



WOKINGHAM BOROUGH COUNCIL

A Meeting of the **EXECUTIVE** will be held in David Hicks 1 - Civic Offices, Shute End, Wokingham RG40 1BN on **THURSDAY 26 OCTOBER 2017 AT 7.30 PM**

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

Manjeet Gill
Interim Chief Executive
Published on 18 October 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
Mark Ashwell	Children's Services
Chris Bowring	Highways and Transport
Norman Jorgensen	Environment, Sports, Environmental Health, Leisure and Libraries
Julian McGhee-Sumner	Adults' Services, Health, Wellbeing and Housing
Stuart Munro	Business and Economic Development and Regeneration
Simon Weeks	Planning and Enforcement
Oliver Whittle	Finance, 21st Century Council, Internal Services and Human Resources

ITEM NO.	WARD	SUBJECT	PAGE NO.
50.		<p>APOLOGIES To receive any apologies for absence</p>	
51.		<p>MINUTES OF PREVIOUS MEETING To confirm the Minutes of the Meeting held on 28 September 2017.</p>	7 - 24
52.		<p>DECLARATION OF INTEREST To receive any declarations of interest</p>	
53.		<p>PUBLIC QUESTION TIME 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 www.wokingham.gov.uk/publicquestions</p>	
53.1	None Specific	<p>Rachel Bishop-Firth has asked the Executive Member for Finance the following question:</p> <p>Question The ongoing Wokingham town regeneration and other developments means that Council borrowing is set to balloon from £28 or £29 million we owe at present to around £271 million by 2019 / 2020.</p>	

The Council's plans include knocking down a relatively new sports centre and moving out of a relatively new, purpose built library into another new-built building.

The plans also appear to rely on us being able to find tenants for the new shops which are being built – despite the fact that many of Wokingham's high street shop spaces are filled with charity shops and cafes.

A debt of £271 million for the Council means a debt of around £4,200 for every household in Wokingham.

What are the Council's plans for paying this debt back, including how long will it take?

53.2 Bulmershe and Whitegates; Loddon; South Lake

Keith Malvern has asked the Executive Member for Highways and Transport the following question:

Question

In response to the Wokingham Paper's successful campaign for free parking the Executive Member reported that the number of parking tickets this August was 18 percent higher than the same month last year.

If that is the figure for Wokingham Town can you tell me the equivalent figure for Woodley?

54.

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

54.1 Emmbrook; Wescott

Gary Cowan has asked the Executive Member for Business and Economic Development and Regeneration the following question:

Question

Bracknell has opened its superb new shopping area at a cost of £240 million which the Leader of Bracknell Forest Council stated not one penny of council tax money has been spent on the project.

Can you give me a rough idea on how much the total spend will be on the town centre regeneration and can you assure me that like Bracknell none of the funding to deliver the project will come from the Council tax payer?

54.2 Winnersh Rachelle Shepherd-DuBey has asked the Executive Member for Environment the following question:

Question

What made you think that asking to move the Winnersh Allotments to a new site in June was a good idea when it's right in the middle of the growing season and when the new allotments are not even built yet?

54.3 Emmbrook; Wescott Imogen Shepherd-Dubey has asked the Executive Member for Business and Economic Development and Regeneration the following question:

Question

With the regeneration turning Wokingham town centre into a building site, the impact on traffic through the town, the opening of the Lexicon and now the introduction of traffic wardens, local retailers are suffering badly from a reduction in footfall and therefore revenue. This has caused shops to close and some of our larger key retailers have left the town or are in the process of leaving. What is Wokingham Borough Council doing to support our remaining retailers, particularly the smaller independent ones who add character, and keep people coming into to Wokingham?

MATTERS FOR CONSIDERATION

55.	None Specific	SHAREHOLDER'S REPORT	25 - 32
56.	None Specific	REVENUE MONITORING 2017/18 - SEPTEMBER 2017 (Q2)	33 - 46
57.	None Specific	CAPITAL MONITORING 2017/18 - END OF SEPTEMBER 2017	47 - 54
58.	Emmbrook; Ewendons; Norreys; Wescott	TEMPORARY FREE PARKING FROM 3PM IN WOKINGHAM TOWN CENTRE CAR PARKS	55 - 58
59.	Emmbrook; Ewendons; Norreys; Wescott	WOKINGHAM TOWN CENTRE REGENERATION (WTCR) LETTINGS	59 - 64

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 59 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 items of business on the grounds that

they involve 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.

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD ON 28 SEPTEMBER 2017 FROM 7.30 PM TO 8.45 PM**

Committee Members Present

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

Other Councillors Present

Prue Bray
Gary Cowan
Richard Dolinski
Clive Jones
Pauline Jorgensen
Dianne King
Malcolm Richards
Imogen Shepherd-DuBey
Rachelle Shepherd-DuBey

37. APOLOGIES

An apology for absence was submitted from Councillor Simon Weeks.

38. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Committee held on 27 July 2017 were confirmed as a correct record and signed by the Chairman.

39. DECLARATION OF INTEREST

Councillor Norman Jorgensen declared a personal interest in Agenda Item 42 Shareholders' Report by virtue of the fact that his wife was a paid Non-Executive Director of WBC Holdings Ltd. Councillor Jorgensen remained in the meeting during discussions and voted on the matter.

Councillor Norman Jorgensen declared a personal and prejudicial interest in Agenda Item 45 by virtue of the fact that the company he works for is owned by Veolia, the current provider of the Council's waste collection contract. Councillor Jorgensen left the meeting during discussions and did not vote on the matter.

Councillors David Lee and Stuart Munro declared personal interests in Agenda Item 42 Shareholders' Report by virtue of the fact that they were paid Non-Executive Directors of WBC Holdings Ltd. Councillors Lee and Munro remained in the meeting during discussions and voted on the matter.

40. PUBLIC QUESTION TIME

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

40.1 Barry Keech asked the Leader of the Council the following question:

Question

I have written to the Leader of the Council, expressing my concerns that the status of our town is in decline. Most importantly, sustainability, which appears frequently in Council documents, is being ignored. Little or no marketing action appears to be underway to attract quality retail outlets, and I see no evidence of sustainability in the way major housing developments are being planned and implemented. I have had no response from the Leader of the Council. Therefore, I plan to be present at the Executive Meeting on 28th September 2017. I would like to ask the Leader if the Council thinks that retaining town status is important, and if so, what is being done to sustain it?

Answer

Firstly I would like to express my sincere apologies for not responding to your e-mail.

Heeding public concerns in the early 2000s about failed private sector regeneration initiatives in Wokingham Town Centre, the Borough Council adopted a masterplan in 2010 following much public engagement and consultation; it set out a vision to reinforce the vitality and viability of the town. Subsequently the Borough created a regeneration company to enable this vision and investment led on a £138m regeneration initiative at three main sites. These are: Peach Place, Elms Field and Carnival Pool. Work is completed and occupied at Peach Place Phase One, Peach Place Phase 2 redevelopment is underway and Elms Field is due to start soon. The Carnival Pool car park is completed and open, with planning in hand for the next phases. Environmental improvements jointly commissioned and funded, that is £3.9m by the Borough and Town, are progressing well in the Market Place right now.

Acknowledging our housing needs, as set out in the South East Plan, we also adopted a Core Strategy in 2010 which envisioned dealing with our strategic housing requirements in four high quality, infrastructure rich, strategic development locations which are known as SDLs. These developments are South of the M4 (Shinfield/Spencers Wood/Three Mile Cross), Arborfield, and North and South Wokingham. We masterplanned these through extensive public engagement and consultation and adopted them in final guidance in 2012. These were designed specifically as sustainable developments each creating walkable districts with district and neighbourhood shopping centres, associated community buildings, secondary and primary schools, library space, employment uses, sports facilities, parks, open spaces, new roads, public transport and other facilities. There are local road improvements, five substantial new roads which include the Eastern Shinfield Relief Road, the Northern Distributor Road, the Southern Distributor Road, Arborfield Cross Bypass, Winnersh Relief Road, two park and ride facilities and an interconnecting greenway network between the SDLs and the main towns of the district. The SDLs are being built now along with £350m of infrastructure. These infrastructures as I have said before are:

- 5 new roads plus the Station Link Road and Winnersh Relief Road;
- Lots of new pedestrian and cycle links;
- SANGs which are open spaces;
- Allotments;
- Three new sports hubs;
- Seven new Primary Schools and one extension;
- One new Secondary School which has just opened formally this month;
- Five new community buildings;
- Six new neighbourhood centres;
- One new district centre;

- The Science Park; and
- Two park and rides which I mentioned before.

As recently as August The Housing and Finance Institute presented our Council with a certificate for being housing business ready recognising the achievements around planning and delivering implementation and sustainability.

We have also been monitoring the satisfaction levels with the SDLs and this shows an increasing and high level of satisfaction from residents now living on these sites showing 84% satisfied compared with just 80% in 2016. The scale of delivery work currently being planned and implemented in Wokingham Borough provides evidence of a highly sustainable strategy.

Clearly the Borough Council shares your concerns as we have invested substantially already in addressing them. The product of our plans is being implemented around us right now; however as they appear to not be fully acknowledged or understood I accept that perhaps we are guilty of not shouting loudly enough about these impressive accomplishments.

Supplementation Question

I am very much aware of all the good work that you have done in terms of the developments and all the facilities that you have put into those. I am talking more about the town centre. We have lost Marks and Spencer. I sit on a panel where I get questioned and provide suggestions to Marks and Spencer and it appears to me that Marks and Spencer are beginning to question whether they should have left Wokingham. They put a lot of money into the garage further out of town providing a Simply Foods facility. I think if the Council had had some interaction with them, certainly more than they did, we may have retained Marks and Spencer in a slightly different form. My view, which I have expressed to them, is that if they had saved the money that they had put into Simply Foods and actually developed a food shop and a small café on the premises that they were occupying I think they would have done a lot better.

I just question whether the Council is actually interacting with retailers to encourage them to come into the town and provide some incentive to actually retain quality retailers in this town because that is what really enhances the status of the town?

Supplementary Answer given by the Executive Member for Business and Economic Development and Regeneration

I hear what you are saying and have recently been involved in completely understanding what we are doing here in the town centre and with our agents; which I will talk a little bit about later.

Interesting conversations have taken place with Marks and Spencer over the years. It isn't just Wokingham that they have left with their small stores they have also moved towards these larger, enormous stores like the one they have got in Bracknell. Long conversations have taken place with them over the years. We did not want to see them go, as you can imagine, but we do understand their strategy which is for these big megastores in a very interesting place right next door to the largest Waitrose flagship in the country. Their strategy has changed quite a lot and we have been talking to them the whole time. So it is not as if we have not taken any notice of this. We would like to keep some of these retailers and as far as we can we are talking to lots of retailers for all of the spaces we will

have when we have rebuilt the town and there are some very exciting conversations taking place.

