

**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD ON 26 OCTOBER 2017 FROM 7.30 PM TO 8.10 PM**

Committee Members Present

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

Other Councillors Present

Gary Cowan
Richard Dolinski
Lindsay Ferris
Michael Firmager
Pauline Jorgensen
Dianne King
Philip Mirfin
Malcolm Richards
Imogen Shepherd-DuBey
Rachelle Shepherd-DuBey
Alison Swaddle

54. APOLOGIES

An apology for absence was submitted from Councillor Julian McGhee-Sumner.

55. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Executive meeting held on 29 September 2017 were confirmed as a correct record and signed by the Chairman.

56. DECLARATION OF INTEREST

Councillor Norman Jorgensen declared a personal interest in Agenda Item 55 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.

Councillors David Lee and Stuart Munro declared personal interests in Agenda Item 55 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.

57. PUBLIC QUESTION TIME

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

57.1 Rachel Bishop-Firth asked the Executive Member for Finance the following question:

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.

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?

Answer

The decision to replace the existing leisure centre and library I think are financially sound and they provide best value for local residents. They create a far improved facility co-located and the facilities will be more flexible and can be used by the wider community. They will also benefit from lower operating costs due to the co-location and the greater sustainability, such as the inclusion of solar panels and improved insulation and sound protection.

You asked about the regeneration. Residents will not have to pick up the cost of the regeneration. Wokingham town centre regeneration is being run as a commercial project and it does not rely on tax payer funding at all. Income from the scheme will be used to offset the costs of delivery and borrowings. So in fact it is a win win and is a very good scheme all round.

The town centre development is set to secure an annual commercial rental income in excess of £4m a year once the development is completed. This will enable the outstanding debt to be repaid and serviced and will also allow an additional income of £3m per year; which will come back to the Council and will be used to fund services and projects across the Borough.

Whilst there will always be a risk when it comes to securing tenants, which is one of your points, the Council has a proven track record of finding tenants for their buildings and we have already secured 65% of the total income for Elms Field and are in active discussions with businesses interested in coming to the town centre. As Peach Place does not open until December 2018 it is in its early stages and you cannot expect to have tenants lining up at this stage. But we have had conversations with both national and local business and independent retailers who are interested in coming here which gives us confidence in the scheme.

Your last point was about the debt. Our treasury management strategy for 2017/18 forecasts external borrowing to increase from £150.1m at the end of 2016/17 to £271.2m by 2019/2; which I think is the figure you mentioned. This is to fund our capital programme which invests in schools, the town centre regeneration, Council owned properties, and invest to save schemes. Some of this borrowing is to invest in our local infrastructure such as highways, bridges and crash barriers. This is charged to the council tax payer.

Other elements are run more commercially, with capital investment funded by borrowing until the borrowing can be repaid and the asset provide a financial contribution to the Council, thus reducing charges to residents and tax payers.

This borrowing is funded by future receipts into the capital programme from developers and the Council is only borrowing short term to invest in infrastructure prior to funding from developers being received.

So the Council will also receive its investment in local authority companies as their loans are repaid and this will be in addition to the interest payments and dividends the Council will receive. And as I mentioned before the borrowing is also funded by receipts from the sale of the town centre assets as the regeneration goes forward.

So you can see that the vast majority of this is not down to the rate payers to pay it back but from specific sources of repayment. Our capital investment seeks to provide revenue savings, and in these cases some of the revenue savings are set aside to pay back the borrowing on initial investments, and it is planned that with the current approved levels of planned borrowing and repayment it will be possible to repay all of this additional borrowing between 2017/18 and 2019/20 in nine years' time.

Supplementary Question

With those projections of income what account have you taken of the recent opening of the Lexicon in Bracknell and the rapid increase in on-line shopping both of which will severely impact future footfall and revenue in Wokingham?

Supplementary Answer

We have taken that into account. I do not think we are trying to compete with Bracknell anymore than Bracknell is trying to compete with us. We will be having a separate kind of town centre to the Bracknell one and we are confident that we will find appropriate tenants and our plans have not changed.

57.2 Keith Malvern 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% higher than the same month last year.

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

Answer

The equivalent figure for Woodley from August 2016 to August 2017 was a 6% increase in car parking usage.

Supplementary Question

Is this in usage or in financial returns; you might like to address that in that case?

We understand that Woodley is a trial, I think we would all agree that Woodley is a trial, and what the idea was was to assess which of the two schemes would produce the most revenue for the Council; therefore the most successful. We have a big need for regeneration and the income in the short term at least. So are you able to say now which of the two alternative schemes is producing the higher return and hence whether naturally, as I always like to put my money on, the one that is producing the most money. So who is going to change?

