

**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD ON 27 OCTOBER 2016 FROM 7.30 PM TO 8.15 PM**

Committee Members Present

Councillors: Keith Baker (Chairman), Julian McGhee-Sumner, Mark Ashwell, Charlotte Haitham Taylor, Pauline Jorgensen, Anthony Pollock, Malcolm Richards and Angus Ross

Other Councillors Present

Prue Bray
Richard Dolinski
Lindsay Ferris
Clive Jones
Beth Rowland
Rachelle Shepherd-DuBey

61. APOLOGIES

There were no apologies for absence received.

62. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Executive held on 29 September 2016 were confirmed as a correct record and signed by the Leader.

63. DECLARATION OF INTEREST

Councillor Anthony Pollock declared a personal and prejudicial interest in Agenda Item 66, Expansion of Optalis, a Company Wholly-Owned by Wokingham Borough Council, by virtue of the fact that he was an unpaid Non-Executive Director of Optalis. Councillor Pollock left the meeting during discussions and did not vote on the matter.

Councillor Pauline Jorgensen declared a personal interest in Agenda Item 67, Council Owned Companies Business, by virtue of the fact that her husband was a paid Non-Executive Director of WBC Holdings Ltd. Councillor Jorgensen remained in the meeting during discussions and voted on the matter.

Councillor Anthony Pollock declared a personal interest in Agenda Item 67, Council Owned Companies Business, by virtue of the fact that he was an unpaid Non-Executive Director of Optalis. Councillor Pollock remained in the meeting during discussions and voted on the matter.

Councillor Keith Baker declared a personal and prejudicial interest in Agenda Item 73, Woodley Town Centre (North Precinct) Improvement Programme, by virtue of the fact that he was the Leader of Woodley Town Council who were involved in and likely to provide funding for the project.

64. PUBLIC QUESTION TIME

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

**64.1 Peter Humphreys asked the Leader of the Council the following question:
Question**

The negotiations with Aldi to secure a supermarket to anchor the proposed Elms Field development are taking an inordinately long time. Bearing in mind the recent publicity surrounding the Irish government giving state aid to Apple through tax breaks would the Leader of the Council please confirm that WBC in its desperation to secure a deal will not be providing financial incentives of any kind to get a supermarket on Elms Field? I use the term "council" to include any companies it controls and "incentives" in its broadest meaning to include rents below market value, rent-free periods etc. and other creative inducements or concessions. A lot of public money is at stake and thus it is important that the people of Wokingham are assured we are not subsidising a commercial company.

Answer

Desperation is a rather an emotional word. There is absolutely no way that this Council is desperate in the way you propose in your question.

The negotiations with the potential food store operator are progressing well and in line with the project programme. The terms being discussed are aligned with the Letting Strategy adopted by the Executive, which is very much based on current market value. As you would expect I am unable to go into detail on this matter but any incentives being discussed are wholly in line with market requirements and will achieve the 'market value'.

Supplementary Question

Obviously you are using the commercially confidential clause to sort of conceal information from your fellow councillors and the public but it is already in the public domain; albeit hard to locate that 15 shops and restaurants have been given free rent periods and that the cinema fit-out is, and I quote, "a loss leader". It is also publicly known that incentives have been given to the Premier Inn as well as to Aldi so the more pertinent question is probably if no financial incentives are given to the potential commercial tenants of Elms Field would the proposed budget cuts and increased charges for refuse disposal not necessarily be appropriate or approximately how many social housing units could be constructed with that money?

Supplementary Answer

The fact is that the market requirements dictate certain actions and we are doing those actions and we are not doing anything different than anybody else in this area.

64.2 Keith Malvern asked the Executive Member for Children's Services the following question:

Question

The Prime Minister and local MP Theresa May has said there should be "good school places for all" but has also said that she would like to introduce more grammar schools. What discussions has the current Executive Member had with Officers on the subject of grammar schools?

Answer

I answered a very similar question in the September Full Council meeting. Prior to that there had been discussion in a couple of my regular meetings with Children's Services leaders which followed some correspondence before the recent announcements. At that point I asked Officers to draw together a short briefing paper (which has now been superseded by the current events).

After Justin Greening's announcement we did discuss this topic again and I am sure you will have expected as much. However, the conversation was fairly brief as we concluded that until the Government released the final detail any conclusions we came to would, of course, be hypothetical.

