

# Notice of Meeting

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# Executive

**Thursday 23 November 2017 at 5.00pm**

**in the Council Chamber, Council Offices,  
Market Street, Newbury**

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Date of despatch of Agenda: Wednesday 15 November 2017

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Democratic Services Team on (01635) 519462

e-mail: [executivecycle@westberks.gov.uk](mailto:executivecycle@westberks.gov.uk)

Further information and Minutes are also available on the Council's website at [www.westberks.gov.uk](http://www.westberks.gov.uk)



To:	Councillors Dominic Boeck, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, Lynne Doherty, Marcus Franks, James Fredrickson, Graham Jones and Rick Jones
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# Agenda

## Part I

Pages

1. **Apologies for Absence**  
To receive apologies for inability to attend the meeting (if any).
2. **Minutes** 5 - 12  
To approve as a correct record the Minutes of the meeting of the Executive held on 19 October 2017 and the special meeting also held on the 19 October 2017.
3. **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](#).
4. **Public Questions**  
Members of the Executive to answer questions submitted by members of the public in accordance with the Executive Procedure Rules contained in the Council's Constitution.
  - (a) **Question submitted by Mr Peter Logan to the Portfolio Holder for Corporate Services**  
*"How many families in West Berkshire could be affected by the roll-out of Universal Credit next month?"*
  - (b) **Question submitted by Mrs Martha Vickers to the Portfolio Holder for Community Resilience and Partnerships**  
*"In recent years this Council has cut its Grant to the CAB. In view of the forthcoming introduction of Universal Credit in West Berkshire can the Council reassure me that they are not planning further cuts to this very necessary service?"*
  - (c) **Question submitted by Mr Andy Moore to the Portfolio Holder for Corporate Services**  
*"It is being widely reported that there are delays in receipt of Universal Credit where it has been rolled out in other parts of England. What allowances are the Council preparing to make if UC recipients are unable to make payments (eg. of council tax) on time?"*



5. **Petitions**

Councillors or members of the public may present any petition which they have received. These will normally be referred to the appropriate Committee without discussion.

**Items as timetabled in the Forward Plan**

	<b>Pages</b>
6. <b>Financial Performance Report 2017/18 - Quarter Two (EX3304)</b> (CSP: MEC and MEC1) Purpose: To inform Members of the latest financial performance for 2017/18.	13 - 36
7. <b>Transferring the freehold of the Corn Exchange premises to the Corn Exchange (Newbury) Trust (EX3372)</b> (CSP: SLE, HQL and HQL1) Purpose: To consider the transfer of the freehold of the Corn Exchange premises to the Corn Exchange (Newbury) Trust (CET) in order to strengthen the sustainability of the trust in the long term.	37 - 50
8. <b>Members' Questions</b> Members of the Executive to answer questions submitted by Councillors in accordance with the Executive Procedure Rules contained in the Council's Constitution.	
(a) <b>Question to be answered by the Portfolio Holder for Corporate Services submitted by Councillor Lee Dillon</b> <i>"Given the reported 6 week delay in payment has the Council requested to DWP that they delay the roll out of Universal Credit for West Berkshire residents until after Christmas?"</i>	
(b) <b>Question to be answered by the Portfolio Holder for Culture and Environment submitted by Councillor Lee Dillon</b> <i>"It has been reported that architect plans are being developed to turn Reading Prison into a Theatre. Will West Berkshire Council receive any funds from the disposal of this site as part of the old Berkshire County Council arrangements?"</i>	
(c) <b>Question to be answered by the Portfolio Holder for Planning, Housing and Leisure submitted by Councillor Alan Macro</b> <i>"What effect will the recent refusal of the planning applications for the Sandleford site have on the Council's housing land supply targets?"</i>	
(d) <b>Question to be answered by the Portfolio Holder for Culture and Environment submitted by Councillor Alan Macro</b> <i>"What is the amount of the compost made from recycled green waste sold to commercial organisations over the last year and how much income was made from this source?"</i>	



Andy Day  
Head of Strategic Support

### West Berkshire Council Strategy Aims and Priorities

#### Council Strategy Aims:

- BEC** – Better educated communities
- SLE** – A stronger local economy
- P&S** – Protect and support those who need it
- HQL** – Maintain a high quality of life within our communities
- MEC** – Become an even more effective Council

#### Council Strategy Priorities:

- BEC1** – Improve educational attainment
- BEC2** – Close the educational attainment gap
- SLE1** – Enable the completion of more affordable housing
- SLE2** – Deliver or enable key infrastructure improvements in relation to roads, rail, flood prevention, regeneration and the digital economy
- P&S1** – Good at safeguarding children and vulnerable adults
- HQL1** – Support communities to do more to help themselves
- MEC1** – Become an even more effective Council

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



## DRAFT

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

### EXECUTIVE

## MINUTES OF THE MEETING HELD ON THURSDAY, 19 OCTOBER 2017

**Councillors Present:** Dominic Boeck, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, Lynne Doherty, Marcus Franks and Graham Jones

**Also Present:** Paul Anstey (Head of Public Protection and Culture), Nick Carter (Chief Executive), Robert O'Reilly (Head of Human Resources), Mary Page (Adult Complaints and Public Liaison Manager), Peta Stoddart-Crompton (Public Relations Officer), Rachael Wardell (Corporate Director - Communities), Stephen Chard (Principal Policy Officer), Councillor Lee Dillon, Councillor Mollie Lock, Councillor Alan Macro and Gabrielle Mancini (Group Executive - Conservatives)

**Apologies for inability to attend the meeting:** John Ashworth, Councillor Billy Drummond, Councillor James Fredrickson and Councillor Rick Jones

### PART I

#### 39. Minutes

Councillor Graham Jones opened the meeting by congratulating Councillor Dominic Boeck on the birth of his grandson on 18 October 2017.

The Minutes of the meeting held on 7 September 2017 and the Special meeting held on 28 September 2017 were approved as true and correct records and signed by the Leader.

#### 40. Declarations of Interest

During the course of responding to a Member question on the Council's efforts to minimise the risks of Brexit, Councillor Graham Jones declared an interest in Agenda Item 7(d) as he was the owner of one of the number of small businesses he referred to in West Berkshire, but reported that, as his interest was a personal or a other registrable interest, but not a disclosable pecuniary interest, he determined to remain to take part in the debate on the matter.

#### 41. Public Questions

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

(a) **Question submitted by Mrs Pearl Baker to the Portfolio Holder for Corporate Services**

A question standing in the name of Mrs Pearl Baker on the subject of the formula used by the Council when applying exempt status re Supported Accommodation and reclaiming a Housing Benefit Subsidy back from the DWP would receive a written response from the Portfolio Holder for Corporate Services as Mrs Baker was unable to attend the meeting.

(b) **Question submitted by Mrs Pearl Baker to the Portfolio Holder for Adult Social Care**

A question standing in the name of Mrs Pearl Baker on the subject of whether the support to Garland Court in Newbury was funded by the local authority in the form of

## EXECUTIVE - 19 OCTOBER 2017 - MINUTES

Floating Support would receive a written response from the Portfolio Holder for Adult Social Care as Mrs Baker was unable to attend the meeting.

(c) **Question submitted by Mrs Pearl Baker to the Portfolio Holder for Adult Social Care**

A question standing in the name of Mrs Pearl Baker on the subject of how residents living at Garland Court subject to Section 117 free alternative aftercare were identified and provided with free aftercare including accommodation as per the Care Act 2014 would receive a written response from the Portfolio Holder for Adult Social Care as Mrs Baker was unable to attend the meeting.

(d) **Question submitted by Ms Elizabeth Nonweiler to the Portfolio Holder for Children, Education and Young People**

A question standing in the name of Ms Elizabeth Nonweiler on the subject of whether the Council had plans for improving the teaching of phonics in local authority schools in West Berkshire was answered by the Portfolio Holder for Children, Education and Young People.

### 42. **Petitions**

There were no petitions presented to the Executive.

### 43. **Leasing the Hungerford Library building to Hungerford Town Council to increase community benefit (EX3371)**

The Executive considered a report (Agenda Item 6) concerning a proposal from Hungerford Town Council to take on the lease of the Hungerford Library building so that the Town Council could develop a range of community activities and the Council could maintain the Library Service in the area whilst meeting the savings target for the service.

Councillor Dominic Boeck explained that this proposal would form part of the Council's plans to save £690k from the overall Library Service in 2017/18. The identification of this sum followed a detailed review. The implementation of the new Library Service commenced on 3 July 2017.

In terms of Hungerford Library specifically, the net cost of operating the library for 2017/18 was £33k (a saving of £28.5k on the 2016/17 cost following a reduction in staffing), on the proviso that Hungerford Town Council made an annual contribution of £5.5k which was based on the local population (equivalent to approximately £1 per resident). This was the contribution being sought from all parishes as part of the Council's plans for the new Library Service.

Hungerford Town Council, after considering this request, came forward with the proposal, in conjunction with the Friends of Hungerford Library, to transfer the lease of the library to themselves. They would form a Charitable Incorporated Organisation (CIO) that would take on the responsibility for the operation and maintenance of the library within the framework of the Library Service. Approval of the Town Council's proposal would enable the staffing level prior to 2017/18 to be re-established and maintained. It would also bring the net cost incurred by West Berkshire Council to £31k for 2017/18 (a saving of £30.8k).

Councillor Boeck gave his support to the Town Council's proposal as it would achieve benefits for all parties concerned and would achieve additional savings. He proposed acceptance of the recommendations to agree to this proposal in principle, the detail of the agreement could then be pursued and costs finalised prior to final approval. Councillor Boeck added that he felt this was an excellent example of communities working with West Berkshire Council for the benefit of local residents. Specifically, it

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reflected the friendly relationship that had been established between West Berkshire Council and Hungerford Town Council.

Councillor Graham Jones seconded the proposal, he endorsed the approach that had been developed and the community benefits it would bring.

Councillor Hilary Cole explained that she commenced the process of reviewing the Library Service when she was the previous Portfolio Holder and she expressed her delight at the progress that had been made for Hungerford Library. She gave thanks to Councillor Boeck, Officers, Hungerford Town Council and the Friends of Hungerford Library for all their work. Councillor Cole also gave special thanks to Mr Keith Knight of Hungerford Town Council. Mr Knight played a big part in championing this initiative from the outset and it would achieve an outstanding benefit for the residents of Hungerford in an area of importance to the local community.

Councillor Marcus Franks commented that this was a great example of the devolution agenda working well, enabling this service to be enhanced to help meet the needs of the local community. He highlighted that a bid had been made to the Community Solutions Fund to help take this forward. Finally, Councillor Franks stated that Devolution was on the agenda for discussion at the District Parish Conference being held on 7 November 2017.