Supplementary Answer

I did use the word usage in my answer so we are talking about the number of tickets. As you probably know the trial is being run over 12 months and the decision on whether it is satisfactory in Woodley to allow them to carry on with their tariff scheme, which is different from the rest of the Borough, will be assessed at the end of January so that we are able to look at 12 months data not just one month's.

57.3 Peter Must asked the Executive Member for Highways and Transport the following question:

Question

In respect of the welcome proposal to allow a period of free parking in Wokingham town centre car parks in the months of November, December and January, could the Executive go one small step further and permit free parking for the whole of Sunday in the car parks identified, on the grounds that this would further encourage visitors to use the town centre, and at relatively little extra cost, since there would be free parking from 3 pm on that day in any case?

Answer

The £3.8million joint Borough and Town Council Town Centre Improvement Project is part of a long-term vision to safeguard the future of the town through investment and regeneration and to bring in income for the Borough as a whole. While shops can see the benefits that are coming and are excited about the future, their concerns are about the short term impacts of the current works.

The Council has taken a number of steps to help shops and other businesses during the difficult construction period including the introduction of 'Free after Three' parking; which I will be talking about later. The Council considers that this is a fair and reasonable investment to support shops and other businesses during this difficult construction period. It must be noted than any concession on parking charges in one part of the Borough must be paid for by the Borough as a whole. A stakeholder workshop was held last night in Wokingham Town Hall to generate further initiatives and these will be considered by the Council. At present, there are no plans to further extend the free parking times.

Supplement Question

Since it is approaching Christmas might you alternatively, or as well, be considering, as has sometimes been the case in the past, giving people free parking on Saturdays; really to encourage people to come at very busy shopping periods?

Supplementary Answer provided by the Leader of Council

Since we had the meeting last night we have been discussing that and there has been a precedent before providing free parking on Saturdays in this particular town and we will be looking at that again because it is something that has been done in this town certainly over Saturday periods leading up to Christmas and we will have a look at that again.

58. MEMBER QUESTION TIME

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

58.1 Gary Cowan 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?

Answer

When we embarked on the regeneration project, you may recall Gary, that there were some corner stones that we set out and just to remind you what they are.

To ‘Deliver the Local Plan Infrastructure’ required for over 4,000 new homes delivered in and around Wokingham town centre, and to help ‘Create an Aspirational town centre’ that would deliver the quality of offer that residents desire and that will help us differentiate ourselves from our larger neighbours. A third objective was also agreed that the Regeneration must ‘Support the wider Borough and all residents’.

So the objective was broken down into several key requirements:

- That this must be commercially viable and delivered without cost to the residents (be they residents of the town or the wider Borough); as Councillor Whittle has just explained in more detail
- That it must secure income for the Council to reinvest in local services and projects both in the town and across the Borough
- That it generate jobs to help strengthen the local economy
- That it reinforces Wokingham’s vision as ‘a great place to live and an even better place to do business’

Obviously we could extend all of these things forever but I can assure you that all of this is without any cost to the local tax payer.

We will refer to the Regeneration as ‘investment in the community, for the community’ as it sums up what we have been able to achieve with the regeneration, and hope, it is a model we could apply elsewhere in the future.

But what does this mean?

It means that the value assessment that makes the project financially viable is what we are using to ensure that the project can be delivered without, and I repeat again without, cost to the local tax payer. Remember, this isn’t money being thrown into a black hole, but the money is being invested in physical assets, in bricks and mortar that have a financial value either by selling them to generate capital or retaining them to raise an annual rental income.

There are lots of numbers banding around about this project but I would just like to summarise that the total cost of delivering the regeneration proposals for Wokingham Borough Council sits at £115m. That includes the cost of delivering everything from the new shops, the cinema, to the play area, park improvements, roads and a brand new

leisure centre. But this total cost also includes the 'cost' of borrowing the money to fund the development as this money comes from commercial borrowing rather than tax payer reserves.

As this programme is being run as a commercial development the residential elements are then sold with the income being used to offset the costs of delivering. This leaves the Council with a completed scheme debt of £47m.

That's a debt of £47m for physical assets retained which are actually worth £88m. Not a bad investment, especially when you are considering the community benefits the scheme has delivered.

The Council could also retain the commercial assets and continue to benefit from the rental income generated each year. After using some of the rental income to service the debt the Council would receive a further annual income of just under £3m annually, rising over the years.

That's millions of pounds a year coming into the Council coffers, totally non-dependent on local tax payers' money and central government grants, that can be used to fund services and projects across Wokingham Borough.

A great investment for all and in my opinion better than the Bracknell deal.

