

Meeting of West Berkshire District Council

Tuesday 9 May 2017

Summons and Agenda

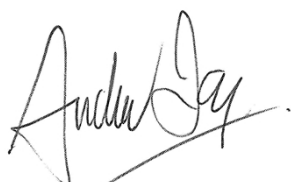


WestBerkshire
C O U N C I L

To: All Members of the Council

You are requested to attend a meeting of
WEST BERKSHIRE DISTRICT COUNCIL
to be held in the
**COUNCIL OFFICES, MARKET STREET,
NEWBURY**

on
Tuesday 9 May 2017
at 7.00pm



Andy Day
Head of Strategic Support
West Berkshire District Council

Date of despatch of Agenda: Friday 28 April 2017

AGENDA

1. **APOLOGIES FOR ABSENCE**

To receive apologies for inability to attend the meeting (if any).

2. **CHAIRMAN'S REMARKS**

The Chairman to report on functions attended since the last meeting and other matters of interest to Members.

3. **PRESENTATIONS**

The Chairman will make Member Long Service presentations to:

For 10 years service:

- Councillor Howard Bairstow
- Councillor Hilary Cole



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- Councillor Dave Goff
- Councillor Paul Hewer
- Councillor Carol Jackson-Doerge
- Councillor Mike Johnston
- Councillor Alan Law

For 20 years service:

- Councillor Peter Argyle
- Councillor Graham Jones

For 30 years service:

- Councillor Graham Pask

4. **ELECTION OF THE CHAIRMAN FOR THE MUNICIPAL YEAR 2017/18 (C3154)**

To elect the Chairman for the 2017/18 Municipal Year.

5. **APPOINTMENT OF VICE-CHAIRMAN FOR THE MUNICIPAL YEAR 2017/18 (C3155)**

To appoint the Vice-Chairman for the 2017/18 Municipal Year.

6. **MINUTES**

The Chairman to sign as a correct record the Minutes of the ordinary Council meeting held on 2 March 2017 and the extraordinary Council meeting held on 23 March 2017.
(Pages 7 - 30)

7. **DECLARATIONS OF INTEREST**

To remind Members of the need to record the existence and nature of any personal, disclosable pecuniary or other registrable interests in items on the agenda, in accordance with the Members' [Code of Conduct](#).

8. **MONITORING OFFICER'S QUARTERLY UPDATE REPORT - 2016/17 YEAR END (C3083)**

To present the Annual Governance and Ethics Committee report which includes an update on local and national issues relating to ethical standards and to bring to the attention of Members any complaints or other problems within West Berkshire.
(Pages 31 - 34)

9. **ELECTION OF THE STRONG LEADER (C3307)**

To elect the Executive Leader until May 2019.



Agenda - Council to be held on Tuesday, 9 May 2017 (continued)

10. APPOINTMENT OF THE EXECUTIVE BY THE LEADER OF THE COUNCIL FOR THE 2017/18 MUNICIPAL YEAR (C3156)

For the Leader of the Council to announce the composition of the Executive for the 2017/18 Municipal Year.

11. PROPOSED NEW MODEL FOR SCRUTINY (C3311)

To outline proposed changes to the way that scrutiny operates within the Council.
(Pages 35 - 38)

12. APPOINTMENT OF AND ALLOCATION OF SEATS ON COMMITTEES FOR THE 2017/18 MUNICIPAL YEAR (C3157)

To consider the appointment and allocation of seats on Committees for the 2017/18 Municipal Year; and to agree the Council's Policy Framework for 2017/18.
(Pages 39 - 44)

13. ADJOURNMENT OF THE MEETING

At this point, the Council meeting will be adjourned to enable the Committees appointed by the Council to meet to determine their Chairmen and Vice-Chairmen. The order of meetings is set out below:

- a) Overview and Scrutiny Management Commission
- b) Licensing Committee
- c) District Planning Committee
- d) Eastern Area Planning Committee
- e) Western Area Planning Committee
- f) Governance and Ethics Committee
- g) Personnel Committee

14. RECOMMENCEMENT OF THE MEETING

At the conclusion of the meeting of the Personnel Committee, the Council will recommence.

15. WEST BERKSHIRE DISTRICT COUNCIL HOUSING SITE ALLOCATIONS DEVELOPMENT PLAN DOCUMENT (C3227)

To inform Council of the receipt of the Inspector's Report into the Examination of the West Berkshire District Council Housing Site Allocations Development Plan Document (HSA DPD); and to consider the adoption of the HSA DPD as attached in Appendix A.
(Pages 45 - 50)



16. WEST BERKSHIRE MINERALS AND WASTE LOCAL PLAN - PREFERRED OPTIONS CONSULTATION (C3273)

To consider approval of the publication of the Preferred Options Consultation for the West Berkshire Minerals and Waste Local Plan for a six week period in accordance with the West Berkshire Statement of Community Involvement. In addition, approval is required for the publication of a number of supporting documents. **(Pages 51 - 54)**

17. STRATFIELD MORTIMER NEIGHBOURHOOD DEVELOPMENT PLAN (C3286)

To consider the officer recommendation that the examiner's decision on the Stratfield Mortimer Neighbourhood Development Plan (NDP) (ie. that it should not proceed to referendum) is not followed and the NDP does progress to referendum. This is as a result of new landscape evidence which West Berkshire District Council (WBDC) officers consider overcomes the concerns raised by the examiner in his report. **(Pages 55 - 60)**

18. PROPERTY INVESTMENT STRATEGY (C3283)

To provide a formal policy for the acquisition of commercial investment properties that will provide a balanced investment portfolio from which West Berkshire Council can derive a long term, sustainable revenue stream; to convey the key elements and seek approval to the implementation of a Property investment Strategy; to seek approval to the formal governance arrangements for the acquisition and disposal of commercial investment property and ongoing management of the investment portfolio; and to agreed the acquisition and disposal of building assets up to a value of £10m by way of delegated authority. **(Pages 61 - 66)**

19. LICENSING COMMITTEE

The Council is asked to note that since the last meeting of the Council, the Licensing Committee has not met.

20. PERSONNEL COMMITTEE

The Council is asked to note that since the last meeting of the Council, the Personnel Committee has not met.

21. GOVERNANCE AND ETHICS COMMITTEE

The Council is asked to note that since the last meeting of Council, the Governance and Ethics Committee met on 24 April 2017 and also held a special meeting on 24 April 2017. Copies of the Minutes of these meetings can be obtained from Strategic Support or via the [Council's website](#).

22. DISTRICT PLANNING COMMITTEE

The Council is asked to note that since the last meeting of the Council, the District

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Planning Committee has not met.

23. OVERVIEW AND SCRUTINY MANAGEMENT COMMISSION

The Council is asked to note that since the last meeting of the Council, the Overview and Scrutiny Management Commission has not met.

If you require this information in a different format or translation, please contact Moira Fraser on telephone (01635) 519045.



Agenda Item 6.

DRAFT

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

COUNCIL

MINUTES OF THE MEETING HELD ON

THURSDAY, 2 MARCH 2017

Councillors Present: Steve Ardagh-Walter, Peter Argyle, Howard Bairstow, Pamela Bale, Jeremy Bartlett, Dominic Boeck, Graham Bridgman, Paul Bryant, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, Richard Crumly, Rob Denton-Powell, Lee Dillon, Lynne Doherty, Billy Drummond, Adrian Edwards, Marcus Franks, James Fredrickson, Dave Goff, Nick Goodes, Clive Hooker, Carol Jackson-Doerge (Vice-Chairman), Marigold Jaques, Mike Johnston, Graham Jones, Rick Jones, Alan Law, Tony Linden, Mollie Lock, Gordon Lundie, Tim Metcalfe, Ian Morrin, Graham Pask, Anthony Pick, James Podger, Garth Simpson, Richard Somner, Virginia von Celsing, Quentin Webb (Chairman), Emma Webster and Laszlo Zverko

Also Present: John Ashworth (Corporate Director - Environment), Derek Carnegie (Team Leader - Development Control), Nick Carter (Chief Executive), Andy Day (Head of Strategic Support), Martin Dunscombe (Communications Manager), Melanie Ellis (Chief Accountant), Shiraz Sheikh (Principal Solicitor), Andy Walker (Head of Finance) and Rachael Wardell (Corporate Director - Communities), Moira Fraser (Democratic and Electoral Services Manager) and Linda Pye (Principal Policy Officer)

Apologies for inability to attend the meeting: Councillor Jeff Beck, Councillor Dennis Benneyworth, Councillor James Cole, Councillor Roger Croft, Councillor Sheila Ellison, Councillor Manohar Gopal, Councillor Paul Hewer, Honorary Alderman Royce Longton, Councillor Alan Macro, Honorary Alderman Joe Mooney, Honorary Alderman Andrew Rowles and Honorary Alderman Alan Thorpe

Councillor Absent: Councillor Anthony Stansfeld

PART I

69. Chairman's Remarks

Councillor Quentin Webb stated that it was with great sadness and shock that the Council had learned about the accident involving the Leader of the Council and his wife Zelda. Members were asked to observe a minute's silence and reflection time.

The Chairman reported that since the last ordinary meeting of Council he had attended 29 events, the Vice Chairman had attended five events and Councillor Jeff Beck had covered one event on behalf of the Chairman.

70. Minutes

The Minutes of the meetings held on 8 December 2016 and the extraordinary meeting on the 7 February 2017 were approved as true and correct records and signed by the Chairman.

71. Declarations of Interest

The Deputy Monitoring Officer announced that in respect of items 15 and 16 (Capital Strategy and Programme 2017/18 to 2021/22 and Revenue Budget 2017/18): all Members had completed an Application for a Grant of a Dispensation in relation to "any beneficial interest in land within the Authority's area." The Monitoring Officer had granted the dispensation to allow all Members to speak and vote on this item.

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It was acknowledged that many of the Members were likely to be a user and or a member of their local library.

The Deputy Monitoring Officer noted that Councillors Billy Drummond, Lee Dillon, Mollie Lock, Lynne Doherty, Jeanette Clifford, Dominic Boeck, Hilary Cole, Rick Jones, Mike Johnston, Steve Ardagh-Walter, Richard Crumly, Rob Denton-Powell, Anthony Pick, Richard Somner, Adrian Edwards, Carol Jackson-Doerge, James Fredrickson, Howard Bairstow, Marigold Jaques and Dave Goff had declared a personal interest in item 16 (Revenue Budget 2017/18) by virtue of the fact that they were dual hatted Members and a number of proposals would affect them in that capacity. It was deemed that these interests would be personal.

Councillor Marigold Jaques was a trustee of the Citizens Advice Bureau. As she had a fiduciary duty to this trust she declared that, in respect of Agenda Item 16 (Revenue Budget 2017/18), as she had an Other Registrable Interest she would leave the Chamber during the discussion of this item and would not take part in the vote.

Councillor Carol Jackson-Doerge was a trustee of the Corn Exchange. As she had a fiduciary duty to this trust she declared that, in respect of Agenda Item 16 (Revenue Budget 2017/18), as she had an Other Registrable Interest she would leave the Chamber during the discussion of this item and would not take part in the vote.

A number of other personal interests were also declared in relation to Item 16 (Revenue Budget 2017/18) and these were displayed in the Council Chamber.

Councillor	Outside Body	Other
Bale, Pamela	Governor of Pangbourne Primary School	Friends of Pangbourne Library
Edwards, Adrian		Friends of Wash Common Library
Bairstow, Howard		Friends of Wash Common Library
Jones, Rick	West Berkshire Mencap – WBC representative West Berkshire Disability Alliance	
Lock, Mollie	Member of West Berkshire Duke of Edinburgh Committee Governor of Mortimer St Mary's Junior School	Member of Stratfield Mortimer Parish Council and its Library Working Party
Lundie, Gordon		Member of the Friends of Lambourn Library Group
Bryant, Paul	Greenham Common Trust Trustee	
Jackson-Doerge, Carol	Trustee of Berkshire Maestros, Trustee of The Water Mill Governor of Burghfield St Marys School	

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Councillor	Outside Body	Other
Doherty, Lynne	Husband Co-Opted onto Shaw-cum-Donnington Parish Council	
Crumly, Richard		Member of Thatcham Town Council Library Working Party

72. Petitions

(Councillor Howard Bairstow arrived at 6.36pm)

There were no petitions submitted to this meeting.

73. Public Questions

A full transcription of the public question and answer session was available from the following link: [Transcription of Q&As](#).

- a) *A question standing in the name of Mr Nigel Whitson on the subject of the implementation of the improvements to the Bear Lane roundabout would receive a written response from the Portfolio Holder for Highways and Transport as he was not in attendance at the meeting.*
- b) *A question standing in the name of Mr Ian Waters on the subject of costs associated with the employment of temporary senior staff was answered by the Portfolio Holder for Corporate Services and External Affairs.*
- c) *A question standing in the name of Mr Ian Waters on the subject of funding for the cycle path linking Newbury and Ascot was answered by the Portfolio Holder for Highways and Transport.*
- d) *A question standing in the name of Ms Susan Millington on the subject of the potential to charge for bulky household waste disposal at the Waste Recycling Centre in Newtown Road was answered by the Portfolio Holder for Culture and Environment.*
- e) *A question standing in the name of Ms Susan Millington on the subject of pursuing fly tippers through the courts was answered by the Portfolio Holder for Culture and Environment.*
- f) *A question standing in the name of Mr Matthew Lowe on the subject of planned infrastructure changes for Kings Road was answered by the Portfolio Holder for Highways and Transport.*

74. Membership of Committees

The Deputy Monitoring Officer advised of the following changes to the membership of Committees since the previous Council meeting:

- Councillor Carol Jackson-Doerge had replaced Councillor Ian Morrin as a Member of the Personnel Committee.
- Councillor Nick Goodes would replace Councillor Manohar Gopal as a Substitute on the Eastern Area Planning Committee.

