

# DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

## EXECUTIVE

### MINUTES OF THE MEETING HELD ON THURSDAY, 12 FEBRUARY 2015

**Councillors Present:** Keith Chopping, Hilary Cole, Marcus Franks, Alan Law, Gordon Lundie, Irene Neill and Garth Simpson

**Also Present:** John Ashworth (Corporate Director - Environment), Nick Carter (Chief Executive), Andy Day (Head of Strategic Support), Melanie Ellis (Chief Accountant), Gabrielle Esplin (Finance Manager (Capital and Treasury Management)), Andy Walker (Head of Finance) and Rachael Wardell (Corporate Director - Communities), Robert Alexander (Policy Officer), Councillor Jeff Brooks (Liberal Democrat Group Leader), Councillor Adrian Edwards, Moira Fraser (Democratic and Electoral Services Manager), Councillor Roger Hunneman (Deputy Liberal Democrat Group Leader), Councillor Royce Longton, Councillor Gwen Mason, Robin Steel (Group Executive (Cons)), Councillor Quentin Webb and Councillor Keith Woodhams

**Apologies for inability to attend the meeting:** Councillor Pamela Bale, Councillor Roger Croft and Councillor Graham Pask

#### PART I

##### 63. Minutes

The Minutes of the meeting held on 18 December 2014 were approved as a true and correct record and signed by the Leader.

##### 64. Declarations of Interest

There were no declarations of interest received.

##### 65. Public Questions

###### (a) Question submitted by Mr Ed Sturgess to the Leader of the Council

A question standing in the name of Mr Ed Sturgess on the subject of the need for Council Members to respond to e-mail correspondence from members of the West Berkshire electorate would receive a written response from the Leader of the Council as the questioner was unable to attend the meeting.

###### (b) Question submitted by Mr Peter Norman to the Portfolio Holder for Emergency Planning, answering on behalf of the Portfolio Holder for Highways, Transport (Operations) and Newbury Vision

A question standing in the name of Mr Peter Norman on the subject of the traffic generated from a regenerated London Road Industrial Estate would receive a written response from the Portfolio Holder for Planning, Transport (Policy), Culture, Customer Services, Countryside, Waste, Environmental Health, Trading Standards, Licensing as Mr Norman was not present to ask his question.

###### (c) Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Transport (Policy), Culture, Customer Services, Countryside, Waste, Environmental Health, Trading Standards, Licensing

A question standing in the name of Mr Peter Norman on the subject of the level of traffic modelling that has been done regarding the new junction on the A339 would receive a written response from the Portfolio Holder for Planning, Transport (Policy), Culture,

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Customer Services, Countryside, Waste, Environmental Health, Trading Standards, Licensing as Mr Norman was not present to ask his question.

- (d) **Question submitted by Mr Peter Norman to the Portfolio Holder for Finance, Economic Development, Health & Safety, Human Resources, Pensions, Property**

A question standing in the name of Mr Peter Norman in relation to the level of engagement with current employers on the London Road Industrial Estate on plans for regenerating the area would receive a written response from the Portfolio Holder for Planning, Transport (Policy), Culture, Customer Services, Countryside, Waste, Environmental Health, Trading Standards, Licensing as Mr Norman was not present to ask his question.

- (e) **Question submitted by Mr Peter Norman to the Portfolio Holder for Finance, Economic Development, Health & Safety, Human Resources, Pensions, Property**

A question standing in the name of Mr Peter Norman on the subject of whether the Council considered that the criteria they set for the regeneration of the London Road Industrial Estate were still relevant would receive a written response from the Portfolio Holder for Planning, Transport (Policy), Culture, Customer Services, Countryside, Waste, Environmental Health, Trading Standards, Licensing as Mr Norman was not present to ask his question.