The Leader of Council stated:

You also mentioned competitive rates and we do offer competitive rates particularly when we are trying to attract people into the town and we do have a good rental strategy and I am sure that if you would like to have an ongoing conversation with Stuart he would be happy to have that.

40.2 Rachel Bishop-Firth asked the Executive Member for Business and Economic Development and Regeneration the following question:

Question

This question is on agenda item 47, the Letting of the Elms Field Building Contract. I know that you have already got contracts with a hotel, supermarket and cinema to occupy those elements of the scheme, but the Elms Field plans include a number of other retail units. How many of those other retail units have you got pre-let agreements in place for?

Answer

You are quite right the Council has been successful in securing several pre-lets, to Premier Inn, Aldi and Everyman Cinemas to take units in the Elms Field development. These pre-lets represent approximately 65% (by rental value) of the proposed scheme which is a very healthy result given this stage in the project. No other agreements have been signed completely at this point although we are working on a number of further enquiries and some of them are quite exciting.

The Council and their lettings agents Strutt and Parker, who are the professionals in these sorts of environments around the country, are in conversation with a variety of businesses interested in taking units within the regeneration developments; with interest from both national names and local independents. However it is still early in the process especially with the Peach Place and Elms Field developments opening in late 2018 and 2019 respectively.

Supplementary Question

Is this in line with where you expected to be at this point in the project?

Supplementary Answer

I wouldn't just like to say where we are in this part of the project. I think we have got a pretty good healthy start to get these very valuable partners working with us already. It is a very strange market that we are in. I have just recently watched a very large development in Bracknell where 60% of the lets happened in the last six weeks before they opened. So it is a very strange environment that we work in. I know it would be much nicer if we had it all signed up and knew that everyone was going to come and when. In reality we have not actually started the developments in Elms Field and we are just about to discuss this later in the agenda. We are on it and our agents are on it.

40.3 Chris Wallace asked the Executive Member for Finance the following question:

Question

I would like to express concerns about the quality of the information being given to the Executive relating to the 21st Century Council. In the update report on tonight's agenda appears to lack some of the information needed to make informed decisions.

Firstly the Staff Morale figures shown are meaningless in isolation and should show the overall response rate to the surveys. As without the size of the cohort being shown you cannot say whether good or bad, ie 94% of a 10% return is hardly a success story.

Secondly under the Programme Risks section which refers “to loss of key people and organisational knowledge; less capacity available post implementation; reduced performance in key service areas; non realisation of savings; increased programme costs and slippage in IT implementation. There are no current issues or concerns to report.”

The project team seem to accept that a staff turnover of >40% in Housing Services and >50% in the Rent Team are acceptable without considering the impact that level of turnover has on the service provided, the staff output nor on the HRA which we as Involved Tenants are required to scrutinise. A report on the costs of staff turnover by Oxford Economics in 2014 shows an average of £30,000 per member of staff with new staff taking up to 10 months to be fully productive. We are aware that since July there have been 19 staff recruited, plus your letter shows that there are 17 staff members on fixed term/agency contracts. The cost of this level of turnover is therefore in excess of £1 million this year without any further resignations. This is fast approaching 10% of the HRA account and equates to 50% of the budgeted management costs for 2017/18.

Finally the statement that “There are no current issues or concerns to report” is misleading unless the Council considers a Breach of Statutory Duty as a minor irritant and the concerns raised by TLIP and the involved tenants over the last six weeks to be unworthy of consideration.

Can we ask the Executive to ask for full details to be shown in future reports with the actions being taken to allay concerns and rectify any errors?

Answer

To address your concerns in turn. I can clarify that we have run three staff survey across the programme in November 2016, January 2017 and July 2017 asking the same questions to be consistent. We have had 690 responses in total with an average response rate of 22.5% which is considered to be a good response rate. I am sure that under any official survey, this level of response would be considered to be statistically representative. The survey is anonymous in order that staff can be honest in their responses.

With regard to your points about staffing I should clarify that the report we have this evening is a backward look reporting largely on the implementation of phase 1 of the programme which comprised the Council’s back office staff. Housing is in part 2 of phase 2 which, as reported, has only recently commenced.

Day to day management of staffing issues in our Housing Services remains a matter for the service. As reported to Council on 21st September, the Operational Housing Services Team is almost fully staffed, with 30 permanent, 10 fixed term contracts, 7 agency and 8 secondees (that is 5 internal and 3 external to the Housing Service). The Rent Team, which sits in another department, has 2 permanent and 2 agency staff.

Some of these changes have been more to do with the Council’s, we call it, ‘grow your own’ approach than anything else. Staff are given the opportunity to work in other roles which is a cost effective way of developing them. The operational staff in Housing have not yet been directly impacted by the C21 Council process, so is hard to link staff turnover with the transformation programme at this stage.

We have made a clear commitment to involve TLIP in a consultation about the design for the Council's housing function to address any concerns prior to any changes and improvements we make. We intend to honour that commitment and discussions are ongoing to arrange this.

Supplementary Question

We run staff surveys, or the Council does, every couple of years and the response rate there is between 35-40% with 90%+ positives. So it seems a trifle low and you are not being given the full picture of what those responses are currently. Also there is a section in my question about risk management. Have any of you, or any of the C21 Council team, read that document? It is the Sector Risk Profile 2017 issued by the Homes and Communities Agency. If you haven't I would suggest you do so as it is a good read before you go to bed.

40.4 Steve Bowers asked the Executive Member for Finance the following question:

Question

I would like to question the financial position of the 21st Century Council project in light of the problems being experienced in the Housing Service and the questions being raised by Involved Tenants via TLIP and directly with the full Council.

The Leader of the Council has already acknowledged that you are in breach of your Statutory Duties, a situation that should have been considered under risk management. Many of the concerns being raised appear to stem back to the original business case approved by the Executive on 29/9/16. The HRA/Housing Service appears to have been overlooked or at least misrepresented in that business case. Page 9 states:

"The funding source for each of these full time equivalents needs to be considered so that officers and Members can interpret how savings identified in transitioning to the new ways of working can be realised. £4.7m of funding within the scope identified above is grant or ring-fenced funding. As a result it may not be as easy to realise savings within this grant funding due to conditions associated with the funding source. This will need to be managed on a case by case basis in the detailed planning of the programme when the benefit management plan for the programme is created."

Either the £4.7m is erroneous or the £15/16m of ring-fenced HRA/Housing Service is outside the scope of the project.

If the £4.7m is erroneous it raises questions about the validity of the costs and potential savings shown in that report. If the HRA/Housing Service is not within the scope of the project then the position of Head of Housing should not have been removed. A full consultation with all affected Tenants, as required by the HCA, should have been budgeted for, either within the project or the HRA but neither includes this cost.

These issues have not been raised, changed or approved by the Executive, and decisions are being made without due regard to your statutory duties.

The Executive and the Overview and Scrutiny Management Committee need to investigate the financial position in detail and the decision making process to reassure all Members that the facts and figures that you are being given are accurate.

Will the Leader of the Council agree to this investigation and ensure that a full report is issued to the Executive and the Overview and Scrutiny Management Committee?

Answer

I do understand your concerns to protect the services provided for our tenants and I share this objective. Our tenants are important to us and it is a key priority of the Council to continue to provide high quality services to you all and we seek to provide for the housing needs of all our residents.

In terms of the business case your question contains a misunderstanding. To clarify the £4.7m that the business case refers to is in relation to grant and ring fenced funding for staffing costs only; and was accurate at the time the business case was compiled. It relates to staff outside of the General Fund, which does include HRA and other ring fenced areas of expenditure. This does not mean that these areas are outside the scope of the C21 Council programme, but it means that only £4m of the estimated £4.5m annual savings is attributable to the General Fund.

I would also assure you that the business case is only the starting point for detailed service design. As service areas are considered the figures are updated and detailed design work is undertaken with those closely involved in delivering the services and in this way, the starting point of the business case assumptions are thoroughly tested as the new design emerges. I do not therefore consider that a referral to Overview and Scrutiny, which is your suggestion, on the business case is necessary.

I note your comment re the Head of Housing but would assure you that a service post with oversight of the operations of the housing revenue account is provided for within the transition arrangements and the future management structure will be part of the design work. In fact I understand that you held a meeting today with senior officers and your representatives regarding your involvement in the design process for our services to tenants and I will re-iterate that as tenants you will be involved in the design process.

40.5 Alexandra Fraser asked the Executive Member for Business & Economic Development and Regeneration the following question:

Question

Agenda Item 47

It states on the agenda item; A key project towards a regenerated town centre which is aligned with the Council's Core Strategy and will provide:

- Improved public spaces
- A better retail experience
- An improved entertainment offer
- Better sports and leisure facilities
- Improved access and transport
- Improved sustainable community
- A rental income which can be used unencumbered for provision of services across the Borough.

I would like to know what sports and leisure features you will include in the Elms Field regeneration that caters for young children specifically the 0-5 group and what if any inspiration have you drawn from the carnival pool regeneration?

Answer

The outcomes you listed are the core objectives of the Council's town centre regeneration which is made up of schemes in Peach Place, Elms Field and the Carnival site. Now unfortunately, as you are aware as we have been discussing this off line, I am unable to discuss the Carnival proposals because these are the subject, even though they are part of the Elms Field development, of a live planning application which was submitted in July and is currently under determination.

However if I can go into some of the other pieces without being specific; as I know we are trying to get a meeting together with Councillor Jorgensen to talk about your specific concerns on a particular item. In regards to Elms Field proposals there are a range of things that are proposed that will benefit young children and families for years to come which I thought might be interesting to list:

- An improved park with large areas of open grass to run around, with attractive planting and increased seating to enjoy the space;
- A fantastic destination play area which has been designed with equipment for all ages and abilities with lots of opportunities for creative play, active play and relaxation;
- Large pedestrianised areas that have been designed with space to circulate and to run great community events such as the May Fayre, Winter Carnival and Family fun days which are so popular with local children and families;
- A new Everyman cinema which is part of a comprehensive programme to show regular family friendly films and offer special Baby Club screenings where families with small children can watch films in a relaxed environment with softened sound and dim lighting;
- New restaurants designed to make the most of the adjacent pedestrianised spaces and open space to allow families to enjoy a great day out in Wokingham.

Off-site the Elms Field proposals are also contributing funding towards a wide range of improvements for families across the area. This includes, and I will not go on for too long:

- £320,000 towards the new tennis club at Cantley Park which offers coaching for children from age four upwards;
- £95,000 towards the provision of a Suitable Alternative Natural Green Space (SANG) to provide outdoor activities and leisure in the local area; and
- £4.8 million in developers' contributions which will be used by the Council towards funding infrastructure improvements from their CIL priorities list which includes a range of benefits to families and small children such as nursery schools, sports facilities and country parks.