Councillor Alan Macro noted that the library would be operated by a CIO, but he queried what would happen in the event that the CIO was unable to continue and how West Berkshire Council would respond in ensuring that the service continued to operate.

Councillor Macro also noted that the CIO would be eligible for the mandatory 80% rate reduction and were likely to also be eligible for the extra 20% discretionary rate relief under the current policy criteria. Therefore, while savings would be achieved, reduced rates would impact on the Council's finances. Councillor Macro sought clarity as to whether the CIO's business plan was reliant upon receiving the extra 20% discretionary rate relief.

Councillor Boeck clarified that the CIO was working on the assumption that they would receive the additional 20% of discretionary rate relief. In response to the question in relation to the CIO's sustainability, he stated that West Berkshire Council would support the Town Council/the Library in achieving an alternative and sustainable business model should this prove necessary.

Councillor Macro requested that the agreement documented the actions that would be taken should the CIO fold.

Councillor Boeck reiterated that the Executive was being asked to agree to the proposal in principle at this stage. The final agreement would be signed off under a delegated decision or by the Executive as necessary. However, Councillor Boeck agreed that he would take Councillor Macro's comments on board when finalising the agreement.

### **RESOLVED that:**

- (1) The Executive agree to grant the leasehold of the Hungerford Library building on a 99 year lease at a peppercorn rent for the purposes of library and other community uses subject to:
  - a short period of public consultation in the Hungerford area followed by a Stage 2 Equalities Impact Assessment to assess whether the proposal has any negative impacts for the public.
  - agreements on the Heads of Terms of the freehold transfer to ensure that the arrangement meets the saving in the libraries budget while facilitating greater

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community use of the building. With consideration given to safeguards that would be put in place should the CIO fold.

-final approval by the Council's Executive – or by a delegated decision (as required).

- (2) The Executive make this in principle decision so that HTC can progress their proposal and West Berkshire Council can make the budget saving required for the Library Service.

### **Other options considered:**

- Continuing with the current arrangements. This would not deliver the increase in usage for community activities and not engage with HTC is a long-term and sustainable solution for the Library Service and the building.
- Selling the building on the open market would reduce community amenity for residents. The site is centrally located off the centre of the High Street and therefore accessible to all residents.

## **44. Members' Questions**

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

- (a) **Question to be answered by the Portfolio Holder for Planning, Housing and Leisure submitted by Councillor Alan Macro**

A question standing in the name of Councillor Alan Macro on the subject of the Council's powers to reduce the loss of office space to residential space in the district was answered by the Portfolio Holder for Planning, Housing and Leisure.

- (b) **Question submitted to the Portfolio Holder for Planning, Housing and Leisure by Councillor Alan Macro**

A question standing in the name of Councillor Alan Macro on the subject of the protection given to rough sleepers during the winter was answered by the Portfolio Holder for Planning, Housing and Leisure.

- (c) **Question submitted to the Leader of the Council by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon on the subject of what analysis the Council had undertaken on the impact of Brexit to the local economy was answered by the Leader of the Council.

- (d) **Question submitted to the Leader of the Council by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon on the subject of what the Council was doing to mitigate the risks of Brexit was answered by the Leader of the Council.

- (e) **Question submitted to the Portfolio Holder for Planning, Housing and Leisure by Councillor Alan Macro**

A question standing in the name of Councillor Alan Macro on the subject of whether the recently announced delays to the Sterling Cable site had put at jeopardy the external funding for this project was answered by the Portfolio Holder for Highways and Transport.

*(The meeting commenced at 5.00pm and closed at 5.34pm)*

**CHAIRMAN** .....

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



# DRAFT

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

## EXECUTIVE

### MINUTES OF THE SPECIAL MEETING HELD ON THURSDAY, 19 OCTOBER 2017

**Councillors Present:** Dominic Boeck, Anthony Chadley, Keith Chopping, Jeanette Clifford, Hilary Cole, Lynne Doherty, Marcus Franks and Graham Jones

**Also Present:** Nick Carter (Chief Executive), Robert O'Reilly (Head of Human Resources), Peta Stoddart-Crompton (Public Relations Officer), Rachael Wardell (Corporate Director - Communities), Stephen Chard (Principal Policy Officer), Councillor Lee Dillon, Councillor Mollie Lock, Councillor Alan Macro and Gabrielle Mancini (Group Executive - Conservatives)

**Apologies for inability to attend the meeting:** John Ashworth, Councillor Billy Drummond, Councillor James Fredrickson and Councillor Rick Jones

#### PART I

##### 39. **Declarations of Interest**

There were no declarations of interest received.

##### 40. **Approval for a Targeted Recruitment Payment (TRP) to be included in the advert for the post of Head of Children and Family Services**

The Executive considered a report (Agenda Item 3) which sought approval of the proposal to add a "Targeted Recruitment Payment" (TRP) to the top of Grade N to allow the Council to recruit a suitable Head of Children and Family Services (C&FS). This would be included in the advertisement for this post so that it would hopefully attract a stronger field of candidates.

Councillor Graham Jones introduced the report and drew Members' attention to the union comments that had been tabled.

Councillor Jones commented that this proposal reflected the importance of this post and the need for it to be filled by a suitable candidate. Very good progress had been made in C&FS in recent years and it was important to maintain this momentum. He added that he understood the concerns raised by the unions in relation to recruitment and retention issues, but Councillor Jones felt that a TRP was appropriate for this post.

Councillor Lynne Doherty agreed with the importance of this post and the need to recruit a strong candidate. The current Head of C&FS had been instrumental in driving the improvements of recent years. While Ofsted had assessed the service as Good, there remained areas to improve upon and the positive momentum needed to continue.

Councillor Lee Dillon added his recognition of the importance of this post and commended the successes achieved by the outgoing Head of C&FS.

Councillor Lee Dillon referred to the criticism made of the Council by both the Unison and GMB Trade Unions. Both unions voiced concern at the Council using piecemeal solutions to resolving difficulties in recruitment and retention, and the development of a more appropriate Recruitment and Retention Policy was called for which needed to include a pay review across the Council. Councillor Dillon queried whether there were plans to implement such a review.

Councillor Jones asked Councillor Dillon for his view on the union comments. Councillor Dillon gave the view that TRPs were acceptable in some instances, but he felt that the

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Council should review some of the points made by the unions, i.e. whether West Berkshire Council was a low paying authority, to develop a wider understanding of whether there was an issue with recruitment and retention in West Berkshire as a result of the Council's pay scales.

Nick Carter advised that the ability to recruit and retain staff varied across the organisation. He acknowledged that there were difficulties in some areas of the Council, i.e. in Social Care, hence this proposal. He added that further TRPs could be utilised and he would be in acceptance of that in relevant cases. However, he would question a broader use of TRPs in those service areas where recruitment and retention were not particular problems.

Nick Carter went on to explain that the Senior Management Review (SMR) conducted in 2016 reviewed the pay of senior managers. Benchmarking conducted with other local authorities highlighted some issues with Corporate Director pay and for some Heads of Service and it was agreed, post SMR, to conduct further work on the pay for senior posts and this would be reported back in due course. Nick Carter added the point that many local authorities used a range of different salary scales for paying Heads of Service.

More generally across the Council, Nick Carter reported that he did not feel that pay was an issue. The Council had always followed the national pay award. Recruitment and retention across the majority of Council services indicated that the Council was not a low paying authority and was able to remain competitive with other local authorities. He added that flexibility was sought in recruiting and retaining staff and the Council did not have a 'one size fits all' approach, but it was the case that funds were limited. Councillor Jones added that the Council's budgets were declining and the limitations of this needed to be recognised.

Councillor Dillon then queried whether the Council would employ its standard recruitment processes in recruiting to this post or whether additional methods would be sought. In response, Councillor Lynne Doherty explained that the Council's standard practices proved successful when recruiting to this post previously. It was therefore the view that the same approach be repeated particularly when considering the improved position of West Berkshire's C&FS.

Councillor Alan Macro noted that the addition of a TRP to the top of Grade N would mean the new Head of C&FS would be paid in line with the South East average. He queried however whether this provided sufficient scope to attract the right candidates and whether there would be an issue with incremental rises if the post holder was being paid at the top of a grade. Councillor Macro also voiced a concern with the fact that when the TRP was added to this post, it would move its pay to the lower end of the Corporate Director pay scale.

Councillor Doherty was pleased that West Berkshire would be in line with the South East average and would be competing on a level playing field. In addition to this, West Berkshire had the advantages of being an attractive place to work, its C&FS had moved to a Good rating and the improvement journey continued.

**RESOLVED that** the Targeted Recruitment Payment (TRP) as set out in the report be approved.

**Other options considered:** To advertise on the normal Head of Service grade N. This was rejected because intelligence from South East Employers showed that the Council would not attract a strong field of candidates on grade N alone and the subsequent delay in appointing to this post would be detrimental to the interests of the Council.

*(The meeting commenced at 5.34pm and closed at 5.44pm)*

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**CHAIRMAN**

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**Date of Signature**

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## Financial Performance 2017/18 - Quarter Two

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<b>Committee considering report:</b>	Executive on 23 November 2017
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	9 November 2017
<b>Report Author:</b>	Melanie Ellis
<b>Forward Plan Ref:</b>	EX3304

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### 1. Purpose of the Report

- 1.1 To inform Members of the latest financial performance for 2017/18.

### 2. Recommendation

- 2.1 To ensure that Members are fully aware of the financial performance of the Council.

### 3. Implications

#### 3.1 Financial:

The current financial forecast is an over spend of £603k against a net revenue budget of £117.4million. The forecast will have an impact on the level of the Council's reserves at year end if savings cannot be made to offset the over spend.

#### 3.2 Policy: n/a

#### 3.3 Personnel: n/a

#### 3.4 Legal: n/a

#### 3.5 Risk Management: n/a

#### 3.6 Property: n/a

#### 3.7 Other: n/a

### 4. Other options considered

- 4.1 N/a – factual report for information.

## Executive Summary

### 5. Introduction / Background

- 5.1 This report presents the latest financial performance for the Council in respect of the 2017/18 financial year. The Quarter Two revenue forecast is an over spend of £603k against a net revenue budget of £117.4million, which is 0.5% of the net budget.

