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**WYCOMBE**  
**DISTRICT COUNCIL**

Queen Victoria Road  
High Wycombe  
Bucks HP11 1BB

## Council

Date: 21 February 2019  
Time: 6.30 pm  
Venue: Council Chamber  
District Council Offices, Queen Victoria Road, High Wycombe, Bucks

You are hereby summoned to attend the Meeting of the Council to be held in the Council Chamber, District Council Offices, Queen Victoria Road, High Wycombe on 21 February 2019 at 6.30 pm to consider the business set out in the Agenda below.

Ms K Satterford  
Chief Executive

**Fire Alarm** - In the event of the fire alarm sounding, please leave the building quickly and calmly by the nearest exit. Do not stop to collect personal belongings and do not use the lifts. Please congregate at the Assembly Point at the corner of Queen Victoria Road and the River Wye, and do not re-enter the building until told to do so by a member of staff.

**Filming/Recording/Photographing at Meetings** – please note that this may take place during the public part of the meeting in accordance with Standing Orders. Notices are displayed within meeting rooms.

## Agenda

Item		Page
1	<b>APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
2	<b>MINUTES</b> To approve as a correct record the minutes of the meeting of Council held on 10 December 2018.	1 - 27
3	<b>DECLARATIONS OF INTEREST</b> To receive any disclosure of disclosable pecuniary interests by Members relating to items on the agenda. If any member is uncertain as to whether an interest should be disclosed, he or she is asked if possible to contact the District Solicitor prior to the meeting.	

Members are reminded that if they are declaring an interest they should state the nature of that interest whether or not they are required to withdraw from the meeting.

#### **4 CHAIRMAN'S ANNOUNCEMENTS**

To receive the announcements of the Chairman of the Council.

#### **5 QUESTIONS FROM MEMBERS OF THE PUBLIC**

28

Written questions may be asked of the Leader or any Cabinet Member if submitted to the Head of Democratic, Legal and Policy Services no later than 12 noon on Thursday 14 February 2019. Questions will be submitted in the order in which they were received.

A questioner will have a maximum of 1 minute to ask a question and the answer shall not exceed 3 minutes. Any questioner may put one supplementary question without notice within a maximum time of 1 minute and the answer may not exceed 2 minutes.

#### **6 QUESTIONS FROM MEMBERS**

29 - 30

Questions to the Leader or any Cabinet Member must be submitted by 12 noon on Thursday 14 February 2019.

A questioner will have a maximum of 1 minute to ask a question and the answer shall not exceed 3 minutes. Any questioner may put one supplementary question without notice within a maximum time of 1 minute and the answer may not exceed 2 minutes.

Questions shall be taken first from the Group Leaders of the political parties who shall be entitled to ask an initial Leader's question from his/her group, of which written notice shall have been given to the Head of Democratic, Legal and Policy Services prior to the meeting.

The order of questions shall then permit the first question from each other Councillor to be asked before any subsequent questions from the same Councillor. One question will be taken in turn from the same Councillor unless there are no other questions to be asked.

Every member asking an oral question is permitted to ask one supplementary question without notice provided that it is not substantially the same as a question that was put to a Council meeting during the past 6 months.

Any question remaining unanswered after 30 minutes will be answered within 10 working days in writing after the meeting by the appropriate Member and appended to the minutes of the meeting.

#### **7 PETITIONS**

- (i) Council to receive any petition from a member of the public who lives, works or studies within the district or from a Councillor on

his/her behalf as notified by the deadline of 5pm on Thursday 14 February 2019.

- (ii) Council to consider any petition already received that meets the required number of signatures to qualify for a debate by Full council. (The petition organiser will have 5 minutes to present the petition and then the Council will debate the matter for a maximum of 15 minutes and decide how to respond to the petition).

## 8 CABINET

31 - 51

To receive the minutes of and consider any recommendations from the following meeting(s):

- Cabinet 17 December 2018
- Cabinet (Special Meeting) 9 January 2019
- Cabinet 4 February 2019

## 9 CAPITAL STRATEGY

53 - 112

## 10 COUNCIL TAX SETTING 2019/20 AND PRESENTATION FROM THE LEADER OF THE COUNCIL (to follow)

The minutes of the Cabinet meeting held on 4 February 2019 recommend revenue estimates and the district and parish elements of Council tax levels for 2019/20.

Full Council is required to consider the Revenue Estimates and the district and parish elements of Council tax levels for 2019/20 and then to set out the full Council tax.

Details relating to the precept for Bucks County Council, the Thames Valley Police & Crime Commissioner and Bucks and Milton Keynes Fire Authority are awaited. The full report containing these details together with the full Council tax details across the district is therefore to follow.

Members are reminded that they must have regard to the Chief Financial Officer`s report when setting the Council tax.

In accordance with Standing Order 16.5 a recorded vote shall take place on decisions relating to the setting of the budget and Council tax.

## 11 PLANNING COMMITTEE

113 - 120

To receive the minutes of and consider any recommendations from the following meeting(s):

<b>Item</b>	<b>Page</b>
<ul style="list-style-type: none"> <li>• Planning Committee 17 October 2018</li> <li>• Planning Committee 12 December 2018</li> <li>• Planning Committee 16 January 2019 (to follow)</li> </ul>	
<p><b>12 HIGH WYCOMBE TOWN COMMITTEE</b></p> <p>To receive the minutes of and consider any recommendations from the following meeting:</p> <ul style="list-style-type: none"> <li>• High Wycombe Town Committee 15 January 2019</li> </ul>	121 - 126
<p><b>13 IMPROVEMENT &amp; REVIEW COMMISSION</b></p> <p>To receive the minutes of and consider any recommendations from the following meeting:</p> <ul style="list-style-type: none"> <li>• Improvement &amp; Review Commission 24 January 2019</li> </ul>	127 - 133
<p><b>14 REGULATORY &amp; APPEALS COMMITTEE</b></p> <p>To receive the minutes of and consider any recommendations from the following meeting:</p> <ul style="list-style-type: none"> <li>• Regulatory &amp; Appeals Committee 11 February 2019 (to follow)</li> </ul>	
<p><b>15 COMMUNITY GOVERNANCE REVIEWS</b></p>	134 - 138
<p><b>16 PERSONNEL &amp; DEVELOPMENT COMMITTEE</b></p> <p>To receive the minutes of and consider any recommendations from the following meeting:</p> <ul style="list-style-type: none"> <li>• Special Personnel &amp; Development Committee 18 February 2019 (to follow)</li> </ul>	
<p><b>17 STANDARDS COMMITTEE</b></p> <p>To receive the minutes of and consider any recommendations from the following meeting:</p> <ul style="list-style-type: none"> <li>• Standards Committee 19 February 2019 (to follow)</li> </ul>	
<p><b>18 EXTENSION WORKS TO COURT GARDEN LEISURE COMPLEX - PROCUREMENT PROCESS</b></p>	139 - 171
<p><b>19 QUESTIONS UNDER STANDING ORDER 11.2</b></p>	
<p><b>20 URGENT ACTION TAKEN BY CABINET OR INDIVIDUAL CABINET MEMBER</b></p> <p>Individual Cabinet Member Decisions:</p>	

- 11 December 2018 – Community Support Grants 2019-20 Homes and Homelessness – **13/2018** Cabinet Member for Housing
- 12 December 2018 – Community Support Grants 2019-20 Planning & Sustainability – **14/2018** Cabinet Member for Planning
- 12 December 2018 – Community Support Grants 2019-20 Community Services – **15/2018** Cabinet Member for Community
- 12 December 2018 – Community Support Grants 2019-20 Community Services – **16/2018** Executive Leader of the Council
- 17 December 2018 – Youth Mentoring Grant 2018-2020 – **17/2018** Cabinet Member for Youth & External Partnerships
- 19 January 2019 – Community Support Grants 2019-20 Community Services – **1/2019** Cabinet Member for Community

**For further information, please contact Peter Druce - Democratic Services Officer on 01494 421210, [committeeservices@wycombe.gov.uk](mailto:committeeservices@wycombe.gov.uk)**

## Council Minutes

Date: 10 December 2018

Time: 6.30 - 8.42 pm

**PRESENT:** Councillor A R Green (in the Chair)

Councillors Mrs J A Adey, Mrs S Adoh, K Ahmed, Z Ahmed, M C Appleyard, M Asif, D H G Barnes, Ms A Baughan, S Broadbent, Miss S Brown, D J Carroll, M Clarke, Mrs L M Clarke OBE, A D Collingwood, M P Davy, R Farmer, R Gaffney, S Graham, G C Hall, M Hanif, M Harris, M A Hashmi, A Hussain, M Hussain, M Hussain JP, D A Johncock, Mrs G A Jones, M E Knight, Mrs J D Langley, Mrs W J Mallen, N B Marshall, H L McCarthy, I L McEnnis, Ms C J Oliver, B E Pearce, G Peart, S K Raja, R Raja, S Saddique, J A Savage, R J Scott, D A C Shakespeare OBE, N J B Teesdale, A Turner, P R Turner, Ms J D Wassell, D M Watson, C Whitehead and Ms K S Wood and Honorary Alderman R Pushman.

Apologies for absence were received from Councillors H Bull, C Etholen, C B Harriss, A E Hill, D Knights, A Lee, R Newman, Mrs J E Teesdale, R Wilson and L Wood and Honorary Aldermen J Blanksby, E Collins, Mrs K Peatey and Mrs P Priestley.

### 53 MINUTES

**RESOLVED:** That the minutes of the meeting of the Council held on 8 October 2018 along with those of the Special Council of 26 November 2018 be confirmed as true records and signed by the Chairman.

### 54 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 55 CHAIRMAN'S ANNOUNCEMENTS

The Chairman reported on his recent engagements carried out since the last Full Council;

- Welcoming the Duchess of Wessex at the Air Ambulance Headquarters;
- Similarly welcoming the Duke of Kent on his visit to Cressex to award 2 local companies with the Queen's Award for enterprise;
- Accompanying the Lord Lieutenant for Buckinghamshire at the South East Reserve Forces and Cadets Association awards ceremony;
- A considerable number of Remembrance Day events given the centenary of the end of World War One, including the 'Battle's Over – Nations Tribute'

event, wreath laying at the War Memorial and the Remembrance Day Parade and Service at All Saints' High Wycombe along with the Beacon Lighting at Tom Burt's Hill; and

- The Wycombe District Sports Award event at Bisham Abbey and the similar Bucks and Milton Keynes event at the Waterside Theatre, Aylesbury.

## **56 QUESTIONS FROM MEMBERS OF THE PUBLIC**

### **a) Question from Mr N Vickery JP to the Leader of the Council.**

Can the Leader of the Council please set out her and her Cabinets position on the future of Governance for the Town of High Wycombe post Unitary Authority launch in April 2020?

### **Verbal reply given by Councillor Ms K Wood (Leader of the Council).**

I cannot speak for my Cabinet members. My primary concern is the future governance of the District. I suspect we shall hear rather more about the views of Members of this Council on Town governance later on in this meeting but what we do know is that we will have a new Unitary District Council for Buckinghamshire which will serve the Town of High Wycombe and we need to do everything we can to ensure that the new unitary Council is set up in a way that will best serve all our residents including our Town residents, and I am working hard to ensure that is what happens.