- (f) **Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Transport (Policy), Culture, Customer Services, Countryside, Waste, Environmental Health, Trading Standards, Licensing**

A question standing in the name of Mr Peter Norman which queried the relevance of the original criteria used to select Sandleford as a strategic site would receive a written response from the Portfolio Holder for Planning, Transport (Policy), Culture, Customer Services, Countryside, Waste, Environmental Health, Trading Standards, Licensing as Mr Norman was not present to ask his question.

### 66. **Petitions**

Mrs Maura Hearne presented a petition containing 1,653 signatures relating to keeping Thatcham Broadway Public Toilets open to the public. The petition would be referred to relevant officers within the Council but would also be presented to Thatcham Town Council so that the authorities could work together to find a solution.

### 67. **Response to the Scrutiny Review into the reasons for the apparent prevalence of homelessness amongst young families in West Berkshire (EX2947)**

This report had been withdrawn from the agenda subsequent to publication and was therefore not considered at the meeting.

### 68. **Financial Performance Report 2014/15 - Quarter Three (EX2831)**

The Executive considered a report (Agenda Item 7) which informed Members of the latest financial performance of the Council.

Councillor Alan Law outlined that as at Quarter Three, the forecast revenue position was an over spend of £346k which equated to 0.28% of the total revenue budget and was well within the prudent limits. The current position also presented an improvement on the Quarter Two position which had forecast an overspend of £503k.

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The main drivers for the overspend were Children's Services who were forecasting a net over spend of £525k, which was a slight increase (£50k) on Quarter Two. The over spend was predominately the result of nine additional children being funded from the placement budget since the last quarter. The Portfolio for Finance reassured Members that the January 2015 position had shown further improvement on reducing the overspend. He reminded Members that historically the financial position tended to improve in Quarter Four.

**RESOLVED that** the report be noted.

**Reason for the decision:** To ensure that Members are fully aware of the latest financial position of the Council.

**Other options considered:** None.

### 69. **Council Performance Report 2014/15: Q2 (Key Accountable Measures and Activities) (EX2778)**

The Executive considered a report (Agenda Item 8) which presented the basket of key accountable measures and activities for 2014/15; which reported quarter two outturns against the key accountable measures and activities contained in the 2014/15 Council Performance Framework; and which reported by exception those measures/activities not achieved/expected to be achieved, remedial actions taken and their impact.

Councillor Gordon Lundie noted that of the 53 reported measures/activities, outturns were available for 44:

- 33 were reported as 'green'.
- 10 were reported as 'amber'.
- 1 was reported as 'red'.

The one measure reported as red was in relation to *Community Safety* - Work with the Environment Agency and other partners to deliver flood alleviation scheme in Purley. Councillor Gordon Lundie explained that this scheme had been delivered a month late and although it was completed, due to it being late it would be marked as red on the RAG rating.

**RESOLVED that:**

1. Progress against the key accountable measures and activities be noted.
2. Those areas reporting as 'red' or 'amber' be reviewed to ensure that appropriate corrective or remedial action has been put in place.

**Reason for the decision:**

1. This framework compiles and monitors progress in relation to the objectives laid out in the Council Strategy and on key activities and areas of risk from the Council's individual service delivery plans.
2. In doing so, it expresses the purpose and ambition of the Council and by extension the Council's main focus of activities and key measures of success against which the Council can assess itself and publicly report progress.

**Other options considered:** n/a.

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### 70. **Creation of a new Head of Service post in the Communities Directorate (EX2952)**

The Executive considered a report (Agenda Item 9) which sought agreement for the creation of a new position of Head of Prevention and Developing Community Resilience within the leadership team of the Communities Directorate.

Rachael Wardell noted that the leadership capacity of the Communities Directorate was relatively small. There was one Director and five Heads of Service, covering the policy areas of adults and children's social care, housing and education (representing about two thirds of the Council's business, by value) at a time when all these policy areas were subject to significant transformational change of a type often described as "once in a generation".