Supplementary Question

What I think the concern at the moment is, and thank you for your answer it is very, very helpful, is that some of those questions from members of the public and I think from another Member later and it all goes back to how the trade is functioning during the present situation with the building going on. Last month it seemed to be 'over my dead body' reduction in car parking charges and the only thing I would suggest is that the Lib Dems proposed a 2 hour during the day scheme as against a restriction with nothing happening until 3 o'clock.

What I would ask is would you look at this as the months go on towards Christmas because Christmas is the period when the traders it is make or break for them and I would hate to see the 3 o'clock start cause problems for them and I would ask you to make sure that you look at that in advance?

Supplementary Answer

It is yes and I think we mentioned it earlier that we are looking at all the ideas that came from last night's meeting and that is one of them.

58.2 Rachelle Shepherd-DuBey 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?

Answer

Maybe I can answer firstly by asking you a question; what made you think that these allotments will close in June?

The current timescale for the delivery of the replacement allotments envisages that the new allotments should be available for use by early Summer 2018. However the existing allotment holders at the Winnersh Allotments will not be required to leave their existing allotments until at least Autumn 2018. The Council has planned for this overlap in order to minimise the disruption to the current allotment holders.

Supplementary Question

Since you do not have permission from Network Rail to build the bridge yet when will you actually need the allotments then for the works?

Supplementary Answer provided by the Executive Member for Strategic Highways and Planning

All that I can tell you is the completion date for all of the projects; the five new bypasses, the three bridges to the east and that bridge is 2021. That is the latest completion for all of those. I cannot give you an answer on that specific one but I am sure that I can get it for you.

58.3 Imogen Shepherd-Dubey 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 Wokingham?

Answer

We did discuss this last night actually as you know at the extensive workshop. I was going to give you a very detailed answer but I think my colleagues would be upset if I was to go through every single thing. But just a couple of points that I would like to bring out and that is that some of these businesses that have closed are for reasons outside of Wokingham. Cara is one of them as the business went into administration. Things like Wetherspoons; there is a lot of interest, they have given a year's notice to do something else, and a lot of people would like to take their place.

I would like to pick up on a couple of points the traffic warden references are a bit worrying I think because more rigorous enforcement of parking will not only make the Borough safer, and this is particularly around schools, but will also provide a greater turnover of shoppers in short stay spaces, where people were parking illegally all day.

As you know we had a meeting last night and we reviewed all the pieces that we put in place. We have more ideas to consider so I will not go through all the list of things we had already discussed with them.

So, we do feel the pain of shops and the businesses and we have taken action to help them. We will continue to do so in ways we have discussed in detail last night and others we also heard last night. The one thing I would like to urge everybody is that all local Members and others do start talking the town up; the town has great shops, cafes, pubs and restaurants and is very much open for business.

Supplementary Question

Whilst I appreciate what has happened in recent events and the 'Free after Three' is a good start I am also aware what Councillor Cowan said in terms of the two hours floating window but my concern is the scheme that I know you are going to discuss i.e. Agenda Item 58 it only goes up to the end of January. What is the plan after that?

Supplementary Answer

We chose the end of January as we got the January sales so it is just a window in time. By then a lot of the town centre traffic works would have certainly moved on a pace we hope. Again we will look at it and also some ideas that came out of last night. We are listening and we are going through all the options.

59. SHAREHOLDER'S REPORT

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

The Executive considered a report which provided an operational update and the budget monitoring position of the Council Owned Companies for the period ending 31 August 2017.

The Executive Member for Finance went through the report and highlighted the following areas:

- The variance against budget shown for Wokingham Housing Ltd in August which was due to unforeseen legal costs. It was noted that the year to date net loss of £173.5k reflected a £10.4k unfavourable variance compared to the budgeted loss;
- Wokingham Housing Ltd had seven projects under development and nine sites in their pipeline and these developments would provide future income which was very encouraging;
- Berry Brook Homes recorded a profit for the month from rental income from Phoenix Avenue and this was pleasing to note as this development was not fully occupied yet;
- Loddon Homes was arranging for the transfer of residents into the new Fosters Care Home and this would take place in November with full occupancy expected in January;
- Optalis Group continued to show profit better than budgeted and the new CEO was currently working on a new three-year plan.

The Leader of Council tabled a display board which outlined some of the schemes which were currently in the pipeline and what they would achieve when delivered. These included six units of two-bedroomed houses at affordable rents at Grovelands which would provide a gross annual income of over £58k; a facility for care leavers at Reading Road providing a gross annual income of over £58k; 34 self-contained living apartments with on-site care provided by Optalis with an annual income of over £212k per annum; two two-bedroomed maisonettes for shared ownership with a sales value of over £200k and rental income of over £5k per annum as well as the official opening of Phoenix Avenue in November and the Elizabeth Road scheme.

