sites that are currently active. There is a nominal 10% North / 90% South division in the housing impact figures.

<b>Year</b>	<b>North</b>	<b>South</b>	<b>Borough Total</b>
2017	11	95	106
2018	21	190	211
2019	31	283	314
2020	42	375	417
2021	52	467	519
2022	62	556	618
2023	72	645	717
2024	71	639	710
2025	70	633	703

**Table of number of additional pupils across all year groups generated by new housing.**

## Major housing development sites in the strategy period:



## Cross border movement

As noted above cross border movement is a significant issue. Although movements in and out come close to matching at a whole school level they are driven by different factors and therefore the level of movement and the ratio between in and out flows could change significantly in this period.

One effect of rising demand could be that cross border movement reduces as Wokingham Borough Council children, living closer to WBC secondary schools or living in their designated areas will have priority over Out of Borough children in the admissions process and as a consequence all WBC children will receive offers without any increase in capacity. Although the converse (Wokingham Borough resident children unable to secure places at out of borough schools) could also be true, nearly 70% of out of borough offers to Wokingham Borough resident children were to schools with admissions arrangements that normally work to favour some Wokingham Borough residents over many children living in a host borough. This includes admission to the two grammar schools (where high rates of prior attainment can be expected to correlate with admission to the schools) , Edgbarrow School where priority is given for most Wokingham Without residents and Ranelagh, with a faith based priority arrangement.

The tables below show cross border movement and movement between the two Wokingham Borough Council planning areas (north and south) in 2016 and 2017. They are derived from “snapshot” admissions data, so both 2016 and 2017 cross border movement will evolve further. The greatest changes however occur up until the point at which children are admitted to secondary school.

Although admission arrangements are outside the scope of a school place strategy these will be kept under review through the on-going annual admissions arrangement setting and review process to ensure that the rights of Wokingham children are protected.

### 2016

Count of App. Reference	School location →			
Home area ↓	North schools	South schools	Out of Borough schools	Total children by area
North home address	740	75	93	908
South home address	33	726	216	975
Out of Borough address	128	124	2	254
<b>Total Rolls</b>	<b>901</b>	<b>925</b>	<b>311</b>	<b>2,137</b>
Total in Wokingham Borough Council Schools	<b>1,826</b>			

### 2017

Count of Stud ID	School location →			
Home area ↓	North schools	South schools	Out of Borough schools	Total children by area
North home address	714	55	95	864
South home address	27	771	193	991
Out of Borough address	166	136	6	308
<b>Total Rolls</b>	<b>907</b>	<b>962</b>	<b>294</b>	<b>2,163</b>
Total in Wokingham Borough Council Schools	<b>1,869</b>			

The data shows:

- That the North and South division of the borough works because over 90% of offers are to schools that are in children's home areas.
- The significance of cross border movement, both into Wokingham Borough Council and out of Wokingham Borough Council schools:
  - 11% of Wokingham Borough North area pupils allocated places in other boroughs
  - 20% of Wokingham Borough South area pupils allocated places in other boroughs
  - 18% of the intake of Wokingham Borough North area schools from out of borough
  - 14% of the intake of Wokingham Borough South area schools from out of borough

Behind the area picture there are specific school issues.

- Movement into the north area is predominantly to Bulmershe school (108 out of 166 or 65%) with lesser movement to other schools.
- Conversely movement out of the North area is predominantly to Reading Grammars (55 out of 86 or 64%)
- Movement into the South area is predominantly to Oakbank (58 out of 136 or 43%) with just under 30 children to Forest and Bohunt schools)
- Conversely movement out of the South area is predominantly to Edgbarrow School (99 out of 193 or 47%) with lesser movement to other schools.

The data shows that there are different factors driving cross border movement. Movement out is to schools where Wokingham Borough residents have some degree of protection compared to many children living in the local authorities within which the relevant schools are sited. The Reading Grammars and Edgbarrow school have admissions arrangements that in effect will continue to give priority to some Wokingham Borough resident children (while these arrangements are maintained). Reading Grammars give priority based on scores in their entry tests and many Wokingham Borough children perform well in these and Edgbarrow has a designated area that includes a significant part of the Wokingham Borough Without Parish.

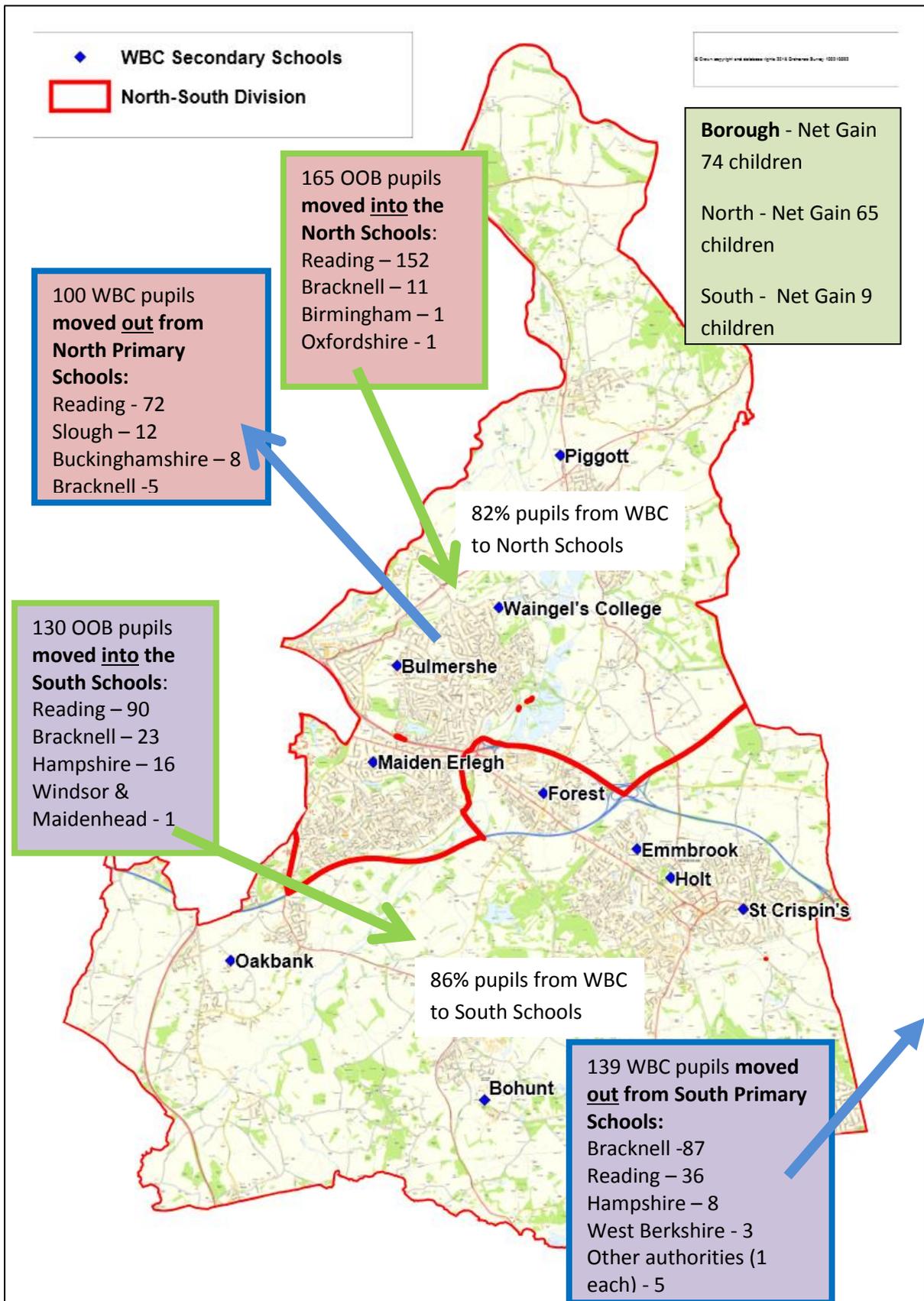
Movement in to Wokingham Borough schools is predominantly to community schools and if demand increases in those parts of Wokingham Borough closest to the schools (and in their designated areas), Wokingham Borough resident children will have a degree of priority over out of borough children. While Bulmershe School has a designated areas that includes parts of Reading, in fact most of the out of borough admissions are to children who do not live in the designated area.