Supplementary Question

That sounds fantastic as there is a large scope for all members of the community young, old, all ages and abilities. I was just curious about the needs of 0-5s as they have specific and different needs developmentally than say older children. So what specifically has there been something in there where that has been addressed eg the current pool has excellent sensory equipment and it is a perfect pool for them to play in. That is a really good example of catering for that age group and I was just wondering in this new development if there is something similar that is so specific and dedicated to them and their needs at their age and stage of development?

Supplementary Answer

I suggest that we leave that until we get a meeting with Councillor Jorgensen and the three of us can sit round and explain in detail what we have planned as I think that would help.

The Leader of Council stated:

We can organise an off-line meeting to go through the Carnival Pool application because there are a number of different things and proposals that are coming forward as well, within Carnival Pool, which are quite exciting. As a mother myself of an 8-year old having gone through the 0-5s recently there are some interesting things.

41. MEMBER QUESTION TIME

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

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

Question

In your answer to my question on the 29th of June Executive you stated that we are compelled to use that as the most up to date information we have and a public consultation was not required.

Can you confirm therefore that the G L Hearn report dated February 2016 is legally binding on this Council and the other councils covered by the report?

Answer

We are compelled by the National Planning Policy Framework, or the NPPF as it is also known, to ensure that the local plan is based upon up-to-date and relevant evidence. GL Hearn were commissioned by the Berkshire local authorities to assess future housing needs across the county in line with this framework. As you are aware the original figure that was used was from the old South East Plan and it had not been objectively assessed; that was what GL Hearn did. The output of this commission is the Berkshire Strategic Housing Market Assessment, published in February 2016. The assessment currently represents the most up-to-date information on housing needs for each of the Berkshire local authorities and is used by each of them to inform their work. GL Hearn are however currently undertaking an update of this assessment; the results of which are due out later this year. This work has been commissioned in response to challenges to the current housing need calculation through appeals, where Planning Inspectors have preferred a higher figure of 894 additional homes per annum. So they have moved us from the original figure of 856 to 894 and one Inspector simply relies on the previous Inspector and they have been building on that.

In the meantime the Government is consulting upon a new methodology for calculating housing need which if adopted would raise our figure from 856, which is the GL Hearn figure, to 876 which is below that being used by appeals Inspectors of 894. The new methodology takes the national household projections and progressively increases this for areas where the ratio of house prices to incomes is more than four times. In our case it is up 11 times the average income. The ratio in Wokingham Borough increases the national projection by around 45%; an increase from 603 additional households (that is the household increase) per annum to 876. Is that helpful?

In other words Gary, as you are aware, we are being crucified by developers, I would describe them as carpetbaggers, who are coming in here and not submitting their sites under the normal 'call for sites'. We are not being allowed to assess them and

Government are allowing Appeals Inspectors to ride roughshod over us despite us doing everything that has ever been asked and you, I am sure, are well aware of how we have handled that in the past.

Supplementary Question

Nothing has really changed has it? The only comment I would make is that both yourself and the Leader were told whether the legal number, and you quote numbers both at Council and in the press, and I am only suggesting that the legal numbers are what the Core Strategy agreed; which is the number that was agreed through a proper consultation and a public inquiry. In fact two public inquiries because of the MDD as well.

Now I do agree with everything else you have said but what I am saying is that the legal number expressed should be 626 and that any changes to this number are because of pressure brought on by Government but to actually quote the Government figures which have not been assessed or evaluated by us or through any consultation process I think is flawed and it gives the wrong message.

Picking up on your last point there the Housing White Paper includes a number of proposed planning reforms to support housing development including the introduction of a housing delivery test; a standard approach to assessing housing requirements and reforms the current system of developer contributions which I think is crucial. At the same time they publish revisions to the NPPF and in a way would it not be better if we hold back as this is going to happen in the next month or two? Hold back and see what these changes are rather than jumping into the fire now on random numbers that have not been proven by any proper consultation process.

Supplementary Answer

I would totally agree with you however the one thing I would say is that the 894 is not something that we unfortunately have the right to reject, as you will know that from these decisions being made by Appeal Inspectors. What I would ask is that every Member of this Council, every member of a parish council, every resident and everybody else writes to the Secretary of State because it is he who is allowing this to happen. Do as Barkham Parish Council has done - they have written. It is no good criticising each other and actually demanding that we do not have any in our wards and in our towns. We are being forced to do this by Appeal Inspectors and if we all work together we may achieve the Government realising the errors of their ways and hopefully the White Paper will bring out some sensible resolution to developers getting a 20% add-on to our housing numbers because they are slow at delivering. They are challenging us on affordability yet a 2-bed terraced house three years ago was £250k; it is now £390k. I do not think this Council has caused that to happen but we and our residents are being crucified by Planning Inspectors so I would urge everybody to do what Barkham Parish Council has done and write to the Honourable Sajid Javid and tell him the error of his ways.

The Leader of Council stated:

Building on that point consultation is open at the moment from Central Government on the housing numbers and I would like Members and the public to write in questioning the methodology and the new housing numbers that have been proposed for this area which are higher than the existing numbers that we have at the moment.

41.2 Prue Bray has asked the Executive Member for Strategic Highways and Planning the following question:

Question

At the July Executive meeting, the Executive resolved to approve a supplementary estimate of £400,000 to “support the site assessments process for the Local Plan Update”. That is a rather general statement. What exactly is this additional money being spent on? Please cover in your answer how much of the assessment of all the 260+ submitted sites it covers.

Answer

The supplementary funding is required to assess the opportunities for sustainable development across all of the promoted sites. In particular, it will allow master planning of larger and more complex sites, specifically land around Grazeley, Barkham Square, which is directly north of the current Arborfield Green development, and around Twyford. This will ensure we are fully aware of the opportunities and constraints to sustainable development, including in-depth consideration of infrastructure delivery plans, including a Borough wide infrastructure delivery plan, which is a key message coming from residents.

Future consultation on the Local Plan Update 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. I cannot give you the assurance that it will be used for all 263 sites because some of them are for one house, two houses, etc so we are spending that money on assessing the major groupings of sites which have been put to us. As you know if we do not properly assess those when they come to be Examined in Pubic if we have simply cast one aside because what we should not be building there because of x, y or z we would not stand up to the developers.

Supplementary Question

I am very pleased that he has mentioned the masterplanning because Keith Baker wrote a very interesting letter in the Wokingham paper last week in which he suggested that that money was for masterplanning although I have not seen any Council documents that say that.

What I am concerned about is that you do indeed, for precisely the reason that David has said, have to assess all the sites properly against a set of criteria otherwise you will be torn to pieces by developers. Is it not pre-judging the issue to masterplan on some specific large sites before you have done the sustainability appraisals of all the sites? Are you not going to get into trouble from other developers who have other sites who think you are pre-judging the issue?

Supplementary Answer

No I do not think so because we will be looking at all of those points. If you actually look at the plan of the Borough where the sites are there are some very large groupings put in there. There is a very large grouping to the north of the A329(M) which is in a totally unsustainable location and I would suggest that is because there is no means of access onto that road and that is why we are looking at the sort of major ones. The major ones happen to be the ones that I have read out the names of. There is no alternative to that but all sites will be looked at from a sustainability point of view and from a point of view of what infrastructure is needed on those.

We have as you know over the 30 years before this existing plan was operating we were building an average 800 houses per year we had £5k contribution from each of them. We now get a £27-30k contribution and we got no affordable housing because there was an

amazing fact that if they built 14 houses they did not contribute and it was amazing that they all came in at that figure.

So the sustainability is vital but we are determined that if we have to build this number of houses, and this is what I would ask people to challenge and question, but if we have to do it we have to do it in the most sensible way in the most sustainable locations.

41.3 Imogen Shepherd-DuBey has asked the Executive Member for Highways and Transport the following question:

Question

The 200+ residents of the Toutley Road area have recently had one end of the road closed for rebuilding and this has been scheduled for some time. Residents are largely tolerant and understanding of that work.

During the month of August, for three weeks, the other end of Toutley Road was dug up and controlled by three way traffic lights. This generated many complaints as the lights failed or were at times only allowing two cars through and effectively trapping the residents into their neighbourhood. More galling, there appeared to be no work happening as a problem was found with the planned work and the road was just left with traffic lights.

Please can someone explain to me why it was acceptable to schedule this work at the same time as the time as the road closure at the other end of Toutley Road?

Answer

To answer your question both of these works areas were in relation to the North Wokingham Distributor Road and there was a target to complete the works within the summer holiday period; when overall traffic flows on the network are much reduced. While it was recognised this would lead to an increased level of disruption, it was over a much shortened period of time when background traffic was much reduced. Coordinating the many highways schemes on the network is always a judgement, however we felt completing the works in the summer holidays over a shorter period was the best option.

Supplementary Question

I wish to question that best option because obviously at the same time while the corner of that road was closed with Matthews Green, Emmbrook and Toutley Road, Holt Lane was also closed; which was scheduled work. We had scheduled work on Toutley Road where Berkley Homes was building a new gateway. We also had Highways England closing the bridge for the motorway because they were doing motorway works at night combined with the never ending cycle lane works that are occurring on Reading Road.

I want to know who is scheduling this work and are they looking at the bigger picture and why town and parish councils as well as Ward Councillors do not have forward visibility of the work that is scheduled to happen within their wards and have the right to veto certain pieces when they are being done in what is clearly an inappropriate way?

Supplementary Answer

Works in the Borough are controlled centrally by Officers and they are advertised on roadworks.org up to three months in advance if you set your filter correctly. I fully respect the points you are making and that it is contestable whether these things are programmed in the right way as there are different views. So I fully respect your position but that is the view that Officers came to. We have to do the work in the end we cannot let it build up so it is inevitable that on occasions there will be difficulties with congestion.

42. 21ST CENTURY COUNCIL - UPDATE

The Executive considered a report setting out the progress with the implementation of the 21st Century Council programme.

The Executive Member for Finance went through the report and advised that Phase 1 of 21st Century Council was now complete and the expected annual savings of £2m had been achieved. A thorough review of Phase 1 had been carried out and as a result of feedback received from staff some changes would be made to the Phase 2 process; including redesign of the interview stages.

Councillor Whittle reminded Members that the recent Council motion to delay the implementation of Phase 2 until a permanent Chief Executive was in post had been defeated and had this been adopted would have caused a delay of at least six months and cost at least £910k.

Members were advised that Phase 2 would be split into two stages: Environment, income, assessments, collections and payments, customer services and then Children's, Social Care and Early Help. It was also noted that the Member/Officer Group and the IT Reference Sub-Group had been merged to create a cross-party Member/Officer Working Group which would meet on a regular basis.