75. Licensing Committee

The Council noted that, since the last meeting, the Licensing Committee had not met.

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76. **Personnel Committee**

The Council noted that, since the last meeting, the Personnel Committee had met on 8 February 2017.

77. **Governance and Ethics Committee**

The Council noted that, since the last meeting, the Governance and Ethics Committee had met on 13 February 2017.

78. **District Planning Committee**

The Council noted that, since the last meeting, the District Planning Committee had met on 15 December 2016.

79. **Overview and Scrutiny Management Commission**

The Council noted that, since the last meeting, the Overview and Scrutiny Management Commission had not met.

80. **Investment and Borrowing Strategy 2017/18 (C3118)**

The Council considered a report (Agenda Item 13) which set out the Council's borrowing limits as set out by CIPFA's Prudential Code and recommended the Annual Investment Strategy for 2017/18.

MOTION: Proposed by Councillor Anthony Chadley and seconded by Councillor Laszlo Zverko:

That the Council:

1. **“Adopts the 2017/18 Investment and Borrowing Strategy.**
2. Formulates the Treasury Management Policy in compliance with the Local Government Act 2003 and CIPFA's Prudential Code and Code of Practice for Treasury Management”.

Councillor Chadley in introducing the report explained that the purpose of the Strategy was to confirm the Council's methodology in complying with legislation on how and where funds were borrowed from while ensuring risks were minimised. This activity was scrutinised on a regular basis by the cross party Treasury Management Group (TMG). The Strategy in essence required the Council to borrow money at the most competitive rates, and invest surplus funds where it was most attractive to do so.

In addition, the report sought approval to increase the Council's capacity to borrow funds by £50m to support the Council's strategy to invest in commercial property to generate income. It was however noted that the report only sought agreement on a new upper limit and that any additional funding could only be drawn down and used as and when it was required, and would be subject to Executive approval.

Councillor Lee Dillon commented that while, in general, he supported the Strategy, he would like the TMG to look at the risks and opportunities of securing longer term investment. Investments spanning 24 or 36 month periods were not utilised on many occasions and were likely to generate better returns. Councillor Chadley agreed that this was something that the Group could look at over the ensuing twelve month period.

The Motion was put to the meeting and duly **RESOLVED**.

81. **Medium Term Financial Strategy 2017/18 to 2019/20 (C3119)**

The Council considered a report (Agenda Item 14) concerning the rolling three year financial strategy which was designed to ensure that the financial resources, both revenue and capital, were available to deliver the Council Strategy. It enabled the Council

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to forecast and plan income and expenditure over a longer period than the annual budget. The Medium Term Financial Strategy (MTFS) should be read in conjunction with the Revenue Budget 2017-18, Capital Strategy and Investment and Borrowing Strategy reports.

MOTION: Proposed by Councillor Anthony Chadley and seconded by Councillor Gordon Lundie:

That the Council:

“approves and adopts the Medium Term Financial Strategy 2017/18 to 2019/20.”

Councillor Anthony Chadley stated that it was anticipated that £340m would be spent over the following three years. It was therefore vital that a strategy was in place to direct that expenditure in order to ensure that essential services continued to be provided for the District’s 150,000 residents. He acknowledged the volatility around budget setting in the current climate but stated that the Council, since 2010, had an excellent team, with a proven track record, for doing so. On average budgetary expenditure was within 0.35% of the budget and he thanked the Finance Team for ensuring that decisions were based on solid foundations.

Where possible the authority welcomed stability and had therefore accepted the four year settlement from Central Government. The Strategy also made sensible allowances for increases in inflation and pension costs and made provision for the revenue funding element of the Council’s Capital Programme. The Portfolio Holder for Finance and Transformation explained that the Council had a legal obligation to set a balanced budget annually.

The MTFS assisted in identifying key areas of income, for example Council Tax and Business Rates, and planned expenditure, and this in turn assisted with identifying the funding gap. Opportunities were sought to identify innovative solutions while transforming the way services were delivered as well as ways to generate income.

Some of the areas being focussed on were detailed at section 8.3 (Appendix A), and included:

- investing in commercial property with the aim of generating income;
- investing in residential property with the aim of being more cost effective in the provision of our statutory housing duties; and
- working with communities, Parish and Town Councils and neighbouring authorities in order to deliver services in a more cost effective way.

The MTFS also considered the Council’s reserves. The Authority’s S151 Officer recommended a minimum level of 5%, which equated to £5.8m. Reserves were designed to ensure that the Council could meet unexpected and unforeseen demands and pressures. While it would be an easy choice to fund the gap by using reserves it was felt that this was a risk that the Council should not take. Councillor Chadley was therefore pleased to confirm that the reserves were being replenished and maintained at this prudent level.

Councillor Lee Dillon noted the financial challenges that the Council was facing and in particular the £23m funding gap over the following three years. He felt that the Council needed to look for more opportunities for income generation and stated that incorporating realistic income targets in the Strategy would be helpful. He also noted that on the table on page 59 of the agenda, reference was made to 0% increases in Council Tax and the Adult Social Care Precept in 2018/19 and 2019/20. While he did not want to burden the local tax payer he noted the need to balance reality and optimism.

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Councillor Pamela Bale congratulated Officers and Members for producing the Strategy. She noted the reference to Business Rates Retention in paragraph 5.2 of the Executive Summary. She noted that in 2017/18 the Council would only retain 22.7% of the Business Rates it collected. An increase in the percentage the Council could retain would have a significant impact on the Council's finances. She therefore urged Members and the local Members of Parliament to continue to lobby Central Government on the issue of Business Rate retention.

Councillor Graham Jones noted that, in response to comments from Councillor Dillon, the MTFs did include income targets but that these were expressed as a net figure. These could be looked at more explicitly. In respect of comments on increases to Council Tax, he did not want to institutionalise Council Tax increases and that other methods of reducing costs needed to be explored. This included asking Parish Councils to take on some of the burdens. He wished to record his thanks to the Parish Councils that had already or were considering taking on some of the burdens once they had identified issues that were important to their communities. He recognised that they did not take on these burdens lightly.

Councillor Gordon Lundie stated that in his opinion the MTFs was the most important of all the Council's financial documents. It told the story of where the Council's funding came from and predicted the future spending envelope. The Council anticipated revenue expenditure of £117m in 2017/18 and would be investing £150m in the Capital Programme over the next five years. He noted that funding was a difficult story for local government. In 2010 the Council had received £32m in Revenue Support Grant, in 2017/18 this would have dwindled to £3.7m and it would have completely disappeared by 2019/20. There had also been a steady decrease in the level of New Homes Bonus received and by 2018/19 the Council would no longer receive any Education Services Grant.

Councillor Lundie thanked the Executive and Officers for producing the MTFs which set out a balanced budget, invested wisely while keeping Council Tax as low as possible.

Councillor Chadley stated that the MTFs set out guiding principles and valuable information for the Council to base its decision making on and therefore urged all Members to support it.

The Motion was put to the meeting and duly **RESOLVED**.

82. **Capital Strategy and Programme 2017/18 to 2021/22 (C3120)**

(All Members had been granted a dispensation by the Monitoring Officer to speak and vote on this item).

The Council considered a report (Agenda Item 15) which outlined the five year Capital Strategy for 2017 to 2022, including the Minimum Revenue Provision (MRP) Statement and the Asset Management Plans for Property and Highways. The report also set out the funding framework for the Council's five year Capital Programme for 2017/18 to 2021/22.

MOTION: Proposed by Councillor Hilary Cole and seconded by Councillor Anthony Chadley:

That the Council:

“approves the Capital Strategy and Programme 2017/18 to 2021/22.”

Councillor Hilary Cole commented that she was very pleased to be asked to propose the Capital Programme. She stated that the Programme confirmed the Council's commitment to continued investment in the future of West Berkshire. The Programme would help to deliver the Council's key priorities of:

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- Improving educational attainment and closing the educational attainment gap (£66.7m);
- Making key infrastructure improvements in relation to roads (£50m);
- Regeneration and the digital economy (£1.5m) ;
- Safeguarding children and vulnerable adults (£11.8m); and
- Supporting communities to do more to help themselves (£3.8m).

Councillor Hilary Cole noted that the Council would be investing £150m over the following five years but at a cost of only £40m to the Council. The other £110m would be funded from Government grants, s106 and CIL contributions as well as other funding sources. She congratulated Officers on the outstanding work that they had done in order to secure grant funding. During the 2017/18 financial year the Council would also start investing £50m in commercial property in order to start generating additional income.

Councillor Hilary Cole noted that in paragraph 1.4 on page 72 the first bullet point should state £120m and not £120,000 million over the next four years. She asked Members to support the recommendation subject to this correction to the report.

Councillor Lee Dillon commented that he had looked through the Programme on a line by line basis and wished to make comment on two items. He noted the inclusion of the item for Sandleford and was concerned about the risk around the scheduling of this item given the delays to the planning application. He was also disappointed that only £15k per annum had been set aside for regeneration in Thatcham.

Councillor Pamela Bale commented that the level of proposed investment was significant for an authority the size of West Berkshire. She was, however, pleased to see that the Council would continue to live within its means. She welcomed, in particular, the funding that had been set aside for road safety measures in Pangbourne.

Councillor Marcus Franks welcomed the £120m that would be invested over the following four years. He was pleased to see the inclusion of £93k for the energy efficiency programme. This project had already generated savings which had been paid back into the pot. He also noted that £30k had been set aside for community based capital projects. These schemes had already supported a number of communities across the District. He would also be making an announcement at the March District Parish Conference about a new fund related to the devolution agenda.

Councillor Jeanette Clifford welcomed the £50m investment in the highways infrastructure which was good news for the people and businesses of West Berkshire. The majority of this funding would be derived from S106 funding or from external grants. She noted that Officers were particularly good at putting together business cases in order to attract external funding and she thanked them for their endeavours.

Councillor Emma Webster welcomed the inclusion of funding for Members' Bids. She commented that while this was not a large sum of money it could make a huge difference to a community.

Councillor Alan Law reminded Members that West Berkshire Council was the second largest investor in the District. He did however caution that Members needed to be mindful of the level of capital expenditure and the associated revenue costs.

Councillor Lynne Doherty highlighted that £66.7m would be spent on education to ensure that there were sufficient school places and to maintain the existing schools. This did not only pertain to mainstream schools but would also support alternative provision of Autism Spectrum Disorder (ASD) units.

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Councillor Anthony Chadley stated that this was a comprehensive investment programme which would see £150 million invested over the following five years. The Council would however only be contributing £40m of the £150m. He thanked Officers for the work they had put into producing the Programme and also for the work that they had done to secure external grants.

He stated that the investment would not only be about investing in roads and schools but also about being innovative and changing the Council's view on how property was utilised. He highlighted the fact that the Council would be purchasing property to provide additional accommodation to prevent homelessness. The Council could look forward to similar projects where property would be purchased to fulfil service needs, thereby reducing external costs.

He noted that the Council would also be purchasing commercial property to generate income, and the Council would look at other ways to use capital expenditure in order to save the Council money.

Councillor Hilary Cole stated, in response to the query from Councillor Dillon, that she did not see any reason why the new school in the strategy would not be delivered. In response to his other query she noted that Councillor Franks had already alluded to the fact that he would be making an announcement about funding for parishes at the March District Parish Conference. She asked Members to support the recommendations.

Prior to the vote being taken the Deputy Monitoring Officer announced that the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 (*SI 2014/165*) (2014 Regulations) came into effect on the 25 February 2014 and as a consequence the Council was required to record the names of Members voting for and against the budget proposals.

For the Motion:

Councillors Steve Ardagh-Walter, Peter Argyle, Howard Bairstow, Pamela Bale, Jeremy Bartlett, Dominic Boeck, Graham Bridgman, Paul Bryant, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, Richard Crumly, Rob Denton-Powell, Lee Dillon, Lynne Doherty, Billy Drummond, Adrian Edwards, Marcus Franks, James Fredrickson, Dave Goff, Nick Goodes, Clive Hooker, Carol Jackson-Doerge, Marigold Jaques, Mike Johnston, Graham Jones, Rick Jones, Alan Law, Tony Linden, Mollie Lock, Gordon Lundie, Tim Metcalfe, Ian Morrin, Graham Pask Anthony Pick, James Podger, Garth Simpson, Richard Somner, Virginia von Celsing, Quentin Webb, Emma Webster and Laszlo Zverko.

The Motion was put to the meeting and duly **RESOLVED**.

83. Revenue Budget 2017/18 (C3121)

(All Members had been granted a dispensation by the Monitoring Officer to speak and vote on this item).