Directorate Summary	Current Net Budget	Forecast (under)/over spend				Change from Last Month	Change from Last Quarter
		Quarter One	Month Four	Month Five	Quarter Two		
	£000	£000	£000	£000	£000	£000	£000
Communities	62,896	870	949	1,158	952	-206	82
Economy and Environment	30,726	0	0	-99	-159	-60	-159
Resources	14,028	0	0	-26	-190	-164	-190
Capital Financing & Risk Management	9,760	0	0	0	0	0	0
<b>Total</b>	<b>117,410</b>	<b>870</b>	<b>949</b>	<b>1,033</b>	<b>603</b>	<b>(430)</b>	<b>(267)</b>

NB. Rounding differences may apply to nearest £k

- 5.2 The main driver of the forecast over spend is a £603k over spend in Adult Social Care. The over spend is as a result of increased complexity of client needs and inflationary pressures.
- 5.3 In response to the volatility of some of the Council's budgets, three service specific risk reserves have been established in Adult Social Care, Children and Family Services and Legal Services. The levels of these reserves are informed by the level of risks in the service risk registers. £392k has been released from the Adult Social Care risk reserve at Quarter Two, to help the service to combat some of the inflationary pressures. The remaining forecast over spend is before any further use of the risk reserves.
- 5.4 The Communities Directorate is forecasting an over spend of £952k against a budget of £62.9m. Adult Social Care is forecasting an over spend of £603k due to increased complexity of client needs and inflationary increases in commissioning services for both placements and homecare. At Quarter Two, £392k has been released from the Adult Social Care risk reserve to cover some of the inflationary pressures that the service is facing. The remaining items that are driving the Adult Social Care forecast over spend are provided against in the risk reserve. Children and Family Services is forecasting a £109k over spend as a result of a high cost residential placement, which is an identified risk in the service risk reserve. Education is forecasting an over spend of £240k due to pressures on disabled residential placements and staffing issues in the Disabled Children's Team. All other services are forecasting on line.
- 5.5 The Economy and Environment Directorate is forecasting an under spend of £159k against a budget of £30.7m. Development and Planning are forecasting an under spend of £118k due to an increase in the number of large planning applications and a general increase in planning activity. Public Protection and Culture are forecasting an over spend of £128k due to a payment from Kennet School for Kennet Leisure Centre of £43k which is still in dispute and the Activity Team experiencing reduced income. Transport and Countryside are forecasting an under spend of £169k due to additional car parking income together with early savings in Transport Services

including ending of leases for our Handybuses, increased income and savings on short term contracts.

- 5.6 The Resources Directorate is forecasting an under spend of £190k which is largely due to salary savings across a range of services.
- 5.7 Capital Financing and Risk Management is forecasting an on line position.
- 5.8 The Council set a revenue budget of £117.4million for 2017/18. In-year budget changes may be approved and the approval limits are set out in the Council's Financial Regulations. Details of budget movements during 2017/18 are included in Appendix E. The release of £392k from the Adult Social Care risk reserve requires Executive approval.
- 5.9 The budget for 2017/18 was set with a savings and income generation programme of £4.712m. The programme is monitored on a monthly basis.
- 5.10 The Council was awarded £1.37m in transition funding for 2017/18, which was allocated as £140k short breaks, £200k libraries and £30k Citizens Advice Bureau. The remaining £1m was used to create a Transformation Reserve in order to ensure that the Council has the resources to pursue transformation plans outlined in the MTFs and to invest in strategies that will bring future benefits to the organisation. To date, £299k has been allocated from this reserve.
- 5.11 Forecast capital spend in the year is currently £61.3million against a revised budget of £69.8 million, with 26.4% of the programme committed at Quarter Two. The revised budget includes budgets that were unspent at the end of 2016/17 which have been brought forward to 2017/18 to enable the completion of schemes already underway, additional S106 contributions to the programme and an additional £25 million budget approved for property investment in the current year.

Directorate	Original Budget £000	Revised Budget £000	Amount spent/ committed to 30/9/17 £000	Forecast spend in year £000	Forecast under/over spend in year £000
Communities	8,998	10,206	3,466	6,461	(3,745)
Environment	20,825	27,373	11,698	22,718	(4,655)
Resources	5,671	32,205	3,240	32,205	-
<b>Total all services</b>	<b>35,494</b>	<b>69,784</b>	<b>18,404</b>	<b>61,384</b>	<b>(8,400)</b>

- 5.12 The Dedicated Schools Grant (DSG) has a budgeted over spend which was approved by the Schools Forum in March 2017, after consideration of the three year position. The budgeted over spend currently stands at £804k. The Quarter Two forecast position is to be £11k over this budgeted over spend.

## 6. Proposal

- 6.1 To note the forecast position and to review the budget movements processed in year detailed in Appendix E.
- 6.2 To approve the release of £392k from the Adult Social Care risk reserve to help the service combat some of the inflationary pressures it is facing.

## 7. Conclusion

- 7.1 The Council is faced with delivering a savings programme of £4.712m in 2017/18 as well as addressing in year pressures as they arise, which are currently forecast to be £603k against a net revenue budget of £117.4 million. The Council has invested in identified pressure points as part of the 2017/18 budget process and will continue to maintain financial discipline, to ensure that the agreed savings programme is monitored and to find ways to offset the revenue over spend currently forecast. The Council has an excellent track record of managing the savings programme and minimising budget over spends, but if the forecast over spend remains at year end, it will impact on our reserves.

## 8. Appendices

- 8.1 Appendix A – Equalities Impact Assessment
- 8.2 Appendix B – Supporting Information
- 8.3 Appendix C – Summary Revenue Forecast 2017/18
- 8.4 Appendix D – Summary Capital Forecast 2017/18
- 8.5 Appendix E – Summary of Revenue Budget Movements



## Appendix A

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	No decision
<b>Summary of relevant legislation:</b>	
<b>Does the proposed decision conflict with any of the Council's key strategy priorities?</b>	
<b>Name of assessor:</b>	Melanie Ellis
<b>Date of assessment:</b>	6.10.17

<b>Is this a:</b>		<b>Is this:</b>	
<b>Policy</b>	<b>No</b>	<b>New or proposed</b>	<b>No</b>
<b>Strategy</b>	<b>No</b>	<b>Already exists and is being reviewed</b>	<b>No</b>
<b>Function</b>	<b>No</b>	<b>Is changing</b>	<b>No</b>
<b>Service</b>	<b>No</b>		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	
<b>Objectives:</b>	
<b>Outcomes:</b>	
<b>Benefits:</b>	

<b>2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</b> (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this</b>
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
<b>Further Comments relating to the item:</b>		

<b>3 Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	No
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name: Melanie Ellis

Date: 6 October 2017

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.

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# Financial Performance Report 2017/18

## Quarter Two – Supporting Information

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### 1. Introduction

- 1.1 The financial performance reports provided to Members throughout the financial Quarter Two revenue forecast is an over spend of £603k against a net revenue budget of £117.4million, which is 0.5% of the net budget.
- 1.2 The main driver of the forecast over spend is a £603k over spend in Adult Social Care. The over spend is as a result of increased complexity of client needs and inflationary increases in commissioning services for both placements and home care. Education is forecasting an over spend of £240k and Children and Family Services are forecasting a pressure of £109k, both as a result of placement pressures. The remainder of the Communities Directorate is on line. Both the Economy & Environment and Resources Directorates are forecasting under spends.
- 1.3 In response to the volatility of some of the Council's budgets, three service specific risk reserves have been established in Adult Social Care, Children and Family Services and Legal Services. The levels of these reserves are informed by the level of risks in the service risk registers. £392k has been released from the Adult Social Care risk reserve at Quarter Two, to help combat some of the inflationary pressures the service is facing. The remaining forecasts are before any further use of the risk reserves.

### 2. Changes to the 2017/18 Budget

- 2.1 The Council set a revenue budget of £117.4million for 2017/18. During the year budget changes may be approved for a number of reasons and approval limits are set out in the Council's Financial Regulations. Budget increases occur when budgets are brought forward from the previous year as a result of requests that are approved at year end, after the original budget has been set in early March. These budget changes are submitted to the Finance and Governance Group (FAGG) and must meet certain criteria to be approved. Other reasons for in year budget changes include drawing from reserves to support specific projects or to cover risks that have arisen and have previously been provided for.
- 2.2 The release of £392k from the Adult Social Care Risk Reserve requires Executive approval. This is to cover some of the inflationary pressures that the service is facing. There are no further budget changes in Quarter Two that require Executive approval. A table summarising budget movements is included at Appendix E.

### 3. 2017/18 Savings and Income Generation Programme

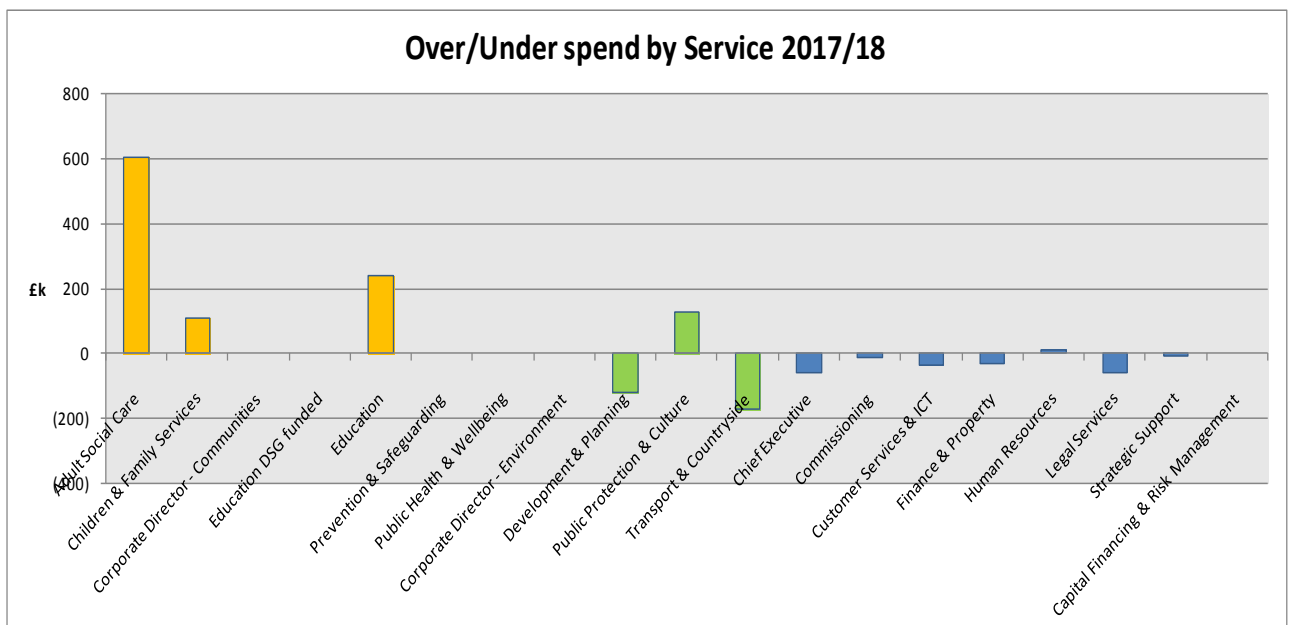
- 3.1 In order to meet the funding available, the 2017/18 revenue budget was built with a £4.712m savings and income generation programme. The programme is monitored on a monthly basis.