The Leader of Council felt it would be helpful if in future reports the percentage of respondents to any survey was included. Councillor Haitham Taylor highlighted that the 21st Century Council programme had been considered by the Overview and Scrutiny Management Committee on 11 July and this meeting had been attended by representatives from Unison. Councillor Haitham Taylor also advised that she had subsequently met with Unison and had made a commitment to meet with them every two months going through Phase 2 of the programme.

RESOLVED: That the progress in implementing the 21st Century Council programme be noted.

43. SHAREHOLDERS' REPORT

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

The Executive considered a report providing an operational update and the budget monitoring position of the Council Owned Companies for the month ending 31 July 2017.

During the Executive Member for Finance's introduction of the report he highlighted the revised report structure which had financial information on the companies and their subsidiaries separated from the operational reports. It was noted that the financial information contained in the reports showed very little variation from budget but it was of course early in the financial year and it was anticipated that profits would be generated in the next financial year.

Councillor Whittle was disappointed with the delay of the completion of both the Phoenix Avenue development and the Grovelands project but advised that it was expected that the delay costs would be recouped. Members were advised that Martin Farrow had been appointed as the permanent CEO for Optalis.

Councillor Lee highlighted that although the cumulative numbers set out in the profit and loss tables were all negatives the expectation was that for the year ending 2018 Wokingham Housing Ltd and its subsidiaries would be making a profit. In addition he congratulated the companies for the work they had done in providing 68 units at Phoenix Avenue, which would be occupied in early December, and the 34 units at Fosters Extra Care facility.

RESOLVED that:

- 1) the budget monitoring position for the month ending 31 July 2017 be noted;
- 2) the operational update for the period to 31 July 2017 be noted.

44. WOKINGHAM BOROUGH COUNCIL (WBC) CHILDCARE SUFFICIENCY STRATEGY 2017

The Executive considered a proposed Childcare Sufficiency Strategy which covered both the current sufficiency and satisfaction with childcare services across the Borough and the readiness of providers to meet the new additional 15 hour free Early Years' childcare entitlement for the children of working parents'.

Members were advised by the Executive Member for Children's Services that the Council had a statutory duty to ensure that there was sufficient childcare to meet the needs of working families and from this month there would be a universal entitlement for working parents to receive 30 Government funded free hours.

Councillor Ashwell stated that providers were responding positively to this entitlement and were developing offers to enable parents to secure this additional childcare and highlighted three capital projects that were underway to increase provision. He also reinforced the need to encourage private, voluntary and independent sector providers to increase supply within the fees now available.

The Leader of Council highlighted the lists of eligibility criteria for both 2 year old free entitlement funding and 3-4 year old provision, as set out in the Strategy, and asked the press attending the meeting if they could publicise these to ensure that as many people took up their entitlement as possible.

RESOLVED: That the Wokingham Borough Council Childcare Sufficiency Strategy 2017 be approved.

45. WOODLEY CAR PARKING TRIAL

The Executive considered a proposed extension to the current Woodley car parking trial beyond September 2017 to the end of January 2018 in order to allow further data to be collected from the trial.

The Executive Member for Highways and Transport reminded Members that in May 2016 the Executive had approved the implementation of evening and Sunday charges. During consultation of these charges the Woodley Town Centre Management Initiative (WTCMI) put forward a proposal to increase the 1 hour parking charge in the Woodley car parks from 70p to 80p instead of implementing evening and Sunday charges in these car parks. The Executive agreed to trial the proposal to September 2017 to ensure that this alternative tariff was financially viable and did not result in a reduction in revenue. The trial has been running for almost a year but needs to be extended so that Officers can collect

and process the necessary data in order to determine whether the trial has been successful. The proposal therefore is to extend the trial period until the end of January 2018.

RESOLVED: That an extension of the current Woodley car parking trial beyond September 2017, including the increase of the 1 hour parking charge increase in the Woodley car parks (Crockhamwell Road, Headley Road, Lytham Road East, and Lytham Road West from 70p to 80p which have been operating as part of the trial) be approved to the end of January 2018.

46. WASTE AND RECYCLING COLLECTION (SEPARATE COLLECTION OF FOOD WASTE)

(Councillor Norman Jorgensen declared a personal and prejudicial interest in this item)

The Executive considered a report setting out a proposal to introduce a separate collection of food waste on a weekly basis.

Councillor David Lee confirmed that the Council would still be retaining weekly refuse collection and the proposal was intended to increase recycling rates. It was noted that when the blue bags were checked it was found that approximately 30% of the contents of the bags was actually food waste. Therefore if 50% of this food waste was collected separately this would save money and improve the Council's recycling performance.

Councillor Lee explained that the Council would have to ensure that the proposal was operationally possible and financially viable. As an example of one of the areas that would need consideration was where the separate container that was required would be located on the bin lorries, particularly as they already had two compartments at the back; one which receives the blue bags and one that receives the recycling. In order to ensure that further consideration is given to these aspects and that the vehicles that are currently used are suitable and do not have to be replaced Councillor Lee proposed the following revised recommendation which was agreed by the Executive:

“That the introduction of weekly separate collection of food waste be approved as detailed in the report subject to:

- 1) it being operationally possible and financially viable with the final financial outcomes to be reported to a future meeting of the Executive;
- 2) options being investigated including benchmarking to cover cost savings or otherwise where food waste has been introduced in other authorities;
- 3) vehicle usage be further investigated and reported back to the Executive.

During discussion of the item Councillor Whittle emphasised that not only would the proposal increase recycling it would bring the Council closer to the 50% Government recycling target which if not achieved would lead to substantial fines. Councillor Haitham Taylor also highlighted that the proposal also included collection of additional materials eg pots, tubs, trays etc which were not currently able to be recycled.

RESOLVED: That the introduction of weekly separate collection of food waste be approved as detailed in the report subject to:

- 1) it being operationally possible and financially viable with the final financial outcomes to be reported to a future meeting of the Executive;
- 2) options being investigated including benchmarking to cover cost savings or otherwise where food waste has been introduced in other authorities;
- 3) vehicle usage be further investigated and reported back to the Executive.

47. PEACH PLACE RESIDENTIAL

The Executive considered a report relating to the transfer of 22 apartments at Peach Place, Wokingham to a Council-owned housing company which would assist in meeting housing needs through the provision of high quality affordable housing for essential workers.

Members' attention was drawn to the fact that "the scheme would be open to a range of low income key workers who were vital to the delivery of public services and/or support the local economy" and were not exclusively for public sector employees.

The Leader of Council was pleased to note the delivery of 22 key worker houses that were right in the middle of the Town Centre with good transport links.

RESOLVED that the following be approved:

- 1) the Council transfers the completed 22 apartments 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.

48. WOKINGHAM TOWN CENTRE REGENERATION - LETTING OF ELMS FIELD BUILDING CONTRACT

The Executive considered a report setting out the outcome of the procurement process to appoint a building contractor for the Elms Field scheme.

Members were advised that the procurement process had followed a two-stage process and four reputable contractors had tendered for the works. It was important for a contractor to be appointed in order to meet the relevant dates for the key leases that had already been signed. Councillor Munro therefore recommended the contractor, as set out in the Part 2 report, for the Elms Field scheme.

Due to the fact that Members wished to discuss the information in the Part 2 sheets it was agreed that the item be further discussed in Part 2.

49. PROPERTY PORTFOLIO INVESTMENT STRATEGY

The Executive considered a report setting out a proposed Property Portfolio Investment Strategy which would preserve and improve the financial resources available to the Council by generating revenue income from capital investment.

The Executive Member for Finance advised that the report proposed a strategy for two types of investment; development on Council owned land and also purchasing or developing assets that could generate an income or be resold at a profit. In order to limit the risk and uncertainty the Council would seek to acquire a range of property types, sizes, building conditions, locations and covenant strengths in order to provide a spread risk and balanced portfolio and the first priority would be development of Council owned land.

The Leader of Council advised that the Council had a strong record of prudent investments in commercial assets such as properties within the Borough and they were providing good commercial returns. There were many other local authorities who had property portfolio investment strategies and they were already investing in commercial opportunities in order to produce revenue streams that could be used to address some of the ongoing and relentless austerity measures that local government face. The financial position was expected to be bleak leading over the next few years to a total of £20m to find so it was necessary to look at possible revenue funding streams and this Strategy would go some way to addressing that issue.

Due to the fact that Members wished to discuss the information in the Part 2 sheets it was agreed that the item be further discussed in Part 2.

50. PROPERTY CHARGES TO EARLY YEARS PROVIDERS

The Executive considered a report relating to property charges to Early Years' providers which followed a request from two Early Years' providers that their assessed land and premises use and charges be abated to ensure that their activities were sustainable.

The Executive Member for Children's Services went through the report and highlighted again that the Council had a statutory duty to ensure that there was sufficient childcare to meet the needs of working families. The Council was the custodian of the Government grant that provided the 30 hours free entitlement, as mentioned earlier, and there was limited opportunity to fund any other capital costs that were required to provide this service.

RESOLVED: That the reduced charges for two Early Years' providers for use of Wokingham Borough Council owned premises, as set out in Part 2 of the report, be approved.

51. EXCLUSION OF THE PUBLIC

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

52. WOKINGHAM TOWN CENTRE REGENERATION - LETTING OF ELMS FIELD BUILDING CONTRACT

The Executive considered the exempt information contained in the report.

RESOLVED: That the letting of the contract as set out in Part 2 of the report be confirmed to enable the Regeneration project to continue and enable the outcomes as identified in the report.

53. PROPERTY PORTFOLIO INVESTMENT STRATEGY

The Executive considered the exempt information contained in the report.

RESOLVED That:

- 1) the broad principles of the Property Portfolio Investment Strategy as set out in Part 2 of the report be endorsed;
- 2) delegated authority be given to the Director of Corporate Services, in consultation with the Leader, Executive Member for Finance and the Executive Member for Business, Economic Development and Regeneration, for purchases totalling up to £100m;
- 3) Council be recommended to agree that up to £100m borrowing powers are delegated to the Director of Corporate Services, in consultation with the Leader, Executive Member for Finance and the Executive Member for Business, Economic Development and Regeneration;
- 4) it be noted that the cost of borrowing will be funded by the investment income from the commercial assets;
- 5) it be noted that developments on Council owned land will be brought back individually to Executive on a case by case basis.

TITLE	Shareholder's Report
FOR CONSIDERATION BY	The Executive on 26 October 2017
WARD	None specific
DIRECTOR	Graham Ebers, Director of Corporate Services
LEAD MEMBER	Oliver Whittle, Executive Member for Finance

OUTCOME / BENEFITS TO THE COMMUNITY

Transparency in respect of Council Owned Companies

RECOMMENDATION

The Executive is asked to note:

- 1) the budget monitoring position for the month ending 31 August 2017;
- 2) the operational update for the period to 31 August 2017;

SUMMARY OF REPORT

Strategy and Objectives of the Council's Subsidiary Companies

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

Financial Report

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

Operational Update

An operational update is provided in section 2 for each of the companies as at 31 August 2017. Any changes to the Directorships of the companies is provided at the end of the relevant company's operational update.

