

Questions and Answers

Council
Tuesday, 3rd March, 2020

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Council Meeting

3 March 2020

Questions and Answers



Public Questions as specified in the Council's Procedure Rules of the Constitution

(a) **Question submitted to the Portfolio Holder for Environment by Mrs Helen Pemberton:**

“Residents of flats are excluded from the current food waste collections. Will flats and communal dwellings be included in plans for separate food waste collections?”

As Mrs Pemberton was unable to attend the meeting she received the following written response from the Portfolio Holder for Environment:

We haven't taken any decision yet on changes to waste collections, including food waste, and no changes will be made until a thorough review and feasibility study has been completed. We will of course explore provision of a separate food waste collection from all residences, including flats and communal dwellings. I'm aware that green (i.e. garden) waste collection from flats has been a tricky issue in the past, and very much hope that we can learn from other authorities on how to get this right.

We will release more information leading up to changes, but please get back to me if you have any related thoughts on this.

Members' Questions as specified in the Council's Procedure Rules of the Constitution

(a) Question submitted to the Portfolio Holder for Internal Governance by Councillor Steve Masters:

“What contingencies are in place if 4 The Sector continues to be unlet?”

(b) Question submitted to the Portfolio Holder for Internal Governance by Councillor Steve Masters:

“Is the disposal of 4 The Sector being explored or is this out of the question?”

As agreed with Councillor Masters, the Portfolio Holder for Internal Governance answered both questions with a single response:

“To give some background I worked for Knight Frank for 39 years, 33 as a Partner. I spent 10 of those years heading up the South East Office leasing team and for the last 15 years of my career headed the Property Asset Management team which looked after about £8Billion of assets across the UK including Council Pension Funds.

4 The Sector was bought nearly 2 years ago along with the fully let 3 The Sector. The investment yield was particularly attractive and there were 2 years cover of all costs which runs out in April. I would have had reservations but I can see how the decision was made with a shortage of prime office space in Newbury at the time.

What nobody foresaw was the corporate paralysis that occurred through political uncertainty and protracted BREXIT battles so we are where we are and need to work through it. The Property Investment Strategy had built into it interest costs fixed for 40 years, capital repayment and a risk element to reflect potential voids and other costs, so the simple answer is that we can absorb the lack of income from April and the costs of Business Rates and Estate Charges until let.

It is worth mentioning that the Leader, Portfolio Holder for Finance and I met with our Asset Manager and we were satisfied that all that could be done was being done and a third agency firm has been appointed with a regional view with no increase in fees.

It is also worth mentioning, it has been mentioned this evening already, that after all these costs and contingencies we have still achieved £1.74m to pay for local services.

Turning to your second question, the General Election result and the BREXIT agreement have without doubt increased business confidence, albeit that we still have trade negotiations to resolve with the EU and clearly Coronavirus is not helping. There are a number of lease events known to be coming up in Newbury in the next 12 months and we have the only Grade A office space in town. Nothing is ever guaranteed in office leasing but the advice from our Asset Manager, which is reinforced by my conversations with my former Partners, is that a letting of all or part of the building is probable in 2020.

If we were to look at selling the building as is with no income we would likely take a hit of £2M or the equivalent of 4 or 5 years income . So it is not the recommended course of action.”

The Chairman asked: *“Do you have a supplementary question arising directly out of the answer to your original question. A supplementary should be relevant to the original question and not introduce any new material?”*

Councillor Steve Masters asked:

“How long can we ride it out with an empty building before we start making a material loss?”

The Portfolio Holder for Internal Governance answered:

“Nothing is guaranteed, but I would be surprised if we don’t have half the building let within the next twelve months, so I think we can probably ride it out for at least two years.”