Discussions with Officers touched on the Sevenoaks example which didn't fit our circumstances but also looked at the potential for a change in the law. Now we know that the Government has launched consultation on possible changes, including expansion of grammar schools, establishment of new ones and changes of status for existing non-selective schools.

In full Council in September I said the starting point was that Wokingham's comprehensive, maintained and academy schools are amongst the best in the country. Pupils do well here and this year's results show that yet again.

In Wokingham I believe that we are always prepared to look carefully at different ways of doing things. If there is to be a change in the law, following the current consultation, this might be a change in the balance of pros and cons. However, it wouldn't change my sense that we want to work with all of our schools and we're interested in our education system as a whole. Taking collectively the added value in our comprehensive schools, they are amongst the very best in the country, the Wokingham system is hard to beat.

Wokingham children here do brilliantly. Our schools achieve that for our local children and metaphorically I take my hat off to all of them.

Supplementary Question

I am pleased though that you accept the principle in my question – a good school place for all. The excellence for all approach. I am surprised and disappointed that ahead of any change in the law so much discussion has already gone on with the subject of grammar schools. I think that is very premature and obviously bearing in mind the challenges that the Government already faces I would have thought it would have been wise to wait until we have some certainties rather than the certainties of a speech at the party conference to rely on.

I also wonder whether in the discussions that you have had you have paid any attention to the words of our friend, everybody's friend, Sir Michael Wilshaw the Head of Ofsted quoted here as saying "a new wave of grammar schools is socially divisive and will lower the standards for the majority of pupils"?

Supplementary Answer

I do believe that we should aim for excellence for all and I think Wokingham is very good at that. Discussions so far, as I have said, have not been very much in depth. There was a small paper that we drew together but that was not with the paper in mind or the consultation in mind that has recently come out. We do not want to hypothesise about what will happen and that is the wrong thing to do and so for Sir Michael Wilshaw's quote about it being socially divisive. We need to make sure that all of our schools are providing an excellent education for all and we will take all of the pros and all of the cons in this consultation forward when we put in our submission.

65. MEMBER QUESTION TIME

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

65.1 Richard Dolinski asked the Executive Member for Economic Development and Finance the following question:

Question:

Can the Executive Member confirm whether ethnicity is a factor used to calculate the level of funding the Council receives from central Government?

Answer

I can confirm that ethnicity is one of the many factors used in assessing the needs formulae for our funding from Government. I should be clear in stating that ethnicity is not based on skin colour alone. At a previous meeting of the Executive, I was asked about our funding settlement, during which I stated that one of the reasons that we receive a low level of funding was because the Borough is “too white”. This was a poor choice of words on my part. What I had meant to convey was that the Borough’s lack of ethnic diversity means that the needs formulae calculate a lower settlement for us, once all of the many other factors are brought into account. I apologise for not having chosen my words more carefully.

Supplementary Question

In light of your answer would the Executive Member agree that trying to use this as an issue to stoke up racial tensions for political gain is morally reprehensible?

Supplementary Answer

Yes I do.

65.2 Clive Jones asked the Leader of the Council the following question:

Question

At the last Executive meeting Cllr Pollock replied to a question about why Wokingham Borough Council got such a poor deal from central government with the words...”the simple answer is, we are too wealthy and too white”.

Would you agree with me that this statement was inappropriate, inaccurate, divisive and very misleading?

Answer

I think that Councillor Pollock has already dealt with this issue as you have heard.

65.3 Lindsay Ferris asked the Leader of the Council the following question:

Question

Agenda Item 66, Expansion of Optalis, A Company Wholly-Owned by WBC

Can you advise the main differences between this approach and more conventional shared service arrangements?

Answer

The key difference is that Optalis is a limited company, with directors registered at Companies’ House. A shared service is simply an arrangement agreed between two or more councils to provide that service through a single managed team, rather than do it separately within each council.

In this model The Royal Borough acquires 45% of the shares of the company and the company more than doubles in size increasing its resilience, its foothold in the market, and its ability to recruit and retain staff as you move from two councils trying to find staff to one

organisation trying to find staff. Both councils share the risks and the benefits of the new company as it grows and delivers services to both councils, and beyond, to other authorities and to private clients as well.

Supplementary Question

We note that The Royal Borough of Windsor and Maidenhead has a target of between £1.8m and £2m in the reduction of costs of delivery of these adult social services over the next three years. Does the Optalis merged company, as I call it, pick up any debt arising out of any shortfall in achieving this target?