### 4. Summary Revenue Forecast

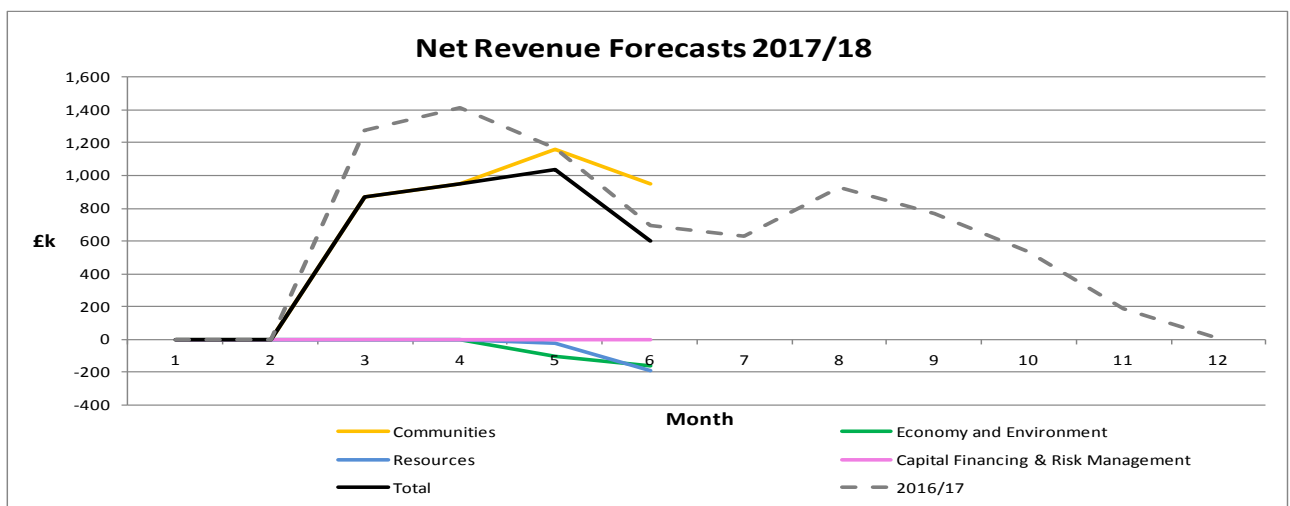
Directorate Summary	Current Net Budget £000	Forecast (under)/over spend				Change from Last Month £000	Change from Last Quarter £000
		Quarter One	Month Four	Month Five	Quarter Two		
		£000	£000	£000	£000		
<b>Communities</b>	62,896	870	949	1,158	952	-206	82
<b>Economy and Environment</b>	30,726	0	0	-99	-159	-60	-159
<b>Resources</b>	14,028	0	0	-26	-190	-164	-190
<b>Capital Financing &amp; Risk Management</b>	9,760	0	0	0	0	0	0
<b>Total</b>	<b>117,410</b>	<b>870</b>	<b>949</b>	<b>1,033</b>	<b>603</b>	<b>(430)</b>	<b>(267)</b>

NB. Rounding differences may apply to nearest £k

4.1 At Quarter Two the Council’s revenue forecast is an over spend of £603k against a net revenue budget of £117.4million. The forecasts by Service are shown in the following chart.



4.2 The main service driving the over spend is Adult Social Care with a forecast over spend of £603k. The following chart shows the monthly forecasts through 2017/18, with a 2016/17 comparison.



## 5. Communities Directorate Quarter Two Review

Communities	Current Net Budget	Forecast (under)/over spend				Change from Last Month	Change from Last Quarter
		Quarter One	Month Four	Month Five	Quarter Two		
	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	38,736	891	949	992	603	(389)	(288)
Children & Family Services	15,716	0	0	0	109	109	109
Corporate Director - Communities	211	0	0	0		0	0
Education DSG funded	(523)	0	0	0		0	0
Education	7,496	(21)	0	175	240	65	261
Prevention & Safeguarding	1,052	0	0	(9)		9	0
Public Health & Wellbeing	209	0	0	0		0	0
<b>Communities</b>	<b>62,896</b>	<b>870</b>	<b>949</b>	<b>1,158</b>	<b>952</b>	<b>-206</b>	<b>82</b>

5.1 The forecast revenue over spend for the Communities Directorate is £952k against a net budget of £62.9million. This is an increase in the forecast over spend of £82k from Quarter One. The increase is the result of additional pressures on demand led budgets across Adult Social Care, Children’s placements and Disabled Children’s placements in Education Services. £392k has been released from the Adult Social Care Risk Reserve to cover some of the inflationary pressures that the service is facing.

5.2 The revenue budget for the Communities Directorate 2017/18 was built with a savings programme of £2.1m.

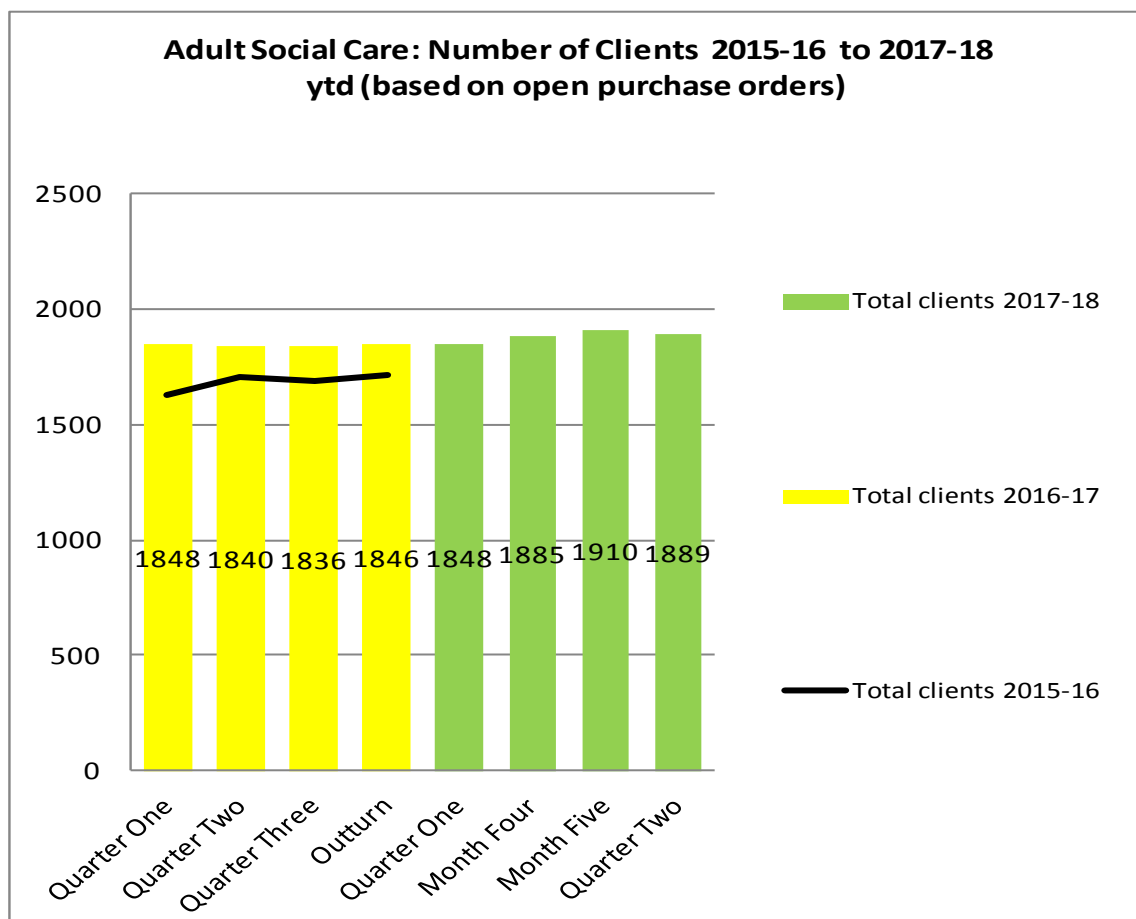
### (1) Adult Social Care

Adult Social Care is forecasting an over spend of £603k as at Quarter Two, which is a £288k decrease from Quarter One. The over spend is a result of increased complexity of client needs and inflationary increases in commissioning services for both placements and home care. The over spend is summarised as follows:

Explanation of ASC Forecast Over Spend	£000
Inflationary increases	169
Provider Services agency cover, due to being a regulated service	74
National Living Wage increases from providers	88
Increase to existing client costs due to loss of family support	132
Delayed Transfers of Care - fines	31
Delayed Transfers of Care - higher rates paid for homecare	15
Increased costs due to complexity of care	27
Deprivation of Liberty Safeguards	67
<b>Total</b>	<b>603</b>

All the items driving the current forecast over spend are provided against in the risk reserve. £392k has been released into the service to help combat some of the inflationary pressures. The remaining forecast over spend is before any further use of the risk reserve.

Client numbers accessing services are monitored weekly; overall client numbers have remained relatively constant during 2016/17 and comparable reporting periods in 2017/18.



The forecast pressure has decreased by £288k since Quarter One as a result of releasing £392k from the risk reserve. Increased pressures in other areas are predominantly due to interim management arrangements at a regulated care home and Great Western Hospital seeking fines for delayed transfers of care. Mitigation strategies are in place to address the pressures the Service is facing and pressures are being reduced through one off under spends against non commissioning budgets.

**(2) Children and Family Services**

The Service is forecasting a £109k over spend as at Quarter Two which is a £109k change from the on line position forecast at Quarter One.

The change to the Quarter One position is the result of a high cost residential placement which has resulted in the placement budget generating a forecast pressure of £192k. The forecast over spend is being partially mitigated through salary savings within the Targeted Intervention Service.



The Children & Family Services risk reserve is £386k, the over spend relates to identified risks and therefore the risk reserve could be utilised to offset the over spend, should Members decide to do so.

**(3) Education**

The Education Service is forecasting a pressure of £240k at Quarter Two compared to an under spend of £21k at Quarter One. Since Quarter One there have been two new residential placements of children with disabilities and there are significant staffing issues within the Disabled Children’s Team, resulting in large agency costs. Overall pressures on the budgets for support for Children with disabilities amount to approximately £330,000.

However £48k additional eligible expenditure has been identified which can be charged to the European Social Fund Elevate project. Also since the start of the new school year, there is a more accurate forecast of the Home to School Transport costs, which shows that income from charging for mainstream transport is now expected to be about £40k higher than budgeted. These two savings help to offset the pressure on support for Children with disabilities.