### **Supplementary Question**

I get the feeling that this will be a case of too little too late. Why can't you and your Cabinet agree this Local Governance Review now, to give this town the same representation as all other residents of the District, such as those served by Marlow and Princes Risborough Town Councils and Chepping Wycombe Parish Council etc.?

### **Supplementary Response**

I pointed out in my first response that I did not speak for my Cabinet Members, we will hear later at this meeting the views of Members on this subject.

### **b) Question from Mr R Colomb to the Cabinet Member for Finance & Resources.**

In view of the impending demise of Wycombe District Council and its replacement by a Unitary Authority subsuming all the District and County Authorities, what steps is this Authority taking to ensure that the hard earned reserves that have been accumulated over the years and as you stated two Council Meetings ago are earmarked for projects within the District are in fact spent on these District projects and not lost to other priorities in other parts of Buckinghamshire?

**Verbal reply given by Councillor D Watson (Cabinet Member for Finance & Resources).**

Thank you Mr Colomb for your question and interest in these matters.

As a consequence of the sound financial management of public funds over many years, including the period during the time when you were the Council leader, the District Council has the benefit of a strong balance sheet having considerable reserves and with no borrowing.

The general fund reserve as at March 31<sup>st</sup> 2018 was £9.8M with earmarked reserves of £40.2M, Capital Receipts of £16.8M and Capital Grants of £7.4M i.e. a total of £74.4M of Usable reserves.

Given the strong balance sheet the following is planned:

- The Council is continuing to invest during both 18/19 and 19/20 across the District for the benefit of local residents and will be applying its reserves in investing in the schemes to support the economic development, regeneration and place shaping aspirations of this Council. Tens of millions of major project expenditure, where there is a sound business case, is currently planned for delivery during the period from now up to end of 19/20;
- Retain a 15% reserve for unforeseen net expenditure – for the so called “unknown unknowns” i.e. £2.1M;
- The local government financial settlement, postponed from last week is still to be announced. Should the need arise we intend to be in a position to mitigate any major decrease in New Homes Business, Business Rates, negative Revenue Support Grant or internally generated income the council receives e.g. rents and fees/charges;
- Set aside funds for transition costs with regard to the formation of a new authority;
- Maintain a low level of council tax;
- Continue to do what we can to support the local economy; and
- Effect potential land acquisitions in support of the Local Plan.

It is anticipated that Wycombe District Council Usable reserves will be considerably reduced during the next year or so but, I have to say, that it is unlikely that all the accumulated reserves from past years will be spent only within the District. Those members of the new authority, elected from the former Wycombe District, will I suggest, have a responsibility to ensure that the former Wycombe council tax payers receive a fair share of spending during the years ahead.

**Supplementary Question**



Do you share my belief that the residents of Wycombe District and especially of High Wycombe Town will be the most financially disadvantaged under the new Unitary set up? They will see loss of reserves and swingeing tax increases, Wycombe District Council has been well run, do you share my concerns?

### **Supplementary Response**

Yes I do share your concerns, I am proud Wycombe District Council has consistently had the lowest Council Tax in Buckinghamshire. When harmonised; this will have a disproportional impact on these local tax payer, I hope a phased period of time can be utilised for this.

### **c) Question from Mr P Crotty to the Cabinet Member for Housing.**

In 2011 WDC sold assets including all of our council housing stock to Red Kite for just a few percent of its value.

What action does WDC propose now that Red Kite is proposing to sell some of those assets via subsidiary companies without having created the now overdue Star Block development under its contract with WDC?

### **Verbal reply given by Councillor Mrs J Langley (Cabinet Member for Housing).**

Good evening Mr Crotty and thank you for your question. The transfer process was extremely complex and there are a good number of Councillors in the room who will concur with that. It was driven by a set of Government rules that included how the homes were valued, we had little to do with this.

In reference to your remarks regards Red Kite selling some of their assets via subsidiary companies. The two subsidiary companies you refer to are wholly owned by Red Kite, there are no shareholders who can take money out.

Red Kite and Twenty 11 are both charitable purpose organisations, any surpluses generated has to be re-invested. They are a tax efficient means of ensuring any surplus generated can be returned to one of the charitable companies to use for its charitable purposes.

Here at Wycombe District Council, Members and Officers are working with Red Kite with regard to their Twenty 11 pilot scheme and look forward to discussing the independent review of this pilot scheme with them in due course.

The Castlefield / Star Blocks scheme is a large project and not without risks. It is an ambitious scheme. Replacing 97 homes with 184 brand new ones is their biggest development scheme so far.

Red Kite are developing proposals for a planning application; discussions are ongoing with officers and Members.

### **Supplementary Question**

Irrespective of the Star Block development, the 2011 deal now leaves us poorer by hundreds of millions of pounds. The Regulator for Social Housing confirms that WDC's contract arrangement with Red Kite was quite legal. Assuming that this advice is accurate is there any other alternative for WDC constituents than to assume that WDC has behaved negligently on a grand scale?

### **Supplementary Response**

Red Kite and Twenty 11 if they are to develop new homes at rents local people can afford, they need to subsidise the build costs with the profit from these companies.

I think it is important to make it clear that since the transfer Wycombe District Council are not involved in the day to day business of Red Kite.

Regular meetings take place with Red Kite which include the Deputy Leader (Dominic Barnes) the Cabinet Member for Planning (David Johncock), myself and senior officers.

Wycombe District Council also has two nominees on the board of Red Kite. They are both very experienced councillors: Councillors Ian McEnnis and Paul Turner.

#### **d) Question from Dr L Derrick to the Leader of the Council.**

WDC's website says it is the responsibility of councillors to "represent constituents and help with their enquiries".

Can Cllr Wood confirm that she believes that as a minimum Ward Councillors should respond when approached by local constituents?

#### **Verbal reply given by Councillor Ms K Wood (Leader of the Council).**

Thank you for your question. Of course we like to be responsive, but it is not always possible or appropriate to respond to every email that is received, particularly when some emails are circular and sent to large groups electronically. This type of email may not get answered and I think it is up to each member to consider whether to respond having considered all the circumstances of the case but in general, yes I do expect members to respond to members of the public who raise specific concerns about difficulties they are facing and for which they need their councillor's help.

### **Supplementary Question**

During the course of delivering her address / question, the Chairman considered Dr Derek was introducing a new topic and ruled that it was not valid. He therefore did not permit it to be asked in compliance with Standing Order 10.4.

**e) Question from Mr A Walker to the Cabinet Member for Economic Development & Regeneration.**

Would the Council be prepared to suspend the attempt to Compulsory Purchase the Brunel Shed in the forecourt of High Wycombe Station for up to three months, whilst a group of Community Based Organisations seek to develop an alternative plan for the re-generation and re-purposing of the Building?

**Verbal reply given by Councillor S Broadbent (Cabinet Member for Economic Development & Regeneration).**

It is heartening that there is public interest in the re-purposing of the Brunel Shed and that local groups seek to develop plans for one potential vision for the future use of the shed. However, the building has lain empty for a decade and none of the many plans which have arisen over that period have come to fruition. This is fundamentally why the Council has taken the step of deciding to compulsorily purchase the Brunel Shed: as long as the building is not in the possession of the Council its condition, its listed status, and the commercial requirements of its owners will mean that regeneration is not economically viable. The compulsory purchase process does not preclude any alternative plan so there is no reason to delay pursuing it. It should be noted there has been interest from various members of the public with suggestions and requests as to how the building will be used; these will be taken into account as part of the development of a formal business case for the future use of the Brunel Shed in due course.

**Supplementary Question**

High Wycombe Model Railway Club of which I am a member have a number of members who work for Chiltern Railways and Network Rail who are aware of the complex legal conflict in respect of the ownership/ use of this building between Chiltern Rail, the Department of Transport and Network Rail. Do you not think a meeting should be convened of community based organisations to discuss the propositions for the use of this important community asset?

**Supplementary Response**

Thank you, a CPO (Compulsory Purchase Order) is not entered into lightly, it is a last resort, but we want to establish a future for this building. The situation between Network Rail, Chiltern Rail and the Department does not involve Wycombe District Council. Public interest in the building will of course be taken into account during the consultation stage that has to be carried out in order to complete the CPO.

**57 QUESTIONS FROM MEMBERS**

**a) Question from Councillor R Raja to the Leader of the Council**

The multi-year capital programme envisages spending in excess of £86M after the date of unitarisation.

Would the leader like to inform us of the mechanism which will guarantee that these commitments will be met?

**Verbal reply given by Councillor Ms K Wood (Leader of the Council).**

As you say the Council is continuing to invest in the District and has set out in the draft Capital programme its plans for future years.

Many of these projects run over multiple years and once a contract has been signed then the new council will have to honour the commitments made by this Council. We will continue to make informed decisions based on sound and robust Business Cases so we do not think that the new Council would not wish to pursue good sensible schemes that have benefits for the community and deliver Value for Money for those schemes where we have not signed contracts.

However we are not in a position to guarantee delivery but we are making sure that we can take all reasonable steps to expedite delivery of schemes by accelerating work into this year if necessary and by examining potential areas of blockage to free up resources and to remove obstacles.

**Supplementary Question**

It is understandable that you can't give us guarantees, I think that the view of the new Unitary authority will see common sense prevail. What will you put in place to ensure what has been in the pipeline will be delivered?

**Supplementary Response**

As I said, we will take all reasonable steps to expedite delivery of schemes by accelerating work into this year if necessary and by examining areas of blockage to free up resources and to remove obstacles according to the said business cases.

**b) Question from Councillor M Knight to the Leader of the Council**

As the Bucks County Council consultation on Early Help Services comes to an end this week we are closer to knowing which Children's Centres are going to be closed. In the proposals this includes the closure of both east Wycombe Children's Centres at Ash Hill School in Micklefield and the Hampden Way centre which serves Totteridge and Bowerdean.

It has been suggested that local residents and organisations could be offered the chance to keep these facilities open. What support could Wycombe District Council offer to help residents who wanted to do this?

**Verbal reply given by Councillor Ms K Wood (Leader of the Council).**

Thank you for your question, although I believe it may be a little premature. The County is out to consultation at the moment and the proposed closures are one of three options, albeit BCC's preferred option. If Option B is supported there are actually seven children's centres across the District that would close. This Council cannot pick up the bill for all of those services.

In any case BCC is consulting on alternative uses of the buildings with the stated preference that in all cases formal nursery or other early years' provision would be favoured. If you wish to take on the two buildings you mention you would be best advised to engage actively in the consultation and work closely with BCC. I am sure this would involve the development of robust business cases, which would give more clarity on any financial needs you may have. This Council cannot issue a blanket guarantee of financial support, but if there is a solid business case for investment I would be willing to consider it as part of overall budget setting.

### **Supplementary Question**

Lots of residents in my ward are very concerned, it is an area of need where families need the support these centres provide. Would you be prepared to work with residents in respect of this provision?

### **Supplementary Response**

Personally I do not have the skills needed, but I can speak with you outside this Meeting to look at this issue.

### **c) Question from Councillor B Pearce to the Leader of the Council**

Do you agree with me that now it is likely we will be having a Unitary Authority (a shame it's not going to be two) that it would be a good and prudent idea if a sub-committee could be set up in order to discuss the possibility of having a High Wycombe Town Council?