The demands on the directorate were increasing. Set against the increasing demand on the directorate there had been a reduction in resources/funding which had taken place over the last six years and was planned to continue for the foreseeable future. This made responding to demand pressures more challenging and utilised the workforce capacity that might have existed to develop and deliver transformational programmes either out of the organisation all together or into very challenging day-to-day delivery.

In order to meet the needs of the people of West Berkshire and to manage demand for the directorate's services, transformational programmes of work were required to move away from a focus on council-delivered services and into much more co-produced or community-led and community delivered activity. Ambition to do this work was high in the Communities Directorate but there was no capacity to lead it with the focus, time and energy that was required. It was therefore proposed to create a new position of Head of Prevention and Developing Community Resilience. The purpose of the post would be to lead the prevention and community building work of the Communities Directorate. The focus on prevention meant "prevention of harm" in its widest sense, encompassing both primary and secondary prevention and was intended to lead to a reduction in demand for traditional statutory services by way of resolving problems and issues for adults, children, families and communities before they escalated. The focus on community building was intended to make the communities' resources in West Berkshire the first port of call for universal and preventative activity to meet the low and medium level needs of residents, before statutory council services were called upon. It was intended both to formally engage communities in the provision of defined services, but also to develop communities so that their appetite for informal, locally led problem-solving and provision of support was increased.

The post holder would have responsibility for *Turnaround Families*, the West Berkshire version of the Troubled Families programme. The post-holder would also be linked formally to the Brilliant West Berkshire programme board and would have responsibility for several projects under the auspices of the programme, but would not be solely responsible for the delivery of that programme's objectives as these would be corporately owned and shared.

Councillor Roger Hunneman noted that part of the post would be funded Troubled Families funding pot. He was concerned that funding for this important area of work would be reduced. The Corporate Director explained that previously this funding had been used to fund the now vacant Trouble Families Service Manager post. There would not be sufficient funding for a Head of Service post and therefore additional funding would have to be identified. Rachael Wardell stated that in her opinion the creation of this post would improve the service.

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Councillor Jeff Brooks noted that the report made reference to a modest amount of Troubled Families funding being used and he asked if this could be quantified. Rachael Wardell explained that it would entail around £70k of the £75k funding that was available for this purpose.

Councillor Gordon Lundie commented that this was a positive initiative and the Council had a good track record of work in this area that he did not want to see jeopardised by not having the appropriate resources in place.

**RESOLVED** that the creation of a new Head of Service post within the Council's senior management structure be agreed and the financial implications of doing so noted.

**Reason for the decision:** The recent LGA Peer Review has highlighted concerns regarding strategic capacity within the Council. These concerns have been discussed previously and it is now acknowledged that additional capacity needs to be sought if the Council is to address the many challenges that lie ahead. It also needs to be recognised that there are significant challenges within the Communities Directorate itself with major legislative change, increasing demand and a number of significant funding pressures. Taken together this is driving the need to look at new ways of working. This cannot be achieved with current resources hence the need to increase capacity at senior management level.

**Other options considered:**

1. Maintain the status quo. This will not provide the capacity needed to deliver the change programme that has now been put in place.
2. Split the Directorate into two – one focused on Children and the other on Adults. This is the situation the Council was in prior to the last Senior Management Review. At present around 2/3rds of upper tier authorities have these two functions managed separately. If enacted this option would be more expensive but it would deliver the required capacity. It would though work against the integration that drove the original decision to combine these two areas. This has and continues to bring benefits and efficiencies within the Communities Directorate and it would be a retrograde step to potentially weaken this by splitting the Directorate. The underlying model of 'People, Place and Resources' as the basis for the Council's management structure is still seen to appropriate for this Council and it is therefore proposed to make no change but to deploy additional resources within that structured framework.

### 71. **Investment and Borrowing Strategy 2015/16 (C2837)**

The Executive considered a report (Agenda Item 10) which, in compliance with the Local Government Act 2003, summarised the Council's borrowing limits as set out by CIPFA's Prudential Code and recommended the Annual Investment and Borrowing Strategy for 2015/16.

