

**MINUTES OF AN EXTRAORDINARY MEETING OF THE  
COMMUNITY AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE  
HELD ON 6 JANUARY 2020 FROM 7.00 PM TO 9.19 PM**

**Committee Members Present**

Councillors: Guy Grandison (Chairman), Ken Miall (Vice-Chairman), Keith Baker, Shirley Boyt, Paul Fishwick and Clive Jones. Emma Hobbs attended the meeting as a substitute.

**Other Councillors Present**

Councillors: Pauline Helliar-Symons and Imogen Shepherd-DuBey

**Executive Members Present**

Councillors: John Kaiser (Executive Member for Finance and Housing) and Stuart Munro (Executive Member for Business and Economic Development)

**Officers Present**

Damon Emes (Head of Investment), Neil Carr (Democratic & Electoral Services Specialist), Bernie Pich (Assistant Director - Commercial Property), Bob Watson (Head of Finance) and Callum Wernham (Democratic and Electoral Services Specialist)

**38. APOLOGIES**

An apology for absence was submitted from Councillor Graham Howe. Emma Hobbs attended the meeting as a substitute.

**39. DECLARATION OF INTEREST**

There were no declarations of interest.

**40. PUBLIC QUESTION TIME**

There were no public questions.

**41. MEMBER QUESTION TIME**

There were no Member questions.

**42. MEDIUM TERM FINANCIAL PLAN 2020-23**

The Committee received and reviewed a report, set out in agenda pages 5 to 22, which gave an updated position on the proposed revenue budget to form part of the 2020-23 Medium Term Financial Plan (MTFP).

John Kaiser (Executive Member for Finance and Housing), Graham Ebers (Deputy Chief Executive – Director of Corporate Services) and Bob Watson (Head of Finance) attended the meeting to answer Member queries.

John Kaiser stated that the information provided was hoped to be the final lockdown version of the proposed revenue budget for 2020-23. John added that the additional proposed funding for Children's Services was in order to achieve the goal of bringing Wokingham Borough Council's (WBC's) OFSTED rating up to Good for the first time.

During the ensuing discussions Members raised the following points and queries:

- What were the reasons that there was an increase of children within the Borough?  
Executive Member response – There was a mixture of demographics within the Borough which was constantly shifting. Many new family homes had been built within

the Borough in recent years which had attracted families with young children and families with increased needs.

- Relating to agenda page 12, how many additional staff would the £273k Social Work Staffing bid increase provide? Executive Member and Officer response – It was becoming increasingly difficult to find permanent social workers to recruit, and more social workers were found within agencies which drives up costs. Next year and moving forward, the service was going to try to make more posts permanent which would assist in the goal of achieving a Good OFSTED rating. This additional growth of £273k was due to a more realistic approach to staffing targets whereby a 10% to 15% workforce of temporary staff was still to be expected.
- Relating to agenda page 19, was the additional funding for both Planning Appeals and Planning Enforcement sufficient? Executive Member response – WBC were hopeful that the current level of planning appeals would decrease as a result of the new local plan making developers nervous about challenging decisions. It was also hoped that the outcome of several major appeals would be favourable to WBC which would also deter speculative developers. Should the funding not be sufficient to fight appeals, reserves could be used. With regards to enforcement, the additional funding would help Officers to continue to enforce those individuals who developed outside of the planning process.
- Had the Local Government settlement been agreed? Officer response – Yes, the settlement had been detailed and the figures presented within the agenda reflected the settlement. The settlement details were as close to complete as possible, and no further substantive changes were expected within growth, savings or special items as a result of settlement changes.
- As detailed within the report, WBC's reserves were expected to be higher than stated within the previous lockdown figures. Where had this extra money been found? Executive Member and Officer response – WBC were due to be £300k to £400k better off mainly due to the new homes bonus funding. In addition, WBC were still not paying the negative revenue support grant. Although at face value WBC's finances looked healthy, it was stressed that there was no security or certainty on the ongoing funding baseline. This settlement was a one year settlement, with a four year settlement expected to be announced next year. The four year settlement would provide a higher level of certainty for WBC, and it was crucial that Officers and Members continued to make a strong case to Central Government for a fair funding deal going forward that adequately funded the basic cost of service delivery.
- Adult Social Care growth figures had reduced from approximately £1.8m to £734k between the September lockdown and this current refreshed lockdown. Considering the growing pressures that the service was facing, was this reduction in growth expenditure still adequate to meet the needs of the service? Executive Member and Officer response – Originally, the £3.5m figure included inflation costs to providers of £1.3m. All other Council services had their inflation figures included under Corporate Services. This was therefore a realignment of the inflation costs to bring it in line, and make it more consistent, with other Council services. In addition, since Optalis had now moved wholly under the WBC umbrella, reduced costs had been realised as the pathways were no longer split in a 50/50 capacity. This now meant that a single member of staff could oversee a job that previously required two members of staff across the two pathways.