### **Verbal reply to be given by Councillor Ms K Wood (Leader of the Council).**

Thank you for your question Councillor Pearce it seems that there will be an opportunity later on the agenda to consider this question. I therefore don't think there will need to be a separate committee meeting to discuss it.

### **Supplementary Question**

I have no supplementary question it was effectively put by Mr Vickery earlier during Public Questions, thank you.

### **d) Question from Councillor M Hanif to the Cabinet Member for Environment**

In October WDC cabinet approved an AQAP (Air Quality Action Plan) responding to poor air quality around High Wycombe, mainly from traffic. This plan was a watered down version from the aspirations of the steering group who were involved in its early stages. The plan fell short of addressing the challenging but fundamental issues of how to get people out of their cars and onto their feet, cycles and public transport. Also through public consultation 41 respondents submitted in depth comments and suggested amended actions. Yet no change to draft plan was made.

Are these consultations just a waste of time and provide good reasons for people to become cynical about consultations?

**Verbal reply given by Councillor Mrs J Adey (Cabinet Member for Environment).**

I have a feeling of 'deja-vu' in that I have already responded to a similar question in the Bucks Free Press recently.

The action plan to help improve air quality in the Wycombe District was the result of lengthy negotiations between Wycombe District Council, Buckinghamshire County Council and local transport providers, in addition to strong input from community and environmental groups, including Wycombe Friends of the Earth. We also had a number of comments from members of the public which we took into consideration.

Tackling poor air quality at a local level is a complex task, particularly when so much depends on national policy and industry standards, and so I share your frustration in that the current air quality action plan perhaps doesn't go far enough. That being said, we have agreed 25 actions that fall into three broad themes: national legislation and local policies; transport and infrastructure; and public engagement and behaviour. We hope to start progressing some of these actions in the New Year and will also be taking forward other suggestions that were made, along with other initiatives, which don't currently feature in the plan. For example, officers are currently seeking funding for a study into the potential feasibility of a low emissions zone in the areas with the highest levels of air pollution, which could bring in controls to limit older, more polluting vehicles - be they private cars, passenger carrying vehicles large and small, or those moving freight. I admit that this could be a drastic measure, and, subject to our funding application of course, clearly a lot of work is required to establish how this might work and what the ultimate benefits would be, but it is an area that I feel is worth exploring, as something that is within the remit of local government to introduce.

We'll keep the plan under regular review, so we can account for technological and scientific advancements and new legislative powers. And we're committed to producing additional planning guidance, particularly in the field of electric vehicle charging point provision; that will result in additional schemes to help tackle poor air quality.

With respect to the question raised about the value of consultation, it is clear to me that we would not have an action plan at all without the consultation that has taken place – the actions have, after all, been developed with our consultees! However, if after further consultation, additional suggestions are made, then of course it is not always possible to satisfy all concerned, and a balance has to be struck, with compromises made. Hopefully though as our plan develops and its impacts are reviewed, additional measures can be justified and introduced to tackle our local air quality problems.

**Supplementary Question**

Local Authorities have a legal duty in respect of Air Quality Management, other authorities are developing ambitious programmes. Would you say Wycombe District Council has failed in not providing a solid and robust scheme?

## **Supplementary Response**

No I would not. We are working to establish a good scheme for our residents.

### **e) Question from Councillor M Harris to the Cabinet Member for Environment**

Given the publicity around plastic in our oceans, I have residents asking what happens to the plastic in their recycling bin if it is recyclable. They would also like to know what happens if it's in the recycling bin but is not recyclable. And what if they put recyclable products in the landfill bin by mistake.

Could I ask the Cabinet Member to clarify the processes?

### **Verbal reply given by Councillor Mrs J Adey (Cabinet Member for Environment).**

Mixed recyclables presented in the blue bins are collected and bulked at the London Road depot in Amersham, for transfer by road to materials recovery facilities (MRFs) situated in other parts of the UK. Plastic bottles are sorted from the other materials present in the mixture and separated into different streams according to the type of plastic present.

The different types of plastic bottles are formed into bales and then shipped to re-processors in the UK and Europe, sometimes further afield. The plastic bottles are then re-processed to provide raw materials for the manufacture of new products. Recent information shows that an average of approximately 10% of the plastic bottles collected in Wycombe may eventually leave the UK or Europe for recycling purposes. These destination countries include Malaysia, Taiwan, Vietnam, the Philippines, Hong Kong, Indonesia and India.

If non-recyclable material is presented in the mix which arrives at the MRF, the various processes and technologies in use at the facility will cause it to be separated from the useful material. The unwanted material is then disposed of and depending on the MRF in question it will be used for energy recovery.

Any plastic present in the residual waste bin will be disposed of in a compliant manner. In Wycombe District this means it will be collected along with the other residual waste, bulked at the High Heavens transfer station by the Waste Disposal Authority (Buckinghamshire County Council) and transported for energy recovery at the Greatmoor energy from waste facility.

Plastics presented by Wycombe residents in the blue bins will be recycled, or if presented in the grey bins, plastic bottles will be treated as residual waste and disposed of properly by our contractors. Recycling materials collected from the kerbside by the Council's contractor and sent for sorting, bulking and onward transportation are subject to a regulatory process. This regulatory 'duty of care' requires that waste is only ever transferred to an authorised operator who has a valid registration as a carrier, broker or dealer of waste, or a waste management operator who has an environmental permit. Only reputable and compliant



contractors are used. Operators of MRFs like those used by the Council are required to keep records and report to the regulator details of what they send out, every three months. To check on all this, the Joint Waste Team has its own programme of 'duty of care' visits. All contractors taking recycling from us are visited, and the officers satisfy themselves that the operators are meeting the requirements of the legislation and all the necessary documentation is up to date and compliant. We recently visited Crayford MRF for this purpose and all was found to be in order.

### **Supplementary Question**

Is there any way that plastics from my ward residents ends up in the oceans?

### **Supplementary Response**

The Chances are exceedingly small, in that it is believed that only 0.03% of the plastics found in oceans comes from the UK.

### **f) Question from Councillor M A Hashmi to the Cabinet Member for Finance & Resources**

Online shopping has become a fact of life and continues to grow.

Is it not time for WDC to seriously consider the overhaul of the business rates system so that high street shops are not paying four times as much in business rates as their online rivals?

### **Verbal reply given by Councillor D Watson (Cabinet Member for Finance & Resources).**

Business rates are an important source of local government funding but it is administered as a national scheme. The charge is based on a rateable value set by the Valuation Officer Agency, multiplied by a "multiplier" set by the Government. Whilst Local Authorities collect Business Rates they have no discretion to change this national system. The rateable values are calculated differently for different types of businesses according to the type of property, but as a general rule are based on the estimated rental value of the property on the open market. The calculation of Rateable Values by the Valuation Office Agency is a specialised area of work. Local Authorities have no input to the Valuation process. It is up to central government to overhaul business rates.

Both the Government and WDC recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres and is taking action to help the high street evolve. The Chancellor of the Exchequer announced in the Budget on 29 October 2018 that the Government was giving Local Authorities discretion to operate a business rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20

and 2020-21. The value of this discount will be one third of the net rate bill and will be available to qualifying business ratepayers from April.

At a local level Wycombe offers a range of reliefs as permitted by the National Legislation, including Small Business Rate Relief; Rural Rate Relief; Mandatory and Discretionary Rate Reliefs. In particular it is worth highlighting the Discretionary Business Rate scheme which helps local businesses with a rateable value below £200,000 that faced a large increase in business rates between 2016 and 2017. The Council has awarded over £150,000 Discretionary Business Rate Relief in the current year and will continue to offer support for the final two years of the scheme, using the funds made available.

The council will continue to explore all options that are within its statutory powers to help local retailers. Officers work hard to maximise discretionary schemes where they can.

### **Supplementary Question**

Councillor Hashmi had no supplementary question.

### **g) Question from Councillor K Ahmed to the Cabinet Member for Environment**

Wycombe District & Chiltern District councils' are currently undertaking a procurement exercise to seek tenders for a new 10 year contract to provide a joint waste, recycling and cleansing contract.

Given that the future of these councils in their existing format is limited, therefore is it wise to tie them into a 10 year contract?

### **Verbal reply given by Councillor Mrs J Adey (Cabinet Member for Environment).**

The three Councils in the Joint Waste Partnership are procuring a new refuse, recycling and street cleaning contract, planned to start in June 2020. Contract commencement date will therefore be after the inception of the new unitary authority, which is likely to be in April 2020. Any contracts in place with the districts would be novated to the new unitary authority at this time.

There is a statutory duty on the district councils to collect waste, and residents require a well-managed, good quality, value for money service to be in place, without even a single day's break in provision. Clearly the waste collection duty would transfer into the new unitary authority on its start date and so a procurement exercise is required to ensure that there is a supplier in place after the existing contractual arrangement ends.

The opportunity being offered by the procurement process is for an initial 10 years. The length of contract has been chosen as it offers a reasonable period of stability and an attractive commercial opportunity for any provider. It also reflects the expected service life of the principal assets, which are the waste collection vehicles. Shorter contracts may therefore not offer good value for money to the councils or

may not be commercially attractive to contractors in what is a busy procurement market place for these services. An unattractive bidding opportunity represents a risk to the districts and any successor authority and should therefore be avoided.

It is therefore sensible to continue as we are, all the while making information available as appropriate on progress with the procurement of the planned new contract, for governance purposes.'

### **Supplementary Question**

I note the three District Councils merging in respect of this contract. But there are 4 in the new Unitary Council, are not Aylesbury Vale District Council out of this opportunity, is a short term contract not a ten year one a better idea?

### **Supplementary Response**

I have given my reasons already for this contract, Aylesbury Vale have in-house provision; we have always worked well together in respect of waste collection amongst the 3 southern authorities of Buckinghamshire.

### **h) Question from Councillor B Pearce to the Cabinet Member for Economic Development & Regeneration**

When the Pound Shop closed in High Wycombe, we were all concerned that yet another empty shop had appeared on the High Street but lo and behold, a shop very similar opened within a very short time of the initial closure.

Was this a pure coincidence or was this due to hard work by council officials?

### **Verbal reply given by Councillor S Broadbent (Cabinet Member for Economic Development & Regeneration).**

Though I recognise the comprehensive and sustained work of officers at the Council in respect of regeneration and economic development; the Council are not able to take credit in this instance.

Pound World on the High Street in High Wycombe closed in August. It was bought out by Pound Stretcher (their 8<sup>th</sup> Pound World store buy out) and re-opened the store in September after a refit.

### **Supplementary Question**

Councillor Pearce had no supplementary question.

### **i) Question from Councillor M Hanif to the Cabinet Member for Environment**

A survey by the Gambling Commission has found that 89% of pubs failed to prevent children playing 18-plus gaming machines. The LGA (Local Government

Association) has joined the Gambling Commission in calling on the industry to address the findings of this report and take urgent action to prevent young people from developing possible gambling problems as they grow older.

Surely WDC will be coming into contact with people impacted by gambling through a range of services, including housing and homelessness, financial inclusions and addiction services. This survey sends a clear signal that addressing problem gambling is a priority not just for public health and licensing but for the whole council and its wider stakeholders, thereby facilitating cooperation across departments and with local communities and partners.