Councillor Alan Law reported that it was proposed to increase the Council's maximum borrowing limits by £7m (to £162m) in 2015/16, by a further £7m (to £169m) in 2016/17 and by £3m (to £172m) in 2017/18. The increases in borrowing limits over the next three years were to allow for the planned level of borrowing to fund the proposed capital programme which also took into account the planned level of debt repayment.

The report also recommended prudential limits for exposure to borrowing at fixed and variable rates of interest, the maturity structure of borrowing and parameters for the types and minimum credit ratings for institutions with which the Council would invest its funds. No changes were proposed to the main limits and parameters for 2015/16.

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**RESOLVED** that the 2015/16 Investment and Borrowing Strategy be adopted.

**Reason for the decision:** Formulation of Treasury Management Policy in compliance with the Local Government Act 2003 and CIPFA's Prudential Code and Code of Practice for Treasury Management.

**Other options considered:** Not applicable.

### 72. **Medium Term Financial Strategy (MTFS): 2015-18 (C2834)**

The Executive considered a report (Agenda Item 11) which informed Members of the medium term financial planning and strategy for the organisation.

Councillor Alan Law explained that the Medium Term Financial Strategy (MTFS) set out the financial planning framework for the Council over the coming years. The MTFS was a rolling three year strategy which was fundamentally about ensuring the financial resources, both revenue and capital, were available to deliver the Council Strategy. The document itself outlined the key challenges that the Council faced from 2015 to 2018 and how these were expected to be met at a strategic level.

The Council had a good track record of strong financial management and historically budgets had been delivered without significant over or under spends.

Councillor Law noted that although the Council had seen a healthy growth in its taxbase this had to be balanced against a £31m decrease in Government Grant funding since 2010. This needed to be considered in the context of increasing demographic pressures and the Administration's desire to invest in education and infrastructure including roads, broadband and ICT. In addition the Council would need to find around £6m savings per annum over the following three years. Strong financial leadership and an efficiently run Council had meant that the Council had been able to protect front line services.

Councillor Roger Hunneman noted that the report mentioned that the £3m funding shortfall arising from the Better Care Fund would be met from reserves however the table on page 126 of the report only mentioned a sum of £2.18m being needed from reserves. Councillor Alan Law explained that around £1.2m of the shortfall would be met from other efficiency savings hence the reduced sum being needed from reserves.

Councillor Jeff Brooks queried what assumptions were being made around inflation which was likely to remain at a very low level for at least the next twelve months. Councillor Law reported that the figures had been modelled on a lower inflation rate (2%).

**RESOLVED** that a recommendation be made to Council that the 2015-2018 Medium Term Financial Strategy be approved and adopted.

**Reason for the decision:** To set the Council's financial planning framework for the coming years.

**Other options considered:** n/a.

### 73. **Capital Strategy and Programme 2015/16 to 2019/20 (C2836)**

The Executive considered a report (Agenda Item 12) which outlined the five year Capital Strategy for 2015/16 to 2019/20, which included the Minimum Revenue Provision (MRP) Statement and the Asset Management Plans for Property and Highways, and which set out the funding framework for the Council's five year Capital Programme for 2015/16 to 2019/20.

Councillor Alan Law stated that the proposed Capital Programme helped deliver the key priorities set out in the Council Strategy 2014-2018, including investment over the next five years in the following key areas:

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- Protecting the Vulnerable: £10.1 million for assets to support the care of older people and people with physical, sensory or learning disabilities and looked after children;
- Promoting a Vibrant District: £44.0 million for maintenance and improvement of highways; £2.5 million for maintenance and improvement of parks, open spaces sporting and cultural facilities; and £1.7 million to facilitate the delivery of superfast broadband across the majority of West Berkshire;
- Improving Education: £65.1 million for new school places and improvement of school buildings.

