

DRAFT

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

EXECUTIVE

MINUTES OF THE MEETING HELD ON MONDAY, 19 FEBRUARY 2018

Councillors Present: Dominic Boeck, Graham Bridgman, Anthony Chadley, Jeanette Clifford, Hilary Cole, Lynne Doherty, Marcus Franks, James Fredrickson and Rick Jones

Also Present: John Ashworth (Corporate Director - Environment), Nick Carter (Chief Executive), Sarah Clarke (Acting Head of Legal Services), Melanie Ellis (Chief Accountant), Gabrielle Esplin (Finance Manager (Capital and Treasury Management)), Peta Stoddart-Crompton (Public Relations Officer), Andy Walker (Head of Finance) and Rachael Wardell (Corporate Director - Communities), Councillor Paul Bryant, Stephen Chard (Policy Officer), Councillor Lee Dillon (Shadow Executive Portfolio: Finance, Strategy & Performance, Economic Development, Property, Partnerships, Equality, Human Resources, Thatcham Vision, Pensions, Insurance, Health & Safety), Councillor Mollie Lock (Shadow Executive Portfolio: Education, Children's Services, Adult Social Care, Health & Wellbeing) and Councillor Tim Metcalfe

Apologies for inability to attend the meeting: Councillor Graham Jones

PART I

75. Minutes

The Minutes of the meeting held on 18 January 2018 were approved as a true and correct record and signed by the Leader.

76. Declarations of Interest

During consideration of Agenda Item 13 (Activity Team West Berkshire and the future of the Dolphin Centre, Pangbourne), Councillor Tim Metcalfe declared an interest in the item, but reported that, as his interest was a personal or an other registrable interest, but not a disclosable pecuniary interest, he determined to remain to take part in the debate.

77. 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 Mr Thomas Tunney to the Portfolio Holder for Planning, Housing and Leisure**

A question standing in the name of Mr Thomas Tunney on the subject of tents being cleared away from near the football club was answered by the Portfolio Holder for Planning, Housing and Leisure.

(b) **Question submitted by Mr Thomas Tunney to the Portfolio Holder for Planning, Housing and Leisure**

A question standing in the name of Mr Thomas Tunney on the subject of the ownership of the tents, linked with the closure of the night shelter was answered by the Portfolio Holder for Planning, Housing and Leisure.

(c) **Question submitted by Mr Peter Norman to the Portfolio Holder for Culture and Environment**

A question standing in the name of Mr Peter Norman on the subject of road pollution was answered by the Portfolio Holder for Culture and Environment.

EXECUTIVE - 19 FEBRUARY 2018 - MINUTES

(d) **Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Housing and Leisure**

A question standing in the name of Mr Peter Norman on the subject of the Core Strategy and Newbury's future housing requirements was answered by the Portfolio Holder for Planning, Housing and Leisure.

(e) **Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Housing and Leisure**

A question standing in the name of Mr Peter Norman on the subject of meeting future housing needs was answered by the Portfolio Holder for Planning, Housing and Leisure.

(f) **Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Housing and Leisure**

A question standing in the name of Mr Peter Norman on the subject of the benefit from land value uplift caused by a change in planning use was answered by the Portfolio Holder for Planning, Housing and Leisure.

(g) **Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Housing and Leisure**

A question standing in the name of Mr Peter Norman on the subject of the average price of an affordable two bedroom unit and how this compared with the average market price was answered by the Portfolio Holder for Planning, Housing and Leisure.

(h) **Question submitted by Ms Julie Wintrup to the Portfolio Holder for Community Resilience and Partnerships**

A question standing in the name of Ms Julie Wintrup on the subject of the savings generated by Citizen's Advice West Berkshire and whether these were factored into the Equality Impact Assessment was answered by the Portfolio Holder for Community Resilience and Partnerships.

(i) **Question submitted by Ms Julie Wintrup to the Portfolio Holder for Community Resilience and Partnerships**

A question standing in the name of Ms Julie Wintrup on the subject of whether a financial assessment was undertaken to demonstrate that no Stage 2 Equality Impact Assessment was needed was answered by the Portfolio Holder for Community Resilience and Partnerships.

(j) **Question submitted by Mr Tony Vickers to the Portfolio Holder for Finance and Transformation, Economic Development**

A question standing in the name of Mr Tony Vickers (asked on his behalf by Councillor Lee Dillon) asking why the Council was not using its ability to borrow from the Public Works Loan Board to help boost supply of affordable housing in West Berkshire was answered by the Portfolio Holder for Finance and Transformation, Economic Development.

78. **Petitions**

There were no petitions presented to the Executive.