What actions are WDC taking to strengthen work in this area?

**Verbal reply given by Councillor Mrs J Adey (Cabinet Member for Environment).**

Officers have no evidence of children playing 18 plus gaming machines and haven't received any specific information that it is an issue in the Wycombe area. I can assure you that officers would take action if they noted this during their routine inspections or if they received a complaint. However in light of the recently issued report they intend to carry out further checks in relevant premises.

The anti-social behaviour team, the police and licensing undertake routine test purchase operations in licensed premises to ensure they are adhering to their licence thereby safeguarding young people. Whilst this focuses on CSE (Child Sexual Exploitation) and the sale of alcohol to minors, it raises their awareness of general safeguarding of young people in their premises. In addition, information is shared with hotels and pubs as part of Hotel Watch, so if there is a campaign or information available, this can be shared with them.

With regard to housing and homelessness our recording systems do not record details of clients affected by gambling addictions and as such we only have anecdotal evidence of cases of homelessness caused by gambling addictions.

Officers have advised that they have not seen a disproportionate number of homeless households presenting as a result of gambling addictions.

### **Supplementary Question**

Councillor Hanif had no supplementary question.

### **j) Question from Councillor M Knight to the Leader of the Council**

Last December I asked you a question about Frogmoor and wanting to reclaim it as a place where all members of our community could feel welcome and safe.

Could you give us an update on what progress has been made to both reduce antisocial behaviour and generally improve the public realm in that part of High Wycombe?

### **Verbal reply given by Councillor Ms K Wood (Leader of the Council).**

Thank you for your question. I am very happy to update you on progress as town centre issues have been a key focus of my administration over the past year. You will be aware of the Anti-Social Behaviour Task and Finish Group report that Cabinet responded to last month. Our response included a public commitment to fund a one year pilot for High Wycombe Street Wardens, who will have the powers to address issues within the town. We expect to have the team in place in April 2019 and discussions have already taken place with local police and the BidCo to ensure all our town centre teams work together to achieve maximum benefit.

I will also be sharing very shortly with all Members the details of some modest improvements we plan to make to Frogmoor in the spring to address the concerns around safety, inappropriate parking and the unwelcoming environment. This involves improvements to seating, paving and lighting, which, twin-tracked with the advent of the Street Warden team, will encourage positive use of Frogmoor while tackling less desirable uses.

We know our residents are keen to help those in need, but this help needs to be appropriate so we are also close to finalising publicity with Wycombe Homeless Connection on the help people can provide to services for rough sleepers, which we all hope very much will reduce begging around the town. I am also looking forward to working with the new BidCo Manager, Melanie Williams, to ensure that the town welcomes visitors and supports local businesses by providing an attractive and safe environment.

In the meantime the multi-agency Street Community Group continues to work with those most in need so that they can make the changes they need to in order to move on with their lives.

### **Supplementary Question**

I recognise and commend the work of the Anti-Social Behaviour Task and Finish Group and welcome Cabinet's support of the Group's recommendation in respect of wardens.

In respect of the modest improvements in Frogmoor referenced by the Leader in her response, could she confirm that these were inspired by the CIL (Community Infrastructure Levy) bid prepared by Councillor Ms Wassell re table tennis tables and band stands etc.?

### **Supplementary Response**

No these were not inspired by that bid, these were underway before that CIL bid received.

Notice had been given that two petitions would be handed in.

- The first was presented by Cllr Julia Wassell, and was a petition by the residents of Totteridge for a Community Governance Review with a view to forming a Parish Council in Totteridge.
- The second was presented by Cllr Andrea Baughan and was a petition by the residents of Micklefield for a Community Governance Review with a view to forming a Parish Council in Micklefield.

It was noted that both petitions fell under the provisions of 2007 Local Government and Public Involvement in Health Act for Community Governance Review petitions. The provisions of that legislation took precedence over the Council's petition scheme. This legislation included the requirement to validate the petitions. Members and the lead petitioners would be informed outside of the meeting how the petition would be administered following that validation process.

If either of the petitions resulted in a review, a report would be brought to the next meeting of Full Council on 21 February 2019 on proposed Terms of Reference for the petitions.

#### **59 CABINET**

**RESOLVED:** That the minutes of the meeting of the Cabinet 12 November 2018 be received, and the recommendations as set out at minute number 47 be approved and adopted.

#### **60 CABINET**

**RESOLVED:** That the minutes of the meeting of the Cabinet 26 November 2018 be received.

#### **61 STANDARDS COMMITTEE**

**RESOLVED:** That the minutes of the meeting of the Standards Committee on 9 October 2018 be received.

#### **62 LICENSING COMMITTEE**

**RESOLVED:** That the minutes of the meeting of the Licensing Committee on 11 October 2018 be received and that Minutes 9 (Review of Gambling Act 2005 Policy – Outcome of Consultation) and 10 (Review of Licensing Act 2003 Policy – Outcome of Consultation) be approved and adopted.

**63 PLANNING COMMITTEE**

**RESOLVED:** That the minutes of the meeting of the Planning Committee on 19 September 2018 be received.

**64 AUDIT COMMITTEE**

**RESOLVED:** That the minutes of the meeting of the Audit Committee held on 1 November 2018 be received, and the recommendation as set out at minute number 37 be approved and adopted.

**65 HIGH WYCOMBE TOWN COMMITTEE**

**RESOLVED:** That the minutes of the meeting of the High Wycombe Town Committee on 13 November 2018 be received.

**66 PERSONNEL & DEVELOPMENT COMMITTEE**

**RESOLVED:** That the minutes of the meeting of the Personnel & Development Committee held on 21 November 2018 be received, and the recommendations as set out at minute number 16 be approved and adopted.

**67 IMPROVEMENT & REVIEW COMMISSION**

**RESOLVED:** That the minutes of the meeting of the Improvement & Review Commission held on 28 November 2018 be received.

**68 REGULATORY & APPEALS COMMITTEE**

**RESOLVED:** That the minutes of the meeting of the Regulatory & Appeals Committee held on 4 December 2018 be received, and the recommendation as set out at minute numbers 22, 23 & 24 be approved and adopted

**69 NOTICES OF MOTION**

To consider the following Notices of Motion submitted by the deadline.

The following Notice of Motion was submitted by Councillor M Knight and seconded by Councillor Ms J Wassell.

***"This council will carry out a Community Governance Review for the unparished wards of the Wycombe District to ensure that any changes found to be necessary can be put in place at the same time as the transition to a new Unitary Authority in 2020."***

In proposing the motion, Councillor Knight noted that twice this issue had been set to be on the agenda of the Regulatory and Appeals committee, and twice it had mysteriously disappeared from the agenda without even the courtesy of an explanation to members, and the wider public, as to why this was.

He pointed out that if as councillors listening to the public who they represented they would know that this was a matter of interest and concern for those who live in High Wycombe. Those who were well rooted in their communities heard from the people that they met on a day to day basis, and knew that there was a desire to see their communities having greater oversight and more investment of time, energy and money put into them.

He thought that, as a Conservative led council, the Council would wish to listen to the advice of the Cabinet Minister, who in his statement regarding his support of a single unitary authority stated that he expected councils “to engage with their local communities about the appropriate arrangements for civic representation for towns and parishes”. What better way was there to do this than to simply set up a Community Governance Review. This was something that had been done in other areas as part of the transition to Unitary Authority as it was the right and proper way of identifying any democratic deficit, identifying the costs and benefits of different models of community governance, and ultimately giving local people a say on the final solution.

Councillor Knight indicated that he failed to see why this was remotely controversial, why it would be taken off the agenda, and why anyone in the chamber who supported the idea of listening to residents and promoting local democracy, could be against such a move.



Councillor Knight believed it was a case simply about equality. In towns and villages up and down Buckinghamshire one could see what a well-run Parish or Town Council delivered for their community. Many present were part of them. They organised events - promoted community cohesion, managed community facilities such as parish halls, looked after and enhanced the public realm and green spaces. They drew local people into engagement with local decision making and they influenced planning decisions and shaped the future of their communities.

Across Wycombe in recent years public assets had been hived off to housing associations, charities, private business... all because Wycombe District Council did not want the responsibility for them. Imagine a different scenario where these assets had been taken on by local Parish Councils – run by local residents, with financial backing from local taxation, not vulnerable to the constant need to fundraise or the whims of grant giving organisations.

Councillor Knight indicated that he had often been told that Parish Council were expensive, but from what he saw they delivered excellent value for money. It was an undisputed fact that the people of High Wycombe paid slightly less Council Tax than those residents who had a Parish or Town Council – but you only had to look across High Wycombe to see the price paid for a lack of locally focused community investment over the last 45 years since the Wycombe Urban Borough was abolished. Yes there had been the big redevelopments. But looking more closely one saw entrenched neglect across the town, and that small reduction in Council Tax had been at great cost to the community infrastructure.

Councillor Knight commended the motion and thanked Members for their support in anticipation.

Councillor Ms Wassell as seconder reserved her right to speak until later.

Councillor K Ahmed then proposed an amendment to the motion in that he proposed it be amended to his wording on the same topic of a High Wycombe Town Community Governance Review as featured in the second motion submitted as follows (seconded by Councillor R Raja):

**“In light of the Secretary of State’s decision to establish a single unitary authority covering the whole of Buckinghamshire, this Council recognises the potential implications for governance, service delivery, community cohesion and empowerment and electoral arrangements in the District and particularly for the unparished High Wycombe Town which already experiences a democratic deficit in relation to the rest of Wycombe District.**

**Therefore I call for a motion that this Council agrees to undertake a Community Governance Review for the town of High Wycombe. To include existing neighbouring Parishes, with a view to securing a structure of governance to ensure proper community engagement in the area of High Wycombe, consistent with arrangements for the remainder of the District.”**

In opening the debate Councillor Pearce expressed his support for the CGR (Community Governance Review) but also his reservations in respect in multiple parishes in the town area, he supported one solitary High Wycombe Town Council he felt such had a stronger voice.

Councillor Farmer indicated he felt a High Wycombe Town Council was well overdue, with Unitary coming, High Wycombe needed a voice.

The Leader of the Council - Councillor Ms Wood indicated that her colleagues had entrusted her as Leader, to once again affirm their long-standing and continuing commitment to keep the High Wycombe Town Committee within the heart of this Council, and not risk relinquishing it to become an expensive lower tier of government, with less capacity to act in the interests of their residents.

Ms Wood noted that the Council had covered the arguments against doing a town-wide community governance review, and the possibility of creating a new council for the town, many times. The only aspect that had changed was the decision to move to a unitary district council for the majority of Bucks.

It was disappointing that some members of this chamber were using this as an opportunity to generate baseless fear amongst residents.

Ms Wood indicated that the move to unitary presents many possibilities, but they are possibilities for financial savings, operational efficiencies, and for improving service delivery.

There were no examples of a move to unitary where these objectives had been furthered or achieved by the inclusion of a community governance review, and the creation of a new tier of local government.

Financially, a CGR would likely increase the cost of living for town residents.

Currently, High Wycombe Town residents enjoyed the lowest precept, the parish level element of their council tax bill, in the District.