(Councillors Billy Drummond, Lee Dillon, Mollie Lock, Lynne Doherty, Jeanette Clifford, Dominic Boeck, Hilary Cole, Rick Jones, Mike Johnston, Steve Ardagh-Walter, Richard Crumly, Rob Denton-Powell, Anthony Pick, Richard Somner, Adrian Edwards, Carol Jackson-Doerge, James Fredrickson, Howard Bairstow, Marigold Jaques and Dave Goff declared a personal interest in Agenda Item 16 by virtue of the fact that they were dual hatted Members and a number of proposals would affect them in that capacity. As their interest was personal and not an other registrable nor a disclosable pecuniary interest they determined to take part in the debate and vote on the matter).

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(Councillor Marigold Jaques declared an other registrable interest in Agenda Item 16 by virtue of the fact that she was a trustee of the Citizen's Advice Bureau. As she had a fiduciary duty to this trust she determined to leave the Chamber during the discussion of this item and did not take part in the vote).

(Councillor Carol Jackson-Doerge declared an other registrable interest in Agenda Item 16 by virtue of the fact that she was a trustee of the Newbury Corn Exchange. As she had a fiduciary duty to this trust she determined to leave the Chamber during the discussion of this item and did not take part in the vote).

(Councillors Marigold Jaques and Carol Jackson-Doerge left the meeting at 7.25pm and returned at 8.27pm).

The Chairman clarified the rules of debate for this item which had been agreed by both Group Leaders prior to the meeting. Both Leaders would be permitted to speak for up to ten minutes and their presentations should include the submission of any amendments. All Portfolio and Shadow Portfolio Holders would be permitted to speak for up to five minutes on the Motion and amendments with all other Members being allowed two and a half minutes to speak.

The Council considered a report (Agenda Item 16) concerning the 2017/2018 Revenue Budget, which proposed a Council Tax requirement of £88.4m which, in turn, would mean a Council Tax increase of 1.99% in 2017/18 with a 3% precept ring-fenced for Adult Social Care. The Council Tax increase and Adult Social Care precept would raise £4.2m, leaving a gap of £4.7m to be met from savings and income in 2017/18.

The report also proposed the Fees and Charges schedule for 2017/18 as set out in Appendix H, the Parish Special Expenses as set out in Appendix I and recommended the level of General Reserves as set out in Appendix F and Appendix G.

MOTION: Proposed by Councillor Graham Jones and seconded by Councillor Anthony Chadley:

That the Council:

1. "Approves the 2017-18 Council Tax requirement of £88.4 million requiring a Council Tax increase of 1.99% with a 3% precept ring-fenced for Adult Social Care.
2. Approves the Fees and Charges as set out in Appendix H and the appropriate statutory notices be placed where required.
3. Approves the Parish Special Expenses as set out in Appendix I.
4. Acknowledges and notes the responses received to each of the public facing savings proposals in the public consultation exercise undertaken on the 2017/18 budget and that the Transition Grant of £1.37m be allocated as follows:
 - a) £140k to Short Breaks
 - b) £30k to Citizens Advice Bureau
 - c) £200k to Libraries
 - d) £1m to be put into a Transformation Fund, to assist West Berkshire Council to transform and improve the way it delivers its services.

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5. Notes the following amounts for the year 2017/18 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992, as amended (by the Localism Act 2011):-

- a) *64,084.15 being the amount calculated by the Council, (Item T) in accordance with regulation 31B of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended by the Localism Act 2011), as its council tax base for the year.*
- b) *Part of the Council's area as per Appendix M being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which a Parish precept relates.*

6. Calculates that the Council Tax requirement for the Council's own purposes for 2017/18 (excluding Parish precepts) is £88,366,272.

7. Agrees that the following amounts be now calculated by the Council for the year 2017-18 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992, amended by the Localism Act 2011:-

- a) *£280,592,545 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2), (a) to (f) of the Act taking into account all precepts issued to it by Parish Councils.*
- b) *£188,154,769 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3), (a) to (d) of the Act.*
- c) *£92,437,776 being the amount by which the aggregate at 7(a) above, exceeds the aggregate at 7(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (Item R).*
- d) *£1442.44 being the amount at 7(c) above (Item R), all divided by 5(a) above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).*
- e) *£4,071,504 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per Appendix M).*
- f) *£1378.91 being the amount at 7(d) above less the result given by dividing the amount at 7(e) above by the amount at 5(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relates.*

8. Notes that for the year 2017/18, the Police and Crime Commissioner for the Thames Valley and The Royal Berkshire Fire and Rescue Service have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in Appendix M.

9. Agrees that the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables in Appendix M as the amounts of Council Tax for 2017-18 for each part of its area and for each of the categories of dwellings."

Councillor Graham Jones stated that he was presenting this speech in tragic circumstances. Much of what he was going to say was based on the draft speech that Councillor Roger Croft had put together in the weeks leading up to the meeting.

He stated that Local Government had changed completely in England in December 2015 when the four year Settlement was announced. The Council's budget was cut to an

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unprecedented depth. In fact West Berkshire Council was the third hardest hit unitary authority in the country.

In terms of the context of the 2017/18 Revenue Budget the Council would receive Council Tax and other income of £98m and the authority would collect business rates of £85m, a total of £183m. If the authority was able to retain all this income it would more than cover the £117m the Council needed.

However, nationally the country's finances remained perilous and therefore it was recognised that the Government's primary focus had to be to deal with the deficit. The Administration supported the principle of making Councils more locally financially accountable.

In 2011 the equivalent of Revenue Support Grant (RSG) the Council received was over £33m and in 2017/18 it would only receive £3.7m. In addition the Valuations Office Agency had cut the Council's business rate yield by £800k every year. Councillor Graham Jones reminded Members that Local Government as a whole in England retained 50% of business rates. In 2017/18 the Council expected to collect £85m in local business rates and would have to pass £66m back to Central Government. This represented a retention rate of only 22.7% and it was expected that this retention rate would continue to fall. Over the next three year period the Council would collect £2m extra in local business rates but would pass £3m extra back to Central Government.

To replace what had been lost in the cuts to RSG the Council would need to retain at least 38% of the business rates collected. It was with regret that Councillor Graham Jones had to announce a 1.99% rise in Council Tax for the forthcoming year.

The Acting Leader explained that nearly half of the Council's budget was spent on Social Care. He reported that 28,000 people in West Berkshire were over the age of 65 and this number continued to grow by 3.3% every year. The Council's challenge, working with partners in the National Health Service, was to both maintain quality and contain cost. The enactment of the Care Act in 2014 had created an extra financial burden on the Council of £3m per annum. The Council was promised financial relief for this extra burden but this had not materialised. It was therefore with regret, that in order to maintain the Council's commitments to older people, a 3% increased ring-fenced precept had to be levied to fund Adult Social Care.

Councillor Graham Jones noted that Children and Family Services (CFS) had undertaken a programme of fundamental change to implement service improvement subsequent to their Ofsted in May 2015. The overarching aim was to improve outcomes for children, young people and their families and a range of improvements had been implemented across the service. He thanked all those involved in that journey. A number of initiatives had been implemented including the creation of a Multi-Agency Safeguarding Hub (MASH) and the formation of a new Children In Care Team.

Councillor Graham Jones highlighted the fact that the Council would continue to help communities to help themselves and it had been encouraging to see communities come together to take over some of the services that were not statutory but that were valuable to local communities.

Councillor Graham Jones noted that the Council would continue to seek ways to generate income including the joint venture with Greenham Common Trust that Councillor Roger Croft was championing. He noted the collective decision to reduce the number of Councillors from 52 to 42, despite the additional work this would place on Members. He stated that this underlined how seriously Members were about transforming the Council.

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The Council's Reserves were being kept at prudent levels and no more. The Council had listened to views emanating from the public consultation and as a consequence the Council was proposing to allocate money from the Transition Grant to short breaks, CAB and Libraries. It was also being proposed that a Transformation Fund be set up to continue the necessary changes in the way services were delivered.

Councillor Graham Jones reminded Members of the requirement to set a balanced budget and he therefore commended the Revenue Budget to Council.

Councillor Anthony Chadley in seconding the Motion reiterated the inequality of how business rates were collected and re-distributed. He too was disappointed that the Council had been forced to increase council tax by 1.99% and also had to take up the Government's proposal of a 3% precept for Adult Social Care (ASC) He noted that around a third of the Council's budget was spent on ASC. The increases would generate an additional £4.2 million of income, against a funding gap of just under £9million and would mean that the Council would be able to minimise its savings requirement. There would, however, still be a need to generate £5m worth of savings in 2017/18 or other ways of generating income.

The Council had decided to protect ASC by ring-fencing 1% of the precept as an ASC Risk Fund to mitigate against the eventuality of increases in demand that was outside its forecasting model. Councillor Chadley commented that setting the budget had not been an easy task and year on year the Council would have to keep on searching for ways to meet the ongoing demand on its services. He commented that he had read all the budget consultation responses and thanked all those residents that had participated in the consultation process. Councillor Chadley commented that difficult decisions had to be made against conflicting needs and a perfect outcome for all was not possible.

He was pleased to note that, as a result of the consultation, transitional funding would be allocated as follows: £140k for short breaks for disabled children, £200k for libraries and £30k for the Citizens Advice Bureau. The remaining £1million would be allocated to a Transformation Fund.

Councillor Lee Dillon stated that the budget was being proposed against a backdrop of cuts to vital public services. He accepted that the Council had difficult choices to make with regards to fulfilling the legal responsibility of producing a balanced budget. His Group however disagreed on which services to cut to achieve this. He hoped that the local Members of Parliament had visibility of the list of 73 savings proposals and understood their impact. He hoped that this information was being fed back to Central Government.

Councillor Dillon noted that his Group had asked for transitional funding to be secured earlier for Short Breaks which would have mitigated some of the pain arising from the cuts. It would have provided assurance to those impacted some time ago rather than worrying for the many months as they had been.

He stated that CAB provided an invaluable service to residents across the District and with more and more assessments being needed to access services and benefits the Council should be seeking to support the CAB as much as possible.

Councillor Dillon welcomed the transition funding allocated to the library service but lamented that this funding should have been dealt with much earlier in the year. He was of the opinion that the misguided approach of proposing to close all the libraries in the first instance had contributed to the delay. His biggest concern was that the transitional money was being put into a transformational fund rather than being used now when it was desperately needed.

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AMENDMENT: Proposed by Councillor Lee Dillon and seconded by Councillor Billy Drummond

That the Council:

- (i) "That the car parking tariffs be amended as per the supporting appendix which effectively reduces the increases on the first hour by 10p, with some of the estimated shortfall being met by increasing the costs on some of the longer stay options. The estimated annual budget shortfall would be £23k to be funded from the Transitional Grant.
- (ii) That the Home to School Transport (HTST) Grant be reduced from £250 to £100 instead of zero, and the shortfall funded by use of the Transitional Grant of circa £7k.
- (iii) That the proposed £200k saving relating to drainage repairs and maintenance not be approved and instead the shortfall be met using the Transitional Grant."

Councillor Dillon stated that the proposal to increase parking fees by 20p in the first hour would disadvantage shoppers and would hurt local businesses. They were therefore proposing that the price should only be increased by 10p in the first hour and that the shortfall should be met from increasing the cost of longer stay options.

His Group were also proposing that reduction in the Home to School Transport Grant be more gradual and that for 2017/18 it should be reduced to £100 instead of £0.

He stated that the lack of maintenance of drainage had contributed to both the 1967 and 2007 floods and cutting this budget might jeopardise properties in the event of a future flood. He therefore requested that the reduction in this budget be reversed. Councillor Dillon requested that each of the amendments be voted on as a separate item.

He noted that residents were being asked to pay an extra 5% in taxes in 2017/18. He accepted that 3% would be spent on the funding crisis that the country was facing with regards to Adult Social Care which he felt was an area that needed a better solution. As residents were being asked to pay more for less he could not support the budget.

Councillor Jeanette Clifford stated that if Members were minded to accept the amendment in respect of car parking charges the proposal would have to be consulted on again. This would incur a cost as a result of lost income and it was estimated that this would be in the region of £20k. In preparing the budget much thought had gone into the preparation of the fee schedule and it was deemed fairer to increase the costs for short term parking rather than to charge those people parking all day. Research indicated that it was the availability of accessible parking that attracted shoppers to an area rather than decisions based on cost. The Council had a responsibility to build a whole budget and had to live within its means and while she was reluctant to increase parking charges it was necessary in the context of the overall budget. She would therefore not be supporting that amendment.

A lot of thought had also gone into the decision to reduce the drainage budget. This was a difficult decision, work would continue but with a smaller budget and the work would be undertaken in a different way. She understood the anxiety around this issue but felt that this was the right choice.

Councillor Tony Linden commented that difficult decisions had to be made and he could therefore not support the amendments.

Councillor Lynne Doherty stated that she found the amendments pertaining to Home to School Transport to be a little confusing. As she understood it the amendment pertained

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to the subsidy afforded to some parents on a fare paying scheme. The Council had spoken to that cohort of parents in 2015 as they were the first to be affected and they were therefore aware of the removal of the subsidy. It should be noted that other parents were already paying these costs. She could therefore not support the amendment.