BACKGROUND

1. Financial Report

WBC (Holdings) Group Consolidated (comprising WBC (Holdings) Ltd (Holdco), Wokingham Housing Ltd, Loddon Homes Ltd and Berry Brook Homes Ltd).

WBC (Holdings) Group Consolidated - Profit & Loss						
	P5: Aug-17			Cumulative		
	Actual	Budget	Variance	Actual	Budget	Variance
	£000	£000	£000	£000	£000	£000
Income	104	102	2	422	425	-3
Expenditure	<u>-181</u>	<u>-159</u>	<u>-22</u>	<u>-762</u>	<u>-758</u>	<u>-4</u>
Operating Loss	<u><u>-77</u></u>	<u><u>-57</u></u>	<u><u>-20</u></u>	<u><u>-340</u></u>	<u><u>-333</u></u>	<u><u>-7</u></u>

There were no major variances to budget for WBC (Holdings) Ltd. Variances to budget for the individual companies are explained under the relevant sections below.

Wokingham Housing Limited (WHL)

Wokingham Housing Limited - Profit & Loss						
	P5: Aug-17			Cumulative		
	Actual	Budget	Variance	Actual	Budget	Variance
	£000	£000	£000	£000	£000	£000
Income	0	0	0	0	0	0
Expenditure	<u>-44.1</u>	<u>-29.9</u>	<u>-14.2</u>	<u>-173.5</u>	<u>-163.1</u>	<u>-10.4</u>
Operating Loss	<u><u>-44.1</u></u>	<u><u>-29.9</u></u>	<u><u>-14.2</u></u>	<u><u>-173.5</u></u>	<u><u>-163.1</u></u>	<u><u>-10.4</u></u>

Income & Expense: WHL recorded no income in the month of August, in line with expectations. Overhead costs in the month were £14.2k higher than budgeted due to unforeseen legal costs and this translated into an unfavourable variance for the month. The year to date net loss of £173.5k reflects a £10.4k unfavourable variance compared to the budgeted loss.

Loddon Homes Limited (LHL)

Loddon Homes Limited - Profit & Loss						
	P5: Aug-17			Cumulative		
	Actual	Budget	Variance	Actual	Budget	Variance
	£000	£000	£000	£000	£000	£000
Income	7.3	7.1	0.2	35.0	35.6	-0.6
Expenditure	<u>-14.4</u>	<u>-14.6</u>	<u>0.2</u>	<u>-77.3</u>	<u>-74.5</u>	<u>-2.8</u>
Operating Loss	<u><u>-7.1</u></u>	<u><u>-7.5</u></u>	<u><u>0.4</u></u>	<u><u>-42.3</u></u>	<u><u>-38.9</u></u>	<u><u>-3.4</u></u>

Income & Expense: Income of £7.3k in the month of August for Loddon Homes Limited included rental income from the Hillside and Vauxhall Drive properties, which is roughly in line with budgeted income. On a year-to-date basis, income of £35.0k is £0.6k lower than budgeted.

Direct costs are overspent by £0.5k, due to higher than expected utility charges in the month. Overheads show a favourable variance of £0.5k in August against the budget, where most expenditure items were close to budget. However, overheads are overspent year-to-date by £0.5k, reflecting higher than anticipated marketing costs in May, which have reverted to more normal levels in recent months.

A net loss of £7.1k in the month reflects a £0.4k favourable variance compared to the budget while the year to date net loss of £42.3k is £3.4k higher than the budgeted loss due to a budgeted service charge increase that has not materialised.

Berry Brook Homes Limited (BBHL)

Berry Brook Homes Limited - Profit & Loss						
	P5: Aug-17			Cumulative		
	Actual	Budget	Variance	Actual	Budget	Variance
	£000	£000	£000	£000	£000	£000
Income	15.1	16.3	-1.2	42.4	48.5	-6.1
Expenditure	-9.4	-11.7	2.3	-47.6	-60.9	13.3
Operating Profit	<u>5.7</u>	<u>4.6</u>	<u>1.1</u>	<u>-5.2</u>	<u>-12.4</u>	<u>7.2</u>

Income & Expense: Income of £15.1k in the month of August for Berry Brook Homes Limited included rental income from the Phoenix development only and was £1.2k under budget due to project delays. Direct costs of £1.4k were £0.5k better than the revised budget due to lower than budgeted maintenance costs. Overheads of £8.0k showed a £1.8k favourable variance versus budget.

Overall, BBHL recorded a £5.7k net profit for the month, which was £1.1k higher than budgeted, while the year to date net loss of £5.2k is £7.2k lower than budgeted due to lower than expected costs as a result of the project delays.

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

Optalis Group Consolidated - Profit & Loss						
	P5: August-17			Cumulative		
	Actual	Budget	Variance	Actual	Budget	Variance
	£000	£000	£000	£000	£000	£000
Income	3,660	3,727	-67	18,533	18,709	-176
Expenditure	-3,655	-3,726	71	-18,522	-18,701	179
Operating Profit	<u>5</u>	<u>1</u>	<u>4</u>	<u>11</u>	<u>8</u>	<u>3</u>

August 2017 results:

Operating profit for the month was ahead of budget and contributed to a positive year to date position as at the end of August 2017 of £11k. Our budget planning takes in to account provision against the potential financial risks to the Company.

2. Operational Report

WHL Schemes In Progress/Under Development:

Phoenix Avenue (68 units):

41 of the 68 units have now been handed over – but phase 3 units were again late against their revised completion date. Full liquidated damages of c.£17k/ week are being applied to all future valuations. 15 (instead of 19 units) are due to be handed over at the end of October, 7 units in middle of November and 5 units in early December. To date the net valuation is around 90% of the total contract price.

Fosters Extra Care scheme (34 units):

Leighfield are now 3 weeks behind their build programme. However, the key issue on delivery are the delays to the lifts where installation dates have been confirmed for the 13th and 27th November respectively, with 2 to 3 week installation periods. Therefore the full completion date is now looking like end of November with the exception of one lift which should be operational by mid-December. To date the net valuation is around 77% against the total contract price.

Grovelands (6 units):

Grovelands remains a frustration, as we continue to chase SSE to fix a date to move the electrical cable that is holding up the construction of plots 1 and 2. Three of the six homes are due to be handed over in November – using the fourth as a site office to minimise the contractor's preliminary costs. WHL are discussing with Francis Construction how we can minimise prelim costs if the delay to SSE moving the cable continues to be unresolved. There are cost implications and there will be budget over-runs as a result of the delays which impact directly on WHL. Hence the desire to reduce prelim costs to a minimum. WHL will be looking to recoup additional costs from the relevant parties implicated in not identifying the electrical cable's existence in advance of the on-site period.

52 Reading Road (9 units):

The programme is now slightly behind expectations due to problems in procuring tiles and insulation (an industry wide issue at present). This is now resolved, but the importance of completing the scheme by the end of March 2018 is understood by all parties in order to meet the conditions around the HCA grant funding. We are in discussion with LIFEbuild on how they will catch up some of the lost time, as there now remains no slack in the programme for any other delay to be able to still achieve the end of March 2018 completion deadline.

Anson Walk (4 units):

The programme is in line with the timetable, but we are awaiting a date for SSE to divert the high voltage cable that needs to be moved. We are unable to occupy the building until the cable has been diverted so this is critical to achieving completion and being able to let the flats. The latest financial forecast is that the build will be slightly

over the contract sum. Any additional costs we incur will be looked to be fully recouped from the parties at fault – in this instance the original architect and utilities surveying company.

Barrett Crescent (2 units):

Barrett Crescent is progressing well and is on time and to budget.

Elizabeth Road (2 units):

Elizabeth Road is progressing well and is on time and to budget.

Pipeline Sites:

Norton Road is progressing with LIFEbuild undertaking site preparation for their start on site in November. An additional HCA grant bid for the three affordable rented units was successful and will add to the shared ownership grant previously secured.

Tape Lane (11 units for WBCs Housing Services) is progressing with technical drawings being developed to put in to the eventual tender. A planning application for minor amendments was submitted at the 11th October 2017 Planning Committee and was successful. WBC Housing Services are working towards completing decanting by January 2018.

The joint venture at Finch Road (2 units) with Burrwood Developments has received WHL and WBC Holdings Company Board approval to appoint Francis Construction as the contractor. A start on site date of mid-November is expected.

We continue to work towards trying to re-tender Middlefields with contractors we have not used to date who are outside our existing Small Contractors Framework.

Work to try and progress future pipeline projects is continuing through appraisal work and work on planning applications. These include Gorrick Square (1 supported housing units), Cockayne Court/ Gorse Ride (c.35-45 units), Woodley Age Concern site (c.12-20 units), Area DD (c.26-30 units) and Wellington Road/ Station Road (c. 16-20 units for private rent).

Changes to Directors

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

Loddon Homes Limited (LHL)

General update:

The latest business plan forecasts were discussed at the September Board. They show the company has a strong future in meeting its key objectives of providing affordable homes for those in need within the borough, while also providing an ongoing income stream for Council services. Loddon Homes is expected to become profitable in 2018/19 and the draft Business Plan will be going to Holdco in November.

Completed Schemes:

There are no operational changes at Hillside and Vauxhall Drive since our last report.

Schemes under construction:

Loddon Homes are working with WBC and Optalis on arrangements for the housing management and care at Fosters Extra Care scheme. The main areas being finalised are service charge budgets and the contract for catering. Work is progressing on how best to manage the potential lift delay issues, where we may only be able to offer new tenants ground floor apartments until late November when one lift will become operational. Letting plans are being carefully co-ordinated with WBC, who are having to take account of letting Housing Solutions' Extra Care scheme at The Birches and how best to re-house Cockayne Court residents, due to close at the end of 2017. As Commissioner, the Council has also expressed their desire not to let any apartments until the whole building is fully complete. With Christmas often a problematical time to let new homes, this may mean Foster could start to be let during November, but not complete until January 2018. The Loddon Homes Board will want to consider this position and assess the impact of lost rental income over what could be received.

Changes to Directors

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

Berry Brook Homes Limited (BBHL)

General update:

Berry Brook Homes' website is now live. Despite the impact of Phoenix Avenue delays, the business plan financials look positive and show Berry Brook should have a strong future in meeting the key objectives of providing affordable homes and an ongoing income stream for WBC. It is estimated the company will be profitable in 2020/21, having broken even in 2019/20. A draft of the business plan will be presented to Holdco at the November meeting.

Completed Schemes:

There are no operational changes at Phoenix Avenue since our last report. The new housing officer, employed by WBC Housing Services to focus on Local Housing Company properties, is working hard on supporting the new Phoenix Avenue residents and letting the latest homes being handed over.