Supplementary Answer

Absolutely not.

65.4 Rachelle Shepherd-DuBey asked the Executive Member for Highways and Transport the following question:

Question

Agenda Item 74, Acquisition Of Property (Toutley Cottage) To Enable Provision Of The North Wokingham Distributor Road

Why do you say that there is no impact on the Winnersh Relief Road despite a reduction of over £300k in budget with no future additions planned to cover this shortfall?

Answer

The sum allocated to the Winnersh Relief Road (WRR) project was chosen at an early stage to ensure full coverage for most expected situations. That sum has since been identified as being in excess of requirements and is therefore considered surplus cash on the WRR project. As a sum of money is now required elsewhere in the Northern Distributor Road the excess sum from the WRR allocation has been taken from that figure and does not therefore jeopardise in any way the money available to the WRR.

Supplementary Question

Since we are the lowest funded, but ethnically diverse, Council in the land I am sure that no one would appropriate £300k for nothing. How are we going to replace this money and what are we not going to do because of this? You said that there was not going to be something but what are you planning on not doing?

Supplementary Answer

As I said at the beginning it was a fairly large project and we have put a large number into it and that has found to be in excess of all expected anticipation and that is why it has been transferred by something known as a virement to another project in the related area. We do not anticipate having to put anything back or make up any numbers because it was an excess sum.

65.5 Prue Bray asked the Executive Member for Economic Development and Finance the following question:

Question

With the Revenue Monitoring report showing a current year projected overspend of £494K, which represents approximately the equivalent of a Council Tax rise of 0.5%, will this not put added pressure on meeting service needs in 2017/18?

Answer

The short answer is yes and I will not get into trouble for that. The detail is as follows. A key purpose of the budget monitoring is to inform our budget plans for the following year.

This counts for both overspends and underspends. The budget overspends revealing themselves in this years' budget monitoring are in respect of the usual suspects; statutory demand lead services. Although we will continue to do all we can to contain these pressures this is often the best we can do, at least in the short term. They will therefore inevitably add to the spending pressures in 17/18 along with the other large budget challenges we face; such as losing a large slice of Government Grant.

We will therefore need to apply our usual level of financial diligence and service innovation in formulating our proposals for 17/18 and setting a balanced budget.

Supplementary Question

In July the overspend was forecast at £354k. You identified the two usual suspect areas. Other areas have managed to make savings so the underlying pressure in those two areas is even worse than is reflected. What are you going to do to pull this back?

Supplementary Answer

I think given that substantial amounts of this excessive expenditure is either on homelessness or looked after children I suspect in the current year it is probably very difficult to pull them back but I am sure that Charlotte will do all she can and Julian will do all he can to do that. As we look at next year's budgets the base level of spending in those areas, if it is as it is currently, then we are going to have to find a way of financing it because they are, as I said, demand led services to vulnerable and needy parts of our population that as one-nation Conservatives we need to look after.

66. EXPANSION OF OPTALIS, A COMPANY WHOLLY-OWNED BY WOKINGHAM BOROUGH COUNCIL

(Councillor Anthony Pollock declared a personal and prejudicial interest in this item)

The Executive considered a report setting out a proposal to expand Optalis, including a merger with The Royal Borough of Windsor and Maidenhead (RBWM), which could lead to Optalis delivering all of RBWM's Adult Social Care Services.

Following a query by the Executive Member for Health and Wellbeing the Leader of Council confirmed that he and the Chief Executive would only sign-off the proposal once they were completely satisfied with the business case from both sides.

Councillor Haitham Taylor asked if consideration had been given to widening the membership of the proposed Company Board to include stakeholders eg service users and social workers. Councillor McGhee-Sumer confirmed that although there was a proposed composition of the Board the intention was to get the Board set up and then give further consideration to the membership of it.

RESOLVED that:

- 1) the Merger Model be approved as a template to use in developing the Business Case for the merger with The Royal Borough of Windsor and Maidenhead (RBWM) which will lead to Optalis Ltd. delivering all of the Royal Borough's Adult Social Care Services;
- 2) authority be delegated to the Leader of the Council and Chief Executive to oversee the detailed business case development and ensure that Wokingham Borough Council's interests as shareholder are safeguarded;

- 3) in the event the business case is acceptable to all parties (WBC, RBWM, Optalis Ltd) to approve commencement of implementation of the business case to enable a 'go-live' target for the merged company of April 2017;
- 4) the Leader and Chief Executive report back to Executive in January and March, updating on progress, and before then in the event matters arise in the business case requiring Executive attention.