Aside from financial considerations, there were also notable operational benefits to the present structure. The combined District Council and Town Committee structure ensured Councillors from Town Wards had a voice and a vote at both levels and could directly influence proceedings to the maximum benefit of their residents.

When needing support, the Town Committee could access the full breadth and depth of the skills and resources that were available here at the District Council. Any change as a result of CGR would likely mean a skills support and workload capacity reduction.

Ms Wood outlined that a community governance review at that point in time would not provide any benefit to the residents of High Wycombe Town, or indeed residents across the wider District.

Ms Wood was confident that she spoke for the majority of Members in the room when saying that she did not really understand why anyone would want to vote in favour of a process that had every chance of leading to higher taxes, reduced service, and reduced democratic authority

Councillor K Ahmed (the amendment proposer) responded indicating that any decision regarding the establishment of a town council for Wycombe sat fully with WDC, as did the management of a community governance review to investigate the potential to establish a town council. And yet WDC had consistently declined to acknowledge its responsibilities to the residents of Wycombe, attempting to defer any decision to other authorities that did not yet exist.

By committing to run a community governance review, WDC would, in the event of a decision to establish a town council, still have sufficient time to plan for town council elections at the same time as those scheduled for the new Unitary Authority in May 2020.

This would be a most efficient approach and the best use of scarce local resources. It would also ensure that the residents of High Wycombe were not obliged to endure a period of less local representation than any other town in the county. Were the opportunity of a 2020 town council election missed, it could be another 3 years before elections were held.

Due to WDC's delay in addressing this issue with any degree of commitment, High Wycombe was currently set to be the largest unparished area anywhere in the UK. The legacy of WDC would be to leave the majority of its residents with the largest democratic deficit in the country. There was still time to do the right thing by the town and the residents of High Wycombe, by calling for this community governance review.

Councillor R Raja in seconding the amendment expressed his worries that if a Town Council was not established how exactly would the advisory only Town Committee fit into the new Unitary arrangements. In comparing High Wycombe with Aylesbury and its existing Town Council precepts and electoral numbers indicated a cost for the High Wycombe Town Council of only £1 per household per week.

As per Standing Order 16.7 more than 7 members agreed to the request for a recorded vote to be taken.

The proposed amendment was then put to a recorded vote.

In accordance with subsection (7) of the Council's Standing Order 16 (voting) the voting of the Members in respect of the motion / amendment was recorded as follows:

**In favour of the motion / amendment**

Councillors: K Ahmed, M Asif, Ms A Baughan, Mrs L M Clarke OBE, R Farmer, S Graham, M Hanif, M A Hashmi, M Knight, B Pearce, R Raja and Ms J Wassell

### **Against the motion / amendment**

Councillors: Mrs J Adey, Ms S Adoh, M Appleyard, D Barnes, S Broadbent, Miss S Brown, D Carroll, A Collingwood, M Davy, R Gaffney, G Hall, M Harris, D Johncock, Mrs J Langley, N Marshall, H McCarthy, I McEnnis, Mrs C Oliver, G Peart, S Saddique, R Scott, D Shakespeare, N Teesdale, A Turner, D Watson, C Whitehead and Miss K Wood.

### **Abstentions**

Councillors: Z Ahmed, M Clarke, A Green, Mahboob Hussain, Maz Hussain, Mrs G A Jones, Mrs W Mallen, J Savage and P Turner.

In favour – 12

Against – 27

Abstentions – 9

(N.B. Councillors A Hussain and S K Raja had left the meeting before the above vote was taken).

### **The amendment was therefore lost.**

The Meeting then returned to debating the original Motion submitted by Councillor M Knight.

Councillor Ms Wassell, the seconder, pointed out that she had never seen a fully scoped out published report from officers evaluating the pros and cons of carrying out a Community Governance Review. Ms Wassell regretted that High Wycombe residents considering standing for public office had never had the career path of 'parish, district then county' available to residents elsewhere in the District. She felt the major fear of opponents to the review, was that a Town Council, if created, could fall into opposition hands.

Councillor M Knight the proposer summed up saying that if voted down he was confident a sufficient petition could be collected. In terms of the Totteridge and Micklefield petitions presented earlier that evening, signatures had been easily obtained, the High Wycombe public were on board with the idea of Parish / Town Council representation.

He asked all members to examine the consciences and felt they could not surely be comfortable with the people of High Wycombe continuing to live with the current Democratic deficit.

Again as per Standing Order 16.7 more than 7 members agreed to the request for a recorded vote to be taken.

The motion was then put to a recorded vote.

In accordance with subsection (7) of the Council's Standing Order 16 (voting) the voting of the Members in respect of the motion was recorded as follows:

### **In favour of the motion**

Councillors: K Ahmed, M Asif, Ms A Baughan, Mrs L M Clarke OBE, M Clarke, R Farmer, S Graham, M Hanif, M A Hashmi, M Knight, B Pearce, R Raja and Ms J Wassell

### **Against the motion**

Councillors: Mrs J Adey, Ms S Adoh, M Appleyard, D Barnes, S Broadbent, Miss S Brown, D Carroll, A Collingwood, M Davy, R Gaffney, G Hall, M Harris, D Johncock, Mrs J Langley, N Marshall, H McCarthy, I McEnnis, Mrs C Oliver, G Peart, S Saddique, R Scott, D Shakespeare, N Teesdale, A Turner, D Watson, C Whitehead and Miss K Wood.

### **Abstentions**

Councillors: Z Ahmed, A Green, Mahboob Hussain, Maz Hussain, Mrs G A Jones, Mrs W Mallen, J Savage and P Turner.

In favour – 13

Against – 27

Abstentions – 8

(N.B. Councillors A Hussain and S K Raja had left the meeting before the above vote was taken).

**The motion was therefore lost.**

The following Notice of Motion was submitted by Councillor K Ahmed and seconded by Councillor S Graham.

***I move that the Council recognises the financial impact on local women affected by the transitional pension arrangements for women born in the 1950s and to note the national campaign to raise awareness about the plight of these women.***

***I raise this motion on behalf of women born in the 1950s that are affected by the transitional arrangements for changes in pensions. This is very much a national and a local issue affecting 3.9 million women in the UK which includes thousands living in Wycombe and their families. In addition, the rise in SPA has financial implications for local authorities with extra demand on their services and benefit claims. As many as 147 other councils have debated the issue and over 80 have agreed to write to the Government.***

Councillor Graham explained that he had no hesitation in seconding this motion to remove an injustice and inequality which affected a considerable number of women

across the UK and of course in Wycombe District. All the major parties had shown a lack of judgement and communication leading to this unexpected hardship to a considerable number of households. Many present had mothers or partners affected by the decision.

A Member pointed out that many suffering this injustice were women who had forsaken careers to look after families and to build homes.

Equality in the dates of pension payment was necessary but a staged adjustment to avoid the hardship of this policy would have been more appropriate.

Other Members sympathised with the affected WASPI's (Women Against State Pension Inequality) but countered that saying 'life was' at times 'unfair'. Others indicated that the far longer life expectancies of the last 20 years (particularly amongst women) made pension unsustainable from public tax payer funds.

Councillor K Ahmed the motion proposer, outlined that there had been a number of misunderstandings about the increase in women's SPA (State Pension Age). It had been said that the women affected were given 20 years' notice of this change. They weren't. Most women were officially told by the DWP as late as 2011 about their SPA being increased not once but twice.

To date, the government had not responded favourably to any of these efforts. Many women, born in the 50's, would have to rely entirely on their state pension. They had worked and contributed to this country from the age of 15 or 16 – some even earlier than that - paying tax and national insurance and believing they would have at least some small measure of financial security when they reached the age of 60.

Councillor Ahmed indicated that this wasn't a party political issue. It was a fairness and justice issue. Supporting this motion would not commit Wycombe District Council to any financial or legal liability. The Prime Minister has indicated that she wanted to put fairness at the centre of her government. He indicated that the Council could ask her to demonstrate this by implementing transition payments to help the women who were affected by this unfair increase in women's state pension age.

Thanking the members of the Wycombe WASPI Group, some of whom were in the public gallery that evening, he urged Members of the Council to show their support by unanimously voting for the motion.

Again as per Standing Order 16.7 more than 7 members agreed to the request for a recorded vote to be taken.

The motion was then put to a recorded vote.

In accordance with subsection (7) of the Council's Standing Order 16 (voting) the voting of the Members in respect of the motion was recorded as follows:

**In favour of the motion**

Councillors: K Ahmed, M Asif, Ms A Baughan, R Farmer, R Gaffney, S Graham, M Hanif, M A Hashmi, Mrs G A Jones, M Knight, B Pearce, R Raja and Ms J Wassell

**Against the motion**

Councillors: Mrs J Adey, Ms S Adoh, Z Ahmed, M Appleyard, D Barnes, S Broadbent, Miss S Brown, D Carroll, Mrs L M Clarke, M Clarke, A Collingwood, M Davy, G Hall, M Harris, Mahboob Hussain, Maz Hussain, D Johncock, Mrs J Langley, Mrs W Mallen, N Marshall, H McCarthy, I McEnnis, Mrs C Oliver, G Peart, J Savage, R Scott, D Shakespeare, N Teesdale, A Turner, D Watson, C Whitehead and Miss K Wood.

**Abstentions**

Councillors: A Green and P Turner.

In favour – 13

Against – 32

Abstentions – 2

(N.B. Councillors A Hussain, S K Raja and S Saddique had left the meeting before the above vote was taken).

**The motion was therefore lost.**

**70 QUESTIONS UNDER STANDING ORDER 11.2**

There were no questions submitted under Standing Order 11.2

**71 COMMITTEE CHANGES / APPOINTMENTS**

There were no changes to Committee membership or appointments to be noted.

**72 URGENT ACTION TAKEN BY CABINET OR INDIVIDUAL CABINET MEMBER**

The Individual Cabinet Member Decisions as set out in the summons were noted.

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Chairman

**The following officers were in attendance at the meeting:**

- Peter Druce - Democratic Services
- John East - Interim Corporate Director
- Ian Hunt - Democratic Services Manager
- Catherine Whitehead - Head of Democratic, Legal & Policy.



# Agenda Item 5

## WYCOMBE DISTRICT COUNCIL

### COUNCIL MEETING

Thursday 21 February 2019

#### **AGENDA ITEM 5**

##### **Questions from Members of the Public**

##### **1. Question from Mr R Colomb to the Cabinet Member for Economic Development & Regeneration.**

Would the Cabinet Member for Economic Development and Regeneration please explain whether the policy of Wycombe District Council is to encourage motorists to drive into the centre of Wycombe or discourage them?

Struggling retailers certainly need them.

**Verbal reply to be given by Councillor S Broadbent (Cabinet Member for Economic Development & Regeneration).**

# Agenda Item 6

## WYCOMBE DISTRICT COUNCIL

### COUNCIL MEETING

Thursday 21 February 2019

#### AGENDA ITEM 6

##### Questions from Members

##### 1. Question from Councillor R Raja to the Leader of the Council

Whilst it is true that the Secretary of State for Housing, Communities and Local Government has scored an own goal by imposing a leader on the shadow authority and devalued the unitary process and made it less democratic and less transparent.