RESOLVED that:

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

60. REVENUE MONITORING 2017/18 - SEPTEMBER 2017 (Q2)

The Executive considered a report setting out 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 Council's investment portfolio. Information on proposed General Fund carry forward requests and a supplementary estimate of £300k to fund various key People Services programmes were also included in the report.

The Executive Member for Finance advised the meeting that the General Fund was forecasting an overspend of £159k against a planned spend of £130m and pressures were being seen in adult social care packages, agency staffing across social care, home to school transport and virtual school services in learning and achievement which provided personal education plans for children in care. An additional £300k was being requested to fund social care Deprivation of Liberty and multi-agency safeguarding.

It was noted that the £159k overspend, the additional £300k requested and the £878k carry forward from the previous financial year could be accommodated as the General Fund had started the year with a balance of £10.063m and was forecasted to stand at £8.699m at the end of the year.

Councillor Whittle also advised that the Housing Revenue Account was forecasting a net underspend of £2k for the year and a year end balance of £4.052m with the Schools Block showing an overspend of £385k which related to the high needs block overspending due to new commitments for Oak and Northern house out of Borough recoupment.

RESOLVED that:

- 1) 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 be noted;
- 2) the potential General Fund carry forward requests of £95k, as set out in Appendix B to the report, be noted;
- 3) the supplementary estimate of £300k from General Fund for various key People Services programmes be agreed.

61. CAPITAL MONITORING 2017/18 - END OF SEPTEMBER 2017

The Executive considered a report setting out the Capital Monitoring report to the end of September 2017 which included a proposed supplementary estimate in the sum of £150k to fund part of the Gorse Ride Phase 1 project.

The Executive Member for Finance went through the report and advised that the Capital Budget was forecasting an £890k underspend variance against budget for the year which was mainly due to highway infrastructure flood alleviation schemes. The Capital budget for the year was £124.744m with an expectation that £99.236m would be spent and £24.6m carried forward to next year.

Councillor Whittle informed the meeting that a new budget of £150k was being requested to move residents of Gorse Ride South to allow for the regeneration of that area which would provide new high quality mixed tenure homes. He also advised that the Council had

received a ring fenced grant of £245k from the Football Foundation for the Ryeish Green Sports Hub.

RESOLVED that:

- 1) the Capital Monitoring report for the 2nd quarter of 2017/18, as set out in Appendix A to the report, be noted;
- 2) the following Supplementary Estimate (to add new budget to the 2017/18 Capital Programme) be approved:
 - 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) it be approved and noted 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.

62. TEMPORARY FREE PARKING FROM 3PM IN WOKINGHAM TOWN CENTRE CAR PARKS

The Executive considered a report relating to a proposal to provide free parking between 3pm and 8am at all Council owned car parks located within Wokingham Town Centre until the end of January 2018.

Members were informed by the Executive Member for Highways and Transport that the unavoidable disruption caused by the Wokingham town centre improvements works had led to a decline in footfall and consequently difficult trading conditions for the businesses in the town. The usage of Council car parks had been monitored to ensure that the town continued to attract visitors. The figures for August this year compared to last year showed an increase of 18% in the number of tickets sold. However the September figures had shown a fall of around 10%.

Councillor Bowring advised that in order to address this issue it was proposed to have a period each day from 3pm to 8am the following morning when parking in Council owned car parks in Wokingham Town would be free and this would cover November to January 2018; the most important trading period of the year. There would be a consequent loss of revenue from car parking charges which was estimated to be £48k and it would cost £1k to change the signage in the car parks; which required a supplementary estimate to be approved.

The Leader of Council stated it was hoped that this proposal would mitigate some of the issues raised as a result of the Market Place refurbishments and other regeneration works in and around the town. This solution was proposed in order to help businesses and stop commuters blocking up spaces which, if free parking was provided all day, would surely happen. Councillor Haitham Taylor advised that the meeting with stakeholders held last night had been really positive and a number of solutions had come forward which the Council would be considering.

RESOLVED that:

- 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 be approved;
- 2) a supplementary estimate for £49,000 to cover the cost of lost income during this period and signage be approved.

63. WOKINGHAM TOWN CENTRE REGENERATION (WTCR) LETTINGS

The Executive considered a report relating to a specific tenant letting for the Peach Place scheme which was in line with the Council's lettings strategy.

The Executive Member for Business and Economic Development and Regeneration confirmed that in order to streamline the process for approving tenant lettings, and enable the Council to act more speedily, it was proposed that in future the matter would be delegated to the Director of Corporate Services in consultation with the Leader and himself.

RESOLVED that:

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

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