Councillor Billy Drummond urged Members to support the amendments proposed by Councillor Dillon.

Councillor Dillon commented that even if parents were informed about the changes to the Home to School Transport proposals in 2015 the additional costs would still be difficult for some families to manage. He reiterated that the reports commissioned after the 2007 floods had stated that the maintenance of gullies had been a contributory factor to the floods. The Authority had a duty to protect property and life.

Councillor Graham Jones stated that he did not accept Councillor Dillon's extrapolation in respect of flooding. While he noted that the Opposition could point out problems the Administration had to identify solutions. He commented that it was not possible to allocate funding for Short Breaks prior to the consultation being concluded as the Council could be deemed to have predetermined the outcome of the consultation. Delaying the removal of the subsidy for Home to School Transport would merely defer the problem. He therefore did not support the amendments.

Each of the amendments were voted on separately.

Prior to the vote being taken the Deputy Monitoring Officer announced that the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 (*SI 2014/165*) (2014 Regulations) came into effect on the 25 February 2014 and as a consequence the Council was required to record the names of Members voting for and against the budget proposals.

For Amendment i):

Councillors Lee Dillon, Billy Drummond and Mollie Lock.

Against Amendment i)

Councillors Steve Ardagh-Walter, Peter Argyle, Howard Bairstow, Pamela Bale, Jeremy Bartlett, Dominic Boeck, Graham Bridgman, Paul Bryant, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, Richard Crumly, Rob Denton-Powell, Lynne Doherty, Adrian Edwards, Marcus Franks, James Fredrickson, Dave Goff, Nick Goodes, Clive Hooker, Carol Jackson-Doerge, Marigold Jaques, Mike Johnston, Graham Jones, Rick Jones, Alan Law, Tony Linden, Gordon Lundie, Tim Metcalfe, Ian Morrin, Graham Pask, Anthony Pick, James Podger, Garth Simpson, Richard Somner, Virginia von Celsing, Quentin Webb, Emma Webster and Laszlo Zverko

For Amendment ii):

Councillors Lee Dillon, Billy Drummond and Mollie Lock.

Against Amendment ii)

Councillors Steve Ardagh-Walter, Peter Argyle, Howard Bairstow, Pamela Bale, Jeremy Bartlett, Dominic Boeck, Graham Bridgman, Paul Bryant, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, Richard Crumly, Rob Denton-Powell, Lynne Doherty, Adrian Edwards, Marcus Franks, James Fredrickson, Dave Goff, Nick Goodes, Clive Hooker, Carol Jackson-Doerge, Marigold Jaques, Mike Johnston, Graham Jones, Rick Jones, Alan Law, Tony Linden, Gordon Lundie, Tim Metcalfe, Ian Morrin, Graham Pask, Anthony Pick, James Podger, Garth Simpson, Richard Somner, Virginia von Celsing, Quentin Webb, Emma Webster and Laszlo Zverko

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For Amendment iii):

Councillors Lee Dillon, Billy Drummond and Mollie Lock.

Against Amendment iii)

Councillors Steve Ardagh-Walter, Peter Argyle, Howard Bairstow, Pamela Bale, Jeremy Bartlett, Dominic Boeck, Graham Bridgman, Paul Bryant, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, Richard Crumly, Rob Denton-Powell, Lynne Doherty, Adrian Edwards, Marcus Franks, James Fredrickson, Dave Goff, Nick Goodes, Clive Hooker, Carol Jackson-Doerge, Marigold Jaques, Mike Johnston, Graham Jones, Rick Jones, Alan Law, Tony Linden, Gordon Lundie, Tim Metcalfe, Ian Morrin, Graham Pask, Anthony Pick, James Podger, Garth Simpson, Richard Somner, Virginia von Celsing, Quentin Webb, Emma Webster and Laszlo Zverko

Each of the Amendments were put to the vote (as set out above) and declared **LOST**.

Members then returned to the Substantive Motion.

Councillor Rick Jones stated that new methods of working were already delivering savings in the Adult Social Care arena. Like most other areas in the country the Council was facing a growth in demand. The average costs of an Adult Social Care client was £17k per annum and £44k per annum for clients with learning difficulties. Clients with more complex needs could cost the Council significantly more each year. A relatively modest increase in numbers could have a big impact on the Council's finances. Although he regretted the need for the 3% increase in the ASC precept, savings had been taken as far as they could for the moment and this extra funding was therefore needed in order to set a balanced budget.

Councillor Marcus Franks stated that local government was having to do a lot more with a lot less. The Council was therefore seeking ways to reduce costs. This included the creation of shared services which reduced costs but also increased resilience across the authorities. The Council was also seeking to invest in property which would either generate income or offset costs. One of the themes of the budget was getting communities to help themselves and a new Building Communities Together Team was being created in order to facilitate this.

Councillor Franks commented that the CAB was a non statutory service but following the consultation it was agreed that £30k of transitional funding would be awarded to them again in 2017/18. The service would need to be transformed in light of the diminished funding. They were confident that they would be able to transform and adapt whilst continuing to deliver this valued service.

Councillor Mollie Lock commented that the Education Act required the Council to provide Home to School Transport for Post 16 children that had special education needs or disabilities. She stated that the proposed savings would have a profound effect on these vulnerable residents many of whom had complex physical needs. It would also cause additional financial and emotional strain on their families. These young people were also most likely to have to attend schools which were further away from their homes as their needs could often not be met at their local school.

Councillor Dominic Boeck commented that the library service was having to transform and the Council was in the process of consulting with the town and parish councils as well as community groups as to how this transformation could be achieved. New working models would be put in place as had been agreed at the Extraordinary Council meeting on the 7 February 2017.

Councillor Alan Law stated that while he supported the budget he was reluctant to support the Council Tax increase of 4.99% and he hoped that this was a one off

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increase. He noted that the single biggest cost to the Council was employee costs. He noted that the previous year the Communities Directorate had overspent their original staff budget by £4 million and then went on to overspend their revised staff budget by a further £2million. In 2015/16 they had also spent £5.2 million on agency staff despite only budgeting for £1m. He was of the opinion that when staff costs exceeded the budget in year cuts had to be made. He therefore urged the Administration to focus on staff budgeting and monitoring during the forthcoming year and requested that this information be incorporated into the quarterly performance monitoring data.

Councillor Emma Webster commented that the Overview and Scrutiny Management Commission would be looking at the impact transitioning from Children's Services to Adult Social Care had on vulnerable residents.

Councillor Lynne Doherty commented that Children and Family Services continued to build on its successes. The progress made in respect of the Multi Agency Safeguarding Hubs was well documented. A new Children in Care Team had been established to look after the 149 children who were currently in care. Investment was being put into looking after children that most needed protection. Councillor Doherty reminded Members of the volatile nature of these frontline services.

She was particularly pleased to see that some of the transitional funding had been set aside for Short Breaks in recognition of the great work provided by this service. The Council was already working collaboratively with the Chief Executive Officer of Dingley's Promise to ensure that this service was not adversely affected by a diminution of funding from the Council.

In terms of Post 16 Transport for vulnerable children, the Council would continue to provide this service but while it would not be free, there were bursaries available that parents could apply for. It was felt that it would be preferable to consider each application on its own merits rather than apply a blanket policy.

Councillor James Fredrickson stated that the Administration was being forced to make real choices and had to base decisions on conflicting needs. The Council would have to make tough decisions now for the future.

Councillor Graham Jones commented that he had first presented a budget to Council in 2006. The challenges and expectations then were very different to now. The challenge in 2006 was to end the culture of increasing expenditure fuelled by council tax hikes which in West Berkshire became the highest cumulative rises in the country.

He explained that the challenge now was to not just spend money as carefully as possible but also to ensure that high quality vital services were maintained for the most vulnerable in society. The Council was forced to make tough decisions. As a Leader who presided over the lowest cumulative Council Tax rises in the Council's history it gave him no pleasure to be proposing the increase but he did so in the knowledge that it was the right thing to do.

Prior to the vote being taken the Deputy Monitoring Officer announced that the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 (*SI 2014/165*) (2014 Regulations) came into effect on the 25 February 2014 and as a consequence the Council was required to record the names of Members voting for and against the budget proposals.

For the Substantive Motion

Councillors Steve Ardagh-Walter, Peter Argyle, Howard Bairstow, Pamela Bale, Jeremy Bartlett, Dominic Boeck, Graham Bridgman, Paul Bryant, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, Richard Crumly, Rob Denton-Powell,

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Lynne Doherty, Adrian Edwards, Marcus Franks, James Fredrickson, Dave Goff, Nick Goodes, Clive Hooker, Carol Jackson-Doerge, Marigold Jaques, Mike Johnston, Graham Jones, Rick Jones, Alan Law, Tony Linden, Gordon Lundie, Tim Metcalfe, Ian Morrin, Graham Pask, Anthony Pick, James Podger, Garth Simpson, Richard Somner, Virginia von Celsing, Quentin Webb, Emma Webster and Laszlo Zverko

Against the Substantive Motion:

Councillors Lee Dillon, Billy Drummond and Mollie Lock.

The Substantive Motion was put to the meeting and duly **RESOLVED**.

84. Statutory Pay Policy 2017 (C3122)

The Council considered a report (Agenda Item 17) which sought approval of the Statutory Pay Policy Statement for publication from 1st April 2017.

MOTION: Proposed by Councillor James Fredrickson and seconded by Councillor Marcus Franks:

That the Council:

“approves the Policy Statement attached at Appendix C for publication in accordance with s38 of the Localism Act 2011.”

Councillor James Fredrickson commented that the Council was obliged to produce the document on an annual basis. The report was required to set out the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and those that were not chief officers. The median salary at the Council was £27k per annum, the mean salary was £29.5k per annum and the highest paid employee was the Chief Executive who was paid £136k plus a £5k car allowance.

Councillor Mollie Lock commented that Members were happy with the report when it was discussed at the Personnel Committee. Concern had however been raised about the overlapping pay scales and Officers had been asked to review this and to provide more detail at the next Personnel Committee meeting.

Councillor Lee Dillon was pleased to see that all employees were paid at least the Living Wage although for some this was via a supplement. He stated that he would prefer to see these employees paid the Living Wage without the need for a supplement. He noted that staff were experiencing an unprecedented workload and it was important that they were compensated for the work that they did.

Councillor Graham Bridgman stated that currently the Council had 74 spinal points in its pay grading scheme and that he would like to see this reduced.

Councillor Marcus Franks explained that the pay grades were set nationally. Councillor Fredrickson stated that when he had discussed the issue of pay grades with the Head of HR he had explained that there would be cost implications with reducing them. Councillor Lock raised a point of order and stated that the Head of HR had stated at the Personnel Committee that this would not be the case. It was agreed that the Head of HR would provide a written response outside of the meeting.

The Motion was put to the meeting and duly **RESOLVED**.

85. Public Sector Audit Appointments (C3211)

(Councillor James Podger left the meeting at 8.35pm).

The Council considered a report (Agenda Item 18) which provided Members with the opportunity to discuss the merits of West Berkshire Council opting into the national

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scheme for auditor appointments for the financial year 2018/19 onwards. The report was discussed at the Governance and Ethics Committee meeting on the 13 February 2017 and they supported the Officer's proposal to opt into the national scheme for auditor appointments.

MOTION: Proposed by Councillor Keith Chopping and seconded by Councillor Anthony Chadley:

That the Council:

“agrees the invitation to opt into the national scheme for auditor appointments.”

Councillor Keith Chopping explained that following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits, the Council had to consider the options available for appointing external auditors. New arrangements had to be in place by 31 December 2017. Options available to the Council would be to adopt the national scheme for auditor appointments, establish a stand-alone Auditor Panel to make the appointment on behalf of the Council or exploring the establishment of local joint procurement arrangements with neighbouring authorities.

Members had discussed the options at both the November 2016 and the February 2017 Governance and Ethics Committee meetings and had agreed to recommend to Council the Officer recommendation to opt into the national scheme. Councillor Chopping noted that if the Council wished to accept the invitation of the Public Sector Auditor Appointments, it would need to do so by the 9th March 2017. To date around 160 authorities had already opted in.

Councillor Anthony Chadley felt that the recommendation was a sensible approach and encouraged Members to vote in favour of the officer recommendation.

The Motion was put to the meeting and duly **RESOLVED**.

86. **Health and Wellbeing Strategy Refresh (C3114)**

The Council considered a report (Agenda Item 19) which sought approval for the refreshed Health and Wellbeing Strategy.

MOTION: Proposed by Councillor Graham Jones and seconded by Councillor Rick Jones:

That the Council:

1. “Accepts the Health and Wellbeing Strategy refresh and agrees the priorities within it.
2. That the Health and Wellbeing Board bases future commissioning decisions on the Health and Wellbeing Strategy”.

Councillor Graham Jones noted that a peer review of the Health and Wellbeing Board had taken place the previous year which had resulted in a number of recommendations. A number of changes were therefore being proposed including broadening the membership of the Board to include Thames Valley Police, The Royal Berkshire Fire and Rescue Service (RBFRS) and Sovereign Housing. This was necessary in order to deal with the wider determinants of health and not to focus only on clinical issues.

It was also agreed that the existing Strategy had too many priorities for the Health and Wellbeing Board to focus on and a compromise had been reached to highlight two specific priorities for the Health and Wellbeing Board to focus on from October 2016 to October 2017, those being the reduction of harm related to alcohol and building community resilience.