Even so would the Leader like to tell us the benefits to the local residents of the waste of Council Tax payers' money in seeking a Judicial Review to sort out incompetent Tory bungling?

**Verbal reply to be given by Councillor Ms K Wood (Leader of the Council).**

##### 2. Question from Councillor A Hill to the Cabinet Member for Environment

As the High Street is dying. Has the Cabinet Member for the Environment ever considered trialing one hours free parking, once a week in the Swan car park to try and encourage people back to the town?

**Verbal reply to be given by Councillor Mrs J Adey (Cabinet Member for Environment).**

##### 3. Question from Councillor S Graham to the Cabinet Member for Community

Would the Cabinet Member for Community like to give a progress report (current state of works) regarding the Queensway cemetery?

**Verbal reply to be given by Councillor G Peart (Cabinet Member for Community).**

##### 4. Question from Councillor K Ahmed to the Leader of the Council

Can the Leader please share with us the strategy behind the decision of her Cabinet to raise car park charges at a time when businesses are struggling to make ends meet, especially in the East side of the town namely High Street and Frogmoor?

**Verbal reply to be given by Councillor Ms K Wood (Leader of the Council).**

**5. Question from Councillor R Raja to the Leader of the Council**

The cabinet has taken on the recommendations of the Remaking of the River Wye Task & Finish Group, yet it is less than enthusiastic adoption of the idea and lack of a clear outline of when this work may be undertaken is disappointing not only to the members of the T&F group but to a great many residents of Wycombe who wish to see some life brought back to the Town along with the environmental, economic and psychological benefits a stretch of river through the town can deliver.

Would the leader accept that it is better for WDC reserves to be used to uplift the town than be thrown into the black hole which exists at the County council at the moment and thereby ensuring a reasonable legacy for our future generations?

**Verbal reply to be given by Councillor Ms K Wood (Leader of the Council).**

**6. Question from Councillor K Ahmed to the Leader of the Council**

As most Members will be aware, last year the Council announced an exciting new project called 'Desbox', a shipping container hub for artists.

It is due to open for business this month, judging by the state of the area I hardly think that it will open on time.

Can the Leader please update us on its actual progress, including how many containers have been actually snapped up by budding artists?

**Verbal reply to be given by Councillor Ms K Wood (Leader of the Council).**

**7. Question from Councillor R Raja to the Cabinet Member for Environment**

Is the Cabinet Member for the Environment aware that unfortunately, some of the residents in Bowerdean have had rubbish piling up in and around their houses because the bin lorries were unable to gain access to the streets.

Would she like to tell us how often bins have not been emptied, for a period of over a week, in the last 12 months?

**Verbal reply to be given by Councillor Mrs J Adey (Cabinet Member for Environment).**

## Cabinet Minutes

Date: 17 December 2018

Time: 7.00 - 7.55 pm

**PRESENT:** Councillor Ms K S Wood (Executive Leader of the Council - in the Chair)

- |                            |                                                                  |
|----------------------------|------------------------------------------------------------------|
| Councillor Mrs J A Adey    | - Cabinet Member for Environment                                 |
| Councillor D H G Barnes    | - Deputy Leader and Cabinet Member for Strategy & Communications |
| Councillor S Broadbent     | - Cabinet Member for Economic Development and Regeneration       |
| Councillor D J Carroll     | - Cabinet Member for Youth and External Partnerships             |
| Councillor D A Johncock    | - Cabinet Member for Planning                                    |
| Councillor Mrs J D Langley | - Cabinet Member for Housing                                     |
| Councillor G Peart         | - Cabinet Member for Community                                   |
| Councillor D M Watson      | - Cabinet Member for Finance and Resources                       |

### By Invitation

- |                         |                                                     |
|-------------------------|-----------------------------------------------------|
| Councillor Mrs S Adoh   | - Deputy Cabinet Member for Housing                 |
| Councillor Miss S Brown | - Deputy Cabinet Member for Community               |
| Councillor A R Green    | - Chairman of the Council                           |
| Councillor G C Hall     | - Deputy Cabinet Member for Environment             |
| Councillor D Knights    | - Chairman of the Improvement and Review Commission |
| Councillor R Raja       | - Leader of the Labour Group                        |
| Councillor S Saddique   | - Deputy Cabinet Member for Finance and Resources   |
| Councillor A Turner     | - Deputy Cabinet Member for Planning                |

**Also present:** Councillor H L McCarthy

### **59 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors L Wood (Cabinet Member for Digital Development and Customer Services), C Etholen (Deputy Cabinet Member for Digital Development and Customer Services), Z Ahmed (Deputy Cabinet Member for Strategy and Communications), M Harris (Deputy Cabinet Member for Economic Development and Regeneration), and M Knight (Leader of the East Wycombe Independent Party).

### **60 CHAIRMAN'S OPENING REMARKS**

The Chairman reported that the Council had received confirmation from MHCLG that there would not be any local elections in 2019, and that a statutory instrument had been laid today to that effect. This would mean that district councillors would now continue until 2020 and that elections for the new unitary council would take

place in May 2020. Town and parish council elections had also been postponed until May 2020.

The Order would come into effect on 18 January 2019.

## **61 MINUTES**

**RESOLVED:** That the minutes of the meeting of the Cabinet held on 12 November and 26 November 2018 be approved as a true record and signed by the Chairman.

## **62 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **63 REFERRAL FROM THE IMPROVEMENT AND REVIEW COMMISSION - REMAKING THE RIVER WYE TASK AND FINISH GROUP**

Cabinet had before it a report that outlined the recommendations from the Improvement & Review Commission which had endorsed the recommendations of the Remaking the River Wye Task and Finish Group (TFG) at its meeting on 28 November 2018.

The Chairman of the Task and Finish Group, Councillor H L McCarthy, gave a detailed verbal presentation of the findings and recommendations of the TFG. The Chairman of the Improvement and Review Commission and the Cabinet thanked the Task and Finish Group and officers for all their hard work.

The following decisions were made to progress the recommendations of the Improvement and Review Commission where appropriate.

**RESOLVED:** That the recommendations made by the Improvement and Review Commission on Remaking the River Wye be received, and a further report be presented to a future Cabinet meeting responding to each of the recommendations in detail.

## **64 COUNCIL TAX PREMIUMS**

Since 2013 Local Authorities had discretion to vary the amount of Council Tax charged on long term empty properties under the Local Government Finance Act 2012. New legislation (The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018) allowed Local Authorities to increase the Premium charge.

Full Council had approved the charging mechanism for empty homes from 1 April 2013. Under the local scheme, long term empty dwellings were charged at the previous maximum rate – a 50% premium after 2 years.

Cabinet approval was sought to recommend to Council that the premium be increased to the maximum level, to meet the Council's objectives of bringing empty dwellings back into use.

The following recommendations were made as new legislation – The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 came into force on 1 November 2018. The decision supported the Council's aim of reducing the number of empty and unused properties.

**Recommended:** That (i) the Council increase the Long Term Empty Premium charge up to the maximum of an additional 100%; and

(ii) It be noted that a 12 month discount for structural alterations can be awarded if a taxpayer could demonstrate that they were actively renovating a property, and no such discount had previously been awarded on that property.

## **65 CLOSURE OF REMAINING RECYCLING BRING BANKS IN WYCOMBE DISTRICT**

The Joint Waste Collection Committee at its meeting in October 2018, had endorsed a report to close all the remaining bring banks operated by Chiltern District Council, South Bucks District Council and Wycombe District Council. Members noted that, each of the three Districts' Cabinets would be considering similar reports regarding the closure of the remaining banks within their area.

The report before Cabinet sought approval to close the remaining eight recycling bring banks in Wycombe District. It was noted that in recent years, the recycling tonnage had dramatically diminished as a wide range of recycling options had increased via the kerbside recycling collections.

The following decisions were made as the removal of the eight bring bank sites located in Wycombe District would release resources, provide service resilience and financial savings.

**RESOLVED:** That the closure of the remaining eight recycling bring banks in Wycombe District (Table 1 of the report), to commence after the Christmas 2018 holiday period be agreed and that financial savings arising from the closures be diverted to increase resources and so improve the existing bulk bin collection service for flatted properties.

## **66 COUNCIL TAX BASE SETTING 2019/20 AND COLLECTION FUND ESTIMATED SURPLUS**

Cabinet was asked to consider and determine the figure to be used for the Council Tax base in the Council Tax setting calculation for 2019/2020 in order for the Council to set the Council Tax. It was confirmed that the estimated Council Tax Collection Fund balance for the year ending 31 March 2019 had an estimated surplus of £1.312m, Wycombe District Council's share was £0.139m.

The following decision was made to agree the estimated Collection Fund Surplus as at 31/03/2019 and to determine the Council Tax Base for 2019/20.

**RESOLVED:** That:

(i) In accordance with the provisions of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 the amount calculated by Wycombe District Council (i) as its Council Tax base for the whole of its area for the year 2019/20 shall be 69,104.75 and (ii) as the Council Tax Base for each of the parts of its area for the year 2019/20 shall be:-

Parish	2019/20
Bledlow-cum-Saunderton	1,212.82
Bradenham	233.56
Chepping Wycombe	6,420.82
Downley	1,984.11
Ellesborough	438.95
Fawley (Parish Meeting)	144.42
Great & Little Hampden	165.16
Great & Little Kimble cum Marsh	494.18
Great Marlow	726.67
Hambleden	845.16
Hazlemere	4,015.27
Hedsor (Parish Meeting)	81.73
High Wycombe Town	23,208.46
Hughenden	3,984.07
Ibstone	146.21
Lacey Green	1,247.21
Lane End	1,431.42
Little Marlow	805.07
Longwick-cum-Ilmer	699.61
Marlow Bottom	1,523.22
Marlow Town	6,787.04
Medmenham	523.38
Piddington & Wheeler End	265.88
Princes Risborough	3,713.37
Radnage	385.10
Stokenchurch	1,945.00
Turville	217.92
WestW'- Parish Council	548.08
Wooburn and Bourne End	4,910.86
<b>Total</b>	<b><u>69,104.75</u></b>

(ii) The provision for uncollectable amounts of Council Tax for 2019/20 be agreed at 1.7% producing an expected collection rate of 98.3%.

(iii) the estimated surplus for 2018/19 on the Council Tax element of the Collection Fund of £1.312m be approved; this was to be shared between the District Council, Buckinghamshire County Council, Buckinghamshire & Milton Keynes Fire Authority, and Thames Valley Police in proportion to their 2018/19 precepts on the Collection Fund.

## **67 BAKER STREET - PHASE 2**

Cabinet had before it a report setting out proposals for converting land at Baker Street into a public car park and upgrading the existing buildings on the site. Members were informed that this would enable the Council to continue the regeneration of the Baker Street area and improve the desirability of DesBox with the proposed nearby parking.

The following decisions were made as the Baker Street area renewal scheme originally included Phase 3, as a proposed commercial redevelopment (Phase 1 and 2 being Aldi and DesBox). It had not proven possible, so an alternative use was proposed.

**RESOLVED:** That (i) the development of the Baker Street 'Phase 2' site outlined in black on the plan at Appendix A of the report, as surface car parking with the retention / upgrading of existing buildings, as set out in paragraph 3 of the report, be approved; and

(ii) the delegation of the release of the budgets referred to in paragraph 4 of the report, to the Corporate Director in consultation with the Major Projects Executive, Head of Finance & Commercial and Cabinet Member for Economic Development & Regeneration be approved.