Schemes under construction:

Handover dates again slipped at Phoenix Avenue and Berry Brook have now agreed with WHL that they will no longer do viewings with prospective tenants until the homes have actually been handed over by Hill to WHL. Maximising rental income will therefore be frustrated, but reputational damage from constantly advising new tenants that their move-in date has been delayed outweighs the benefits of the additional income.

Changes to Directors

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

Optalis Limited

General:

The new CEO has successfully been recruited with a confirmed starting date of September 5th. The interim CEO will remain in post for a further month to support the new CEO in his induction and ensure a robust handover takes place.

Staff

Recruitment and retention remains a focus for the organisation, supported by proactive recruitment campaigns and regular reviews.

Quality

The recent CQC inspection of Suffolk Lodge has resulted in an overall rating of "requires improvement". Improvement plans have been established and are being actioned.

Business development

We are working closely with Wokingham_Borough Council in relation to the provision of support in the new Extracare housing schemes in Fosters and Birches.

Strategy

With the arrival of the new CEO in September, work will begin to formulate a 3 year strategy for the organisation focussed on delivering quality, value and growth.

Changes to Directors

The new CEO will be registered upon his arrival.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

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

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

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

Cross-Council Implications
No Cross-Council Implications

List of Background Papers
None

Contact Emma Lyons	Service Resources
Telephone No 07769957900	Email Emma.Lyons@wokingham.gov.uk
Date 16 October 2017	Version No. 3

TITLE	Revenue Monitoring 2017/18 – September 2017 (Q2)
FOR CONSIDERATION BY	The Executive on 26th October 2017
WARD	None specific
DIRECTOR	Graham Ebers, Director of Corporate Services
LEAD MEMBER	Oliver Whittle, Executive Member for Finance

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 balances in respect of the General Fund, Housing Revenue Account, Schools Block and the Authority's investment portfolio;
- 2) note the potential General Fund carry forward requests of £95k as set out in Appendix B to the report.
- 3) to agree supplementary estimate of £300k from General Fund for various key People Services programmes.

SUMMARY OF REPORT

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

The General fund is reporting a net adverse variance of £159k against planned spend of £130m, Housing Revenue Account a net favourable variance of (£2k) against planned spend of £0.872m and Schools Block a net 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 £,000	Forecast over / (under) spend £,000
Chief Executive	2,371	(6)
Corporate Services	13,115	(52)
Customer & Localities Services	36,688	(39)
People Services	78,175	256
Net Expenditure Total	130,349	159

The forecast represents a General Fund net in year overspend of £159k.

Forecast variances include;

Chief Executive service net favourable variance of (£6k) relates to small savings on current staffing budgets.

Corporate Services net favourable variance of (£52k) relates to additional income from interest received on cash balances.

Customer and Localities Services net favourable variance of (£39k) relates to savings on current staff budgets.

People Services net adverse variance of £256k relates to pressures in adult social care packages, agency staffing across social care, home to school transport and virtual school service in Learning and Achievement budgets. Although management is proactively putting measures in place to keep pressures at manageable levels, the service is also facing on-going discussions with external providers around contractual inflation and national living wage impacts. In addition Learning Disability costs remain volatile.

Care budgets for Children services are currently underspending. However, the risk is that this position is fluid and with an average unit cost of £2,000 per week any marginal adverse movements in demand could change this position.

Supplementary Estimates a supplementary one-off budget request has been proposed of £300k. Although the actual activity the funding pertains to occur mainly and benefit the 2018/19 year, ground work and early start is essential in order to meet important statutory responsibilities and targets for next year. The requests are;

- **Improvement and Change Programme; £50k:** In 2018-19 there are various high profile programmes and events around quality of social care, safeguarding that require dedicated resources in order to ensure WBC is meeting its statutory responsibilities. This includes an Ofsted inspection. This request will ensure a Programme Manager is recruited immediately to commence key preparatory work in time for next year.
- **Deprivation of Liberty; £150k:** there is a back log of cases (including MCA DOLs doctors' assessments pending review in line with legal ruling in 2013/14, dedicated resources over and above existing establishment is required to clear this backlog and ensure that in the coming year only current cases are being reviewed. There is a risk with the backlog that the council is not meeting its legal obligations and may be at risk of significant financial and reputational damage.
- **Multi-agency safeguarding hub (MASH); £100k:** As part of its safeguarding responsibilities for children, WBC is required to ensure that it proactively has in place a robust process to ensure multi agency working with various agencies. Nationally, many Local Authorities have established Multi Agency Safeguarding Hubs (MASHs) to mitigate the risk of any child slipping through the safeguarding net. The multi- agency nature of the Hub makes it possible for all professionals working with children to identify risk early and put in place plans to address them. The children and families benefit from improved information sharing, joint decision making and coordinated action.
Safeguarding failures have become a very high profile issue in local government following recent high profile failures

General Fund balances as at 31 March 2018 are forecast to be £8.699m before estimated carry forwards of £95k.

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

Other Funds

The Housing Revenue Account reports a net favourable variance of (£2k) which relates to small staffing savings against budget. The Housing Revenue Account (HRA) balance as at the 31st March 2018 is estimated to be £4.052m. Shown in Appendix D.

The Schools Block reports a net adverse variance of £385k which relates to the high need block currently overspending due to new commitments for Oak and Northern house out of borough recoupment. The Dedicated Schools Grant (DSG) reserve balance as at 31st March 2018 is estimated to be £0m. Shown in Appendix E.

The authority's investment portfolio shows current investments of £71m being invested by the Council. 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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Date 16 October 2017	Version No. 3

REVENUE MONITORING REPORT September 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	
Corporate Services	13,115	13,063	(52)	Additional income from interest received on cash balances.
Chief Executive	2,371	2,365	(6)	Small favourable variances against staffing budgets.
Customer and Localities Services	36,688	36,649	(39)	Favourable variances against staffing budgets.
People Services	78,175	78,431	256	<p>Childrens - Pressures in agency staffing costs, home to school transport and virtual schools budgets, are mitigated by residential placement and Independent fostering budgets where current demand lower than expected. However this service area is subject to volatility in the volume of client placements</p> <p>Adults - Demand related pressures in care as well as contractual inflation / national living wage pressures.</p>
Revenue Expenditure Total	130,349	130,508	159	

REVENUE MONITORING REPORT September 2017

CORPORATE SERVICES

Director: G Ebers

Executive Member for Finance, 21st Century Council, Internal Services and Human Resources: Oliver Whittle

Service	End of Year Position		
	Current Approved Budget	Current Forecast	Net over / (under) spend
	£,000	£,000	£,000
Governance & Improvement			
Expenditure	2,373	2,379	6
Income	(699)	(699)	0
Net	1,674	1,680	6
Business Services			
Expenditure	27,412	27,399	(13)
Income	(5,648)	(5,698)	(50)
Net	21,764	21,701	(63)
Corporate Services			
Expenditure	507	480	(27)
Income	(241)	(241)	0
Net	266	239	(27)
S&C People Commissioning			
Expenditure	723	745	22
Income	0	0	0
Net	723	745	22
S&C Place Commissioning			
Expenditure	642	653	11
Income	0	0	0
Net	642	653	11
Housing Needs & Benefits			
Expenditure	23,205	23,205	0
Income	(23,480)	(23,480)	0
Net	(275)	(275)	0
Subtotal Excluding Internal and Capital Charges	24,794	24,742	(52)
Internal and Capital Charges	(11,679)	(11,679)	0
Total	13,115	13,063	(52)

REVENUE MONITORING REPORT September 2017

CHIEF EXECUTIVES

Chief Executive: M. Gill

Leader of the Council: Charlotte Haitham Taylor

Deputy Leader: David Lee

Executive Member, Business and Economic Development and Regeneration: Stuart Munro

Service	End of Year Position		
	Current Approved Budget £,000	Current Forecast £,000	Net over / (under) spend £,000
Chief Executives Office			
Expenditure	1,987	1,981	(6)
Income	(2,602)	(2,602)	0
Net	(615)	(621)	(6)
Council Wide Savings			
Expenditure	90	90	0
Income	(561)	(561)	0
Net	(471)	(471)	0
Town Centre Regeneration			
Expenditure	21	21	0
Income	0	0	0
Net	21	21	0
21st Century Council Programme			
Expenditure	2,812	2,812	0
Income	(2,000)	(2,000)	0
Net	812	812	0
Subtotal Excluding Internal and Capital Charges	(254)	(260)	(6)
Internal and Capital Charges	2,625	2,625	0
Total	2,371	2,365	(6)

REVENUE MONITORING REPORT September 2017

CUSTOMER AND LOCALITIES SERVICES

Director: J Wragg

Executive Member for Environment, Sports, Leisure and Libraries: Norman Jorgensen

Executive Member for Highways and Transport: Chris Bowring

Executive Member, Planning and Enforcement: Simon Weeks

Executive Member, Strategic Highways and Planning: David Lee

Service	End of Year Position		
	Current Approved Budget	Current Forecast	Net over / (under) spend
	£,000	£,000	£,000
Community Services			
Expenditure	19,179	19,193	14
Income	(3,163)	(3,174)	(11)
Net	16,016	16,019	3
Development - SDL's			
Expenditure	1,314	1,318	4
Income	(518)	(518)	0
Net	796	800	4
Development - Policy & Planning			
Expenditure	855	839	(16)
Income	(1)	(1)	0
Net	855	839	(16)
Development - Management & Enforcement			
Expenditure	2,876	2,876	0
Income	(1,458)	(1,458)	0
Net	1,417	1,417	0
Building Control			
Expenditure	568	568	0
Income	(655)	(655)	0
Net	(87)	(87)	0
Highways & Transport			
Expenditure	9,950	10,004	54
Income	(3,463)	(3,517)	(54)
Net	6,487	6,487	0
Development & Regeneration - MU			
Expenditure	353	323	(30)
Income	0	0	0
Net	353	323	(30)
Subtotal Excluding Internal and Capital Charges	25,837	25,798	(39)
Internal and Capital Charges	10,851	10,851	0
Total	36,688	36,649	(39)

REVENUE MONITORING REPORT September 2017

PEOPLE SERVICES

Director: J Ramsden

Executive Member, Children's Services: Mark Ashwell

Executive Member for Adults' Services, Health, Wellbeing and Housing: Julian McGhee-Sumner