67. COUNCIL OWNED COMPANIES' BUSINESS

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

The Executive considered a report setting out the budget monitoring position for the month 31 August 2016 and an operational update for the period to 30 September 2016. It was noted that in order to assist Optalis manage its cash flow requirements a short term loan facility of £350k was being proposed.

RESOLVED that:

- 1) the budget monitoring position for the month ending 31 August 2016 be noted;
- 2) the operational update for the period to 30 September 2016 be noted;
- 3) the short term loan facility for Optalis Limited of £350k, charged at base rate plus 5.5% be approved.

68. REVENUE MONITORING 2016/17 - SEPTEMBER 2016

The Executive considered a report setting out the forecast outturn position of the revenue budget and the level of forecast balances in respect of the General Fund, Housing Revenue Account, Schools Block and the Authority's investment portfolio.

The Executive Member for Economic Development and Finance went through the report and highlighted that the Council was currently looking at a projected overspend of around £500k and children's placements and homelessness were areas of concern. Councillor Pollock confirmed that it was hoped that some of this overspend would be clawed back by the end of the year.

With regard to the Housing Revenue Account Members were informed that this was currently showing a projected underspend of around £38k. The Schools Block was showing a deficit of £341k however when taking into account the reserves for that area an overall surplus was showing.

In relation to the Children's Services Budget Councillor Haitham Taylor asked for media assistance in promoting the fact that if more permanent social workers and foster carers, who lived in the Borough, could be recruited this would assist with the current budget pressures.

Councillor McGhee-Sumner provided an update on discussions which had been held with the Department of Health to try and gain additional funding to support the change in eligibility criteria. He advised that it now appeared that no additional funding would be forthcoming for Wokingham and West Berkshire Councils therefore both councils were considering reinstating the judicial review. Legal opinion was currently awaited on the likelihood of the review being successful.

RESOLVED that:

- 1) the forecast outturn position of the revenue budget and the level of forecast balances in respect of the General Fund, Housing Revenue Account, Schools Block and the Authority's investment portfolio be noted;
- 2) the potential carry forward requests as per Appendix B of the report be noted.

69. CAPITAL MONITORING 2016/17 - END OF SEPTEMBER 2016

The Executive considered a report setting out the current position of the Capital budget.

The Executive Member for Economic Development and Finance advised the meeting that there had been very little change since the last report and the budget was on line with expectations.

RESOLVED that:

- 1) the Capital Monitoring report for 2nd quarter of 2016/17, as set out in Appendix A to the report, be noted;
- 2) the reduction in planned capital expenditure from £149,075k to £94,842k in 2016/17 as a result of re-profiling be noted;
- 3) it be approved and noted that the overall value of the capital programme has increased due to the receipt of the following ring fenced capital grants, being:-
 - i) Thames Valley Growth Deal to build National Cycle Network in the area;
 - ii) Disabled Facilities Grant ring fenced into the Better Care Fund.

70. LEISURE STRATEGY

The Executive considered a report containing a draft Leisure Strategy. It was noted that if agreed the Leisure Strategy would go out to public consultation for an eight week period. The views expressed during the consultation would then be considered by the Executive in January 2017 with a view to the Strategy being ratified.

The Executive Member for Environment informed Members that the Leisure Strategy sat between the Council's Vision and other strategies, including the Local Plan, and positioned the Council's leisure involvement as part of health and wellbeing; which in turn had a positive impact on residents of all ages. The intention was to provide all residents with the opportunity to be active but not at the expense of local council tax payers. Maintaining leisure centre provision would also allow the Council to move forward on a new contract to provide leisure facilities.

RESOLVED: That the draft Leisure Strategy proceed to an eight week period of public consultation and return for ratification by Executive in January 2017, when the views expressed in the consultation would be taken into account.

71. LEISURE MANAGEMENT CONTRACT OPTIONS

The Executive considered a report setting out options for the future management of the Council's leisure centres.

The Executive Member for Environment advised that the current contract was due to expire in April 2018 and there was therefore a need to agree the option for acquiring a new contract. Councillor Ross went through the four options, including their advantages and

disadvantages, as outlined in the report and advised that the preferred option was to tender for a new contract to manage the facilities with the ability to add further facilities over the period if required. Within the preferred contract there were different types of contract which could be used and the one that was being proposed was similar to the current contract i.e. a leisure operating contract which would allow the contractor to focus on delivery of the Council's key objectives. This would enable construction of any new facilities to be separate from the contract but once up and running they could then be included in the operating contract.