- Relating to agenda page 12, what pressures had led to the additional need for £303k towards Children's Services placement growth? Officer response – This growth increase reflected the figures presented within budget monitoring reports. Two additional high cost placements had factored into these costs.
- What was the current position with regards to retained business rates? Executive Member and Officer response – This was a complex area, whereby WBC had been involved in a pilot scheme of the 6 Berkshire Authorities to collect their business rates and divide them proportionally, keeping all of the rates. The scheme had a 2<sup>nd</sup> pilot, which the Authorities wished to continue, however Central Government had gone quiet on this issue. The Local Enterprise Partnership funds from the 2<sup>nd</sup> pilot were being monitored closely by Officers.
- Relating to agenda page 12, what was the additional £90k for virtual school improvements being used for? Executive Member and Officer response – These funds would be used to provide staffing for WBC's virtual school in order to discharge our responsibilities in this area. This was part of the plan to bring WBC's OFSTED rating to a Good level.
- Relating to agenda page 12, what was the £200k proposed to be used for with regards to the Public Protection Partnership (PPP)? Executive Member response – WBC were seriously reviewing the PPP as there was a belief that the front end of the service was not meeting the needs of Wokingham's residents. It was likely that WBC would have to invest additional funds within the front end of the service to meet our residents' needs.
- Relating to agenda page 17, could more detail be given on the income generation from commercial properties? Officer response – The £500k of income would be provided from the proposed further £100m investment within commercial property. The £200k of income would be additional income from existing investments.
- Relating to agenda page 12, what was the £200k of proposed growth funding within Home to School Transport (HTST) to be used for? Officer response – HTST was an area of financial concern, and the right choices needed to be made, for example transporting Special Educational Needs (SEN) children using the most appropriate and cost effective method of transport as decided by an SEND specialist. This additional funding was in order that a fundamental review of the service area be undertaken, in order that the transport unit could be properly resourced.
- Could more context be provided with reference to the special item "Create Edge of Care"? Officer response – This was proposed to use a similar model to the 'step-up, step-down' model used within Adult Social Care. This was in order to provide support to service users who were both about to enter and exit the system, to make it a more gradual and managed process.
- With regards to the proposed £100k special item for "Children in Care CAHMS", was this enough to drop the assessment wait time considerably? Executive Member and Officer response – WBC would continue to fund Children's Services in the capacity they required, however there was an associated expectation that they come into the core of WBC. One solution was about helping Children's Services manage their budget better and more efficiently. The figures as presented, including this specific

£100k special item, had been put together by Children's Services Officers, the Director for Children's Services and agreed by the Executive Member for Children's Services.

- With regards to Equality Impact Assessments (EQIAs), which areas would be looked at and how? Executive Member and Officer response – All areas that require change would be assessed by the Directorate. Each Service would manage and fill in the initial EQIA, which would then determine whether a more detailed EQIA would be required as was standard across the Council.
- Relating to agenda page 18, could more detail be provided with regards to the special item "Social Care Staffing – Agency Factor"? Executive Member and Officer response – These figures were in relation to a more realistic baseline target of 15% agency staff at the end of the four year period. The reduction in the special item funding across the three years reflected this. WBC was using unique ideas such as key worker housing for social worker staff to formulate a plan to enable a reduction of the use of agency staff, thereby driving down costs in this area. The Chairman asked that this strategy and its associated performance be monitored and reviewed by the Committee over time.
- The Chairman of the Overview and Scrutiny Management Committee was in attendance, and commented that a report had been compiled by a working group set up to review staff recruitment and retention of social workers approximately a year ago. It was requested that it be confirmed that the Director of Children's Services had read this report and taken it into account when making these budget proposals relating to social worker recruitment and retention.
- When would the Committee get sight of the funding proposals relating to the recently declared climate emergency? Executive Member response – These were found within the proposed capital bids programme, due to be discussed at the meeting of the Committee on 13<sup>th</sup> January 2020.
- Relating to agenda page 18, what was the proposed £1m of year one special items funding for Children's transformation to be used for? Officer response – This was to provide fundamental improvements to Children's Services data systems and connectivity. The Chairman requested that the detailed bid sheet, in the style of the bids over 50k model, be provided to the Committee with regards to this item.
- How had the Executive Member for Finance and Housing, and the Deputy Chief Executive (Director of Corporate Services) found the budget scrutiny process? Executive Member and Officer response – It had been a really worthwhile experience which had added value, and it was good that budget proposals were publically aired earlier which had forced a certain level of dialogue which was not previously present. In addition, it had forced the bids and proposals to be presented in a more readable format which was good from a public point of view. This budget was intended to create synergies across all service areas with core central objectives.