Service	End of Year Position		
	Current Approved Budget	Current Forecast	Net over / (under) spend
	£,000	£,000	£,000
Learning & Achievement			
Expenditure	1,938	2,091	154
Income	(600)	(600)	0
Net	1,337	1,491	154
Social Work & Early Intervention Services			
Expenditure	15,123	14,609	(514)
Income	(1,225)	(1,217)	8
Net	13,898	13,393	(505)
Strategic Commissioning & Central Services			
Expenditure	5,634	5,894	261
Income	(814)	(852)	(38)
Net	4,820	5,043	223
Adult Social Care - excl. Mental Health			
Expenditure	50,758	51,450	692
Income	(10,697)	(11,075)	(378)
Net	40,060	40,374	314
Adult Social Care - Mental Health			
Expenditure	2,732	2,808	76
Income	(276)	(278)	(2)
Net	2,456	2,530	74
Public Health			
Expenditure	7,036	7,082	46
Income	(7,607)	(7,656)	(49)
Net	(571)	(574)	(3)
Housing Needs and Benefits			
Expenditure	933	934	0
Income	(398)	(398)	0
Net	535	535	0
Subtotal Excluding Internal and Capital Charges	62,536	62,792	256
Internal and Capital Charges	15,639	15,639	0
Total	78,175	78,431	256

REVENUE MONITORING REPORT September 2017

GENERAL FUND - CARRY FORWARDS

	Carry Forwards £,000	Comments
Chief Executives	0	No carry forwards identified at present.
Corporate Services	0	No carry forwards identified at present.
Customer and Localities Services	26	School Crossing Patroller service to continue in line with school year rather than financial year.
People Services	69	Delayed start of a 2 year consultancy contract with Optalis, part of contract will now fall into 18/19
Carry Forwards Total	95	

REVENUE MONITORING REPORT September 2017

STATEMENT OF GENERAL FUND BALANCE

	£,000	£,000
General Fund Balance (as at 31/3/2017)		(10,036)
<u>Supplementary Estimates</u>		
MASH Programme	100	
Improvement and Change Project	50	
Deprivation of Liberty Safeguarding pressure (DOLs)	150	
		300
<u>Carry Forwards from 2016/17</u>		
Corporate Services	50	
Chief Executive	129	
Customer and Localities Services	630	
People Services	69	
		878
<u>Service Variance (excluding 17/18 carry forwards requests)</u>		
Corporate Services	(52)	
Chief Executive	(6)	
Customer and Localities Services	(39)	
People Services	256	
		159
General Fund Balance 31/3/2018 - Before Carry Forwards		(8,699)

17/18 Carry Forward Request Total

95

General Fund Balance 31/3/2018 - After Carry Forwards**(8,604)**

REVENUE MONITORING REPORT September 2017

Director: G Ebers
Lead Member, Housing Services: Julian McGhee-Sumner

HOUSING REVENUE ACCOUNT

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					
	Expenditure	85	85	0	
	Income	(15,134)	(15,134)	0	No material forecast variances expected.
	Net	(15,049)	(15,049)	0	
Fees & Charges / Capital Finance Charges					
	Expenditure	33	33	0	
	Income	(60)	(60)	0	No material forecast variances expected.
	Net	(27)	(27)	0	
Housing Repairs					
	Expenditure	2,737	2,737	0	
	Income	(30)	(30)	0	No material forecast variances expected.
	Net	2,707	2,707	0	
General Management					
	Expenditure	1,604	1,604	0	
	Income	0	0	0	No material forecast variances expected.
	Net	1,604	1,604	0	
Shared Accommodation					
	Expenditure	694	692	(2)	
	Income	(483)	(483)	0	No material forecast variances expected.
	Net	211	209	(2)	
Other Special Expenses					
	Expenditure	150	150	0	
	Income	0	0	0	No material forecast variances expected.
	Net	150	150	0	
Capital Finance					
	Expenditure	7,282	7,282	0	
	Income	(36)	(36)	0	No material forecast variances expected.
	Net	7,246	7,246	0	
Subtotal Excluding Internal and Capital Charges		(3,158)	(3,159)	(2)	
Internal and Capital Charges		4,029	4,029	0	
Total		872	870	(2)	

Housing Revenue Account Reserve

£,000

HRA Reserves as at 31st March 2017	(4,922)
Net in-year planned spend	870
Estimated HRA balance as at 31st March 2018	(4,052)

REVENUE MONITORING REPORT September 2017

Director: J Ramsden

Executive Member, Children's Services: Mark Ashwell

SCHOOLS BLOCK MONITORING REPORT

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	
Schools Block				
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 Resource Unit and a difficulty in covering all of Northern House out of borough recoupment income.
Total Central Expenditure	5,874	5,874	0	
Total Schools Budget Expenditure	124,752	125,137	385	
Total Schools Block Funding Income	(123,397)	(123,397)	0	
Total in-year (surplus) / deficit	1,356	1,741	385	
Brought Forward (surplus) / deficit balance	(1,356)	(1,356)	0	
Total Year End (Surplus) / Deficit	0	385	385	

REVENUE MONITORING REPORT September 2017

CURRENT INVESTMENT PORTFOLIO

Institutions	Amount	Rate	Date Deal made	Maturity Date	Trade Date	Broker
Leeds CC	5,000,000	0.35%	28/09/2016	01/09/2017	01/11/2016	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
Blackburn Council	5,000,000	0.40%	15/06/2017	29/03/2018	15/06/2017	Tradition
Lincolnshire County Council	3,000,000	0.30%	04/07/2017	29/03/2018	07/07/2017	Tradition
Thurrock Borough Council	5,000,000	0.47%	03/04/2017	29/03/2018	03/04/2017	Tradition
Rugby	3,000,000	0.35%	06/07/2017	29/06/2018	24/07/2017	Tradition
Rugby	2,000,000	0.35%	18/07/2017	13/07/2018	18/08/2017	Tradition
Aberdeenshire Council	5,000,000	0.37%	12/07/2017	03/08/2018	03/08/2017	Tradition
Institutions Total	71,000,000					

46

Daily Money Market Funds	Amount	Rate
Goldman Sachs	0	Variable
Money Market Funds Total	0	

Total Current Investments	71,000,000
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TITLE	Capital Monitoring 2017/18 – End of September 2017
FOR CONSIDERATION BY	The Executive on 26 October 2017
WARD	None specific
DIRECTOR	Graham Ebers, Director of Corporate Services
LEAD MEMBER	Oliver Whittle, Executive Member for Finance

OUTCOME / BENEFITS TO THE COMMUNITY

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

RECOMMENDATION

The Executive is asked to:

- 1) note the Capital Monitoring report for the 2nd quarter of 2017/18 as set out in Appendix A to the report.
- 2) approve the following Supplementary Estimate (to add new budget to the 2017/18 Capital Programme):
 - For £150k as part of Gorse Ride Phase 1 project to decant tenants from existing homes to be demolished (budget to be funded by Housing Revenue Account (HRA) reserves).
- 3) approve and note that the overall value of the 2017/18 capital programme budget has increased due to the receipt of ring fenced capital grants and contribution, for:-
 - Grant for Ryeish Green Sports Hub from Football Foundation of £245k.

SUMMARY OF REPORT

To consider the 2017/18 Capital Monitoring Report to the end of September 2017. Executive agreed to consider Capital Monitoring Reports on a quarterly basis. This report is to the end of the 2nd quarter, and shows a £(890)k under spend variance forecast against budget.

Background

The capital monitoring report to the end of September 2017 (Appendix A) is forecasting a (£890k) under spend 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 £124,744k 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 £99,236k will be spent this financial year with an under spend of (£890k). The remaining budget will be carried forward into 2018/19. The carry forward is estimated at £24,617k.

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. As mentioned above the council is forecasting an under spend of (£890k). The majority is due to the Highways Infrastructure Flood Alleviation Scheme. After modelling, it was determined that the current scheme was not feasible, the team is investigating other options using a feasibility budget. These feasibility studies will be used to build a new capital bid for the 10 year capital vision. There are also several very small underspend across the capital programme which create the overall underspend.

The £24,617k carry forward is broken down below:

- £7,600k Slippage in investment in Wokingham Housing loan
- £6,000k Slippage in Shinfield Eastern Relief Road
- £1,595k Slippage in expansion/new build school scheme
- £1,500k Slippage in cycle network scheme
- £1,100k Slippage in street lighting scheme
- £1,000k Slippage in country park enchantment schemes
- £900k Slippage of the leisure vision investment schemes
- £870k Slippage in Nine Mile Ride extension
- £751k HRA – Slippage in building programme at Tape Lane, Hurst redevelopment
- £697k Safe route to Arborfield School
- £680k Slippage in the special needs provision scheme

Uncommitted Capital balances are currently estimated to be £1.4m as at 30th September 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.

Supplementary Estimates-

To approve the following Supplementary Estimates (to add new budget to the 2017/18 Capital Programme):-

- Gorse Ride Phase 1 Decanting– As part of the Gorse Ride South regeneration project to provide new, high quality, mixed tenure homes on the site by Wokingham Housing Limited, a budget of £150k is requested to undertake the decanting of tenants from the existing homes which are to be demolished. This

is a Housing Revenue Account (HRA) property and the capital budget can be funded from ring fenced HRA reserves.

Ring Fenced Capital Grants and Contributions-

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

Grant received for the Ryeish Green Sports Hub from the Football Foundation for £245k.

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.

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)	£99 million	Yes	Capital
Next Financial Year (Year 2)	£85 million	Yes	Capital
Following Financial Year (Year 3)	To be determined	Yes	Capital

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications

Budgets are clearly monitored and do not impact on other Council services and priorities

List of Background Papers

None

Contact James Sandford	Service Resources
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Date 16 October 2017	Version No.1

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Capital Summary Report to End of September 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	41,387	24,465	16,922	24,486	(21)	0	7,512	Explanations of Carry Forward: Previous month's total was £(39)k. Current month material adjustments are zero. Explanations of variances: No variances
Corporate Services	65,100	33,792	31,308	24,055	9,728	(8)	11,262	Explanations of Carry Forward: Previous month's total was £900k. Current month material adjustments are: - £7.6m Investment in Wokingham housing loan - some projects no longer viable and updated costs, anticipated 17/18 costs split by projects as provided by WHL, - £751k HRA - Building programme at Tape Lane, Hurst redevelopment - Scheme start delayed by WHL to early 18/19, - £419k Central Contingency - profile revised based on current and estimated applications. Explanations of variances: No material variances
Localities and Customer Services	46,950	42,929	4,022	30,181	11,865	(882)	10,885	Explanations of Carry Forward: Previous month's total was £3.47m. Current month material adjustments are: - £6m Shinfield Eastern Relief Road - Payment made in line with received S106 income. Outturn based on estimated S106 income to March 2018, - £870k Nine Mile Ride Extension - Works slowed on project at request of Development Management due to land purchase negotiations, - £697k Safe route to Arborfield School - Awaiting steer from Sustainable Communities Working Infrastructure Group (SCWiG) for future safe route options, - £365k Park and Ride Schemes - Local Enterprise Partnership (LEP) funding profile revised due to changes in timeline, - £325k Highway Infrastructure Improvement Schemes - Final cost settlement likely in future years. Explanations of variances: £(885)k Highways Infrastructure Flood Alleviation Schemes unring-fenced grant - Modelling determined current scheme not feasible, future options to be investigated using feasibility budget
People Services	32,010	23,559	8,451	20,514	3,045	0	8,070	Explanations of Carry Forward: Previous month's total was £2.83m. Current month material adjustments are: - £328k New Arborfield Primary (Feasibility and Design) - re-profiled to reflect September 2020 completion, - £(452) Beechwood - Primary Expansion - Costs confirmed and re-profiled to complete by March 2018. Explanations of variances - No variances
Grand Total	185,447	124,744	60,703	99,236	24,617	(890)	37,728	

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Supplementary Estimates Requested in the 2017/18 Capital Monitoring Report to 30th September 2017.