In short admissions arrangements are important and it would be in the interest of Wokingham Borough families to seek to maintain current arrangements in most cases.

The diagram on the next page below looks at cross border movement from the perspective of primary schools attended. It paints a similar picture, but with reduced rates of apparent

movement out because in many peripheral areas children already attend primary schools in the local authority areas where the allocated secondary schools are located.

**Cross-border movement:**



### *Capacity requirement over the strategy period*

The table below shows how standard roll projections, combined with additional housing led growth could lead to a diminishing level of surplus capacity.

	Projected Roll (11 to 18)	Housing led growth	<b>Total Need</b>	Capacity	<i>Surplus (+) / Deficit (-)</i>	<i>%ge surplus capacity</i>
<b>2017/18</b>	10,422	106	<b>10,528</b>	12,528	<i>2,000</i>	<i>16%</i>
2018/19	10,736	211	<b>10,947</b>	12,607	<i>1,592</i>	<i>13%</i>
2019/20	11,156	314	<b>11,470</b>	12,607	<i>1,137</i>	<i>9%</i>
2020/21	11,670	417	<b>12,087</b>	12,607	<i>520</i>	<i>4%</i>

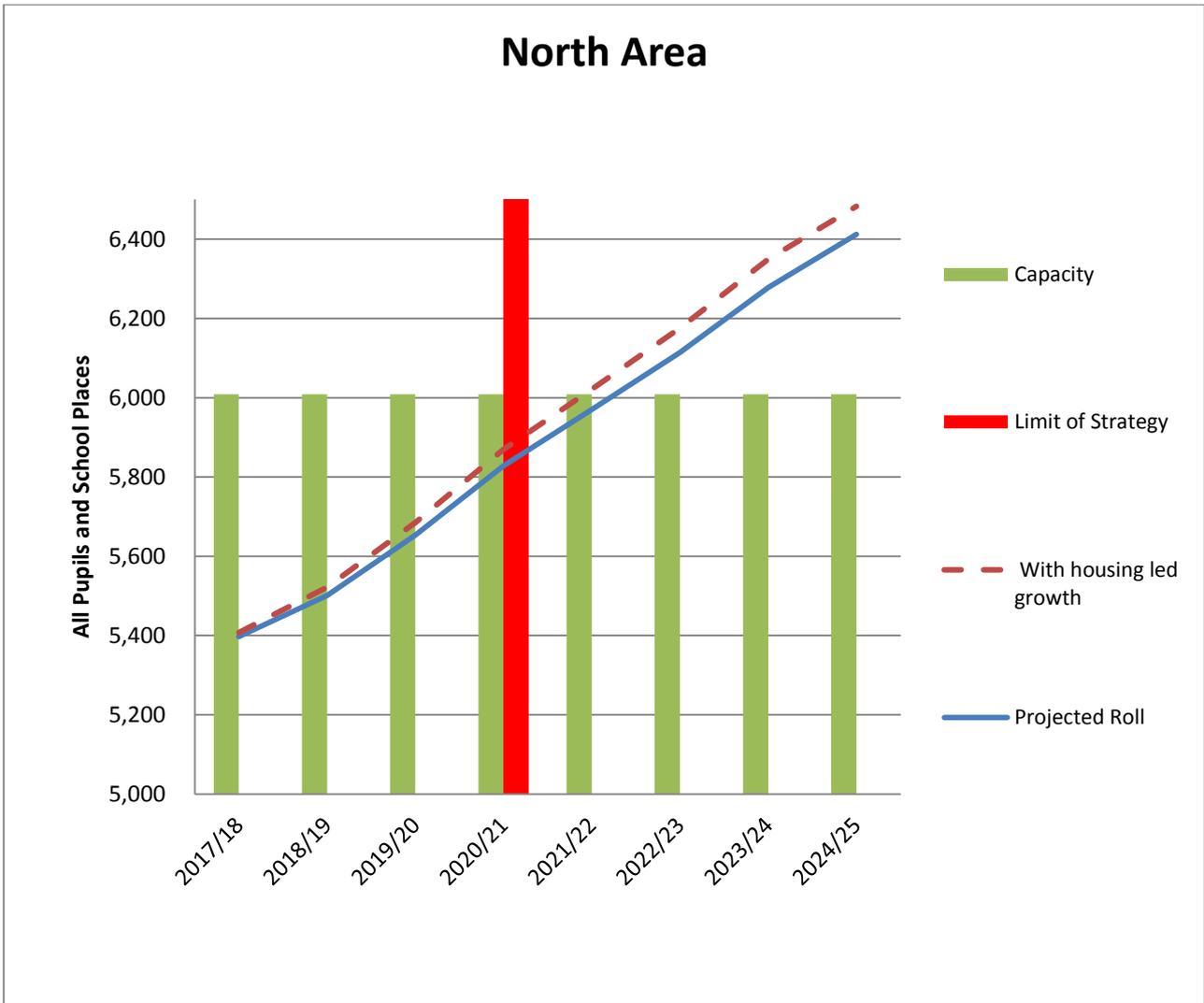
The DfE recommend a 5% surplus figure, and the surplus only fall below this figures because of the possible impact of new housing towards the end of the projection period. Without the housing impact, the surplus would be 7% - a figure that requires no remedial action.

However, the Year 7 position is one where there could be a need for 100 places, dependent on the balance of cross border movement and the impact of new housing. This is clearly a possible not firm need so the prudent step is to prepare timely contingency plans.