The programme also fully funded a number of items which were identified as budget pressures during the budget build process, without exceeding the agreed revenue envelope for capital financing. These included:

- forecast basic need for new school places;
- permanent expansions to school kitchens to provide universal infant free school meals;
- maintenance and improvement of the Council's key ICT systems, including the replacement of the RAISE system for the management of social care cases and budgets
- resurfacing of the car park for Shaw House.

The proposed Capital Programme allowed for total expenditure over five years of £142.5 million, of which £16.7 million was from developers contributions, £84.8 million was funded from other external sources of funding – mainly government grants, and £41.0 million, or an average of £8.2 million per year, was funded from Council resources. Council resources include an estimated £4.1 million capital receipts from assets which were expected to be sold over the next two years, although final decisions on the sale of some assets still had to be taken. The remainder was funded from prudential borrowing in line with the revenue provision for capital financing assumed in the proposed Medium Term Financial Strategy (MTFS) 2015-18.

**RESOLVED that** a recommendation be made to Council that the Capital Strategy and Programme 2015/16 to 2019/20 be approved.

### **Reason for the decision:**

1. To enable the Council to align resources to agreed Council priorities.
2. To clarify the processes and procedures to ensure that the Capital Programme is managed in accordance with the Council Strategy.
3. To provide a mechanism for the effective medium term planning of capital resources.
4. To ensure effective, efficient and economic use of the Council's assets and resources, and achieve best value for money.

**Other options considered:** n/a.

## **74. Revenue Budget 2015/16 (C2835)**

The Executive considered a report (Agenda Item 13) concerning the 2015/16 Revenue Budget to be recommended to Council.

Councillor Alan Law noted that the report highlighted the fact that for West Berkshire residents there would be a Council Tax freeze in 2015/16. The report should be read in conjunction with the Council's Medium Term Financial Strategy 2015-2018 (MTFS) also included on this agenda. Councillor Law noted that this was the fourth year out of five when a Council Tax freeze was in place.

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In the period since 2010 the Council had put in place a programme to remain within budget which had delivered savings of around £31m despite being able to continue to invest in capital schemes. This programme of controlled expenditure would continue for the period of the MTFS 2015-18. Councillor Law explained that during the previous financial year the Council had needed to use reserves to fund costs associated with bad weather and flooding. This year the Council would be required to draw on reserves again to buy time in order to mitigate the shortfall of government funding arising from the Care Act.

**RESOLVED that** the following recommendations be made to Council:

1. That the Fees and Charges be approved as set out in Appendix F and the appropriate statutory notices be placed where required in accordance with the decision of the Executive on 12 February 2015.
2. That the Special Expenses be approved as set out in Appendix G in accordance with the decision of the Executive on 12 February 2015.
3. That the 2015/16 budget requirement for Council Tax setting purposes of £78.44 million requiring a Council Tax freeze be approved.

**Reason for the decision:** Formulation of the 2015/16 Revenue Budget is a requirement to meet the Council's statutory duties.

**Other options considered:** None.

### 75. **Members' Questions**

No Member questions were submitted.

### 76. **Exclusion of Press and Public**

**RESOLVED that** members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that it involves the likely disclosure of exempt information as contained in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) Order 2006. Rule 8.10.4 of the Constitution also refers.

### 77. **New School for Newbury (EX2904)**

*(Paragraph 3 – information relating to the financial/business affairs of a particular person)*

The Executive considered an exempt report (Agenda Item 16) which confirmed the outcome of the invitation for proposals (following an evaluation and interview process) to find the Council's preferred bidder to run the new 210 place primary school and 26 place nursery.

**RESOLVED that** the recommendations in the exempt report be agreed.

**Reason for the decision:** As set out in the exempt report.

**Other options considered:** As set out in the exempt report.

*(The Leader as a gesture of good will agreed to return to the public questions at this point in the meeting but the questioner had already left.)*

*(The meeting commenced at 5.00pm and closed at 5.35pm)*

**CHAIRMAN** .....

**Date of Signature** .....