### **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:** That pursuant to Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 the press and public be excluded from the meeting during consideration of Minute Nos 68, 69, 71 and 72, because of their reference to matters which contain exempt information as defined as follows:

**Minute 68 Future Years Draft Capital Programme 2018/19 to 2023/24 – Appendices B & C**

**Minute 69 Draft Revenue Budgets 2019/20 - Appendix D**

**Minute 71 Collins House**

Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Paragraph 3, Part 1 of Schedule 12A, Local Government Act 1972)



(The need to maintain the exemption outweighs the public interest in disclosure, because disclosure could prejudice the Council's position in any future tender process or negotiations)

**Minute 72 - File on Action taken under Exempt Delegated Powers**

**Community sheet no: C/10/18**

**Economic Development & Regeneration sheet nos: EDR/48/18 - EDR/53/18**

Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Paragraph 3, Part 1 of Schedule 12A, Local Government Act 1972)

(The need to maintain the exemption outweighs the public interest in disclosure, because disclosure could prejudice the Council's position in any future tender process or negotiations)

**68 FUTURE YEARS DRAFT CAPITAL PROGRAMME 2018/19 TO 2023/24**

The report before Cabinet detailed the Capital Programme which set out how the Council would spend £48.1m in 2019/20 and £134.6m across five years from 2018/19 to 2023/24. The report included details of the proposed virements and adjustments, funding proposals and the key risks to the programme. It was noted that a core principle in setting the programme had been to ensure zero borrowing over the term of the programme.

Cabinet were asked to recommend to Council a virement of £2.200m to assist with the development cost of the Temporary Accommodation scheme.

The following recommendation and decisions were made as the Cabinet approved a capital budget each year to invest in the Council's key priorities as set out in the Corporate Plan. Programme boards review the major projects within the capital programme on a monthly basis and take corrective action as appropriate within their delegated limits. Regular monitoring reports were submitted to Cabinet for review during the financial year, with management actions highlighted to ensure that Cabinet could assess whether any further action was required.

**Recommended:** To recommend to full Council, approval of the Capital virement of £2.200m to meet the potential increase in development cost of the Temporary Accommodation scheme, funded from the Strategic Acquisitions budget in Economic Development and Regeneration as detailed in Appendix B (Exempt) of the report.

**RESOLVED:** That (i) the draft capital programme in December 2018 for 2018/19 to 2023/24 totalling £134.6m as summarised in Table 2 (paragraph 13 of the report) be noted;

(ii) the Capital Supplementary Budgets of £0.718m, Capital adjustments of £0.355m and virements of £0.584m as in Table 3 (paragraph 14 of the report) be approved;

(iii) It be agreed that a core principle of setting the Capital programme is that of zero borrowing with the exception of investment proposals that deliver a return in excess of a minimum net return specified by the Treasury Management Strategy and each proposal would require a business case to be presented to Cabinet for approval; and

(iv) It be noted that a new Investment Strategy was currently being prepared and would be submitted to Cabinet in February 2019.

## **69 DRAFT REVENUE BUDGET 2019/20**

The report before Cabinet set out the expected revenue expenditure position within the draft budget for 2019/20, including savings and growth proposals, fees and charges proposals, and funding changes. The draft budget proposal had been modelled on the basis that there would be no Council Tax increase for 2019/20.

The following decisions were made as the Council had a statutory requirement to set a balanced budget for 2019/20 and the report formed a key part of the budget setting process by setting out the likely Revenue expenditure for that year.

**RESOLVED:** That (i) the draft budget proposals for 2019/20 and financial planning assumptions set out in this report be noted;

(ii) it be noted that the draft budget for 2019/20 would be refined and updated for Cabinet in February 2019, to be recommended for approval at Full Council meeting in February 2019 to set the Budget and Council Tax for 2019/20;

(iii) it be noted that the updated Medium Term Financial Strategy (MTFS) 2019/20 to 2022/23 would be presented to Cabinet for review in February 2019; and

(iv) it be noted that the detailed budget proposals would be submitted to the Budget Task and Finish Group to provide feedback by 12<sup>th</sup> January 2019.

## **70 FILE ON ACTION TAKEN UNDER DELEGATED AUTHORITY**

Cabinet received the following files on actions taken under delegated powers:

Community  
Planning & Sustainability

C/48/18 – C/56/18  
PS/24/18 – PS/25/18

## 71 COLLINS HOUSE

Cabinet considered a report in relation to Collins House, a three storey 1960s building on the corner of Bridge Street and Desborough Road, High Wycombe.

The following decisions were made as Cabinet approval was required for a below market value disposal.

**RESOLVED:** That (i) the disposal, either freehold or long leasehold, at below market value, to facilitate a 50/50 shared ownership/affordable rented scheme, on terms set out in paragraph 2 of the report be approved;

(ii) the budget in the Major Projects Capital Programme be released for the 'buy back' of a long leasehold of the ground floor commercial units and demolition of the building; and

(iii) the finalisation of the detailed terms for the disposal and for the demolition contract be delegated to the Corporate Director in consultation with the Major Projects Executive and the Head of Finance & Commercial, and the Portfolio Holder for Economic Development & Regeneration and Finance.

## 72 FILE ON ACTION TAKEN UNDER EXEMPT DELEGATED POWERS

Cabinet received the following files on exempt actions taken under delegated powers:

Community Sheet No: C/10/18

Economic Development & Regeneration Sheet Nos: EDR/48/18 – EDR/53/18

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Chairman

### **The following officers were in attendance at the meeting:**

Ian Hunt - Democratic Services Manager  
John East - Interim Corporate Director

## Cabinet Minutes

Date: 9 January 2019

Time: 6.05 - 7.38 pm

**PRESENT:** Councillor Ms K S Wood (Executive Leader of the Council - in the Chair)

Councillor Mrs J A Adey	- Cabinet Member for Environment
Councillor D H G Barnes	- Deputy Leader and Cabinet Member for Strategy & Communications
Councillor S Broadbent	- Cabinet Member for Economic Development and Regeneration
Councillor D A Johncock	- Cabinet Member for Planning
Councillor Mrs J D Langley	- Cabinet Member for Housing
Councillor G Peart	- Cabinet Member for Community
Councillor D M Watson	- Cabinet Member for Finance and Resources
Councillor L Wood	- Cabinet Member for Digital Development & Customer Services

### By Invitation

Councillor Z Ahmed	- Deputy Cabinet Member for Strategy and Communications
Councillor Miss S Brown	- Deputy Cabinet Member for Community
Councillor G C Hall	- Deputy Cabinet Member for Environment
Councillor R Raja	- Leader of the Labour Group
Councillor S Saddique	- Deputy Cabinet Member for Finance and Resources
Councillor A Turner	- Deputy Cabinet Member for Planning

### **73 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mrs S Adoh (Deputy Cabinet Member for Housing), D Carroll (Cabinet Member for Youth and External Partnerships), C Etholen (Deputy Cabinet Member for Digital Development and Customer Service), T Green (Chairman of Council), M Harris (Deputy Cabinet Member for Economic Development and Regeneration) and D Knights (Chairman of the Improvement and Review Commission).

### **74 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **75 ARRANGEMENTS FOR TRANSITION TO A NEW UNITARY COUNCIL**

The Leader of the Council invited the Chief Executive and Head of Democratic Legal and Policy Services to give a presentation directly to Members due to the complexity of the subject, and in light of new information that had been provided at

a meeting with the Ministry earlier the same day. The Chief Executive of the Council gave a comprehensive presentation to update the meeting on the background to the processes that had been undertaken thus far in relation to a new single unitary council for Buckinghamshire. She confirmed during her introduction to the report before Cabinet that the five councils to be replaced were Aylesbury Vale District Council, Buckinghamshire County Council, Chiltern District Council, South Bucks District Council and Wycombe District Council.

Cabinet recalled that on Thursday 1 November 2018, James Brokenshire, Secretary of State for Housing, Communities and Local Government, had published a written ministerial statement with his decision about unitary councils in Bucks. The Secretary of State's decision was to establish a new single unitary district council for Buckinghamshire, to come into effect in April 2020.

The Chief Executive confirmed that following the ministerial statement on 1 November 2018, the Leaders and Chief Executives of all five of the councils and representatives from the Ministry for Housing, Communities and Local Government (MHCLG) had held meetings with regards to discussing the content of the Structural Change Order. It was noted that on Thursday 3 January 2019, the MHCLG, had communicated to the Leaders and Chief Executives the content of the Structural Change Order. A summary of the decisions made by the Secretary of State was set out in the report, including the Districts' view, County view, and the decisions of the Secretary of State.

The report before Cabinet set out the context of the key decisions which would be contained within the draft Structural Change Order and explained the parliamentary processes. The main decisions were:

- the name of the new council would be Buckinghamshire Council
- the new council would start on 1 April 2020
- there would be 147 councillors in the new council – three members per ward.
- the Leader of the County Council would chair the Shadow Executive and a Deputy Chair will be chosen from one of the members of the Shadow Executive nominated by the District Councils.
- the Leaders had agreed by consensus that “twin hatters” would only have one vote on the Shadow Authority
- the Chief Executive of the County Council would lead the implementation team
- the first term of the council would be for five years, until May 2025
- there would be a boundary review to look at wards and the number of members, with the potential for members numbers to decrease for the 2025 elections.
- elections would be every four years after 2025

During detailed discussions, Cabinet expressed considerable concern in relation to the decision to specially identify the Leader of the Shadow Executive, without the option to have a democratic vote involving all of the Shadow Authority Councillors, as was normally the case in reaching these decisions.

The Chief Executive then informed the Cabinet that although the Council had originally been informed that the draft Structural Change Order and regulations

would be laid before Parliament on 14 January 2019, following a meeting with MHCLG prior to the Cabinet meeting, she confirmed that the draft Order (Structural Change) would now be laid before Parliament in March 2019. The Modification Regulations would continue to be laid on 14 January 2019.

Cabinet discussed the implication of the Order and Regulations being delayed due to the time taken to make changes to the Orders, and the implication this would have for the Council going forward. Cabinet expressed their concerns and empathised with the Officers of the Council, who had faced prolonged uncertainty. It was felt that the further delay in progressing the Order was not a favourable outcome in relation to providing staff with clarity in a timely manner. The Cabinet commended the staff for their continued dedication under difficult circumstances.

It was noted that, the five authorities were continuing to work together and had already started work on various work streams. It was emphasised that there was a great deal of work to complete in a limited timeframe.

The Head of Democratic, Legal and Policy Services confirmed that unless all five local authorities in the area consented to the Regulations, they would need to be made by Parliament before the end of March due to the sunset clause. She confirmed that if they were made in that timescale consent to the Modification Regulations was only required from one of the five local authorities for the Secretary of State to proceed, without the requirement for an invitation and for the Secretary of State to conduct public consultation. She then confirmed that the meeting would need to take any privileged legal questions in private session.

During discussion, the meeting agreed to move into exempt session, to discuss legal matters, and then moved back into open session, prior to the decisions being taken. It was confirmed that staff were able to remain in the meeting during the private session.