79. **Investment and Borrowing Strategy 2018/19 (C3274)**

Councillor Hilary Cole explained that agenda items 6 to 9 would be briefly introduced by Councillor Anthony Chadley as Portfolio Holder for Finance. However, debate of the items was not planned for the Executive as they would be debated and determined at the Council meeting on 1 March 2018. Questions of clarity could however be asked.

EXECUTIVE - 19 FEBRUARY 2018 - MINUTES

The Executive considered a report (Agenda Item 6) concerning the Council's borrowing limits as set out by CIPFA's Prudential Code and which recommended, for Council approval, the Annual Investment and Borrowing Strategy for 2018/19. The report also provided a forecast of the Council's long term borrowing requirements.

Councillor Chadley explained that the implementation of the Strategy would be reviewed during the coming financial year by the cross-party Treasury Management Group of which Councillor Lee Dillon was a Member.

Councillor Dillon referred to paragraph 3.2 of the supporting information which raised the need for investments to satisfy a set of conditions and specifically the references made to credit ratings. Councillor Dillon felt that credit ratings should be clearly stipulated ahead of any investment being made. Councillor Chadley acknowledged this point and stated that he would look to update the Strategy in the way described, ideally in advance of the Council meeting.

Councillor Dillon then referred to the credit ratings and limits proposed for the different categories of investments. He noted that for NHS Trusts, investment was to be subject to an individual lending agreement which would require Executive approval. Councillor Dillon felt, for due diligence purposes, that the Treasury Management Group should also be involved in this decision. Councillor Chadley agreed to take this suggestion on board.

RESOLVED to recommend that Council adopt the 2018/19 Investment and Borrowing Strategy.

Other options considered: Not applicable.

80. **Medium Term Financial Strategy 2018/19 to 2020/21 (C3275)**

The Executive considered a report (Agenda Item 7) concerning the Council's Medium Term Financial Strategy (MTFS) for 2018/19 to 2020/21. The MTFS was a rolling three year strategy which was built to ensure that the financial resources, both revenue and capital, were available to deliver the Council Strategy. The MTFS was required to be read in conjunction with the Revenue Budget 2018/19, Capital Strategy and the Investment and Borrowing Strategy reports.

The MTFS was designed to:

- 1) allocate the Council's available resources focussing on those determined as most critical in supporting the Council's priorities and statutory responsibilities;
- 2) ensure that capital investment was affordable; and
- 3) ensure that the Council had sufficient levels of reserves.

The MTFS was also designed to minimise the financial risks to the delivery of the Council Strategy by providing a clear picture of the resources available and allowing the Council to focus on its priorities.

Councillor Lee Dillon highlighted that there were typographical errors to be amended and recommended that the document be proof read.

In terms of specific points, Councillor Dillon referred to the figure of £5.2m to be raised from savings and income generation (paragraph 7.2 of the summary report). He felt it would be useful to understand how this figure would be split between savings and income generation, and this could create an income generation target.

Councillor Dillon next highlighted a discrepancy in the figures in the Medium Term Financial Model table in paragraph 9.2 of the summary report. This gave a negative Revenue Support Grant (RSG) of £1.79m, however a figure of £1.75m was referred to elsewhere in the report and this needed to be corrected. Keeping to the issue of negative RSG, Councillor Dillon was hopeful that the Government would be lobbied on this matter.

EXECUTIVE - 19 FEBRUARY 2018 - MINUTES

Continuing with the Model table, Councillor Dillon questioned the Council Tax Collection Fund deficit/surplus as this was zero in 2019/20 and 2020/21. Line 19 (one off transitional grant funding) was shown as zero across the three years of the MTFs, he therefore suggested removal of this line. Line 9 (use of capital receipts) was also shown as zero across the three years, however the Capital Strategy and Programme report (agenda item 8) made reference to the use of capital receipts to fund the revenue cost of transforming Council services in 2018/19 and 2019/20. He felt that these figures should therefore be provided in the Model table.

Paragraph 3.3 of the supporting information highlighted savings requirements of £2.8m for 2019/20 and £240k for 2020/21 (this was based on the assumption that Council Tax increases would be at 2% per year). Councillor Dillon highlighted the need to understand the detail around this more fully as soon as possible.

Councillor Chadley gave thanks for this feedback. He would consider these points and provide a response to Councillor Dillon/consider changes to the document where appropriate, again prior to the Council meeting if possible. He agreed with the concerns in relation to negative RSG. Finally, on this item, Councillor Chadley agreed to look through the document and address any formatting issues/correct typographical errors.

RESOLVED to recommend that Council approve and adopt the Medium Term Financial Strategy 2018/19 to 2020/21.

Other options considered: None.