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Councillor Pamela Bale noted that while the Strategy referred to the ageing population no mention was made about dementia groups and she asked if this could be addressed.

Councillor Emma Webster commented that she welcomed the inclusion of the RBFRS on the Health and Wellbeing Board in light of the extensive prevention work they undertook with vulnerable residents. She also noted that she was a Dementia Champion and encouraged more Members to take up this role.

Councillor Lee Dillon stated that he welcomed the decrease in the number of priorities. Councillor Adrian Edwards commented that he too welcomed the inclusion of the RBFRS on the Board. He noted that the fire fighters were required to maintain a certain level of fitness and he commented that this was something that everyone should aspire to. He stated that he would like to see the Council encouraging employees and Members to take part in more exercise and improve their fitness levels and make better lifestyle choices.

Councillor Rick Jones commented that he thought the revised Strategy was simple and clear and should lead to better integration of systems which would result in better outcomes for residents. He acknowledged that this was not a short term process and that there was a lot of work to be done.

Councillor Graham Jones thanked Members for their comments on and support for the Strategy. He concurred with Councillor Edwards that exercise was a great treatment for a range of medical conditions. He too welcomed the broader representation on the Health and Wellbeing Board.

The Motion was put to the meeting and duly **RESOLVED**.

87. **Members' Questions**

There were no Member questions submitted.

(The meeting commenced at 6.30pm and closed at 8.50pm)

CHAIRMAN

Date of Signature

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DRAFT

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

COUNCIL

MINUTES OF THE EXTRAORDINARY MEETING HELD ON THURSDAY, 23 MARCH 2017

Councillors Present: Steve Ardagh-Walter, Peter Argyle, Howard Bairstow, Pamela Bale, Jeff Beck, Dennis Benneyworth, Dominic Boeck, Graham Bridgman, Paul Bryant, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, James Cole, Richard Crumly, Rob Denton-Powell, Lee Dillon, Lynne Doherty, Adrian Edwards, Sheila Ellison, Marcus Franks, James Fredrickson, Manohar Gopal, Paul Hewer, Clive Hooker, Carol Jackson-Doerge (Vice-Chairman), Marigold Jaques, Mike Johnston, Graham Jones, Alan Law, Tony Linden, Mollie Lock, Tim Metcalfe, Graham Pask, James Podger, Garth Simpson, Richard Somner, Anthony Stansfeld, Virginia von Celsing, Quentin Webb (Chairman), Emma Webster and Laszlo Zverko

Also Present: Nick Carter (Chief Executive), Andy Day (Head of Strategic Support) and Peta Stoddart-Crompton (Public Relations Officer), Moira Fraser (Democratic and Electoral Services Manager), Honorary Alderman Royce Longton (Honorary Alderman), Gabrielle Mancini (Group Executive - Conservatives) and Honorary Alderman Andrew Rowles (Honorary Alderman)

Apologies for inability to attend the meeting: Councillor Roger Croft, Councillor Billy Drummond, Councillor Dave Goff, Councillor Rick Jones, Councillor Gordon Lundie, Councillor Alan Macro, Honorary Alderman Joe Mooney and Councillor Anthony Pick

Councillors Absent: Councillor Jeremy Bartlett, Councillor Nick Goodes and Councillor Ian Morrin

PART I

88. Declarations of Interest

There were no declarations of interest received.

89. Local Government Boundary Review

The Council considered a report (Agenda Item 3) which proposed new warding patterns based on the Council's agreed position to see a Council size of 42 + or – 1 number of Members with effect from the 2019/20 District Council Elections.

MOTION: Proposed by Councillor Graham Jones and seconded by Councillor Lee Dillon:

That the Council:

1. "approves the proposed warding patterns and proposed new names, where appropriate, for each ward as part of Stage 2 of the review of the Council's boundaries.
2. asks the Local Government Boundary Commission to look at whether the Greenham ward should be two single Member wards based on a view that there would be two distinct communities of the Racecourse development and the proposed new Sandleford development".

In introducing the item Councillor Jones proposed the following amendment:

AMENDMENT: Proposed by Councillor Graham Jones and seconded by Councillor Lee Dillon:

That the:

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“recommendations set out in paragraphs 2.1 and 2.2 be adopted subject to the following amendment:

Delegation be given to the Head of Strategic Support, in consultation with the Acting Leader of the Council, to agree the final ward names”.

Councillor Graham Jones noted that more Member engagement was needed in the process and some input in regard to new names for the wards would be welcomed. He asked that Members notify the Head of Strategic Support about any suggested changes by the 03 April 2017 at the latest. The Acting Leader would discuss any changes with the Leader of the Opposition and any subsequent changes would then be incorporated into the Council’s submission to the Local Government Boundary Commission (LGBC).

Councillor Jones noted that the Council had already been through the first stage of the process and had agreed that the size of the Council should be reduced to 42 + or – 1. This amounted to a 20% reduction in the number of elected councillors post the 2019/20 election and would send a strong message to residents about making the Council more efficient.

The next stage was to submit the warding patterns to the LGBC. In developing the Council’s submission a number of principles had been adopted and a formulaic approach had been used to forecast future numbers of electors. The wards were based on parish boundaries, numbers of electors, electoral parity and existing identifiable boundaries such as railways and roads. The numbers were based on current population figures, potential development sites etc as well as the Office of National Statistics prediction that the population of West Berkshire would increase by 3.2% by 2022. Councillor Jones accepted that there might be some anomalies in the forecasting but that the process was as scientific as it could be.

Councillor Jones commented that if Members had a different view to that being proposed they, like the parish and town councils and residents, could of course make their own submissions to the LGBC. He cautioned however that in making any changes Members needed to be mindful of the ripple effect that a change in one area could affect on another. Councillor Jones thanked colleagues on the Working Group and the Opposition for all their input in developing the submission.

The Amendment was put to the vote and declared **CARRIED**.

Councillor Lee Dillon stated that once the figure of 42 was agreed it was immaterial whether work on setting the wards started in the east or west. It would always be difficult to create a perfect balance and it was inevitable that a degree of ‘squeezing’ would ensue in the middle such as had happened in Mortimer.

He thanked Officers for all the work they had put into developing the proposal which was a good building block to work on.

(Councillor Mike Johnston arrived at 7.12pm)

Councillor Dillon commented that, in his opinion, the ward that stood out the most was Cold Ash which would now start in Donnington and end in Yattendon and the voters on either end were likely to feel that they had very little in common with each other. He commented that if the residents were not happy they could also submit their comments to the LGBC.

Councillor Graham Bridgman congratulated Officers that had undertaken this difficult task and he stated that the result was broadly well worked, keeping rural areas contiguous with parish boundaries. He stated that a possible solution for Mortimer would be to include Beech Hill with Burghfield although he could see the logic of keeping the village in the Mortimer Ward. He had been asked by residents to convey their view which was

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that they had grown accustomed to having two ward members and that they felt that reducing it to a single member ward would lead to a diminution of support they would receive.

Councillor Alan Law stated that for the first time since he had been elected he had split loyalties. Although he was usually loyal to his party he also had a duty of loyalty to his constituents who were against the proposal to split Basildon Ward into two separate wards. The four villages in his current ward had a sense of joint community. They shared a school, vicar and monthly magazine and felt that they did not have much in common with the Downlands Ward or the Eastern Urban Area. They considered themselves to live in the 'Goring Gap' and had close ties with Goring and Pangbourne and not the Ilsleys or Compton.

He noted that paragraph 2.7 of the report stated that 'Wherever possible however, existing Community links have been retained' but felt that this had not been applied to the Basildon Ward. He noted that Members had been encouraged, should they wish to submit a counter proposal, to consider the domino effect of any changes. He had attempted to do this but it had proved very difficult. He was therefore disappointed that Officers had not been asked to come up with a number of options for Members to select the most optimal one from. Councillor Law asked if the recent planning appeal decision in North Newbury had been factored into the calculations. As he would be submitting a different proposal to the LGBC he could not be hypocritical and vote in favour of this motion.

Councillor Anthony Stansfeld stated that his residents would prefer to see a three Member Ward covering Inkpen and Hungerford.

Councillor Garth Simpson stated that the residents of Cold Ash would prefer to see the ward revert back to its civil parish boundary. He noted the requirement that a ward should not have any gaps but felt that this could be overcome. Cold Ash Parish Council would be submitting its own proposals to the LGBC.

Councillor Mollie Lock commented that the residents of Wokefield were upset about moving out of the Mortimer Ward as they tended to look to Mortimer Village for their services.

Councillor Clive Hooker stated that when he had stood to be elected as a Ward Member for the Downlands Ward he understood that one of his main roles was to support the parish councils. Currently he attended around 50 parish council meetings per year. Increasing the size of the Downlands Ward to cover eight parish councils and three parish meetings would make it impossible for him to continue to attend all their meetings. It would also be financially difficult for him to attend meetings where his journey would be around 40 minutes in duration and he felt that this change would diminish the service provided to residents.

Councillor Paul Bryant stated that he was concerned about the impact the recent planning appeal in North Newbury would have on his current ward. He was also concerned that this might be the first of a number of anomalies that might ensue over the next few years which would skew electoral parity. His residents and parish council were not overly concerned about the changes.

Councillor Emma Webster stated that her residents too were not overly concerned as their children would still attend the same schools, they would still be able to access the same facilities and they would still be able to engage with their elected Members. She reminded Members that they were not elected to attend parish council meetings instead they were elected to represent all their residents and in any event boundaries were always changing. The key would be about being accessible and finding new ways to

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engage with residents. Members had been asked to make many difficult decisions over the past few years and she felt that this was not one of them.

Councillor Graham Jones commented that he was pleased to see a passionate debate from Members on behalf of the communities they represented. He acknowledged the arguments raised and respected the opinions of his fellow Members. However, change was inevitable and he reminded Members that this process was not an exact science. The Working Group had considered a number of options and proposals but no solutions had been developed that were better than the one being presented at this meeting.

In respect of the planning appeal in North Newbury, the projections were based on the best possible information available at the time. Changes might arise before 2022 but he noted that Shaw would be able to absorb the additional electors.

In closing he reminded Members that they, their parish councils and residents could make their own submissions to the LGBC. They were an independent body that could evaluate all the consultation responses.

Councillor Jones thanked Officers for the work that they had done on this difficult task and he felt that the results they had produced were highly commendable.

The Substantive Motion was put to the meeting and duly **RESOLVED**.

(The meeting commenced at 7.00pm and closed at 7.31pm)

CHAIRMAN
Date of Signature

Monitoring Officer's Quarterly Update Report - 2016/17 Year End

Committee considering report:	Council
Date of Committee:	9 May 2017
Member:	Councillor Keith Chopping (Chairman of Governance and Ethics Committee)
Report Author:	Sarah Clarke
Forward Plan Ref:	C3083

1. Purpose of the Report

- 1.1 To provide an update on local and national issues relating to ethical standards and to bring to the attention of Members any complaints or other problems within West Berkshire.
- 1.2 To present the Annual Governance and Ethics Committee report to Full Council.

2. Recommendations:

- (1) Members are requested to note the content of the report.
- (2) The report to be circulated to all Parish/Town Councils in the District for information.

3. Implications

- 3.1 **Financial:** There are no financial issues arising from this report. However the costs associated with external investigations and a lack of internal resources may lead to a budget pressure.
- 3.2 **Policy:** Revised policy and changes to processes adopted at Council in May 2012 and reviewed in December 2013 and September 2016.
- 3.3 **Personnel:** There are no personnel issues associated with this report.
- 3.4 **Legal:** There are no legal issues arising from this report. The matters covered by this report are generally requirements of the Local Government Act 2000 in so far as appropriate and the Localism Act 2011 and its supporting regulations.
- 3.5 **Risk Management:** The benefits of this process are the maintenance of the Council's credibility and good governance by a high standard of ethical behaviour. The threats are the loss of credibility of the Council if standards fall.
- 3.6 **Property:** There are no property issues associated with this report.
- 3.7 **Other:** A diminution in standards of behaviour by elected Members could have a significant reputational impact on

the Council.

4. Other options considered

4.1 None

Executive Summary

5. Introduction / Background

5.1 Following the enactment of the Localism Act 2011 a number of changes were made to the Standards Regime. As part of the governance arrangements it was agreed that the Monitoring Officer would make quarterly reports to Governance and Ethics Committee which set out the number and nature of complaints received and informed Members of any other activity that was taking place around the Code of Conduct regime. It was also agreed that an annual report would be presented to Full Council at the Annual meeting and that the year end report would be circulated to all Town and Parish Councils.

5.2 The key issues identified in the report are:

- Only one dispensation was granted in 2016/17 by the Monitoring Officer to allow Councillor Nick Goodes to speak and vote on matters pertaining to Council Tax. A four year dispensation (expiring in May 2019) remains in place for the other 51 Members to speak and vote on any items pertaining to Council Tax.
- The number of gifts and hospitality received by Members remains relatively low although this could be as a result of under reporting by Members.
- All elected Members of the West Berkshire Council have completed and submitted their Register of Interest forms.
- There has been a significant decrease in the number of complaints received in 2016/17. All three complaints received pertained to parish councillors Following the initial assessment it was agreed that one of these complaints would be investigated (NPC1/17), informal resolution was sought in respect of NPC2/17 and no further action was taken on NPC8/16.
- There will be some changes to the Parish Council representatives on the Governance and Ethics Committee and the Advisory Panel for 2017/18. Details are noted in the Supporting Information.