Supplementary Estimates-

To approve the following Supplementary Estimates (to add new budget to the 2017/18 Capital Programme):-

- i) Gorse Ride Phase 1 Decanting– As part of the Gorse Ride South regeneration project to provide new, high quality, mixed tenure homes on the site by Wokingham Housing Limited, a budget of £150k is requested to undertake the decanting of tenants from the existing homes, which are to be demolished. This is a Housing Revenue Account (HRA) property and the capital budget can be funded from ring fenced HRA reserves.

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Agenda Item 58.

TITLE	Temporary Free Parking from 3pm in Wokingham Town Centre Car Parks
FOR CONSIDERATION BY	The Executive on 26 October 2017
WARD	Emmbrook, Evendons, Norreys and Wescott
DIRECTOR	Josie Wragg. Interim Director of Environment
LEAD MEMBER	Chris Bowring Executive Member for Highways and Transport

OUTCOME / BENEFITS TO THE COMMUNITY

Provision of free parking in council owned car parks is expected to encourage more visitors to the town centre thereby increasing foot fall and supporting our local traders who are experiencing a down turn in their business due to extensive nature of works in the town centre.

RECOMMENDATION

That the Executive approves:

- 1) the temporary provision of free parking between 15:00 Hrs and 08:00 Hrs until the end of January 2018 at all Council owned car parks located within Wokingham Town Centre;
- 2) a supplementary estimate for £49,000 to cover the cost of lost income during this period and signage.

SUMMARY OF REPORT

The measures proposed are intended to mitigate the impact on town centre trade as a result of the disruptions during the town centre regeneration and Market Place improvements. To support businesses through this busy seasonal trading period the Council is proposing to provide free parking at all its car parks within Wokingham Town Centre between 15:00 Hrs and 08:00 Hrs until the end of January 2018.

Background

Wokingham Town Centre is undergoing an ambitious and unprecedented transformation. These works include the Peach Place redevelopment and the recently started transformation of Market Place. As a result of these works there is significant disruption in the town centre affecting both local traders and visitor to the town. In addition, to facilitate the works, numerous road closures are required and there is concern that this is having a detrimental impact on the number of visitors coming to the town.

Local businesses are particularly concerned that this will have a significant impact during the seasonal trading period which for many would be their busiest period of the year. The local traders have requested the council consider providing free parking across the council car parks to encourage visitors to the town and increase foot fall.

To respond and support businesses through this busy seasonal trading period, it is proposed to suspend car parking charges from 3pm to 8am in town centre car parks from November 2017 to the end of January 2018.

Car parks where this would apply are;

- 1) Carnival Multi-Storey Car Park;
- 2) Cockpit Path Car Park;
- 3) Council Offices Car Park, Shute End;
- 4) Denmark Street Car Park;
- 5) Easthampstead Road Car Parks (East & West);
- 6) The Paddocks Car Park; and
- 7) Wellington House Car Park.

In order to assist local traders and encourage shoppers in the town whilst at the same time ensuring spaces are not taken by all day parkers, it is proposed to allow free parking after 3pm until 8am.

By making the car parks free during the proposed time periods there will be a loss of income to the Council circa £48,000.

Not all the car parks within the town centre are owned by the Council. Several of the car parks are privately owned and there would still be a charge to use these car parks; one of these would be the Elms Road Multi-storey Car Park where the Council does not have control over tariffs (although it does enforce in this area.) As a result of Council owned car parks being free, the use of the private car parks may go down which would result in a reduction in income for the private operators.

Providing free parking at the Council car parks will require the need for additional temporary signs in car parks which would incur a cost estimated at £1,000.

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) from October 2017 to January 2018	£49k	No	Revenue
Next Financial Year (Year 2)	Nil	Yes	Revenue
Following Financial Year (Year 3)	Nil	Yes	Revenue

Other financial information relevant to the Recommendation/Decision
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Signage will need to be supplied and fitted twice in all town centre car parks at a cost of around £1,000

Cross-Council Implications

None

List of Background Papers

None

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Date 17 October 2017	Version No. 1

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TITLE	Wokingham Town Centre Regeneration (WTCR) – Tenant Lettings
FOR CONSIDERATION BY	The Executive on 26 October 2017
WARD	Emmbrook, Wescott
DIRECTOR	Graham Ebers, Director of Corporate Services
LEAD MEMBER	Stuart Munro, Executive Member for Business and Economic Development and Regeneration

OUTCOME / BENEFITS TO THE COMMUNITY

A key project towards a regenerated town centre which is aligned with the Council's Core Strategy and will provide:

- Improved public spaces
- A better retail experience
- An improved entertainment offer
- Better sports and leisure facilities
- Improved access and transport
- Improved sustainable community
- A rental income which can be used unencumbered for provision of services across the Borough

RECOMMENDATION

The Executive is recommended to:

- 1) confirm the specific tenant letting as set out in Part 2 of this report
- 2) delegate decisions around further individual tenant lettings, aligned with the agreed Letting Strategy and its specific criteria as set out in the attached report, to the Director of Corporate Services in consultation with the Leader and the Executive Member for Business, Economic Development and Regeneration

SUMMARY OF REPORT

The report proposes a specific tenant letting for the Peach Place scheme, details of which, because of commercial sensitivity until the Agreement is reached, is contained within Part 2 of this report.

It also proposes that all future tenant lettings in accordance with the approved Letting Strategy for the WTCR programme are delegated to the Director of Corporate Services in conjunction with the Lead Member for Business, Economic Development and Regeneration, which will lead to a swifter and more flexible process and give confidence to the market in general and individual tenants/advisors in particular.

Background

Regenerating Wokingham Town Centre is one of the Council's top priorities under the adopted Vision, and will work towards achieving the objectives as set out previously.

The Regeneration Programme is well underway with Peach Place phase 1 being completed in 2014, Carnival Phase 1 completed in June this year and peach place on site since January 2017, with completion programmed for November 2018.

The Peach Place scheme includes 26 residential units together with a series of retail units, some identified for A1 retail (such as fashion, clothing) and some as A3 retail (restaurants and cafes). Interest in the new units being created remain at a good level and will increase as the site nears completion. Included in Part 2 of this paper, are details of a proposed letting to a good quality tenant, aligned with the Letting Strategy

Analysis of Issues

The report deals with two issues – the letting of one unit within the Peach Place scheme and a proposal to delegate further lettings (within all schemes in the WTCR programme) to the Director of Corporate Services in conjunction with the Lead Member for Business, Economic Development and Regeneration

Details of the proposed tenant including rental income are contained within Part 2 of this report, as this will remain commercially sensitive until the Agreement is reached. However, the tenant, use and proposed rental income are all aligned with the WTCR objectives.

The proposal to delegate further lettings in line with the Letting Strategy will allow for a swifter process, giving confidence to the market and individual tenants/advisors of our ability to trade, thus improving opportunities in the market.

The Letting Strategy (2016) sets out the Council's vision for the mix of tenants and letting contracts for all regeneration schemes to ensure delivery of:

- A thriving Town Centre
- An eighteen hour economy
- Scheme viability

In addition the Strategy sets out Objectives and Targets to be achieved within each scheme. The Letting Strategy reflects the dynamic market in which the schemes are being delivered and therefore it needs to evolve in response to ever changing macro and micro market conditions. The evolution of the Strategy is subject to formal Governance as set out in the approved Strategy document.

Delivery of the Letting Strategy is being achieved one deal at a time. Each deal is individually negotiated by our retained letting agent Strutt and Parker (national experts in retail property) in conjunction with our development partner Wilson Bowden Developments (WBD) reporting directly to our in house property professionals within the Regeneration team.

Each letting transaction reflects a unique and optimum balance of many interrelated contractual and commercial terms to suit the specific unit, scheme and tenant. In all cases letting terms will reflect fair market value in the opinion of all three professional

teams (Strutt, WBD and Regeneration) and also align with the overall scheme Letting Strategy.

Individual lettings will be checked in every respect by Strutt and Parker, WBD and the Regeneration property professionals before being recommended for delegated approval. This is a more rigorous preparatory process than is required for all other Council property transactions that are delegated directly to the Head of Operational Property under the Councils Constitution (para 11.3.9).

The part two report attached shows the range of key considerations that will be assessed before a new letting is recommended for delegated approval. In some cases additional or alternative considerations will be relevant but in all cases the key issues will include:

- a) Tenant – retail offer, trading profile, comparator stores/towns
- b) Tenant Mix – Contribution to overall scheme mix and vitality reflecting existing tenant commitments and those not yet committed but under discussion
- c) Tenure – Key contractual terms including the right balance of term certain, break options (either way), alienation and user clause with or without any exclusivity,
- d) Rent – The optimum balance of initial rent, rent free period, inducements (where appropriate), fixed rent steps or indexed/open market reviews having regard to all other lease terms and overall scheme rental tone, all to deliver fair market value appropriate to the scheme, unit, lease and tenant.
- e) Covenant – A review of the covenant strength of the chosen tenant having regard to their current financial position and trading profile/business plan in conjunction with relevant lease terms including deposits, guarantors, legal charges and pre-emption rights where appropriate. The approach to covenant strength has to be flexible and sometimes creative so that a wide variety of deals can be progressed prudently with a range of tenant entities ranging from mature PLC's with AAA credit references to local independent start-ups with little more than a good idea and a sound business plan.

This analytical approach to property transactions has underpinned the successful delivery of a very wide range of lettings by the Council's Regeneration team since the purchase of the Peach Place Regeneration portfolio in 2010.

In each case when a new letting is ready for delegated approval a report will be presented by the Regeneration Team similar to the Part 2 report attached. The report will summarise the scrutiny process and compliance with the current Letting Strategy by means of the key letting terms as set out above.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

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

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

Other financial information relevant to the Recommendation/Decision
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None

Cross-Council Implications

This scheme forms part of the Regeneration programme of Wokingham town centre and is aligned with the Place-making policies of the Council. In achieving the benefits identified it will provide an income stream for the benefit of all residents across the borough together with improving the facilities and community of Wokingham town
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Reasons for considering the report in Part 2

Financial information included which is deemed commercially sensitive

List of Background Papers

WTCR Letting Strategy

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Date 12 September 2017	Version No. 1

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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