81. **Capital Strategy and Programme 2018/19 to 2022/23 (C3276)**

The Executive considered a report (Agenda Item 8) which outlined the five year Capital Strategy for 2018 to 2023, which included the Minimum Revenue Provision Statement and the Asset Management Plans for Property and Highways, and which set out the funding framework for Council's five year capital programme for 2018/19 to 2022/23.

Councillor Anthony Chadley highlighted that despite ongoing pressure on the Revenue Budget, the Council continued to make significant investment in the future of West Berkshire through its Capital Programme. This was largely funded by prudential borrowing.

Councillor Lee Dillon referred to the report's financial implications where it was highlighted that the Capital Strategy and Programme would in the main be funded from prudential borrowing, as also indicated by Councillor Chadley. However, he queried this as the pie chart in paragraph 6.1 of the Medium Term Financial Strategy report stated that 62% of capital expenditure would come from a combination of grants (40%), S106 (18%) and Community Infrastructure Levy (4%).

The financial implications also stated that the future level of CIL funding was particularly uncertain and would be kept under close review. Councillor Dillon was concerned therefore that it was proposed that CIL would fund 4% of capital expenditure. Councillor Dillon felt it would be useful to gain an understanding of the level of this specific risk. More generally, Councillor Dillon gave his view that risk statements needed to be quantified.

Councillor Chadley gave a commitment to look into these points and adjust reports if found necessary to do so, again in time for the Council meeting if possible.

RESOLVED to recommend that Council approve the Capital Strategy and Programme 2018/19 to 2022/23.

Other options considered: Not applicable.

EXECUTIVE - 19 FEBRUARY 2018 - MINUTES

82. Revenue Budget 2018/19 (C3277)

Councillor Chadley presented the report (Agenda Item 9) which recommended to Council the 2018/19 Revenue Budget. This included a proposed Council Tax requirement of £94.84m requiring a Council Tax increase of 2.99% in 2018/19 together with a 3% precept ring-fenced for Adult Social Care. The Council Tax increase would raise £2.7m and the precept a further £2.7m ring-fenced for Adult Social Care.

The report also proposed the fees and charges for 2018/19 (as set out in Appendix H) and the Parish Special Expenses (Appendix I), and recommended the level of General Reserves (set out in Appendices F and G).

Councillor Lee Dillon referred to the consultation response for the garden waste collection service saving proposal where 86% of respondents disagreed with the proposal. Councillor Dillon suggested that the harm from this proposal, if implemented, could be mitigated by giving residents the option of paying for this service via direct debit. Restricting the ability to pay for this service to online only could exclude some residents without internet access.

Councillor Dominic Boeck agreed this was a sensible suggestion that was being considered in order to make this process as user friendly as possible.

RESOLVED that the following be recommended to Council:

1. That Council approves the 2018/19 Council Tax requirement of £94.84m requiring a Council Tax increase of 2.99% with a 3% precept ring-fenced for Adult Social Care.
2. That the fees and charges be approved as set out in Appendix H and that appropriate statutory notices would be placed where required.
3. That the Parish Special Expenses be approved as set out in Appendix I.
4. That the responses received to each of the public facing savings proposals in the public consultation exercise undertaken on the 2018/19 budget be acknowledged and noted.
5. That, in relation to the Garden Waste Collection Service, if the proposal is approved then it is recommended that delegated authority be granted to the Head of Transport and Countryside, in consultation with the Section 151 Officer, Monitoring Officer and Portfolio Holder for Waste, to enable the necessary contract changes to be made to facilitate the changes to the Garden Waste Collection Service.

Other options considered: It is proposed to increase Council Tax by 2.99% with a 3% precept ring-fenced for Adult Social Care. If these options were not taken, the savings requirement would be £5.4m higher. All available options had been considered in order to keep the savings requirement to the level identified.

83. Financial Performance Report 2017/18 - Quarter Three (EX3305)

The Executive considered a report (Agenda Item 10) which informed Members of the latest financial performance for 2017/18.

Councillor Anthony Chadley drew Members attention to the proposal in the report to release £509k from the Adult Social Care (ASC) Risk Reserve. Subject to the Executive's approval on this matter, this would mean that the current financial forecast would be an overspend of £860k against a net revenue budget of £117.4m. If the reserve was not released as proposed, then the overspend would be £1.37m. Either way, the forecast would have an impact on the level of the Council's reserves at year end if the overspend could not be brought down by this time.

Councillor Chadley also highlighted a typographical error in both the summary report and supporting information. Paragraph 5.4 of the summary report and paragraph 1.3 of the

EXECUTIVE - 19 FEBRUARY 2018 - MINUTES

supporting information should both state that the Education forecast overspend had increased by £124k from the previous quarter.