## North Wokingham Borough

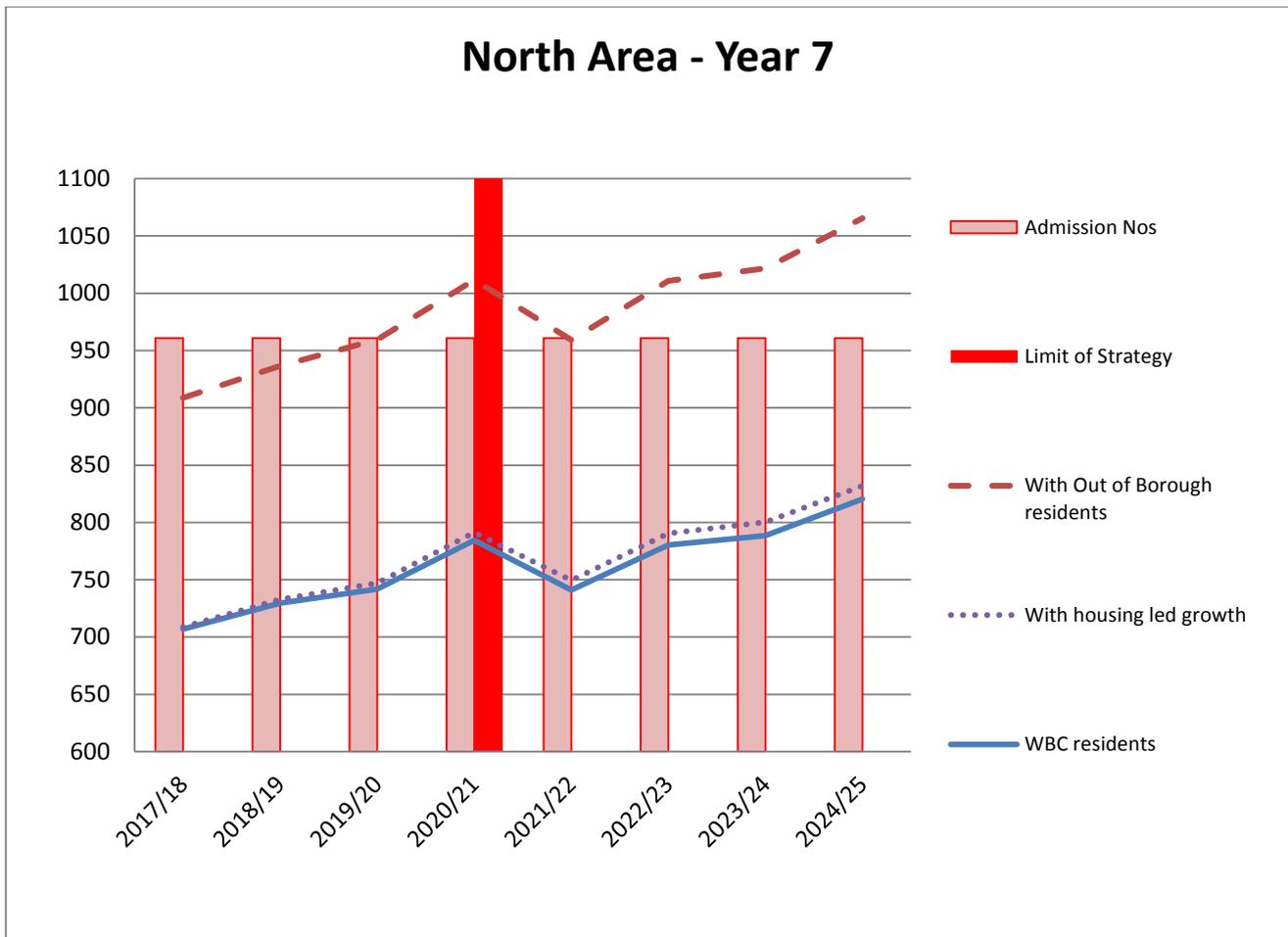
The projection indicates there will be sufficient capacity within the strategy period.

North	Projected Roll	Housing led growth	Total need	Capacity	Surplus (+) / Deficit (-)	%ge surplus
2017/18	5,397	11	5,408	6,009	601	10%
2018/19	5,501	21	5,522	6,009	487	8%
2019/20	5,653	31	5,685	6,009	324	5%
2020/21	5,828	42	5,870	6,009	139	2%
2021/22	5,970	52	6,022	6,009	- 13	0%
2022/23	6,114	62	6,176	6,009	- 167	-3%
2023/24	6,278	72	6,350	6,009	- 341	-6%
2024/25	6,412	71	6,483	6,009	- 474	-8%



**Year 7 position**

The projections indicate that there is a need for contingency plans for 60 additional year 7 places from the 2018/19 year, albeit at no point does the projection indicate that demand from WBC resident children will exceed capacity. While a proportion of these out of borough children live in the designated area of North area schools, the majority do not so the normal action of the admissions process may well ensure places continue to be available to Wokingham Borough resident children.



**School / community level issues:**

Two schools are very popular and have been oversubscribed for many years - Piggott and Maiden Erlegh.

**Bulmershe School** – has become popular in 2017 and is effectively fully allocated. Offer data for 2017 shows that 105 offers were to children living outside the school’s designated area, strongly indicating capacity to meet needs generated by local population growth, including in the parts of the designated area in the Reading area. Note though that admitting children to the current admission number may create a requirement for additional capacity from 2020/21 onwards as the current assessed net capacity is less than the roll that will be generated if the school continues to recruit to its admission number.

**Waingels College**– is the only school with Year 7 capacity. This school has not historically recruited children from out of borough, possibly reflecting the good links to the neighbouring area but greater distance from the borough boundary than either Bulmershe or Maiden Erlegh Schools (the school is over 3 miles walking distance from Cemetery Junction in Reading, for example).

Growth in the primary sector has led to the establishment of a new school in Charvil and the expansion of five other schools. Of these only Colleton Primary School in Twyford will see an expanded year group (an additional 25 pupils) leave the primary sector for secondary schools in the strategy period (Hawkedon Primary School in Earley has also expanded but