**(4) Prevention & Safeguarding**

The Service is forecasting an on line position at Quarter Two, the position is unchanged from the forecast at Quarter One.

**(5) Public Health & Wellbeing**

Public Health is forecasting to budget within the Public Health ring fenced grant. The Service has identified an under spend within the salaries budget, this will be transferred to the Public Health reserve at outturn.

**6. Economy and Environment Directorate Quarter Two Review**

Economy and Environment	Current Net Budget	Forecast (under)/over spend				Change from Last Month	Change from Last Quarter
		Quarter One	Month Four	Month Five	Quarter Two		
	£000	£000	£000	£000	£000	£000	£000
Corporate Director - Environment	174	0	0	0	0	0	0
Development & Planning	2,549	(121)	(95)	(113)	(118)	(5)	3
Public Protection & Culture	4,028	121	95	114	128	14	7
Transport & Countryside	23,975	0	0	(100)	(169)	(69)	(169)
<b>Economy and Environment</b>	<b>30,726</b>	<b>0</b>	<b>0</b>	<b>(99)</b>	<b>(159)</b>	<b>(60)</b>	<b>(159)</b>

6.1 The Directorate is currently forecasting a £159k under spend against a budget of £30.7m. The revenue budget for the Economy and Environment Directorate was built with a savings programme of £1.66m.

**(1) Development & Planning**

The Service is forecasting an under spend of £118k which is due to an increase in the number of large planning applications together with a general increase in

planning activity. Pressures due to emergency repairs to our homeless accommodation have been managed within the Service.

**(2) Public Protection & Culture**

The Service is forecasting an over spend of £128k. The majority of this is due to a payment from Kennet School for Kennet Leisure Centre of £43k which is still in dispute and the Activity Team experiencing reduced income of £80k. Salary savings and an early saving of the grant payment to the Watermill Theatre have helped reduce the pressure within the Service.

**(3) Transport & Countryside**

Transport and Countryside is forecasting an under spend of £169k. This is mainly due to additional income from car parking of £220k together with early savings within Transport Services including the ending of leases for our Handybuses, increased income from public transport operations and savings on short terms contracts.

Pressures arising from increased repairs to the highway, emergency repairs to the Aldermaston Wharf Bridge and an increase to the forecast street lighting electricity cost have been managed within the Service.

The change in the forecast from Quarter One is mainly due to the forecast of additional income from Car Parking.

**7. Resources Directorate Quarter Two Review**

Resources	Current Net Budget	Forecast (under)/over spend				Change from Last Month	Change from Last Quarter
		Quarter One	Month Four	Month Five	Quarter Two		
	£000	£000	£000	£000	£000	£000	£000
Chief Executive	880	0	0	0	(57)	(57)	(57)
Commissioning	1,275	0	0	0	(12)	(12)	(12)
Customer Services & ICT	3,200	0	0	(5)	(36)	(31)	(36)
Finance & Property	3,717	0	0	(21)	(31)	(10)	(31)
Human Resources	1,536	0	0	0	12	12	12
Legal Services	1,059	0	0	0	(58)	(58)	(58)
Strategic Support	2,361	0	0	0	(8)	(8)	(8)
<b>Resources</b>	<b>14,028</b>	<b>0</b>	<b>0</b>	<b>(26)</b>	<b>(190)</b>	<b>(164)</b>	<b>(190)</b>

7.1 The Directorate is currently forecasting £190k under spend on a budget of £14m. The 2017/18 budget for Resources was built with a £694k saving.

**(1) Chief Executive**

The Chief Executive is reporting an under spend of £57k which is mainly due to salary savings whilst a team member is on secondment and savings against training and corporate management budgets.

**(2) Commissioning**

Commissioning is reporting an under spend of £12k from salary savings and small savings against supplies and services budgets.

**(3) Customer Services and ICT**

The Service is reporting a £36k under spend due to salary savings from vacant posts and a wide area network saving.

**(4) Finance and Property**

The Finance and Property Service is forecasting an overall under spend of £31k. There are small pressures in rental income and card charges. There are under spends in salaries due to some vacant hours and as a result of capitalising part of a post, and there is lower than forecast spend on energy costs in the corporate buildings.

**(5) Human Resources**

Human Resources is reporting an over spend of £12k due to an under achieving income target on lease car scheme admin fees as lease cars have been handed back or terminated.

**(6) Legal Services**

Legal Services is reporting an under spend of £58k due to salary savings and lower use of locums than anticipated.

**(7) Strategic Support**

Strategic Support is reporting an overall under spend of £8k. There are pressures against the land charges income target and minor pressures arising against a number of supplies and services budgets. Offsetting this there are a number of salary savings due to vacant posts and reduced hours.

**8. Risks**

In response to the volatility of some of the Council's demand led budgets, a number of service specific risk reserves have been established. During 2016/17 a number of these risks occurred and led to budgetary pressures. However, the final outturn position enabled the Council to cover the budgetary pressures without calling on the reserves. The Quarter Two forecasts are before any further use of the reserves.

**9. Transition Funding and Transformation Reserve**

The Council was awarded £1.37m in transition funding for 2017/18, which was allocated as:

Directorate	Service	Project Description	Transition Funding £	Agreed by	When
Communities	C&FS	Short Breaks	140,000	Council	4.3.2017
Environment	PPC	Libraries	200,000	Council	4.3.2017
Resources	SSU	Citizens Advice Bureau	30,000	Council	4.3.2017
		Transformation Reserve	1,000,000	Council	4.3.2017
		<b>Total</b>	<b>1,370,000</b>		

The Transformation Reserve was established in order to ensure that the Council has the resources to pursue transformation plans outlined in the MTF5 and to invest in strategies that will bring future benefits to the organisation. To date, £299k has been allocated from this reserve.

## 10. Capital Financing and Risk Management Quarter Two Review

10.1 Income on interest on investments is currently forecast to be on line.

## 11. Capital – Quarter Two Review

Capital Position as at Quarter Two:

Directorate	Original Budget £000	Revised Budget £000	Amount spent/ committed to 30/9/17 £000	Forecast spend in year £000	Forecast under/over spend in year £000
Communities	8,998	10,206	3,466	6,461	(3,745)
Environment	20,825	27,373	11,698	22,718	(4,655)
Resources	5,671	32,205	3,240	32,205	-
<b>Total all services</b>	<b>35,494</b>	<b>69,784</b>	<b>18,404</b>	<b>61,384</b>	<b>(8,400)</b>

11.1 Forecast capital spend in the year is now £61.3million against a revised budget of £69.8 million. 26.4% of the 2017/18 capital programme is committed as at the end of Quarter Two. A breakdown of capital spend and commitments to date is shown in Appendix D. The appendix explains the changes from the original capital programme which was approved by the Council in March 2017. The changes include budgets which were unspent at the end of 2016/17 which have been brought forward to 2017/18 to enable the continuation/completion of schemes already underway, additional S106 contributions allocated to the programme and the additional £25 million budget approved for property investment in the current year. As no significant spend had been incurred on the property investment project by the end of September, this makes the level of commitment against the current budget look very low, but if this budget were excluded, the overall level of commitment would be 41%.

## 11.2 Communities Directorate Capital Review

Service	Original Budget	Revised Budget	Amount spent/ committed to 30/9/17	Forecast spend in year	Forecast under/over spend in year
	£000	£000	£000	£000	£000
Adult Social Care	1,185	1,607	380	1,607	-
Children and Family Services	20	32	0	32	-
Education Services	7,793	8,567	3,086	4,822	- 3,745
<b>Total</b>	<b>8,998</b>	<b>10,206</b>	<b>3,466</b>	<b>6,461</b>	<b>(3,745)</b>

34% of the Communities programme is committed as at the 30th September 2017.

There is a significant increase to the forecast under spend on the Education Programme. This is mainly due to the decision to retender the contract for the new Highwood Copse primary school and to delay the opening of the school until September 2019 in order to achieve better value for money. The majority of the current year budget for this scheme (£2.5m) is now expected to be reprofiled to 2018/19.

The current year capital budget for Children and Family Services is now expected to be used for adaptations to West Point to accommodate staff moves, rather than on building works to foster carers' homes, but the cost of the planned works has not yet been fully estimated.

In Adult Social Care there has been some pressure on the cost of equipment and maintenance for care homes, but it is currently expected that this can be met from the existing budget.

## 11.3 Economy and Environment Directorate Capital Review

Service	Original Budget	Revised Budget	Amount spent/ committed to 30/9/17	Forecast spend in year	Forecast under/over spend in year
	£000	£000	£000	£000	£000
Development and Planning	4,748	7,295	2,832	7,295	-
Public Protection & Culture	804	1,588	415	1,588	-
Transport & Countryside	15,273	18,490	8,451	13,835	- 4,655
<b>Total</b>	<b>20,825</b>	<b>27,373</b>	<b>11,698</b>	<b>22,718</b>	<b>- 4,655</b>

42.7% of the Economy and Environment programme is either spent or committed as at the 30th September 2017.

In Development and Planning there are delays and a likely cost increase to the redevelopment of the Four Houses Corner gypsy and travellers site because of continuing problems with relocating some of the residents. The impact of the delay on spend in the current year and on the overall cost of the project has not yet been fully assessed but is expected to be reported at the end of quarter 3.

In Transport and Countryside, a total of £4.7m is expected to be reprofiled, mainly to 2018/19, in respect of the Dunston Park Flood Alleviation scheme, improvements to the Robin Hood Roundabout, the Sandford access road, the Kings Road Link and the Wharf Interchange.

The Public Protection and Culture programme is progressing well.

#### 11.4 Resources Directorate Capital Review

Service	Original Budget	Revised Budget	Amount spent/ committed to 30/9/17	Forecast spend in year	Forecast under/over spend in year
	£000	£000	£000	£000	£000
Customer Services and ICT	4,083	5,067	1,701	5,067	-
Chief Executive	15	66	3	66	-
Finance and Property	1,409	26,738	1,469	26,738	-
Human Resources	48	69	33	69	-
Strategic Support	116	265	34	265	-
<b>Total</b>	<b>5,671</b>	<b>32,205</b>	<b>3,240</b>	<b>32,205</b>	<b>-</b>

10.1% of the Resources programme is committed as at the 30th September 2017. This is based on the total budget including the additional £25m budget for purchase of investment property. If this budget were excluded then 45% of the remaining budget would be committed.

No variance is currently forecast for the Resources capital programme. However, it is likely that part of the budget for the Superfast Broadband project will need to be reprofiled at the end of quarter 3. Progress with the property investment programme will also be reviewed over the next quarter which may have a significant effect on the outturn for the service grouping.