6. Proposal

6.1 Members are asked to note the content of the report and agree that it should be circulated to all Town and Parish Councils for information.

7. Conclusion

7.1 There has been a significant decrease in the number of complaints received in respect of alleged breaches of the Members' Code of Conduct during 2016/17. It is not clear whether the reduction in the number of complaints is due solely to compliance by Councillors with the Code of Conduct. It is possible that the limited sanctions available in the event of a breach has also deterred some complainants.

7.2 It is considered however that it is reasonable to conclude having regard to all the information in this report, that standards of ethical conduct are high across West Berkshire at both District and at Parish / Town Council levels.

8. Appendices

8.1 Appendix A – Supporting Information

8.2 Appendix B – Gifts and Hospitality Register

Proposed New Model for Scrutiny

Committee considering report:	Council on 9 May 2017
Portfolio Member:	Councillor Graham Jones
Date Portfolio Member agreed report:	10 April 2017
Report Author:	Andy Day
Forward Plan Ref:	C3311

1. Purpose of the Report

- 1.1 To outline proposed changes to the way that scrutiny operates within the Council.

2. Recommendations

That Council approve the proposed new model for scrutiny as outlined in sections 6 and 7 of the report and that this be implemented with immediate effect.

3. Implications

- 3.1 **Financial:** There are no new financial implications associated with the proposal for a new model of scrutiny.
- 3.2 **Policy:** N/A
- 3.3 **Personnel:** N/A
- 3.4 **Legal:** The proposed new model for scrutiny accords with the Local Government Act 2000.
- 3.5 **Risk Management:** N/A
- 3.6 **Property:** N/A
- 3.7 **Other:** N/A

Executive Summary

4. Introduction / Background

- 4.1 As part of the feedback on the Council's LGA Peer Review undertaken over the period 1 to 4 July 2014 scrutiny was identified as in need of improvement. At its meeting on 19 May 2016 the Council agreed to introduce three new Select Committees to support the Overview and Scrutiny Management Commission (OSMC). The Three new Select Committees were:
- (i) Resources Select Committee
 - (ii) Environment Select Committee
 - (iii) Communities Select Committee
- 4.2 In introducing the three new Select Committees it was acknowledged that there were no additional officer resources available to support these and, as such, each Select Committee would only meet twice a year. The total number of available meeting dates would equate to the same number of meetings previously allocated to the OSMC, namely, 9 meetings a year. It was agreed that a review of the new structures would be undertaken within 12 months.
- 4.3 The Local Government Act 2000 places a duty on the Council to establish a model of scrutiny which both has the ability for Members to challenge decisions of the Executive (Call-in) whilst undertaking policy development activities too.
- 4.4 Whilst there are call-in provisions as part of the Council's Constitution it is acknowledged that holding the Executive to account is difficult to achieve given the current proportionality of the Council.

5. Progress

- 5.1 In carrying out a review of the new model it is clear that this has had limited success. The lack of available officer resource and other governance arrangements which the Council operates are the main reasons for this. That is not to say that the work undertaken to date has not been productive.
- 5.2 Concerns have also been expressed by the Scrutiny Chairmen that it has been difficult to formulate a work programme of activity and to get this supported.

6. Proposal

- 6.1 Given the above it is now proposed that the Council integrates its policy development activities associated with scrutiny into its work which is already ongoing.
- 6.2 It is proposed that the Council appoints a group of "scrutineers" who would, inter alia, be incorporated into the individual project groups associated with the Corporate Programme.
- 6.3 This new model would also recognise other current policy development activities ongoing such as the work associated with the Planning Policy Task Groups etc. This new model would retain an Overview and Scrutiny Management Commission

which would meet quarterly to review performance reports etc whilst also being responsible for call-ins.

6.4 The Select Committees would be disbanded as part of this proposal.

7. Conclusion

7.1 It is proposed that the Council moves to a new model of scrutiny which is based on work which is already ongoing. Scrutiny would therefore become more policy development orientated and look to add value to the Council's Corporate Programme of work.

8. Appendices

8.1 Appendix A – Supporting Information

8.2 Appendix B – Equalities Impact Assessment

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Appointment of and Allocation of Seats on Committees for the 2017/18 Municipal Year

Committee considering report:	Council
Date of Committee:	9 May 2017
Portfolio Member:	Councillor Graham Jones
Report Author:	Moira Fraser
Forward Plan Ref:	C3157

1. Purpose of the Report

- 1.1 To consider the appointment and allocation of seats on Committees for the next Municipal Year.
- 1.2 To agree the Council's Policy Framework for 2017/18 as set out in Paragraph 7.1 of Appendix A.

2. Recommendations

1. That the Council notes that under Paragraph 8 of the Local Government (Committees and Political Groups) Regulations 1990, notice has been received that the Members set out in paragraph 1.1 of Appendix A to this report are to be regarded as Members of the Conservative and Liberal Democrat Groups respectively.
2. That Council notes the discussion and outcome of the proposed new model for scrutiny as outlined in paragraphs 6.1 to 6.4 of the report entitled "Proposed new model for Scrutiny" (Agenda item 11 refers) and if appropriate adjusts the seats and substitute numbers accordingly on Committees as set out in Tables A, B and C of Appendix A.
3. That the Council agrees to the appointment of the various Committees and to the number of places on each as set out in paragraph 3.2 of Appendix A (Table A).
4. That the Council agrees to the allocation of seats to the Political Groups in accordance with section 15(5) of the Local Government Act 1989 as set out in paragraph 4.6 of Appendix A (Table B).
5. That the number of substitutes on Committees and Commissions be as set out in paragraph 5.1 of Appendix A (Table C).
6. In respect of the District and Area Planning Committees, the substitute Members are all drawn from Members representing wards within the Committee's area who are not appointed to the Committee. Where substitutes attend the District Planning Meeting they need to be drawn from the same Area Planning meeting as the Member they are substituting for.

7. That the Council approves the appointment of Members to the Committees as set out in Appendix C and in accordance with the wishes of the Political Groups.
8. That the Council, in accordance with Regulation 4, Schedule 3 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, and the Local Authorities (Functions and Responsibilities) (England) (Amendment No.2) Regulations 2008, agrees the Council's Policy Framework for 2017/18 be as set out in paragraph 7.1 of Appendix A and that any appropriate amendments be made to the Council's Constitution (Paragraph 2.5.2) should this be necessary.
9. That the Council, in accordance with Regulation 5, Schedule 4 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, approves that all other plans, policies and strategies requiring approval and not included in the approved Policy Framework be delegated to the Council's Executive.
10. That the Council agrees that Paragraph 2.6.5 of Article 6, setting out the Executive Portfolios, be amended to reflect any changes made by the Leader of the Council at the Annual Council meeting.
11. That the appointment of two non voting co-opted Parish/Town Councillors and one non-voting substitute Parish/Town Councillor be made to the Governance and Ethics Committee namely Barry Dickens (co-opted non voting Parish Councillor), Geoff Mayes (co-opted non voting Parish Councillor) and Jane Langford (substitute co-opted non voting Parish Councillor)
12. That the appointment of two Parish/Town Councillors and one non-voting substitute Parish/Town Councillor is made to the Governance and Ethics Committee's Advisory Panel namely Tony Renouf, Darren Peace, and Bruce Laurie (substitute)
13. To re-appoint three Independent Persons namely Lindsey Appleton, James Rees and Mike Wall.
14. To agree the membership of the Health and Wellbeing Board as set out in paragraph 10.1 of Appendix A.
15. That authority be delegated to the Monitoring Officer to make any changes required to the Constitution as a result of the appointments to Committees.

3. Implications

Financial:	Members Allowances, proposed by the Independent Remuneration Panel, were agreed at the May 2015 Council meeting. All allowances will be met from within existing budgets.
Policy:	The appointments and allocations will be made in accordance with the Council's statutory obligations. The Council's Policy making framework is updated annually
Personnel:	None
Legal:	The allocation of seats to Political Groups is in accordance with Section 15(5) of the Local Government and Housing

Act 1989 and related regulations mentioned in this report.

Risk Management: None

Property: None

Other: None

Executive Summary

4. Introduction / Background

4.1 In accordance with Paragraph 4.2.2 of the Constitution, the Council is required to appoint Committees and other Member bodies that are not part of the Executive. Membership of the Council's Committees is agreed annually at the May Council meeting. This report sets out the Membership of the Political Groups, the size and Membership of the Committees as well as the number of substitutes to be appointed for each of the bodies. It also sets out the 2017/18 Policy Framework.

5. Proposals

- In accordance with Regulation 8 of the Local Government (Committees and Political Groups) Regulations 1990, 47 Members wish to be regarded as members of the Conservative Group and 4 Members wish to be regarded as members of the Liberal Democrat Group. There is currently one vacancy on the Council following the sad death of Councillor Roger Croft in March 2017.
- Agenda Item 11 'Proposed New Model for Scrutiny' recommends that the Council adopts a new Scrutiny Model. This new model would look to retain an Overview and Scrutiny Management Commission but the Communities, Environment and Resources Select Committees would be disbanded.
- If Members are minded to approve the new Scrutiny Model; Members, and where appropriate substitutes, will be appointed to 8 Committees totalling 85 seats. In this case 77 of these seats will be allocated to Conservative Members and 8 to Liberal Democrat Members due to the fact that not all seats on any Committee can be allocated to the same political party.
- If Members are not minded to approve the new Scrutiny Model; Members, and where appropriate substitutes, will be appointed to 11 Committees totalling 95 seats. In this case 84 of these seats will be allocated to Conservative Members and 11 to Liberal Democrat Members due to the fact that not all seats on any Committee can be allocated to the same political party
- No changes have been made to the Policy Framework for 2017/18.
- The Council will continue to appoint two Parish/Town Councillors to the Governance and Ethics Committee, two Parish/ Town Councillors to the Governance and Ethics Committee's Advisory Panel and three Independent Persons. In addition it is proposed that one substitute Parish/ Town Councillor will be appointed to the Governance and Ethics Committee and one to its Advisory Panel.

6. Conclusion

- 6.1 Members are asked to agree the appointment of and allocation of seats on the Committees for the 2017/18 Municipal Year.
- 6.2 Members are asked to agree the Council's Policy Framework for 2017/18 as set out in Paragraph 7.1 of Appendix A.

7. Appendices

- 7.1 Appendix A – Supporting Information
- 7.2 Appendix B – Equalities Impact Assessment
- 7.3 Appendix C – Membership of Committees (To be tabled)

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West Berkshire District Council Housing Site Allocations Development Plan Document

Committee considering report:	Council
Date of Committee:	9 May 2017
Portfolio Member:	Councillor Hilary Cole
Date Portfolio Member agreed report:	27 April 2017
Report Author:	Bryan Lyttle
Forward Plan Ref:	C3227

1. Purpose of the Report

- 1.1 To inform Council of the receipt of the Inspector's Report into the Examination of the West Berkshire District Council Housing Site Allocations Development Plan Document (HSA DPD).
- 1.2 To consider the adoption of the West Berkshire Housing Site Allocations Development Plan Document as attached in Appendix A.

2. Recommendations

- 2.1 That Council resolves that:
 - (1) The West Berkshire Housing Site Allocations Development Plan Document as attached in Appendix A is adopted in accordance with Section 23 of the Planning and Compulsory Purchase Act 2004 (as amended).
 - (2) Delegated authority is given to the Head of Development and Planning to agree any minor typographical and formatting refinements to the West Berkshire Housing Site Allocations Development Plan Document before publication.

3. Implications

- 3.1 **Financial:** The cost to the Council has been met within budget 2016/17
- 3.2 **Policy:** The HSA DPD is a "daughter document" to the Core Strategy and does not reassess the housing requirement. A new Local Plan, looking longer term, will be prepared to meet the objectively assessed need, as far as is consistent with the policies in the NPPF.
- 3.3 **Personnel:** n/a
- 3.4 **Legal:** Once Council adopts the HSA DPD it is still subject to a potential Judicial Review (JR) either by a developer or

member of the public. Requests for a JR must be made within 6 weeks following the day of adoption.

3.5 **Risk Management:** n/a

3.6 **Property:** n/a

3.7 **Other:** n/a

4. Other options considered

None

Executive Summary

5. Introduction / Background

- 5.1 The Housing Site Allocations Development Plan Document (HSA DPD) was submitted to the Secretary of State on 6th April 2016. Examination sessions were held in June and July 2016 to discuss a number of issues upon which the Inspector required clarification. During the hearing sessions, the Inspector asked the Council to undertake additional work on a number of issues.
- 5.2 This work was completed in August 2016 and submitted to the Inspector at the beginning of September. The Inspector then sought additional comments on this work from those participants who attended the relevant hearing sessions.
- 5.3 At the same time, in accordance with Section 20 (7c) of the Planning and Compulsory Purchase Act 2004 (as amended), the Council formally requested that the Inspector recommended necessary modifications to the DPD in order to ensure legal compliance/soundness.
- 5.4 On 17th October 2016 the Inspector issued his preliminary findings and proposed a number of Main Modifications to the DPD. These proposed Main Modifications were subject to a further 7 week consultation between 12 December 2016 and 30 January 2017. They received a total of 105 responses which the Council duly sent on to the Inspector at the end of February together with the Council's response to them. These were all considered by the Inspector in reaching his conclusions.