Councillor Lee Dillon had a number of questions on this report. If the proposed release of the ASC Risk Reserve was approved, then just over £900k would have been released to date from this fund in 2017/18 and the fund would then total £1.044m. He queried whether there was confidence that it would not prove necessary to fully utilise the Risk Reserve. Councillor Dillon also noted a risk to the ASC budget should providers withdraw their services.

Councillor Chadley highlighted that the service specific risk reserves had been established for specifically identified risks. A decision had already been made and a further decision proposed in this report to release funds from ASC Risk Reserve as risks materialised in-year and it was considered right to make adjustments in-year, in particular to meet increased inflationary costs. However, the potential to use the risk reserves was always carefully considered and efforts continued to drive down overspends. Councillor Chadley added that extensive work had been undertaken to improve both the modelling of risks and forecasting, and this would continue moving forward.

Councillor Rick Jones described the efforts made in ASC to improve forecasting in this volatile area which was under considerable pressures. He stated that he was reasonably confident that the forecast overspend for 2017/18 was as accurate as possible, beyond the emergence of a major pressure. Councillor Rick Jones added that risks were published via the Council's Strategic Risk Register.

Moving to transformation funding, while some investment had taken place, £1m had been placed into a Transformation Reserve and around £660k of this remained unallocated. Councillor Dillon was concerned that there had not been greater use of the fund to transform services and he asked how this could be expedited. In response to this point, Councillor Chadley explained that use of the Transformation Reserve was only considered for projects that could maximise best value from this relatively small sum, i.e. commercialisation. A risk averse approach was taken and it was the aim to use this Reserve as efficiently as possible.

Councillor Dillon next referred to the overspend in the Education Service. He queried whether the costs incurred by the Disabled Children's Team should also be contributed to by Children and Family Services as this would provide a more realistic picture of where pressures were being felt and where costs were met from. Councillor Lynne Doherty clarified that this team was within Children and Family Services and they made the placements. Costs were currently met in Education.

Councillor Dillon asked for an explanation for the increase to salary costs and agency staff costs in the Communities Directorate. Salary costs had increased by £2.5m and agency costs by £670k from that originally budgeted. Councillor Chadley explained that increased salary costs in fact related to a re-identification of the amounts and this was in line with expectations. It was highlighted in the report to provide greater transparency, it would also aid comparisons. Councillor Chadley added that agency costs had increased in Month Nine to cover sickness absence in front line services.

RESOLVED that:

- The latest financial performance of the Council be noted.
- £509k be released from the Adult Social Care Risk Reserve. This confirmed the forecast overspend of £860k.

Other options considered: Not applicable.

EXECUTIVE - 19 FEBRUARY 2018 - MINUTES

84. 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 Community Resilience and Partnerships submitted by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon on the subject of the publication of air quality figures was answered by the Portfolio Holder for Community Resilience and Partnerships.

(b) **Question to be answered by the Portfolio Holder for Culture and Environment submitted by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon on the subject of the legislation under which the Council was proposing to introduce charging of green waste collections was answered by the Portfolio Holder for Culture and Environment.

(c) **Question to be answered by the Portfolio Holder for Highways and Transport submitted by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon asking what economic impact assessment was undertaken to help understand the impact on local businesses of on street car parking in Thatcham Town Centre was answered by the Portfolio Holder for Highways and Transport.

85. Exclusion of Press and Public

RESOLVED that members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that it involves the likely disclosure of exempt information as contained in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) Order 2006. Rule 8.10.4 of the Constitution also refers.

86. Activity Team West Berkshire and the future of the Dolphin Centre, Pangbourne (URGENT ITEM)

(Paragraph 1 – information relating to an individual)

(Paragraph 2 – information identifying an individual)

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

(Councillor Tim Metcalfe declared a personal interest in Agenda Item 13 by virtue of the fact that he was a Trustee of the Adventure Dolphin Charity, he was formerly the Council's representative for Adventure Dolphin and he had a private interest in the organisation. As his interest was personal and not prejudicial or a disclosable pecuniary interest, he determined to remain to take part in the debate.)

The Executive considered an exempt report (Agenda Item 13) which concerned the closure of the service known as the Activity Team West Berkshire, redistribution of its equipment and the asset transfer of the Dolphin Centre.

RESOLVED that the recommendations in the exempt report be agreed.

Other options considered: as outlined in the exempt report.

(The meeting commenced at 6.00 pm and closed at 7.10 pm)

EXECUTIVE - 19 FEBRUARY 2018 - MINUTES

CHAIRMAN

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Date of Signature

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