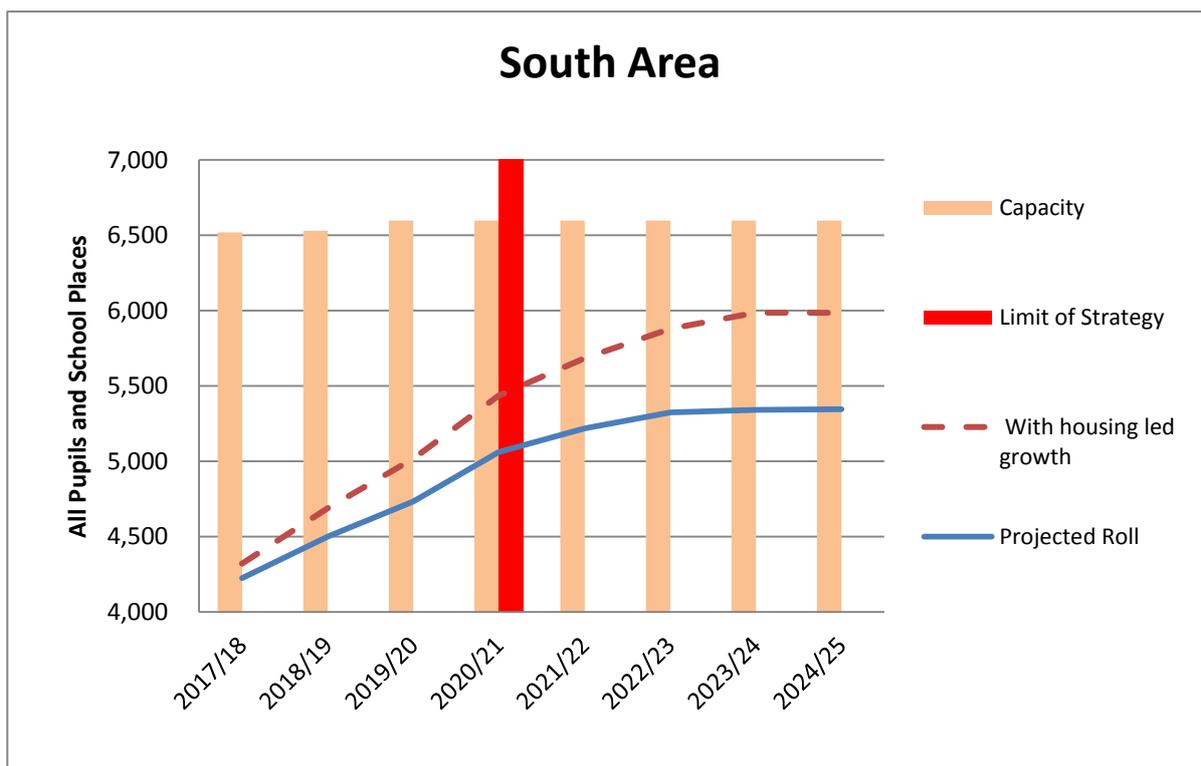
the school filled quickly and expanded year groups are already entering the secondary sector). The analysis does not indicate this growth is sufficient to warrant school expansion in the strategy period.

### South Wokingham Borough

#### Overall capacity position

The projections indicate there sufficient capacity over the life of the strategy, reflecting the impact of the opening of the Bohunt Wokingham School in Arborfield

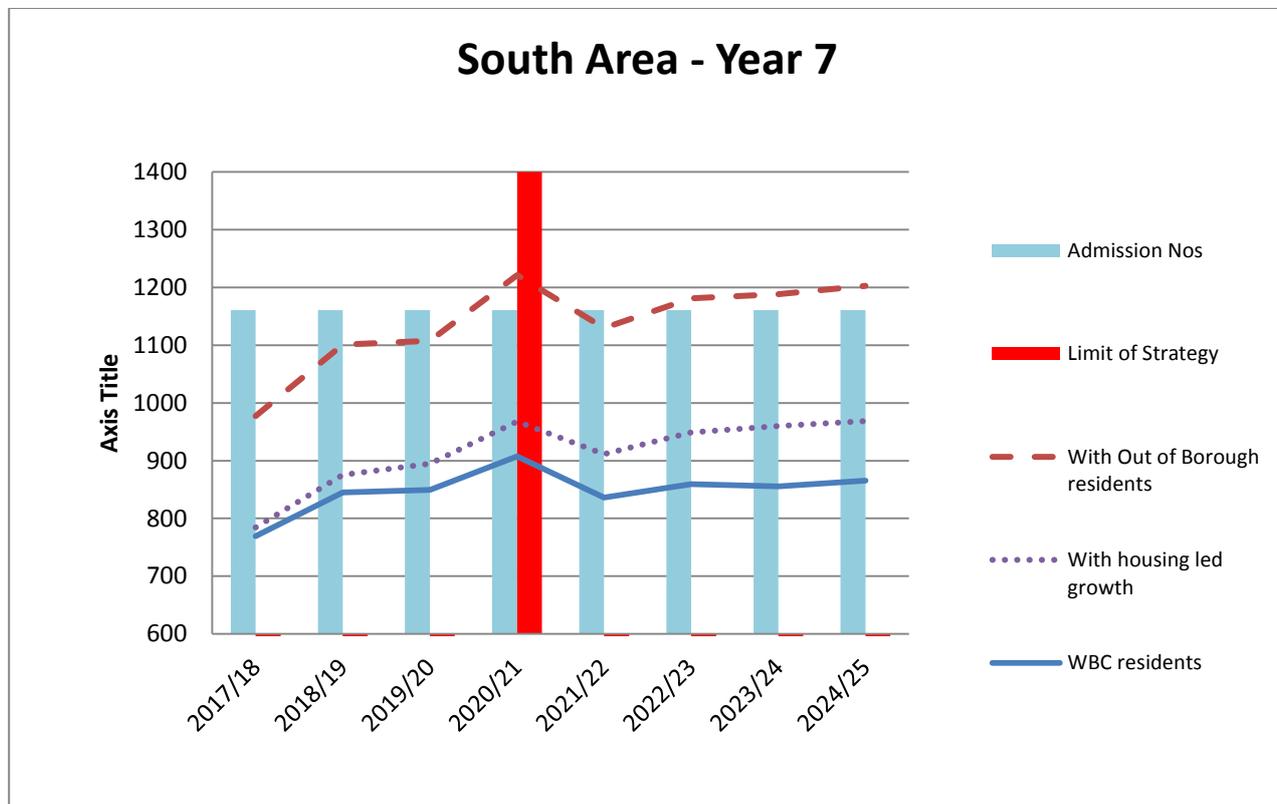
SOUTH	Projected Roll	Housing led growth	Total need	Capacity	Surplus (+) / Deficit (-)	%ge surplus
<b>2017/18</b>	4,225	95	4,320	6,519	2,199	34%
2018/19	4,500	190	4,689	6,530	1,841	28%
2019/20	4,733	283	5,016	6,598	1,582	24%
2020/21	5,062	375	5,437	6,598	1,161	18%
2021/22	5,218	467	5,684	6,598	914	14%
2022/23	5,324	556	5,880	6,598	718	11%
2023/24	5,341	645	5,986	6,598	612	9%
2024/25	5,346	639	5,984	6,598	614	9%



#### Year 7 position

While the school level projection indicates there is sufficient capacity the year 7 projection indicates there could be a shortfall of 60 places by 2020/21. This does however reflect a projected continued inflow of children from outside the borough into South area schools and housing led growth. This points to a need for contingency plans for 60 additional Year 7 places, from 2020/21 onwards. The accommodation capacity should be available in existing schools at that point, and in the two years immediately after the end of the strategy period,

so there may not be a need to begin to plan for capital investment to create capacity in the strategy period for implementation after 2020/21. However, this capacity is only available in a few schools. Schools that are fully subscribed, where expansion would be in accordance with parental preference and which may include schools that offer better opportunities for growth than other schools would need additional accommodation to provide sustained growth from 2020/21 onwards.