6. Inspector's Report

- 6.1 The Inspector's Report was received on 28 March 2017 for 'fact checking'. This provided an opportunity for officers to identify any factual errors and to seek clarification on any conclusions that were unclear – but did not provide any scope to question conclusions. Officers completed the 'fact check' and the final report was then received from the Planning Inspectorate on 6 April 2017. The final Inspector's Report is attached as Appendix B.
- 6.2 The Inspector concluded that all legal and regulatory requirements had been met and that the West Berkshire Housing Site Allocations Development Plan Document provides an appropriate basis for the planning of the area, providing a number of modifications are made to the plan. These are set out in the appendix to his report. All of the required modifications were actually proposed by the Council during the course of the Examination and the Inspector recommended their inclusion after considering the representations on them from other parties.
- 6.3 The Main Modifications are summarised as follows:
 - To set out the role of the DPD, its relationship to the adopted Core Strategy, the policies Map, Neighbourhood Plans and the forthcoming "new" Local Plan.
 - To clarify that the DPD has only reviewed the settlement boundaries for those settlements within the settlement hierarchy set out in the Core Strategy. All settlement boundaries will be reviewed through the preparation of the new Local Plan.

- To make specific changes to policies dealing with individual housing sites, including the clarification of developable areas and the development potential of some sites. The most significant of these are:
 - the removal of Policy HSA14 North Lakeside, Theale and redrawing the settlement boundary of Theale around the whole of the Lakeside site. The southern portion of the site already has an extant planning permission for residential development and inclusion of the whole site would help to enable a comprehensive scheme which takes account of the nature and character of the area.
 - to increase the developable area of site ref:THE009 land between the A340 and The Green, Theale (Policy HSA 12) from 2.3 hectares to 3.4 hectares and increase the development potential of the site from approximately 70 dwellings to approximately 100 dwellings.
 - to increase the developable area of site ref:EUA025 land adjacent to Junction 12 of M4, Bath Road, Calcot (Policy HSA 12) from 1.7 hectares to approximately 4 hectares and increase the development potential of the site from approximately 100 dwellings to between 150 and 200 dwellings.
 - the removal of Policy TS3 relating to Clappers Farm Area of Search, Beech Hill (site ref:GTTS6).
- To make specific changes to some settlement boundaries, the most significant of which are:
 - to delete the proposed inclusion of Green Lane within the settlement boundary of Chieveley
 - to include the properties at Hermitage Green within the settlement boundary of Hermitage
- To clarify that there is a presumption in favour of development and redevelopment within the settlement boundaries of Burghfield, Curridge, Donnington, Eddington, Upper Bucklebury and Wickham. These settlements had been erroneously omitted from Policy C1 at the submission stage.
- To clarify Policy C1 that the circumstances where new dwellings in the countryside can be permitted will include limited infill in settlements in the countryside with no defined boundary.
- To clarify that Policy C5 does not apply to the existing educational and institutional establishments within the rural area of West Berkshire. The policy provisions for new development associated with these establishments are set out in saved policy ENV.27 of the West Berkshire District Local Plan.
- To clarify Policy P1, parking standards in relation to new development, with regard to visitor spaces for flats and change the requirement for two bed flats in Zone 1 to one space per dwelling in line with two bed houses in this zone.

7. Conclusion

- 7.1. The Inspector has concluded that the West Berkshire Housing Site Allocations Development Plan Document provides an appropriate basis for the planning of the area, providing a number of modifications are made to the plan. West Berkshire Council has specifically requested that the Inspector recommends any modifications necessary to enable the plan to be adopted.
- 7.2 If the Council resolves to adopt the West Berkshire Housing Site Allocations Development Plan Document, the plan will be formally advertised in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012. This triggers a six week period within which any person aggrieved by the West Berkshire Housing Site Allocations Development Plan Document may make an application to the High Court under section 113 of the Planning and Compulsory Purchase Act 2004 (as amended) on the grounds that either:
- (a) The document is not within the appropriate power; or
 - (b) A procedural requirement has not been complied with.
- 7.3 Once adopted, the West Berkshire Housing Site Allocations Development Plan Document becomes part of the Development Plan.

8. Appendices

- Appendix A – final text of the Housing Site Allocations Development Plan Document (including Main Modifications as set out in the Inspector’s Report and Minor Modifications as set out in the Schedule of Proposed Minor Changes (December 2016)
- Appendix B - Inspector’s Report on the Examination into the West Berkshire Housing Site Allocations Development Plan Document (6 April 2017)

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West Berkshire Minerals and Waste Local Plan - Preferred Options Consultation

Committee considering report:	Council
Date of Committee:	9 May 2017
Portfolio Member:	Councillor Hilary Cole
Date Portfolio Member agreed report:	13 April 2017
Report Author:	Andrew Morrow
Forward Plan Ref:	C3273

1. Purpose of the Report

- 1.1 The purpose of this report is to consider approval of the publication of the Preferred Options Consultation for the West Berkshire Minerals and Waste Local Plan for a six week period in accordance with the West Berkshire Statement of Community Involvement. In addition approval is required for the publication of a number of supporting documents.

2. Recommendations

- (1) That the Preferred Options Consultation Document, and supporting evidence (including the Sustainability Appraisal /Strategic Environmental Assessment report and Habitats Regulations Assessment), is published for a six week consultation in accordance with the West Berkshire Statement of Community Involvement.
- (2) Council grant delegated authority to the Head of Development and Planning, in consultation with the appropriate portfolio holder to agree any minor typographical and formatting alterations to the draft Preferred Options consultation document and supporting information prior to publication for consultation.

3. Implications

- 3.1 **Financial:** The Council is committed to producing planning policy documents. Budgetary provision has been made to carry out the relevant work.
- 3.2 **Policy:** The Minerals and Waste Local plan will replace the Replacement Minerals Local Plan for Berkshire (2001) and the Waste Local Plan for Berkshire (1998). The West Berkshire Minerals and Waste Local Plan will include sites allocated to meet the Council's mineral requirements over the life of the plan (to 2036) as well as the policy framework against which decisions on minerals and waste proposals will be made.

- 3.3 **Personnel:** N/A
- 3.4 **Legal:** The Minerals and Waste Local Plan will provide the planning framework for Minerals and Waste planning in West Berkshire.
- 3.5 **Risk Management:** In the absence of an up to date development plan relating to minerals and waste, planning applications received have to be considered against a dated local policy framework and national policy increasing the possibility of the authority not being able to consider all relevant local circumstances when making a determination. In the absence of an up to date waste plan there is a potential threat of fines from the EU.
- 3.6 **Property:** N/A
- 3.7 **Other:** N/A

4. Other options considered

- 4.1 No other options considered. The Council are required to have an up to date Minerals and Waste Local Plan and consultation forms a key part of the development of the plan.

Executive Summary

5. Introduction / Background

- The West Berkshire Minerals and Waste Local Plan (WBMWLP) will replace the Replacement Minerals Local Plan for Berkshire (2011) and the Waste Local Plan for Berkshire (1998) providing an up to date planning framework for minerals and waste development in West Berkshire to 2036.
- It is proposed to consult on the Preferred Options Plan for six weeks, in accordance with the Council's Statement of Consultation between the 19th May and 30th June 2017.

6. Proposal

- The Minerals and Waste Local Plan Preferred Options sets out the proposed planning framework for Minerals and Waste Development in West Berkshire, based on evidence collected, site assessment work and the outcomes of early consultation (Issues and Options 2014 and Sites 2016).
- It sets out comprehensive policies to guide development and proposes the allocation of sites for mineral development to meet the Council's mineral need over the plan period.
- No waste sites are proposed for allocation as there is no need for additional waste management capacity over the plan period.
- The plan is supported by a number of evidence base and background documents. These can be made available electronically on request and a hard copy is available in the Members' Boardroom.

7. Conclusion

- The Minerals and Waste Local Plan Preferred Options has been prepared to allow members of the public, operators and statutory bodies to provide input into the final submission version of the Plan that will be subject to Examination in Public.
- The Consultation is proposed to take place between 19 May and 30 June 2017.
- Following the consultation, officers will prepare a submission version of the plan for Council, taking into account the comments received as part of the consultation. It is currently anticipated that the submission draft of the plan will be ready for publication by the end of 2017, with examination taking place in summer 2018 and adoption of the plan by the end of 2018.

8. Appendices

- 8.1 Appendix A – Supporting Information
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Minerals and Waste Local Plan Preferred Options Consultation Document

- 8.4 Appendix D – Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA) Environmental Report. (Please note that the SA/SEA appendices are available electronically upon request)
- 8.5 Appendix E – Habitats Regulation Assessment (HRA)

Stratfield Mortimer Neighbourhood Development Plan

Committee considering report:	Council
Date of Committee:	9 May 2017
Portfolio Member:	Councillor Hilary Cole
Date Portfolio Member agreed report:	28 April 2017
Report Author:	Laila Bassett
Forward Plan Ref:	C3286

1. Purpose of the Report

- 1.1 To consider the officer recommendation that the examiner's decision on the Stratfield Mortimer Neighbourhood Development Plan (NDP) (ie. that it should not proceed to referendum) is not followed and the NDP does progress to referendum. This is as a result of new landscape evidence which West Berkshire District Council (WBDC) officers consider overcomes the concerns raised by the examiner in his report.

2. Recommendation

- 2.1 That Council agrees to the Stratfield Mortimer NDP progressing to referendum.

3. Implications

- 3.1 **Financial:** The Council are currently able to claim up to £30,000 per Neighbourhood area designated (up to a maximum of 20 areas per year). Payments are broken down into stages:
- 1) £5,000 following the designation of a neighbourhood area
 - 2) £5,000 following publication of the proposed neighbourhood plan once it has been submitted to the council
 - 3) £20,000 following successful completion of the neighbourhood plan examination. This is to part pay for the examination and costs associated with the referendum.

The cost to the council is largely through officer time, and in the organisation of the referendum. It is estimated that approximately 90 to 100 hours of officer time was required to support Stratfield Mortimer develop a neighbourhood plan, at a cost of approximately £2,500. This does not include the cost of the examination.

The Stratfield Mortimer examination cost approximately

£18,185.

On average referendums cost £5,000 per ballot box to deliver, plus the officer time associated with arranging the referendum.

- 3.2 **Policy:** National Planning Policy makes provision for the development of neighbourhood planning. An adopted NDP forms part of the district's development plan.
- 3.3 **Personnel:** The Council has a duty to support the development of Neighbourhood Plans. Officer time will be required to offer this support.
- 3.4 **Legal:** The relevant legislation setting out the neighbourhood planning process is included in the Localism Act 2011 and the Neighbourhood Planning (General) Regulations 2012 (as amended).
- Parish/Town Councils or neighbourhood forums have the responsibility for leading the process; however local planning authorities have a significant role in assisting certain stages of the process and ensuring that certain criteria are met. The procedure comprises a number of stages which include public consultation and examination. If the NDP is found to be satisfactory, a local referendum must take place where more than 50% of those voting must agree to it, before the NDP is brought into legal force and becomes part of the development plan.
- 3.5 **Risk Management:** n/a
- 3.6 **Property:** n/a
- 3.7 **Other:** n/a

4. Other options considered

- 4.1 That the recommendations of the Stratfield Mortimer NDP examiner are accepted, and the NDP does not proceed to referendum. The NDP allocates a site for 110 dwellings, so by accepting the examiners recommendations would mean that WBDC have to address any shortfall in Stratfield Mortimer within the new Local Plan.
- 4.2 For the purposes of the determination of planning applications, the development plan for West Berkshire would not include the NDP.