The preferred option would also enable the incorporation of the Arborfield gym from 2018 and the possibility of incorporating Ryeish Green if required.

Councillor Haitham Taylor was keen that social and public health outcomes would be included in the new contract scope as well as outreach programmes as she felt it was essential that there was a tie-in with the Health and Wellbeing Strategy and the outcomes included therein. Councillor Haitham Taylor also wanted the Council to consider how it could target specific groups that were known not to be accessing leisure activities eg people with disabilities etc.

RESOLVED that:

- 1) having considered the range of options for the future management of the Council's leisure centres the following recommendation be approved:
 - (a) Option D - To begin the procurement process for new leisure operating contracts;
 - (b) Option 2 – To procure these as Leisure Operating Contracts;
 - (c) The contracts will be 10 years in duration with an option for a 5 year extension.

- 2) having considered the range of options for contract scope the following recommendation be approved:
 - (a) The inclusion of specific public health and wellbeing outcomes;
 - (b) The flexibility to allow facilities owned by neighbouring Local Authorities to be added to the contract at a later date;
 - (c) That the Director of Health and Wellbeing and Executive Member for Environment are delegated to decide if pitch bookings, and Ryeish Green Site are included in the contract.

- 3) authority be delegated to the Director of Health and Wellbeing and Executive Member for Environment to approve the contract terms.

72. CORPORATE PEER REVIEW

The Executive considered a report containing the findings of the Corporate Peer Review, which was facilitated by the Local Government Association in February 2016, and the progress on the activities included in the subsequent action plan.

The Leader of Council informed the meeting that following the Corporate Peer Review report an action plan was developed to address those areas that had been highlighted as needing improvement. Councillor Baker was pleased with the findings of the review and the fact that the LGA was very impressed by many of the projects that the Council was working on.

RESOLVED That:

- 1) the findings of the Corporate Peer Review report be noted; and
- 2) the progress in implementing improvement actions be noted.

73. WOODLEY TOWN CENTRE (NORTH PRECINCT) IMPROVEMENT PROGRAMME

(Councillor Keith Baker declared a personal and prejudicial interest in this item)

Councillor Julian McGhee-Sumner took the chair for this item.

The Executive considered a report setting out a scheme that included a number of small projects which would enhance the north end of Woodley precinct, drive up footfall and increase the potential for economic development.

The Executive Member for Environment went through the report and confirmed that at this stage the Executive was only being asked to agree the release of Woodley generated S106 money for the project and highlighted that there would also be much welcomed funding coming forward from Woodley Town Council, the Town Centre Management Initiative, and the Mary Portas Town Team.

Councillor Ross also advised the meeting that a number of local groups had been involved in the development of the scheme and it was expected that the work would be completed after Christmas in order that events during that period would not be at risk.

RESOLVED that:

- 1) the £250,000 of Section 106 (s106) contributions (from Woodley developments only) be released to fund the regeneration proposals for Woodley Town Centre;
- 2) third party funding of £90,000 as outlined in the financial section of the report be approved.

74. ACQUISITION OF PROPERTY (TOUTLEY COTTAGE) TO ENABLE PROVISION OF THE NORTH WOKINGHAM DISTRIBUTOR ROAD

The Executive considered a report setting out the voluntary acquisition of Toutley Cottage in order to facilitate the route delivery of the North Wokingham Distributor Road (NWDR) required as traffic mitigation for the North Wokingham Strategic Development Location (NW-SDL).

It was noted that when the Executive had approved the final route of the NWDR it was agreed that Toutley Road would form the route between Old Forest Road and the Matthewsgreen development. A consequence of this was the need to acquire Toutley Cottage in order to construct the route.

Following a query by the Leader of Council it was confirmed that if there was a significant delay between the acquisition of the property and it being demolished, to make way for the road, the property would be utilised as housing stock.

RESOLVED that:

- 1) the voluntary acquisition of Toutley Cottage be agreed as set out in the report;
- 2) the virement of £301k from the Winnersh relief road scheme be approved;

- 3) it be noted that there is no impact on the ongoing scheme and design to the Winnersh Relief Road as a result of this virement.

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