### Key local issues

This is an area of very active housing growth so it will be important to monitor the impact of new homes throughout this period. All four Strategic Development Locations are in the South, all of them have planning consents for at least part of the sites (only the South Wokingham SDL has land without at least outline planning consent) and all of them have active house building sites.

A number of secondary schools have significant site constraints that present challenges to expansion. Only **St Crispins School** has known potential, because of the recent work that has been undertaken to develop a new sixth form centre and ASD unit.

Cross border movement is an important issue for a number of schools and communities.

**Wokingham Without** Ward homes on the edge of Crowthorne are dependent on access to **Edgbarrow School**. This is the only school that can provide places that are accessible by walking or cycling so it is important this link is maintained.

Although **Shinfield** is an area of rapid residential development it is likely to be a number of years before the community size significantly exceeds the capacity of the local school, **Oakbank**. The school has an admission number of 112, but already the primary schools in the Shinfield area have admission numbers totalling 150 and the schools planned in the SDL could bring this to 210 primary places per year in the near future.

## Other issues to be managed during the strategy period

There are a number of development activities that will be required in the strategy period.

### Local Plan Preparation

The Council is preparing a new Local Plan to comply with National Planning Policy Framework requirements. This will determine the geographical pattern of development beyond 2026. However, since it will effectively supersede the existing Core Strategy any developments agreed in the Plan can be progressed as soon as the strategy is adopted (although developers are not bound to follow the plan timetable and can seek planning consent for any site whatever its status in our Local Plan at any time, but are more likely to gain consent from the Council if the site is designated for development).

### Bohunt Wokingham Sixth form

Bohunt Wokingham School needs a capital commitment towards the end of the plan period to open a sixth form in the 2021/22 year, to meet the Post 16 education needs of the pupils admitted in September 2016 on site. The current premises have planning consent for a building for 1,200 pupils, which was intended to be for an 11 to 18 school. The Bohunt Trust have decided though to offer 240 places, which means the current capacity is expected to be exhausted in the 2020/21 academic year.

It will therefore be important to work with the Bohunt Education Trust to determine the timetable for future investment in the scheme.

### Grammar Schools

Although not in the last Queen's Speech the national Conservative manifesto included proposals to allow new Grammar Schools and other forms of selection based on academic ability. From a school organisation perspective, this has the potential to unpick some of the analysis conclusions. This could lead to existing schools recruiting children from different geographical areas and the creation of new schools in or near the Wokingham Borough area drawing in Wokingham Borough children.

It is possible that existing schools or individual promoters and may be able to bring forward proposals under current (or future) legislation during this period. The speed of delivery would depend on the nature of the proposals – so proposals that relate to existing schools or available premises could be implemented within the strategy period but proposals that rely on the acquisition of sites and the construction of premises are likely to impact after 2020.

### Free Schools, UTCs and Studio Schools

These schools would normally be developed without significant council involvement. No new secondary Free Schools have been agreed to open in the strategy period within or near the Wokingham Borough area. There is no requirement for potential Free School sponsors to discuss plans with the Council at an early stage though and consultation can occur shortly before approval. Therefore a Free School must be considered a possibility in this period, albeit the impact is likely to be a significant level of surplus capacity in the short term. Free schools have been developed in a number of premises, including former office blocks and the National Planning Policy Framework presumption in favour of school developments may lead to planning approval where other uses might be resisted.

UTC (University Technical Colleges) and Studio Schools are examples of relatively small schools intended to serve a specific part of the secondary phase. These schools may not offer age 11 to 16 or 18 education and may serve wider areas (including a number of local authorities) than the majority of mainstream secondary schools.

## C Response options

### Response options summary

This section sets out how additional capacity can be delivered, how it can be funded, managed, parents and other stakeholders engaged, what risks are entailed, and finally sets out an action plan.

### Delivering additional capacity

While the Bohunt Wokingham School at Arborfield is expected to deliver sufficient capacity over the initial period to the 2019/2020 academic year there is a need to develop contingency plans in the event that pupil numbers are significantly higher and additional capacity is required. It is likely that the growth of existing schools will be central to these plans.

Contingency arrangements for additional Year 7 places are required, but these would not necessarily entail expansion of premises. The initial expectation is that contingency arrangements will be based on delivering additional capacity at existing schools, rather than the creation of a new school in this period.

It is known that St Crispins School could deliver additional capacity in the south (subject to planning consent and the agreement of the school's governing body). It is an action point from the strategy to work with schools to consider their potential for expansion in a timely manner if the upper limit of the projection is seen in practise.

This work will look at a number of potential constraints, including site area, site characteristics (flood potential, heritage concerns), school run traffic and on-site parking and school aspirations.

School run traffic in particular is a matter of considerable concern across the borough. Road improvements, new drop-off areas, new car parking, parking controls and more onerous school travel plan obligations would be required. Delivery of this mitigation would be challenging and so these all present obstacles to expansion.

Schools will also have different aspirations for their future size. It is not a given that every school will see expansion as appropriate.

In line with national policy it is a presumption of this strategy that any new school would be an Academy or Free School. In line with current national policy all capital and revenue start up costs need to be met by this authority if this school is defined as one being created to address or prevent a shortfall in provision. Capital funding would come from a number of sources including S106, CII and DfE Basic Need. If the school is founded as a Free school in response to a parent led or promoter led application to increase the diversity of local need start up costs (both revenue and capital) will be met by DfE.

### Funding the Strategy

The main capital funding sources for new secondary provision are as follows:

Developer contributions to meet the additional infrastructure needs arising from the SDLs. Currently these payments and provision are made through planning obligations (known as Section 106 contributions) but future payments made to meet secondary school needs will be through the Community Infrastructure Levy (or CIL).

Funding for Free Schools and Academies is provided directly from the Department for Education (DfE) through the Education Funding Agency (EFA) except where these are required to meet "Basic Need" (rising demand).

Basic Need funding from the DfE to Wokingham Borough to meet needs generated by demographic growth. In the short term this is required to enable expansion in primary school provision (as described in the primary strategy presented to the Executive in October 2012).

Some funding may be required from the Borough's own capital funding resources.

Devolved capital funding and Building Condition funding from the DfE are more limited, but could assist with issues associated with some school expansions.

The funding routes for three recent secondary schools illustrate how the sources can interact:

#### **a) Oakbank School**

Oakbank opened in September 2012 as a new Free School Academy. It has been established through a partnership between the West of Wokingham Parents Group and the CfBT Education Trust. Initial capital and revenue funding was provided by the DfE as above. As the site was a former school site it was made available to the new school at a peppercorn rent.

#### **b) Reading UTC**

The new Reading UTC school is a University Technical College, which is a new category of school, for the 14 to 19 age range directly funded (capital and revenue) by the DfE. The UTC recruits from a wide area.

#### **C) Bohunt Wokingham Borough**

The new Bohunt Wokingham School was built using a variety of funding streams, that include Basic Need funding from DfE, receipted S106, and other capital sources, all held by the Council.

## **Management of expansion**

The expansion of existing and the establishment of new schools will require a partnership approach with existing schools. This will be developed through the Schools Forum, where decisions relating to arrangements for financial support for new and expanded schools are agreed.