## 12. Dedicated Schools Grant – Quarter Two Review

- 12.1 The Month Six Report on the Dedicated Schools Grant (DSG) was taken to the Schools Forum on 30<sup>th</sup> October 2017. The DSG has a budgeted over spend which was approved by the Schools Forum in March 2017, after consideration of the three year position. The budgeted over spend currently stands at £804k. The Quarter Two forecast position is to be £11k over this budgeted over spend.

## 13. Options for Consideration

- 13.1 Not applicable – factual report for information

## 14. Proposals

- 14.1 To note the forecast position and to review the budget movements processed in year detailed in Appendix E.
- 14.2 To approve the release of £392k from the Adult Social Care risk reserve to help the service combat some of the inflationary pressures it is facing.

## 15. Conclusion

15.1 The Council is faced with delivering a savings programme of £4.712m in 2017/18 as well as addressing in year pressures as they arise, which are currently forecast to be £603k against a net revenue budget of £117.4 million. The Council has invested in identified pressure points as part of the 2017/18 budget process and will continue to maintain financial discipline, to ensure that the agreed savings programme is monitored and to find ways to offset the revenue over spend currently forecast. The Council has an excellent track record of managing the savings programme and minimising budget over spends, but if the forecast over spend remains at year end, it will impact on our reserves.

## 16. Consultation and Engagement

16.1 Nick Carter – Chief Executive, John Ashworth – Director, Rachael Wardell - Director

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### Subject to Call-In:

Yes:  No:

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

Delays in implementation could compromise the Council's position

Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months

Item is Urgent Key Decision

Report is to note only

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### Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim:

**MEC – Become an even more effective Council**

The proposals contained in this report will help to achieve the following Council Strategy priority:

**MEC1 – Become an even more effective Council**

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### Officer details:

Name: Andy Walker  
Job Title: Head of Finance  
Tel No: 01635 519433  
E-mail Address: andy.walker@westberks.gov.uk

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# Summary Revenue Forecast 2017/18

	Budget		Forecasted Performance						
	Original Budget for 2017/18 £	Revised Budget for 2017/18 £	Expenditure			Income			Net
			Annual Expenditure Budget for 2017/18 £	Annual Expenditure Forecast for 2017/18 £	Expenditure Variance for 2017/18 £	Annual Income Budget for 2017/18 £	Annual Income Forecast for 2017/18 £	Income Variance for 2017/18 £	Net Variance £
Adult Social Care	37,886,470	38,735,520	53,481,710	54,858,153	1,376,443	-14,746,190	-15,520,050	-773,860	602,583
Childrens and Family Services	14,776,150	15,716,340	17,705,580	17,870,580	165,000	-1,989,240	-2,045,480	-56,240	108,760
Corporate Director - Communities	204,210	210,770	244,550	244,550	0	-33,780	-33,780	0	0
Education (DSG Funded)	-523,130	-523,130	98,045,000	98,045,000	0	-98,568,130	-98,568,130	0	0
Education	7,509,560	7,495,840	9,941,060	10,273,280	332,220	-2,445,220	-2,536,970	-91,750	240,470
Prevention and Safeguarding	923,690	1,051,830	1,574,320	1,500,770	-73,550	-522,490	-448,940	73,550	0
Public Health & Wellbeing	-80,000	209,260	6,250,160	6,250,160	0	-6,040,900	-6,040,900	0	0
<b>Communities</b>	<b>60,696,950</b>	<b>62,896,430</b>	<b>187,242,380</b>	<b>189,042,493</b>	<b>1,800,113</b>	<b>-124,345,950</b>	<b>-125,194,250</b>	<b>-848,300</b>	<b>951,813</b>
Corporate Director - Environment	173,510	173,510	173,510	173,510	0	0	0	0	0
Development and Planning	2,410,820	2,549,100	4,317,450	4,356,450	39,000	-1,768,350	-1,925,850	-157,500	-118,500
Public Protection and Culture	4,093,790	4,028,500	9,111,090	8,951,760	-159,330	-5,082,590	-4,795,080	287,510	128,180
Transport and Countryside	23,717,000	23,974,650	32,480,440	32,652,300	171,860	-8,505,790	-8,846,650	-340,860	-169,000
<b>Environment</b>	<b>30,395,120</b>	<b>30,725,760</b>	<b>46,082,490</b>	<b>46,134,020</b>	<b>51,530</b>	<b>-15,356,730</b>	<b>-15,567,580</b>	<b>-210,850</b>	<b>-159,320</b>
Chief Executive	889,960	879,730	905,210	855,210	-50,000	-25,480	-32,480	-7,000	-57,000
Commissioning	1,549,110	1,274,710	7,546,600	7,515,450	-31,150	-6,271,890	-6,252,740	19,150	-12,000
Customer Services and ICT	3,242,050	3,199,500	4,073,360	4,007,130	-66,230	-873,860	-843,920	29,940	-36,290
Finance and Property	3,431,480	3,717,370	44,397,450	44,359,950	-37,500	-40,680,080	-40,673,480	6,600	-30,900
Human Resources	1,483,960	1,536,260	1,998,040	1,997,840	-200	-461,780	-449,580	12,200	12,000
Legal Services	1,062,910	1,059,410	1,174,030	1,119,860	-54,170	-114,620	-118,750	-4,130	-58,300
Strategic Support	2,309,980	2,361,070	2,835,400	2,799,710	-35,690	-474,330	-446,330	28,000	-7,690
<b>Resources</b>	<b>13,969,450</b>	<b>14,028,050</b>	<b>62,930,090</b>	<b>62,655,150</b>	<b>-274,940</b>	<b>-48,902,040</b>	<b>-48,817,280</b>	<b>84,760</b>	<b>-190,180</b>
Capital Financing & Management	9,971,120	9,912,690	10,420,370	10,420,370	0	-507,680	-507,680	0	0
Movement Through Reserves	866,000	-601,030	-601,030	-601,030	0	0	0	0	0
Risk Management	1,511,740	448,480	448,480	448,480	0	0	0	0	0
<b>Capital Financing and Risk Management</b>	<b>12,348,860</b>	<b>9,760,140</b>	<b>10,267,820</b>	<b>10,267,820</b>	<b>0</b>	<b>-507,680</b>	<b>-507,680</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>117,410,380</b>	<b>117,410,380</b>	<b>306,522,780</b>	<b>308,099,483</b>	<b>1,576,703</b>	<b>-189,112,400</b>	<b>-190,086,790</b>	<b>-974,390</b>	<b>602,313</b>

# Summary Capital Forecast 2017/18

## Appendix D

### Capital Summary 2017/18

#### Summary of Budget Changes, Spend and Commitments by Service

Service Area	Original Budget 2017/18	16/17 Slippage	Other Agreed Changes to 2017/18 Budget (2)	Revised Budget for 2017/18 (1)	Expenditure to date	Revised Budget not yet spent	Committed to date (order placed, not yet paid)	Revised Budget not yet committed
	£	£	£	£	£	£	%	£
<b>COMMUNITIES DIRECTORATE</b>								
Adult Social Care	1,184,860	422,730	0	1,607,590	288,295	82.1%	91,764	76.4%
Children's Services	20,000	12,210	0	32,210	0	100.0%	-	100.0%
Education Services	7,793,310	773,700	10	8,567,020	1,940,866	77.3%	1,144,781	64.0%
<b>Total for Communities Directorate</b>	<b>8,998,170</b>	<b>1,208,640</b>	<b>10</b>	<b>10,206,820</b>	<b>2,229,161</b>	<b>78.2%</b>	<b>1,236,545</b>	<b>66.0%</b>
<b>ENVIRONMENT DIRECTORATE</b>								
Development and Planning	4,747,650	2,547,090	0	7,294,740	2,482,599	66.0%	349,053	61.2%
Public Protection & Culture	804,490	697,250	86,400	1,588,140	195,476	87.7%	219,150	73.9%
Transport & Countryside	15,273,040	1,037,040	2,180,000	18,490,080	5,086,152	72.5%	3,364,709	54.3%
<b>Total for Environment Directorate</b>	<b>20,825,180</b>	<b>4,281,380</b>	<b>2,266,400</b>	<b>27,372,960</b>	<b>7,764,227</b>	<b>71.6%</b>	<b>3,932,912</b>	<b>57.3%</b>
<b>RESOURCES DIRECTORATE</b>								
Customer Services and ICT	4,083,250	983,760	0	5,067,010	1,529,562	69.8%	171,925	66.4%
Chief Executive	15,000	51,200	0	66,200	0	100.0%	3,000	95.5%
Finance and Property	1,409,440	313,400	25,015,000	26,737,840	905,048	96.6%	564,258	94.5%
Human Resources	47,520	21,520	0	69,040	30,644	55.6%	2,035	52.7%
Strategic Support	116,000	163,960	-15,000	264,960	32,515	87.7%	1,312	87.2%
<b>Total for Resource Directorate</b>	<b>5,671,210</b>	<b>1,533,840</b>	<b>25,000,000</b>	<b>32,205,050</b>	<b>2,497,770</b>	<b>92.2%</b>	<b>742,530</b>	<b>89.9%</b>
<b>Totals</b>	<b>35,494,560</b>	<b>7,023,860</b>	<b>27,266,410</b>	<b>69,784,830</b>	<b>12,491,159</b>	<b>82.1%</b>	<b>5,911,987</b>	<b>73.6%</b>
<i>(1) Revised budget includes additional grants and contributions received and/or allocated in 2017/18, less funds reprofiled into 2018/19</i>								

(2) **Explanation of Other Changes Agreed to 2017/18 Budget**

	£	Approved by
<b>COMMUNITIES DIRECTORATE</b>		
	0	
<b>ENVIRONMENT DIRECTORATE</b>		
<i>Transport and Countryside: funds reprofiled from 2016/17 for Kings Rd Link and Tull Way attenuation pond agreed in Jan 2017 but not included in original budget</i>	2,180,000	CSG 13-1-17
<i>Public Protection &amp; Culture Library Self Service Kiosks</i>	86,400	CSG 1-6-17
	<b>2,266,400</b>	
<b>RESOURCES DIRECTORATE</b>		
Finance and Property: Budget for purchase of investment property	25,000,000	Council 9-5-17
	<b>25,000,000</b>	
<b>Totals</b>	<b>27,266,400</b>	