**RESOLVED** That:

- 1) John Kaiser, Graham Ebers and Bob Watson be thanked for attending the meeting;
- 2) The Capital programme be presented to the Committee at the 13<sup>th</sup> January 2020 meeting of the Committee;

- 3) The Committee review and monitor the Social Care Staffing strategy over its 4 year baseline target;
- 4) It be confirmed that the Director of Children's Services had read the report of the working group regarding social worker recruitment and retention, and had taken this into account when making the budget proposals relating to social worker recruitment and retention;
- 5) Members of the Committee be provided with the detailed bid sheet, in the style of the bids over 50k model, with relation to the special item bid for "Children's Transformation".

#### **43. PROPERTY INVESTMENT GROUP**

The Committee received and reviewed a report, set out in agenda pages 23 to 40 (the part 1 report was contained between agenda pages 23 to 30), which detailed the Council's approach and practices within commercial property investment.

John Kaiser (Executive Member for Finance and Housing), Stuart Munro (Executive Member for Business and Economic Development), Graham Ebers (Deputy Chief Executive – Director of Corporate Services), Bernie Pich (Assistant Director – Commercial Property), Damon Emes (Head of Investment) and Bob Watson (Head of Finance) attended the meeting to answer Member queries.

Graham Ebers stated that the Council had agreed a strategy whereby Wokingham Borough Council would borrow funds to invest in commercial property in order to generate an income. WBC were neither the trailblazers nor the trailers for this type of strategy, and some other authorities had fully embraced this method in a much more aggressive manner. WBC were in the middle, in terms of ambition, and were working within the Council's approved policy. Graham stated that he was personally responsible for discharging this policy, and worked closely with the Executive Member for Finance and Housing, the Executive Member for Business and Economic Development and key specialist Officers.

During the ensuing discussions Members raised the following points and queries:

- Why was there no reference to capital gain within the report? Officer response – It was not possible to accurately predict capital gain. The team took a prudent approach to appraisal of income and performance and did not forecast or speculate with regards to capital growth over a term as it was not always clear how long the property would be in WBC ownership. No attempt was made by Officers to predict capital growth which would be measured by periodic re-evaluation.
- What was the level of repayment of debt? Officer response – 0.67% was repaid every year, which equated to 10% of the debt being repaid over a 15 year period.
- Had the team liaised with a variety of other Councils who were also operating within this space? Officer response – The Property Investment Group (PIG) had met personally with a selection of other authorities. In addition, Officers had been in contact with over 100 other authorities via conferences focussing on commercial property investment. Direct contact was often hard as authorities were naturally reluctant to divulge their specific strategies as it was a competitive market and expertise was very valuable.

- When the report refers to delegated decisions, was this accurate? Officer response – The final decisions relating to investments were solely the responsibility of the Deputy Chief Executive – Director of Corporate Services (S151 Officer).
- What was the strategy with regards to asset disposal? Officer response – The detailed management strategy involved both entry and exit strategies. There was not a high expectation of asset disposal in the near future.
- Relating to agenda page 26, should the company details not be considered as part 2? Officer response – The post code and description of the companies would indicate who they were regardless of whether the full name was disclosed in this way. An individual could work out the information presented on page 26 using public records and specialist journals. As a public body, WBC was required to be more accountable than a private investment firm would need to be.
- Had any Member been actively involved in local commercial property before becoming involved with the PIG? Executive Member and Officer response – Not that anybody was aware of. Any conflict of interest would need to be declared in the standard way as set out within the constitution.

John Kaiser commented that this income stream had become fully integrated within the Council, however there were plans to increase the reach of this strategy. There was a desire to use this strategy to provide services, for example kick starting regeneration projects within other parts of the Borough. So long as the properties generated the expected returns then social benefits could be reaped in addition.

At this point in the meeting the Committee passed a resolution in the following terms to move into a part 2 discussion: *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.*

**RESOLVED** That:

- 1) John Kaiser, Stuart Munro, Graham Ebers, Bernie Pich, Damon Emes and Bob Watson be thanked for attending the meeting;
- 2) A further update on the Property Investment Group be considered by the Committee during the next municipal year;
- 3) The Committee be kept up to date on any unexpected deviation of strategy or projected returns.