## **Public engagement and consultation**

No public engagement is proposed in the short term in view of the finding that no additional capacity is required at this stage. However, if the demand does increase towards the limit of current capacity there will be a need to engage with all stakeholders at an early stage.

Without being proscriptive these will include:

- Schools

- Parents (including future parents of secondary age children)
- Parish and Town Councils
- Other local community representatives
- Diocesan authorities
- Neighbouring local authorities

## Risks

The key risks to the development of suitable secondary school provision in the Borough have been described in detail throughout the report. They can be summarised as follows:

Risk	RAG rating	Mitigation
Changing admission arrangements for schools or changes in their local populations in other boroughs lead to a significant reduction in the number of children securing places in out of borough schools		Responsible officers will continue to monitor proposed new admissions arrangements. Where these disadvantage WBC residents and can be challenged officers will object to the Office of the Schools Adjudicator.
The rate of secondary age population growth exceeds the rate underpinning the projection		The development of contingency arrangements for additional school places proposed under the strategy provides appropriate mitigation.
That new and unplanned for providers enter the local market and provide popular places that create surplus capacity in existing schools.		A new secondary school of sufficient size to cause significant difficulties for local schools would need a large site and would take a number of years to establish. It is likely this could only occur towards the end of the strategy period so no mitigation is proposed.

## Indicative Action Plan

Pending agreement to this Strategy, the following programme of activity is required

Year	Activity
2017	WBC to formally adopt strategy
2018	<p>Dependent on growth matching or exceeding expectations, enter discussions with relevant schools for contingency arrangements for Year 7 classes.</p> <p>This will entail engagement with schools individually and collectively, through the Schools Forum (for funding) and the Secondary Federation.</p> <p>This will determine each school's interest in expansion and the issues they would see as being important in this process.</p> <p>Initial feasibility work for school expansion should commence in this period. This would require an assessment of school expansion capacity through a survey of site areas, facilities and constraints. This would require liaison too with the Council's Planning and Highways Development Management teams to determine which sites are most suited to development and what the site specific challenges would be.</p> <p>During this period development work will be light touch – dependent on short visits and site plans and the intention would be to identify those schools where projects would be developed in detail in later years, subject to actual demand emerging.</p>
2019	<p>Determine support for Bohunt Wokingham sixth form expansion in light of capital position, need and other funding opportunities available to the school.</p> <p>Review rolls versus capacity. If demand rises in line with projections (with housing impacts and cross border movement rates maintained) enter into detailed discussions with schools and (if appropriate) begin formal feasibility work (as defined by RIBA) on specific projects identified in 2018.</p>
2019/20	Dependent on growth matching or exceeding expectations, identify and carry out feasibility work necessary to support future expansion.

# APPENDICES

## Appendix 1 Data Sources

### Data

Three key data sets are used to look at likely future demand:

- Roll projections are derived from historic trends for transfers to secondary schools from the primary sector.
- Residential growth figures come from the Borough's Core Strategy. The impact (numbers of secondary age pupils "generated") should be considered to lie within a wide band, dependent on housing growth.
- Cross border movement data (derived from analysis of admissions data). Some of this movement results from planned designated areas crossing LA boundaries. Some movement also arises from individual decisions regarding opting for preferred schools.

### Roll projections

The graphs included in paragraph 4 of the report are taken from the Borough's roll projections. As new schools have no history to indicate their likely pattern of movements judgements have been made about their impacts on existing WBC school rolls. The new 11-16/ 11-18 schools will draw both from current WBC schools and from schools in neighbouring areas, if they are popular.

The Year 7 graph re-iterates the point that provided the new schools are opened according to the anticipated timetable sufficient places will be available. There is however a need for rapid delivery as rising primary numbers will work their way very shortly in to the secondary sector.

These projections are based on current trends and patterns, which are only reliable if they continue to hold good in future years. Past experience has shown that these are highly likely to be subject to change.

A range of possible variables and variations between models can lead to different outcomes. Examples of such changes and alternative approaches to longer term forecasts include:

- The rate in growth in number of children of statutory school age could be less than the rate of growth in the number of homes. Demographers indicate that average household sizes may decrease in the medium (up to 10 years) to long term (10years+). This is understood to be an impact of an aging population.
- Different models for the changing age structure in new housing developments have a major impact on the number of places required.
- Demographic projections could be used to create longer term roll projections. Standard ONS (Office of National Statistics) projections are of limited value, as they do not take account of all future residential growth. Work continues to develop an improved roll projection model using demographic projections that take account of planned residential growth.
- Projections need to consider variations between local and national (and regional) patterns of household occupation. As Wokingham Borough is an area popular with families there are (and we can reasonably assume there will continue to be) higher numbers of children per household than are seen in other areas.

<b>TITLE</b>	<b>Health and Safety Annual Report 2016/17</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	None specific
<b>STRATEGIC DIRECTOR</b>	Graham Ebers, Director Corporate Services
<b>LEAD MEMBER</b>	Norman Jorgensen, Executive Member for Environment

## **OUTCOME / BENEFITS TO THE COMMUNITY**

The Council has a legal duty to protect the health and safety of its employees and other people who come into contact with the Council's services e.g. service users, pupils, contractors etc.; the standard of that duty is set by law with employers required to do what is considered to be 'reasonably practicable'.

The effective management of health and safety is an essential part of good corporate governance; furthermore, the active management of accidents at work is essential, not only to protect our employees and others but to also minimise financial loss through employee absence and other direct and indirect related costs.

The legal responsibility and thus accountability for health and safety lies with the employer. In addition to service staff, the Authority is the employer in the case of community schools, community special schools, voluntary controlled schools, maintained nurseries and pupil referral units. In respect of foundation schools, voluntary aided schools, academies and free schools, the employer is their Governing Body.

Wholly owned subsidiaries of Wokingham Borough Council operate as separate companies and are employers in their own right; as such they must discharge their own health and safety statutory duties. The Council's Health and Safety Annual Report 2016/17 does not include the health and safety performance of its companies; it is up to those boards to monitor and review their own internal health and safety performance.

## **RECOMMENDATION**

The Executive is requested to:

- 1) note the corporate health and safety performance for 2016/17; and
- 2) endorse the approach described and the health and safety priorities for the current municipal year.

## **SUMMARY OF REPORT**

The purpose of this report is to introduce the Wokingham Borough Council Health and Safety Annual Report 2016/17 for consideration by the Executive. Whilst not a statutory report, the preparation and issue of an annual health and safety report by a local authority (a health and safety regulator in its own right) in respect of its own internal health and safety reflects good practice and provides assurance to senior levels.

The annual report relates to occupational health and safety in respect of this Authority's services and community schools and provides:

- a summary of the corporate health and safety performance during the reporting year;
- an update on the progress made to date in respect of the corporate Health and Safety Plan which provides the mechanism for the formal follow through and tracking of actions to support the key objectives for health and safety; and
- for recommendations in relation to the corporate health and safety priorities for action during the current municipal year.