# Summary of Revenue Budget Movements – 2017/18

## Appendix E

Service	Original Net Budget	Budget B/F from 2016/17	In Year Budget Changes	Budget Changes requiring Executive Approval	Current Net Budget	Explanation of In Year Budget Changes
	£000	£000	£000	£000	£000	
Adult Social Care	37,886	136	321	392	38,736	£76k Healthwatch & NHS Complaints Advocacy transfer from Commissioning. £101k Posts 04128 & 02628 transfer from Commissioning. £162k budget transfers from Commissioning. (£64k) Corporate car allowance saving £46k misc. <b>£392k release from ASC Risk Reserve</b>
Children and Family Services	14,776	28	912		15,716	£860k Innovation fund, car allowance saving -£33k, £12k transfer to Castlegate due to budget error, £59k re joint arrangement, £14k misc
Corporate Director - Communities	204		7		211	£7k Transfer of budget to clear efficiency target
Education DSG funded	(523)				(523)	
Education	7,510	42	(56)		7,496	-£17k car allowance saving, £ 40k post transfers from other services
Prevention and Safeguarding	924	125	3		1,052	£3k Car allowance change
Public Health & Wellbeing	(80)	289			209	
<b>Communities</b>	<b>60,697</b>	<b>620</b>	<b>1,187</b>	<b>392</b>	<b>62,896</b>	
Corporate Director - Environment	174				174	
Development & Planning	2,411	129	9		2,549	-£6k to Commissioning, -£1k car allowance saving, £16k salary from TC
Public Protection & Culture	4,094		(66)		4,028	-£66k Repayment to capital, £4k library restructuring, -£4k car allowance saving
Transport & Countryside	23,717	177	81		23,975	£58k S106 funding, -£27k car allowance saving, £10k pitch strategy, -£16K salary to DP, £2k rates, £11k reduced income, £17k legal fees, £26k post transfer from HTST
<b>Economy and Environment</b>	<b>30,395</b>	<b>306</b>	<b>24</b>	<b>0</b>	<b>30,726</b>	
Chief Executive	890		(10)		880	-£10k Pitch Strategy
Commissioning	1,549	25	(299)		1,275	-£241k To ASC, -£4k car allowance, £6k from D&P (Housing), £38k from transformation fund, -£43k salary to ASC, -£55k supporting people transfer,
Customer Services & ICT	3,242		(43)		3,200	-£43k Salary moved to SSU
Finance & Property	3,431	24	262		3,717	£124k move unrepresented cheque income target, £156k allocate car allowance saving, -£18k budget transfers
Human Resources	1,484	37	15		1,536	£15k apprenticeship levy budget
Legal Services	1,063		(4)		1,059	-£4k Car allowance saving
Strategic Support	2,310	13	38		2,361	£43k salary moved from ICT, -£7k car allowance saving, £2k misc
<b>Resources</b>	<b>13,969</b>	<b>99</b>	<b>-41</b>	<b>0</b>	<b>14,028</b>	
Capital Financing & Management	9,971		(59)		9,912	-£124k Move unrepresented cheques income budget, £66k service repayment of loans
Movement through Reserves	866	(736)	(339)	(392)	(601)	Balance of all budget movements
Risk Management	1,512		(1,063)		449	-£1m to establish the Transformation Reserve, -£63k budget build adjustments
<b>Capital Financing &amp; Risk Management</b>	<b>12,349</b>	<b>-736</b>	<b>-1,461</b>	<b>-392</b>	<b>9,760</b>	
<b>Total</b>	<b>117,410</b>	<b>289</b>	<b>-290</b>	<b>0</b>	<b>117,410</b>	

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## Transferring the freehold of the Corn Exchange premises to the Corn Exchange (Newbury) Trust

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<b>Committee considering report:</b>	Executive on 23 November 2017
<b>Portfolio Member:</b>	Councillor Dominic Boeck
<b>Date Portfolio Member agreed report:</b>	9 October 2017
<b>Report Author:</b>	Paul James, Culture and Libraries Manager
<b>Forward Plan Ref:</b>	EX3372

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### 1. Purpose of the Report

- 1.1 To consider the transfer of the freehold of the Corn Exchange premises to the Corn Exchange (Newbury) Trust (CET) in order to strengthen the sustainability of the trust in the long-term.

### 2. Recommendations

- 2.1 The Executive resolves that: -
- The Head of Public Protection & Culture shall, in consultation with Head of Finance & Property and Head of Legal, transfer the freehold of the Corn Exchange building to the CET for the sum of £5 subject to satisfaction of statutory provision in relation to disposal and negotiation and completion of appropriate legal documentation.
  - The Head of Public Protection & Culture to agree with the CET a list of any outstanding minor works that it is necessary for the council to carry out under the terms of the current lease with reference to the 2015 condition survey.
  - There is a 6 week period of public engagement in January/February 2018 to assess whether the proposal has any negative impacts for the public and the arts in West Berkshire.

### 3. Implications

- 3.1 **Financial:** The proposal delivers long-term revenue and capital savings for the council while strengthening the sustainability of the CET.
- 3.2 **Policy:** The proposal supports the policy Devolution in West Berkshire <http://info.westberks.gov.uk/index.aspx?articleid=34205>
- 3.3 **Personnel:** There are no implications for the council.
- 3.4 **Legal:** The Council has a broad power to dispose of property held in the general fund in any manner it wishes subject to an obligation to do so for the best consideration reasonable obtainable (s.123 Local Government Act 1972). The Council can dispose of property held in the general fund for less than market value

provided that consent is obtained from the Secretary of State unless the disposal meets the criteria set out in the General Disposal Consent (England) 2003 that allows disposal at an undervalue to promote economic, social or environment wellbeing. The difference between the market value and the consideration must not exceed £2 million, and a valuation as to likely amount of any such undervalue is sought from a professionally qualified valuer.

In consultation with colleagues in Finance and Property Services, the disposal should be subject to appropriate covenants, conditions and restrictions in relation to the current and future use of the premises and in respect of future disposals of the premises including possible overage/clawback provisions.

- 3.5 The CET has a lease that expires in 2099. The transfer of the freehold of the building will include conditions to ensure that it is used for community and arts purposes for the benefit of the residents of West Berkshire.
- 3.6 **Risk Management:** The risk of the CET failing to provide an arts service in the building in the foreseeable future is probably lower than the risk of the council being able to fund future capital maintenance repairs over the life of the building - because trusts have access to other sources of revenue and capital investment which are not available to the council.
- 3.7 **Property:** The freehold of the Corn Exchange building shall transfer to the CET. See Financial implications above. The proposal has been considered by the Asset Management Group on 30<sup>th</sup> June 2017 and agreed in principle subject to consideration and agreement by the Executive.
- 3.8 **Other:** Doing this demonstrates to the public, the CET, Arts Council England and other stakeholders that the council wishes to strengthen the position of the CET, in terms of their sustainability, to deliver an arts service for residents in the long-term. Although the CET would be taking on the capital costs of repairs, this proposal enables them to secure investment and support from other stakeholders and provide arts and cultural services for local people in the long-term.

#### 4. Other options considered

- 4.1 Continue with the current 99 year lease with the CET under which the council is responsible for major capital maintenance costs throughout the term of the lease.
- 4.2 Disposal of the asset at a commercial value. This could only be achieved if there was no leaseholder in possession of the premises and change of use was to be granted.

## Executive Summary

### 5. Introduction / Background

- 5.1 The CET is a registered charity (no. 1080567). The object of the charity is “the education of the public in the arts in West Berkshire and the surrounding districts”.
- 5.2 The council has a 5 year Service Level Agreement with the CET that expires on 31<sup>st</sup> March 2019.
- 5.3 The reduction of the council’s Revenue Support Grant from Government and the need to maintain statutory and front-line services in the face of ever higher demand meant that the council reduced its payments in the last 3 years of the Service Level Agreement by a total of £148,000. The council also decided not to revenue fund the CET after that.
- 5.4 The CET, Arts Council England and the council have been in discussions for over a year about a long-term relationship in the continuing period of austerity for public services.

### 6. Proposal

- 6.1 The outcome of these discussions (5.4 above) resulted in the management and trustees of the CET formally requesting that the council transfer the ownership of the premises on a freehold basis to the CET as that contributes to their sustainability in the long-term. See CET’s proposal / Appendix B / Supporting Information.

### 7. Conclusion

- 7.1 Transferring the freehold of the asset to the Corn Exchange has benefits for residents, the CET and the council in that it strengthens the sustainability of the CET in the long-term.

### 8. Appendices

- 8.1 Appendix A – Equalities Impact Assessment
- 8.2 Appendix B – Supporting Information

## Appendix A

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?



Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	To transfer the freehold of the Corn Exchange to the Corn Exchange Trust (CET)
<b>Summary of relevant legislation:</b>	
<b>Does the proposed decision conflict with any of the Council's key strategy priorities?</b>	No
<b>Name of assessor:</b>	Paul James
<b>Date of assessment:</b>	09 October 2017

<b>Is this a:</b>		<b>Is this:</b>	
<b>Policy</b>	<b>Yes</b>	<b>New or proposed</b>	<b>Yes</b>
<b>Strategy</b>	<b>No</b>	<b>Already exists and is being reviewed</b>	<b>No</b>
<b>Function</b>	<b>No</b>	<b>Is changing</b>	<b>Yes</b>
<b>Service</b>	<b>No</b>		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	To transfer the ownership of the freehold of the Corn Exchange building to the Corn Exchange Trust (CET).
<b>Objectives:</b>	To protect an important local cultural asset and landmark Grade II Listed building for its continued use as an arts centre for people who live in, work in or visit West Berkshire.
<b>Outcomes:</b>	The CET has direct control of the asset so that they can attract further investment from bodies who do not fund local authorities.
<b>Benefits:</b>	The CET provide a more sustainable cultural organisation which benefits people who live in, work in and visit West Berkshire.