Executive Summary

5. Introduction / Background

- 5.1. Neighbourhood Development Plans (NDPs) enable local communities to decide the future shape of the places where they live. Draft NDPs must undergo consultation and independent examination. The independent examiner considers if the draft NDP meets each of a set of basic conditions, and then recommend whether or not the NDP can proceed to referendum, or if modifications should be made before the NDP proceeds to referendum.
- 5.2. The Council currently has one NDP, Stratfield Mortimer, that has been through independent examination. The examiner recommended that the Stratfield Mortimer NDP did not progress to referendum purely due to a lack of landscape evidence. Because of the lack of environment evidence, he considered that the environment had not been fully considered when selecting a site to allocate (the site allocated for housing in the NDP was land to the south of St. John's Church of England School, off The Street) and therefore the NDP failed to meet two basic conditions.
- 5.2. The examiner did, however, state that had it not been for the landscape issue, he would have recommended that the NDP, with modifications, progress to referendum. The examiner set out the modifications that he would have made in his report. The report is included in Appendix C, however the modifications are also listed within Appendix D.
- 5.3. As part of the process for making NDPs, following the issuing of the examiner's report, a local planning authority (LPA) must consider the examiner's report, decide which of the recommendations should be followed, and then publish its decision.
- 5.4. Legislation allows LPAs to make a different recommendation to that of the examiner if there is new evidence. However if LPAs do propose a different decision, they must set out the reasons for this and invite representations.
- 5.5. Stratfield Mortimer Parish Council made a request to West Berkshire District Council (WBDC) that they delay making a decision on the Examiner's report so that it and the Stratfield Mortimer NDP Steering Group could consider the report in further detail. Subsequently, the Stratfield Mortimer NDP Steering Group informed WBDC via the Parish Council that they wished to commission detailed landscape work to overcome the examiner's concerns.
- 5.6. In January 2017, WBDC on behalf of Stratfield Mortimer Parish Council commissioned independent landscape assessment work ('Landscape Capacity Assessment of Potential Housing Sites at Stratfield Mortimer'). This is included at Appendix E.
- 5.7. At a Full Council meeting of Stratfield Mortimer Parish Council in February 2017, two motions were moved and agreed:
 - (a) The Parish Council recommends that the WBDC rejects the Examiners recommendation as set out in his report dated 25 October 2016 and formally agrees that the Stratfield Mortimer Neighbourhood Development Plan proceeds to referendum following the analysis of the further evidence submitted by the Stratfield Mortimer Neighbourhood Planning Group.
 - (b) The Parish Council requests that WBDC make a decision regarding the Examiner's Report into the Stratfield Mortimer Neighbourhood Development

Plan by 10 May 2017 (in accordance with Reg 17A (4) and (5)(a) and 24A (4) and (5)(a) of the Neighbourhood Planning Regulations (General) 2012 (as amended)) to allow time for full consideration of the recommendations and issues raised in the report.

- 5.8. For the Full Council meeting of Stratfield Mortimer Parish Council, the Stratfield Mortimer NDP Steering Group produced a document (see Appendix F) that set out the possible ways forward following the landscape assessment work. On studying the new evidence in the landscape study and assessing it together with all the other sustainability evidence collected during the whole NDP process, they have found that when all of the sustainability criteria are taken together, as recommended good practice, the provision of up to 110 homes on the allocated site is still considered the most suitable option. The recommendation within the document was therefore to proceed with recommending the NDP to WBDC with the examiner's recommendations on changing '110 dwellings' to 'up to 110 dwellings' and other minor modifications. This document was submitted to WBDC following the agreement of the two motions.
- 5.9. In March 2017, WBDC officers proposed to recommend that the Stratfield Mortimer NDP progress to referendum because it was felt that the NDP as now proposed to be modified met all of the basic conditions. This was on the basis that the landscape assessment provided the environmental evidence that the examiner considered was missing. The completion of the study now means that the three elements of sustainable development (economic, environment and social) have been considered.
- 5.10. Furthermore, whilst the landscape assessment recommends that only part of the allocated site is suitable for development, national planning policy is clear that the three roles of sustainable development should not be taken in isolation because they are mutually dependent. It was the preference of the local community that only one site was allocated, and that the preferred site was the site south of St. John's Church of England School, off The Street. The allocated site will also include land for a new GP surgery and school.
- 5.12. In line with legislation, WBDC officers sought representations on their proposed recommendation. On consideration of these, officers felt that the issues raised would not result in a different final recommendation, ie. re-examination of the plan. Appendix G sets out the comments received and provides a Council response to each comment.

6. Proposal

- 6.1. WBDC officers recommend that the Stratfield Mortimer NDP progresses to referendum in light of the additional landscape evidence that has been undertaken. Representations on this proposed decision were sought between 3 March and 18 April 2017. None of the representations raise issues that would result in the Council recommending an alternative recommendation.

7. Conclusion

- 7.1. Following the consultation on the WBDC officer proposed recommendation, it is the final recommendation of officers that the NDP progresses to referendum. Council are asked to formally agree to this recommendation.

- 7.3. If formal agreement is obtained, then a referendum will be arranged to take place in the summer of 2017. A potential date for the referendum is 22 June 2017, with notice of the referendum served on 17 May 2017. Only those living within Stratfield Mortimer Parish and who are registered to vote will be eligible to vote in the referendum. The referendum will be run like a local election, with poll cards and absent voting.
- 7.4. On a successful 'yes' vote at referendum, the Stratfield Mortimer Neighbourhood Plan will be immediately adopted as part of the Development Plan, and used to determine planning applications within the Stratfield Mortimer Neighbourhood Area.

8. Appendices

- 8.1 Appendix A – Supporting Information
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Stratfield Mortimer Neighbourhood Development Plan – Examiner's Report (25 October 2016)
- 8.4 Appendix D – Stratfield Mortimer NDP Examiner's modifications to the NDP that he would have made had he recommended the NDP progress to referendum
- 8.5 Appendix E – Landscape Capacity Assessment of Potential Housing Sites at Stratfield Mortimer (January 2017)
- 8.6 Appendix F – NDP – possible ways forward following the landscape study (Stratfield Mortimer Neighbourhood Development Plan Steering Group, February 2017)
- 8.7 Appendix G – West Berkshire Council response to the consultation on the proposed officer recommendation that the Stratfield Mortimer NDP should progress to referendum

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Property Investment Strategy

Committee considering report:	Council
Date of Committee:	9 May 2017
Portfolio Member:	Councillor Dominic Boeck
Date Portfolio Member agreed report:	21 March 2017
Report Author:	Richard Turner
Forward Plan Ref:	C3283

1. Purpose of the Report

- 1.1 To provide a formal policy for the acquisition of commercial investment properties that will provide a balanced investment portfolio from which WBC can derive a long term, sustainable revenue stream.
- 1.2 To convey the key elements and seek approval to the implementation of a Property Investment Strategy.
- 1.3 To seek approval to the formal governance arrangements for the acquisition and disposal of commercial investment property and ongoing management of the investment portfolio.
- 1.4 To agree the acquisition and disposal of building assets up to a value of £10M by way of Delegated Authority.

2. Recommendations

- 2.1 The Council resolves:
 - (1) To approve the Property Investment Strategy (set out in appendix C) as an addendum to the Council's Investment and Borrowing Strategy 2017/2018.
 - (2) To delegate to the Head of Legal Services in consultation with and having received agreement from the Property Investment Board to purchase investment property in accordance with the above Strategy up to a maximum of £10 million per transaction.
 - (3) To delegate to the Head of Legal Services in consultation with and having received agreement from the Property Investment Board to dispose of property in accordance with the above Strategy up to a maximum of £10 million per transaction.
 - (4) To delegate to the Head of Finance and Property in consultation with the Portfolio Holder for Property, authority to appoint suitable consultants in accordance with the Contract Rules of Procedure (Part 11 of the Constitution).

3. Implications

3.1 **Financial:** An increased level of borrowing to increase the capital programme by £50m allowing the purchase of commercial investment property.

Within the cost modelling there is expected to be allowance for the appointment of external property agents.

The strategy will be an addendum to the Treasury Management Strategy for the new financial year (2017/2018) and is in accordance with the Local Government Act 2003 and CIPFA's Prudential Code and Code of Practice for Treasury Management.

3.2 **Policy:** Introduction of a new formal Strategy.

3.3 **Personnel:** Property Services is to lead on both the acquisition of property and ongoing management of the portfolio. Although it is proposed to structure it such that the appointed external property consultants take on significant duties, there remains the potential for future impact on workload and resource for the Property Services team.

The acquisition process and ongoing management of the property portfolio will involve both Legal Services and Finance staff members.

3.4 **Legal:** In relation to the legal powers and implications please refer to the detailed legal implications within Appendix A – Supporting Information.

3.5 **Risk Management:** The Strategy document considers risks associated with property investment which include, non payment of rent, non renewal of lease resulting in void periods, unplanned capital cost, market forces influenced by wider economic impact.

3.6 **Property:** This strategy will significantly add to the investment property portfolio. The Property Services team will manage both the acquisition process and the ongoing management of the portfolio, making use of external consultant agents.

3.7 **Other:** None identified.

4. Other options considered

4.1 A 'do nothing' option brings no improvement in income generation and revenue streams and does not contribute to improved financial certainty for WBC.

5. Executive Summary

- 5.1 Traditionally local authority property acquisition has been for the direct purpose of operational delivery of services. However increasing financial pressures combined with significantly reduced resources means that West Berkshire Council needs to consider the potential opportunities available to it to generate new revenue income streams through property investment.
- 5.2 This report proposes the introduction of a formal Property Investment Strategy to agree the framework within which WBC will acquire commercial investment property.
- 5.3 The return on investment expected from the acquisition of commercial property is based on Public Works Loan Board 50 year maturity certainty rates at 2.53%, showing a surplus income of £954,280 (1.91%) on £50m invested from a yield of 6% (fully invested). See appendix E for data on Return on Investment.
- 5.4 The acquisition of investment properties is intended to be made directly by West Berkshire Council, which offers financial benefit in terms of:
- (1) The property acquired is the Transfer Of a Going Concern (TOGC) and thus no VAT arises for the purchase. There may be cases where the Seller elects that VAT applies in which case the Council will recoup the VAT.
 - (2) No capital gains tax is payable on the capital increase in value;
 - (3) No corporation tax is payable.

The acquisition will be subject to Stamp Duty Land Tax (SDLT) and fees associated with the consultants acting for WBC in the acquisition process.

- 5.5 Jones Lang LaSalle (JLL) property consultant has been appointed by WBC to offer detailed proposals for the content and form of the Property Investment Strategy. The formal strategy proposed by JLL is attached as appendix C to this report. Supporting JLL report is in appendix D of this report.
- 5.6 The Business Case for investment in commercial property for the purposes of income generation is:
- (1) Powers within legislation affording local authorities the opportunity to borrow and invest for the prudent management of the Council's financial affairs and in this context acquisition of property for investment purposes;
 - (2) Performance of property investments set against the level of borrowing WBC benefits from expected that the investment return will be in excess of the opportunity cost of capital and thus profitable.
 - (3) Expected and proven performance of commercial real estate over time to produce strong returns with consistent income returns.

- 5.7 The Property Investment Strategy conveys the investment criteria to be used in the acquisition of individual commercial properties.

Key elements of these criteria include balancing the proportion of asset types, sectors (eg – retail, office, warehouse, etc.), lot size and location.

Other investment attributes considered are the terms of existing leases, rent review allowances and building condition.

- 5.8 It is expected that up to £50m be fully invested subject to availability of properties in approximately 12 to 18 months from commencement.
- 5.9 To ensure a swift decision making process, critical in property acquisition, the process for acquisition of an individual property is based on the Delegated Authority of the Head of Legal Services having first consulted and received the approval of a Property Investment Board.
- 5.10 The Property Investment Board (PIB) is to act as the formal governance for the acquisition, disposal and ongoing management of the investment portfolio.
The PIB will be an Officer and Member forum which will receive recommendations from Officers on individual acquisitions and disposals as well as quarterly reports including an annual review of the investment portfolio.
- 5.11 In circumstances where a property does not comply with the selection criteria or is beyond the budget scope, but the recommendation is to progress with the sale, a recommendation will be brought to the Property Investment Board and if approved to proceed, will be brought to the Executive to consider the purchase.
- 5.12 By its very nature property investment whilst offering reward also carries inherent economic and market risks. Risks can include void periods created by non renewal of leases, non payment of rent, unplanned capital costs and market conditions impacted by the wider economy.
- 5.13 The Client Side duties will be conducted for WBC through its Property Services Team, acting as an 'informed client', using in house knowledge to oversee both the acquisition and estate management, strongly supplemented by external property consultant expertise for elements beyond the skills and knowledge of WBC.
- 5.14 Duties of the Property Services Team will include:
- (1) Recording and maintaining property data;
 - (2) Appointing and performance managing external consultants;
 - (3) Preparing written reports for the Property Investment Board;
 - (4) Attending Property Investment Board meetings;
 - (5) Liaising with WBC colleagues within Finance and Legal Services.
- 5.15 Duties of the external consultant will include:
- (1) *Investment advisor (acquisitions)*
sourcing properties, market intelligence, analysis of compliance with strategy, due diligence.
 - (2) *Investment Advisor (Manager)*
Attend WBC Property Investment Board meetings, produce quarterly and annual reports, provide market research, interface with property manager, liaise with valuers.
 - (3) *Property Manager*
Rent and service charge collection, site inspections, statutory compliance, tenant liaison.
- 5.16 WBC Property Services team will take overall responsibility for the management of the processes associated with the Property Investment Strategy and for the appointment and performance management of external consultants.

- 5.17 The portfolio will be subject to review annually to consider performance of each asset, any change in risk profile, market update, re-assessment of the selection criteria and consideration of the holding period for properties.

6. Conclusion

- 6.1 It is proposed, subject to increased borrowing, to invest in a minimum of £25m and up to £50m of commercial property assets in accordance with the requirements of the Property Investment Strategy prepared by Jones Lang LaSalle (JLL), estimated to achieve full investment in approximately twelve to eighteen months.

7. Appendices

- 7.1 Appendix A - Supporting Information
7.2 Appendix B – Equalities Impact Assessment
7.3 Appendix C – Property Investment Strategy (JLL document)
7.4 Appendix D – Property Investment report (JLL document)
7.5 Appendix E – Property Investment – Estimated rate of return
7.6 Appendix F - Property Investment – Acquisition process flow chart

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