## Background

The Health and Safety Annual Report 2016/17 is a high level report that looks back at internal health and safety performance during that period, highlighting the main achievements over the year and outlining key priorities for the current year.

The annual report is transparent; it provides stakeholders with information on health and safety performance to enable an understanding of the key issues facing Council staff and provides assurance to the Executive that the main risks have been identified, appropriately prioritised and are being adequately addressed.

The annual report is reviewed internally by various management and staff consultation groups. The Corporate Leadership Team and the central employee consultation forums for services and schools receive supplementary information in the form of statistical charts with data breakdowns, for example, by work area and hazard type to aid analysis, identification of trends and patterns and to support the ongoing development of suitable risk prevention strategies.

## 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)	£0	Yes	
Next Financial Year (Year 2)	£0	Yes	
Following Financial Year (Year 3)	£0	Yes	

### Other financial information relevant to the Recommendation/Decision

None

**Cross-Council Implications**

Health and safety is a cross cutting issue that should be given due consideration and be integrated into all the Council's decisions and priorities.

**List of Background Papers**

The Management of Health and Safety at Work Regulations 1999 and 'Managing for Health and Safety' (HSG65), a guide for employers published by the HSE.

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<b>Date:</b> 18 July 2017	<b>Version No.</b> One

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**WOKINGHAM  
BOROUGH COUNCIL**

# **Health and Safety in Wokingham Borough Council**

## **Annual Report 2016/17**

## Foreword

This report takes a look back at both our internal health and safety performance across the last year and that of our community schools as a whole, as well as looking ahead to our plans and priorities for health and safety for the forthcoming year. As an organisation which regulates health and safety in other workplaces we know how important it is that we lead by example and one way in which we do that is by making this report a public document.

We are currently transforming and reshaping ourselves to help us continue to meet the various challenges facing our Council. Referred to as the 21<sup>st</sup> Century Council Programme, change will touch all aspects of our business including that of health and safety. This means focusing on what really matters and what action will best deliver meaningful health and safety outcomes; avoiding bureaucracy, our processes will be streamlined and our people better equipped to fulfil their responsibilities in a more self-reliant way. As we move ahead we will continue to take a sensible and proportionate approach to health and safety management and remain committed to learning lessons along the way to improve further.



### **Andy Couldrick**

Chief Executive

Wokingham Borough Council

## Introduction

Wokingham Borough Council has a well established health and safety management system in place that aligns with the 'Plan, Do, Check, Act' approach recommended by the Health and Safety Executive (HSE). Our framework for managing health and safety includes:

- defined roles and responsibilities for health and safety
- consultation with employees on health, safety and welfare matters
- designated health and safety leads at Director and Executive level
- in-house health and safety professionals on hand to provide advice
- tailored health and safety training programmes
- arrangements for the monitoring and review of health and safety performance both centrally and at local level

## Incident Reports

We encourage our employees to report all incidents, regardless of the outcome or severity of the resulting injury, enabling each of those incidents to be proportionally investigated and for suitable remedial action to be taken to prevent a recurrence. In broader terms this data enables the identification of potential trends leading to the more effective control of risks and improvements in safety overall.

### Incident Reports – Services

Table 1 shows the total number of incident reports raised by service employees during the 2016/17 performance year along with a breakdown by type.

<b>TABLE 1 - Service Employee Incidents</b>	
<b>Type</b>	<b>2016/17</b>
Deaths	0
RIDDOR - specified injury	0
RIDDOR – over 7 day injury	1
Minor injury	49
Near miss events	5
Verbal abuse	3
Work related ill health	0
<b>Total</b>	<b>58</b>

**Note I:** Average 2016/17 service employee numbers = 1,126

**Note II:** RIDDOR - The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

Of the 58 incidents reported by service employees, 49 resulted in minor injuries such as bruising, cuts, sprains and strains etc. the majority of which did not require first aid treatment. The remaining non injury events presented the organisation with opportunities to learn lessons to help prevent future harm.

During the performance year an increase of slip and trip incidents created a discernible trend which was responded to in the form of an employee awareness raising campaign to promote good housekeeping practices.

The single service employee incident that met the reporting requirements of The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013 related to a road traffic incident; a load being transported on the back of a truck came loose and struck a school crossing patroller who was standing on the pavement.

For external comparison purposes, the national statistics produced by the HSE for employees working in public administration in 2015/16 gave an average RIDDOR reported injury rate of 230 per 100,000 employees; the equivalent

reportable injury rate for Council service employees in 2016/17 was 89, a figure significantly lower than the most recent published national average.

Table 2 below provides for a comparison across a three year period using an incidence rate per 100 employees which allows for fluctuations in employee numbers.

<b>TABLE 2 - Incidence Rate for the Services Workforce</b>			
<b>Year</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Incidence rate per 100 employees	5.3	3.8	5.2

The increase in incidents reported by service employees during 2016/17 over the previous year is considered to be a positive indicator in response to the ongoing efforts to raise awareness of the importance of incident reporting and encourage a greater degree of formal recording of health and safety events.

### **Incident Reports – Community Schools**

Table 3 shows the total number of incident reports raised by school employees during the 2016/17 performance year along with a breakdown by type.

<b>TABLE 3 - School Employee Incidents</b>	
<b>Type</b>	<b>2016/17</b>
Deaths	0
RIDDOR - specified injury	1
RIDDOR – over 7 day injury	0
Minor injury	195
Near miss	24
Work related ill health	0
<b>TOTAL</b>	<b>220</b>

**Note.** Average 2016/17 school employee numbers = 2,577

Once again the vast majority of incidents reported by school employees had either a minor injury outcome or resulted in no injury but with the potential for there to be so. Levels of incident reporting in relation to the often complex and challenging requirements of pupils with special educational needs remain a main feature; this type of reporting supports the strategy to gather this essential information to feed into individual pupil behaviour management plans designed to help protect all parties.

Slips and trips continue to be a noteworthy causal factor in incidents reported by school employees. An ongoing priority for the Schools' Workforce and Health and Safety Committee, this hazard type continues to receive the Committee's attention, assisting in the development of further employee awareness raising initiatives.

The one RIDDOR reportable injury relating to the schools workforce involved an employee who suffered a fractured ankle as the result of a fall in a car park during an educational offsite visit whilst supervising a school trip.

As a benchmark for RIDDOR reporting within the school employee category, the HSE gives a reportable injury rate for the education sector in 2015/16 as 142 injuries per 100,000 employees; using the same formula, the Council's reportable injury rate for employees working in education during 2016/17 is considerably lower at 39.

To enable a comparison of incidents against previous years that takes into account the decrease in school employee numbers due to academy conversions, the data in Table 4 below is shown as an incidence rate per 100 employees.

<b>TABLE 4 - Incidence Rate for the Schools Workforce</b>			
<b>Year</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Incidence rate per 100 employees	9.3	12.2	8.5

The decrease in the number of school incident reports in 2016/17 from the previous year will be studied in more detail by the Schools' Workforce and Health and Safety Committee to determine whether there were any significant factors that may have affected the reporting rate.