<p><b>2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</b></p> <p>(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)</p>
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Group Affected	What might be the effect?	The Information to support this
Age	The proposal has the potential to increase access to the arts/cultural events, activities and learning for this group.	<p>The CET is a registered charity. The object of the charity is <i>“the education of the public in the arts in West Berkshire and the surrounding districts”</i>.</p> <p>The CET reaches audiences of more than 125,000 each year and seeks to reach more.</p> <p>As well as managing the Corn Exchange auditorium, cinema &amp; café it operates 101: the National Centre for Outdoor Arts creating large-scale outdoor performances with companies from across the world, an arts participation programme that works with over 12,000 local people each year, and from 2018 it will manage the new purpose-built gallery and making studios at Greenham Business Park.</p>
Disability	The proposal has the potential to increase access to the arts/cultural events, activities and learning for this group.	
Gender Reassignment	The proposal has the potential to increase access to the arts/cultural events, activities and learning for this group.	
Marriage and Civil Partnership	The proposal has the potential to increase access to the arts/cultural events, activities and learning for this group.	
Pregnancy and Maternity	The proposal has the potential to increase access to the arts/cultural events, activities and learning for this group.	
Race	The proposal has the potential to increase access to the arts/cultural events, activities and learning for this group.	
Religion or Belief	The proposal has the potential to increase access to the arts/cultural events, activities and learning for this group.	
Sex	The proposal has the potential to increase access to the arts/cultural events, activities and learning for this group.	
Sexual Orientation	The proposal has the potential to increase access to the arts/cultural events, activities and learning for	

	this group.	
<b>Further Comments relating to the item:</b>		
<p>The CET exists to promote access to the arts for all. The proposal will</p> <ul style="list-style-type: none"> <li>• Enable the Council and the Trust to work collaboratively to protect an important cultural and community asset for the district</li> <li>• Demonstrate to the Trust’s core funders, Arts Council England and Greenham Trust, that there is a commitment from the Council to support the long-term viability and sustainability of the organisation, despite the on-going financial challenges placed upon West Berkshire Council</li> <li>• Increase the Trust’s assets ensuring that these outweigh the organisations current and future actuarial liabilities, thereby ensuring the Trust maintains its status as a ‘going concern’</li> <li>• Enable the Trust to realise its current extension plans and raise funds from both charitable foundations and the corporate sector without the complications of a third-party freeholder</li> <li>• Allow the Trust to demonstrate a funding ‘match’ from the local authority through its gift of the asset</li> <li>• Ensure that the Trust benefits from all capital investments raised and that the widest possible range of Trusts and Foundations are prepared to give to future capital developments, as some will not donate if a building is not the charity’s asset</li> <li>• Remove the revenue and capital liabilities of the Corn Exchange from the local authority at a time when funding from Central Government is reducing</li> <li>• Demonstrate to the local community that the Council wants to support the Trust to thrive for the benefit of the local community</li> </ul> <p>This is likely to have a positive outcome for all groups.</p>		

<b>3 Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>No</b>
<p><b>Please provide an explanation for your answer:</b> Given that local authority resources continue to decrease there is no guarantee that it will be able to assist in the delivery of the arts services by the CET in the future. On the balance of probability therefore the proposal is more rather than else likely to contribute to the sustainability of the CET and their work to provide an arts service that is accessible to all.</p>	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>No</b>
<p><b>Please provide an explanation for your answer:</b> It is recommended that a public consultation take place on the proposal so that we may consider any other aspects that may positively or negatively affect any groups.</p>	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

4 Identify next steps as appropriate:	
Stage Two required	Given that a public consultation is recommended for such an important asset, and the consultation may identify aspects that have not been previously considered, a Stage 2 EIA should be undertaken.
Owner of Stage Two assessment:	Paul James
Timescale for Stage Two assessment:	After the public consultation. Date TBC

Name: PAUL JAMES

Date: 09/10/2017

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Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.

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# Transferring the freehold of the Corn Exchange premises to the Corn Exchange (Newbury) Trust

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### 1. Introduction/Background

- 1.1 The Corn Exchange was built for that function in 1862. It is Listed Grade II by Historic England meaning that it is one of the 500,000 buildings in England Listed as being of special interest to the national heritage.
- 1.2 After the decline of the corn trade it was used for a variety of public and community purposes including concerts, local theatre and operatic productions.
- 1.3 In 1993 it was opened as an arts centre. On 1 June 2000 the council transferred the operation of the building to the Corn Exchange (Newbury) Trust (CET) and leased the building to the CET for 99 years. The CET pays no rent.
- 1.4 The CET is a registered charity (no. 1080567). The object of the charity is “the education of the public in the arts in West Berkshire and the surrounding districts”.
- 1.5 The council has a 5 year Service Level Agreement with the CET that expires on 31<sup>st</sup> March 2019.
- 1.6 The reduction of the council’s Revenue Support Grant from Government and the need to maintain statutory and front-line services in the face of ever higher demand meant that the council reduced its payments in the last 3 years of the Service Level Agreement by a total of £148,000. The council also decided not to revenue fund the CET after that.

year	original agreement	revised agreement	transition fund	total revenue investment
2014-15	344,000	344,000		344,000
2015-16	310,000	310,000		310,000
2016-17	276,000	174,000	56,000	230,000
2017-18	242,000	174,000		174,000
2018-19	208,000	174,000		174,000
	1,380,000	1,176,000	56,000	1,232,000

- 1.7 That has had a negative impact on the CET’s business plan and operational capacity. Despite this reduction in funding the council will have invested £1.232M in revenue funding between April 2014 and March 2019.
- 1.8 Following this decision, the Executive Member for Culture and Environment had a number of discussions with representatives of the CET and Arts Council England in 2016 about what could be done to strengthen the longer-term sustainability of the CET. This included a discussion about whether the transfer of the freehold could contribute in this way.

- 1.9 As a result of the above, the management and trustees of the CET are formally requesting that the council transfer the ownership of the premises on a freehold basis to the CET as that contributes to their sustainability in the long-term.
- 1.10 Under the terms the council is responsible for any failure to the fabric of the building and the lift and air conditioning. The CET is responsible for the maintenance and repair of the building and plant.
- 1.11 In 2015 the council undertook a condition survey which identified items totalling about £250k that require replacement and repair by the council under the terms of the lease. This included the customer lift and the air handling system which have been replaced this year at accost pf £201,000. There are some other minor repairs to carry out to complete the works identified in the condition survey. The capital costs are budgeted for within the capital programme for Public Protection and Culture.
- 1.12 The council's capital investment in the new lift and air handling system has enabled the CET to use that as match funding to apply for a further £150,000 capital grant from Arts Council England for a number of improvements to make the building more energy efficient. These were completed in 2016.
- 1.13 The Corn Exchange building is not currently valued for asset purposes as it is on a long lease to the CET. Any transfer of the freehold to the CET would involve similar conditions and restrictions to its ownership and use in the future and the value of the asset is limited as a result. The building is Grade II Listed which probably restricts its commercial value since no major changes can be made to the exterior of the building. If the building was not already leased to a 3<sup>rd</sup> party and planning permission was obtained for an alternative use, then the building would have a commercial value. To determine that would require a commercial valuation exercise at a cost of £2000 to £3000.

## 2. Proposals

- 2.1 The following is the request from the CET to West Berkshire Council:

*The Corn Exchange (Newbury) Trust is a registered charity reaching audiences of more than 125,000 each year, operating with a turnover in excess of £3M per annum and reserves of £278,900, excluding the pension liability. As well as managing the Corn Exchange auditorium, cinema & café it operates 101: the National Centre for Outdoor Arts creating large-scale outdoor performances with companies from across the world, an arts participation programme that works with over 12,000 local people each year, and from 2018 it will manage the new purpose-built gallery and making studios at Greenham Business Park.*

*Following conversations with West Berkshire Council Officers and Councillors, the Trust formally requests the freehold transfer of the Corn Exchange building from West Berkshire Council.*

*We request that the final decision be made by 31 December 2017 and that the transfer take place no later than 31<sup>st</sup> March 2019 to coincide with the conclusion of the current Service Level Agreement, giving both parties 15 months to mutually agree the Heads of Terms.*

*We acknowledge that the transfer would be subject to a number of covenants and that these are likely to include the fact that:-*

- The building or parts thereof cannot be sold without the prior agreement of West Berkshire Council*
- The building is to be used for community and/or educational and/or cultural purposes except for the provision of trading activities that directly contribute to the Trust's income*
- A Councillor or Council Officer is to be invited to attend quarterly Board meetings as an observer*

*Furthermore we request an independent conditions survey is completed and any works to be undertaken by the Council to be agreed by both parties with stated timeframes for completion. This would follow the conditions survey completed in 2015 by hub, property and design consultants, which outlined a series of works required over a five year period.*

*The Corn Exchange (Newbury) Trust believes the asset transfer will:*

- Enable the Council and the Trust to work collaboratively to protect an important cultural and community asset for the district*
- Demonstrate to the Trust's core funders, Arts Council England and Greenham Trust, that there is a commitment from the Council to support the long-term viability and sustainability of the organisation, despite the on-going financial challenges placed upon West Berkshire Council*
- Increase the Trust's assets ensuring that these outweigh the organisations current and future actuarial liabilities, thereby ensuring the Trust maintains its status as a 'going concern'*
- Enable the Trust to realise its current extension plans and raise funds from both charitable foundations and the corporate sector without the complications of a third-party freeholder*
- Allow the Trust to demonstrate a funding 'match' from the local authority through its gift of the asset*
- Ensure that the Trust benefits from all capital investments raised and that the widest possible range of Trusts and Foundations are prepared to give to future capital developments, as some will not donate if a building is not the charity's asset*
- Remove the revenue and capital liabilities of the Corn Exchange from the local authority at a time when funding from Central Government is reducing*
- Demonstrate to the local community that the Council wants to support the Trust to thrive for the benefit of the local community.*

### **3. Conclusion**

- 3.1 The Corn Exchange has been used for community and cultural purposes for about the last 100 years.
- 3.2 The location, design and layout of the Grade II Listed building lend themselves to community and arts purposes.

- 3.3 The council, Arts Council England and others have made considerable capital investments in the building in the last 20 years so that it can function as an arts centre.
- 3.4 Under the current lease the council is responsible for major repairs to the fabric and plant until 2099.
- 3.5 Disposing of the asset on the market would require the relocation and compensation of the CET and planning permission for change of use.
- 3.6 The design and layout of the building and its Grade II Listing may not be attractive to a commercial business – and may not generate capital receipts sufficient to outweigh the disruption and relocation to the CET's services.
- 3.7 Therefore, in order to demonstrate the council's support for the CET in providing an arts centre in the Corn Exchange building, it is recommended that the council proceed with the transfer of the freehold to the CET.

#### **4. Consultation and Engagement**

- 4.1 The following have been consulted in the preparation for this report.
  - The Corn Exchange Trust
  - Arts Council England
  - Cllr Hilary Cole.
  - Cllr Dominic Boeck
  - West Berkshire Council Legal Services.
  - West Berkshire Council Property Services
  - West Berkshire Council Asset Management Group
  - West Berkshire Council Corporate Board
  - West Berkshire Council Capital Strategy Group (capital repairs / condition survey)



**Subject to Call-In:**

Yes:  No:

The item is due to be referred to Council for final approval   
Delays in implementation could have serious financial implications for the Council   
Delays in implementation could compromise the Council's position   
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months   
Item is Urgent Key Decision   
Report is to note only

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**Wards affected:**

All wards. The CET provides an arts service for the whole district.

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**Strategic Aims and Priorities Supported:**

The proposals will help achieve the following Council Strategy aims:

- SLE – A stronger local economy**
- HQL – Maintain a high quality of life within our communities**

The proposals contained in this report will help to achieve the following Council Strategy priority:

- HQL1 – Support communities to do more to help themselves**
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**Officer details:**

Name: Paul James  
Job Title: Culture and Libraries Manager. Public Protection and Culture.  
Tel No: 01635 519075  
E-mail Address: [paul.james@westberks.gov.uk](mailto:paul.james@westberks.gov.uk)

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