### **Non Employee RIDDOR Reports**

One non employee RIDDOR report was raised in relation to the provision of Council services during 2016/17; this was in respect of a tenant who sustained a fracture as a result of a trip on an uneven pathway immediately outside of their Council property.

In relation to schools, an incident involving a pupil who received hospital treatment following a finger trapping injury in a door met with RIDDOR reporting requirements.

### **Performance Related to Enforcement Action**

During 2016/17 no enforcement action was taken against the Council for breaches of statutory health and safety duties nor were any Improvement Notices or Prohibition Notices served upon the Council by the HSE.

### **Highlights of 2016/17**

**Employee Wellbeing:** a number of health and wellbeing initiatives were delivered including blood pressure checks, promoting stroke awareness and participation in national employee wellbeing initiatives such as the Active Lunch Challenge where we offered employees free or discounted fitness activities.

**Health and Safety Training:** an e-learning module for new service managers was launched during 2016/17 whilst the health and safety management training offer for school leadership teams was extended to include a half day refresher course.

**Health and safety guidance:** work is underway to produce more user friendly and pragmatic guidance for both schools and the service areas.

### **Looking forward**

The overall priority for 2017/18 is to support the delivery of the 21<sup>st</sup> Century Council Programme by simplifying processes, enabling a self-service approach wherever possible and ensuring our people are equipped with the necessary skills they need to deliver safe services.

Our aim is achieve this by continuing to take a sensible, proportionate approach to managing the hazards associated with our work activities.

<b>TITLE</b>	<b>Peach Place Residential</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	Wescott
<b>DIRECTORS</b>	Graham Ebers, Director of Corporate Services
<b>LEAD MEMBER</b>	Julian McGhee-Sumner, Executive Member for Health and Wellbeing

**OUTCOME / BENEFITS TO THE COMMUNITY**

The scheme will assist in meeting housing needs through the provision of high quality affordable housing for essential workers at the earliest opportunity. It will particularly assist with the recruitment and retention of key workers, who are vital to the delivery of public services and supporting the local economy.

**RECOMMENDATION**

That the Executive approve:

- 1) that the Council transfers the completed residential units at Peach Place, Wokingham to a Council-owned housing company on terms to be agreed by the Director of Corporate Services in consultation with the Leader of the Council;
- 2) the proposed funding model, including the allocation of Section 106 receipts for the provision of affordable housing;
- 3) the proposed tenure mix.
- 4) the delegation of any further related and subsidiary decisions if required to complete the transaction to the Chief Executive in conjunction with the Leader.

**SUMMARY OF REPORT**

Investing in regeneration of towns and villages is a key priority for Wokingham Borough Council. As part of the Wokingham Town Centre Regeneration project, planning permission was granted for Peach Place in March 2015 with work starting on site in January 2017. The development includes 26 residential units which were planned to be sold on the open market.

This report seeks approval to transfer the completed residential properties to a Council-owned housing company. The properties will be funded through Section 106 affordable housing commuted sums. This will allow the homes to be provided as much-needed key worker housing at intermediate rents (up to 80% of private rents) in this prime town centre location.

## **Background**

Investing in regeneration of towns and villages and supporting social and economic prosperity are some of the key priorities for Wokingham Borough Council. As part of the regeneration masterplan for Wokingham town centre, planning permission was granted for Peach Place in March 2015. The development comprises retail facilities, a new public plaza and 26 residential units. Dawnus Construction Limited has been appointed as the Council's main contractor and work started on site at Peach Place in January 2017 with work expected to complete by November 2018.

Delivering affordable housing is also a priority of the Council. In June 2011, the Council established its first wholly-owned Local Housing Company to provide a range of high quality affordable and market housing for the people of Wokingham Borough. Establishment of the companies allows the Council to have more influence and flexibility over the quality, type and affordability of housing developed and ensures that these new properties meet the needs and aspirations of the Borough's residents. The companies also enable the Council to maximise the benefits and potential of its assets.

## **Analysis of Issues**

The Peach Place regeneration scheme currently includes 22 new residential units, comprising 4 x three bedroom town houses on Rose Street and 18 apartments (3 x one-bedroom and 15 x two-bedroom) on Peach Street, Rose Street and facing onto the new public space. In addition to the new build homes, the development includes the renovation and refurbishment of 4 further flats, giving 26 residential units in total. The plan has been to sell the completed properties on the open market to recoup the capital costs of the regeneration.

As is often the case with mixed use and town regeneration projects, the financial viability of the scheme did not support the delivery of affordable housing as part of the planning process and therefore, no affordable housing was proposed. However, the proposal below is to grant fund the delivery of affordable key worker accommodation through Section 106 commuted sums.

## Land Transfer

The proposal is that the Council transfers the completed residential units at Peach Place to a Council-owned housing company on terms to be agreed by the Director of Corporate Services in consultation with the Leader of the Council.

## Proposed Funding Model

It is intended that Section 106 affordable housing commuted sums will be used to fund the delivery of affordable housing for key workers on this site. Full details of the business model and funding are included in the Part 2 Schedule.

## Development Brief

It is proposed that the residential units at Peach Place be provided as affordable key worker accommodation. The scheme will be open to a range of low income key workers, who are vital to the delivery of public services and/or support the local economy. A key worker is typically a public sector employee who is deemed to provide

an essential service to the local area, such as, teachers, health authority staff, police officers, fire fighters and local authority social service employees. Key workers can also include any other public or private sector employees of other bodies operating in the public sector subject to the relevant body being able to demonstrate that the industry's national wage structure is such that its employees are unable to afford to rent or to buy homes on the open market within the Borough – for example, care workers or nursery staff.

Should there be no key workers in any of the above categories at the time of nomination, eligibility could be expanded to anyone else in the Borough on a low income whose employment supports the local economy (for example, retail staff).

The homes will be let on assured shorthold tenancies at intermediate rent levels (up to 80% of market rent, capped at the Local Housing Allowance).

The Council will have full nomination rights to all of the completed key worker properties.

### **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)	Part 2 Report	Yes	Capital
Next Financial Year (Year 2)	Part 2 Report	Yes	Capital
Following Financial Year (Year 3)	Part 2 Report	Yes	Capital

### **Other financial information relevant to the Recommendation/Decision**

Funding is likely to come from a number of different Section 106 agreements for affordable housing. The matching of new affordable housing projects to specific Section 106 agreements will occur before start-on-site to ensure that we optimise the use of available receipts.

### **Cross-Council Implications**

Affordable housing is a priority for the Council. Access to good quality, affordable housing is key to residents' health and wellbeing, education, employment, etc. The provision of key worker accommodation will also assist with the recruitment and retention of staff delivering essential public services, for example, teachers, care workers and social workers.

### **Reasons for considering the report in Part 2**

Commercially sensitive information, relating to the funding and contract sums, is included on the Agenda as a separate Part 2 Report.

<b>List of Background Papers</b>	
None	
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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
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