## **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:** That pursuant to Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 the press and public be excluded from the meeting during consideration of Minute No 75, because of its reference to matters which contain exempt information as defined as follows:

### **Minute 75 Arrangements for Transition to a New Unitary Authority**

Information in which a claim to legal professional privilege could be maintained in legal proceedings.

(The need to maintain the exemption outweighs the public interest in disclosure, because disclosure could prejudice the Council's legal position)

During the private session, Cabinet Members asked various questions with regards to the options available to the Council in relation to the Orders and

processes being undertaken. The Head of Democratic, Legal and Policy Services, set out the legal requirements and responded to the legal questions asked.

The meeting then moved back into open session for the remainder of the meeting.

The Cabinet Member for Planning and Sustainability moved an amendment to the first decision (i) to specify that the decision had been taken by the Secretary of State and to confirm that Cabinet had noted the content of the Structural Change Order as of this date (9 January 2019). A seconder was confirmed and the amendment was moved.

As MHCLG required the Council's decision by 10 January the item had been taken under the Urgent Action Procedure, without the requirement for the call-in procedure to apply, under the Council's Improvement & Review Protocol as set out in the Constitution`.

The following decisions were made to enable the Cabinet to consider the proposed content of the Draft Structural Changes Order, which would set out the arrangements for the transition to the new unitary Council in 2020. The decisions were also made to respond to the request from the MHCLG for the Council to consider giving consent to the proposed regulations under the Cities and Local Government Devolution Act 2016.

**RESOLVED:** That (i) the decisions of the Secretary of State in relation to the content of the draft Buckinghamshire (Structural Changes) Order up to this date (9 January 2019) be noted;  
and

(ii) the Council does **NOT** provide its consent in accordance with the provisions of section 15 of the Cities and Local Government Devolution Act 2016.

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Chairman

**The following officers were in attendance at the meeting:**

Karen Satterford	- Chief Executive
Catherine Whitehead	- Head of Democratic, Legal & Policy.
Catherine Spalton	- Communications and Improvement Manager
Catherine MacKenzie	- Principal Democratic Services Officer

## Cabinet Minutes

Date: 4 February 2019

Time: 7.00 - 8.13 pm

**PRESENT:** Councillor Ms K S Wood (Executive Leader of the Council - in the Chair)

- |                            |                                                                  |
|----------------------------|------------------------------------------------------------------|
| Councillor Mrs J A Adey    | - Cabinet Member for Environment                                 |
| Councillor D H G Barnes    | - Deputy Leader and Cabinet Member for Strategy & Communications |
| Councillor S Broadbent     | - Cabinet Member for Economic Development and Regeneration       |
| Councillor D J Carroll     | - Cabinet Member for Youth and External Partnerships             |
| Councillor D A Johncock    | - Cabinet Member for Planning                                    |
| Councillor Mrs J D Langley | - Cabinet Member for Housing                                     |
| Councillor D M Watson      | - Cabinet Member for Finance and Resources                       |

### By Invitation

- |                      |                                                                      |
|----------------------|----------------------------------------------------------------------|
| Councillor Z Ahmed   | - Deputy Cabinet Member for Strategy and Communications              |
| Councillor C Etholen | - Deputy Cabinet Member for Digital Development and Customer Service |
| Councillor A R Green | - Chairman of the Council                                            |
| Councillor G C Hall  | - Deputy Cabinet Member for Environment                              |
| Councillor D Knights | - Chairman of the Improvement and Review Commission                  |
| Councillor R Raja    | - Leader of the Labour Group                                         |
| Councillor A Turner  | - Deputy Cabinet Member for Planning                                 |

**Also present:** Councillors M Clarke, A D Collingwood, S K Raja and P R Turner

### **76 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mrs S Adoh (Deputy Cabinet Member for Housing), M Harris (Deputy Cabinet Member for Economic Development and Regeneration), M Knight (Leader of the East Wycombe Independent Party), G Peart (Cabinet Member for Community), S Saddique (Deputy Cabinet Member for Finance and Resources) and L Wood (Cabinet Member for Digital Development & Customer Services).

### **77 MINUTES**

**RESOLVED:** That the minutes of the meetings of the Cabinet held on 17 December and 9 January 2019 be approved as true records and signed by the Chairman.



## 78 DECLARATIONS OF INTEREST

Councillor Ms K Wood declared a disclosable pecuniary interest in respect of Minute 83 'Ashwells' and withdrew from the Chamber during that item. (The Deputy Leader took the Chair for this item).

### EXCLUSION OF PRESS AND PUBLIC

**RESOLVED:** That pursuant to Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 the press and public be excluded from the meeting during consideration of Minute Nos 79 to 83 and 86 to 87, because of their reference to matters which contain exempt information as defined as follows:

**Minute 79** Budget Monitoring Report for Period Ending 31 December 2018 – Appendices B and C

**Minute 80** Capital Strategy – Appendices 2C and 2D

**Minute 81** Revenue Budgets and Council Tax Setting 2019/20 – Appendix D

**Minute 82** Disposal of Bassetsbury Triangle – Appendices A, B & C

**Minute 83** Ashwells Infrastructure and Disposal as Serviced Sites – Appendices A & B

**Minute 86** Disposal of part and Development of Part of Hughenden Quarter Upper Site

Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Paragraph 3, Part 1 of Schedule 12A, Local Government Act 1972)

(The need to maintain the exemption outweighs the public interest in disclosure, because disclosure could prejudice the Council's position in any future tender process or negotiations)

**Minute 87 - File on Action taken under Exempt Delegated Powers**

**Community sheet no: C/1/19**

**Economic Development & Regeneration sheet nos: EDR/54/18 - EDR/63/18 & EDR/01/19**

**Environment sheet nos: E/03/18 & E/01/19**

**Planning & Sustainability sheet no: PS/01/19**

Information relating to the financial or business affairs of any

particular person (including the authority holding that information)  
(Paragraph 3, Part 1 of Schedule 12A, Local Government Act 1972)

(The need to maintain the exemption outweighs the public interest in disclosure, because disclosure could prejudice the Council's position in any future tender process or negotiations)

## **79 BUDGET MONITORING REPORT FOR PERIOD 9 ENDING 31 DECEMBER 2018**

Cabinet were asked to consider the report which set out the position for all revenue accounts and capital spending for the first nine months of 2018/19. Cabinet considered the actions set out in the report and whether any further action was necessary.

The Cabinet expressed their thanks to the Cabinet Member for Finance for all his hard work.

The following decisions were made as the Cabinet approved a budget each year within the context of a Medium Term Financial Strategy (MTFS) to achieve the Council's priorities. The report updated Cabinet members on the 2018/19 forecast position as at Period 9.

**RESOLVED:** That (i) the forecast outturn position for the financial year 2018/19 as at end of December 2018 be considered;

(i) the transfers to earmarked reserves detailed in paragraph 2.4 of the report be approved; and

(ii) the amendments to the capital programme for 2018/19 as set out in paragraph 5.1 table 2 and virements as detailed in paragraph 5.5 table 4 of the report be approved.

## **80 CAPITAL STRATEGY**

The Capital Strategy before Cabinet outlined the Council's Capital Programme, together with new capital proposals for 2018-19 to 2023-24, and the Treasury Management Annual Strategy report for 2019-20. The aforementioned reports had previously been presented separately to Cabinet, but were now being presented together as the Capital Strategy to meet the new requirement under the revised CIPFA Prudential Code 2018. The Capital Strategy set out the Council's approach to the identification of capital expenditure needs.

An amendment was requested to move the portfolio grouping of the Wycombe Community Hub and Surgery Development from Environment to Community within exempt appendix 2C of the report, this was noted by the S151 officer. It was also noted that the references within the report to Homer Green Secondary School should be amended to Homer Green Senior School.

The following recommendations were made as the Cabinet approved a Capital Budget each year to invest in the Council's key priorities as set out in the Corporate Plan.

**Recommended:** That (i) the Capital Strategy at Appendix 1 of the report be approved;

(ii) the Minimum Revenue Provision Policy Statement at Appendix 1a of the report be approved;

(iii) the Capital Programme for 2018/19 to 2023/24 totalling £134.3m as summarised in Table 1 of the report be approved;

(iv) the Treasury Management Strategy and Prudential and Treasury Indicators in Appendix 3 of the report be approved; and

(v) the Treasury Management Practice at Appendix 3A of the report be approved.

## **81 REVENUE BUDGETS AND COUNCIL TAX SETTING 2019/20**

Cabinet were asked to consider and formally recommend the Revenue Budget and Capital Programme for 2019/20 to enable the Council to set the Council Tax for the forthcoming year.

The report provided an update on the draft revenue budget report that had been presented to Cabinet in December, including the movements that had taken place since then. The report before Cabinet set out the final revenue budget proposals for 2019/20 following extensive work carried out by Budget Holders and Cabinet Members.

The report outlined details of the main changes to the 2019/20 provisional Local Government Finance Settlement from Central Government and importantly the Revenue Support Grant and Baseline Funding (the guaranteed element of Business Rates) contained therein.

It was noted that the final budget recommended a nil increase in Council Tax resulting in the average Band D property remaining the same as 2018/19 at £136.99.

The responses to the recommendations of the Budget Task and Finish Group had been circulated as an appendix to the budget item. Councillor A Collingwood, the Chairman of the Budget Task and Finish Group commented on the findings of the Budget Task and Finish Group's review of the budget position.

The Cabinet Member for Planning thanked the public for the correspondence that he had received in relation to the River Wye. In relation to recommendation 2 of the Budget Task and Finish Group recommendations, he explained that for Phase 7 of the Masterplan to be delivered from the specified Strategic Land Acquisition/Infrastructure funding source an updated business case, including costs and key milestones would need to be considered by Cabinet. In summing up, he confirmed that there was still a significant amount of work that needed to be undertaken and that opening if the river was not a given.

During consideration of the Budget Task and Finish Group's recommendations, Cabinet had agreed nine of the recommendations, with the remaining recommendations having been noted as set out in the report.

Cabinet thanked the Task and Finish Group and officers for all their hard work. The Chairman of the Budget Task and Finish Group then thanked officers and Cabinet Members for their help and co-operation during the process. The Cabinet Member for Finance also expressed his thanks to the Head of Finance and his team for all their hard work.

The following recommendations were made as the Council had a statutory requirement to set a balanced budget for 2019/20 and the report formed a key part of the budget setting process by setting out the likely Revenue expenditure for that year recommending to Council the proposed budget for 2019/20 and the associated Council Tax level.

**Recommended:** That (i) the Council Tax requirement for the Council of £9,467k for 2019/20 be set;

(ii) the base estimates for 2019/20 as shown in Table 2, with further details in Appendices A & B of the report be approved;

(iii) the Fees and Charges schedules for 2019/20 in Appendices C & D (Part 2) be approved;

(iv) the Repairs and Renewals fund programme for 2019/20 of £633k in Appendix E of the report be approved;

(v) the Higginson Park Trust budget for 2019/20 of £193k in Appendix F of the report be approved;

(vi) the Special Expenses revenue budgets for High Wycombe Town Committee for 2019/20 totalling £365k which will be funded from precept of £275k and reserves of £90k detailed in Appendix G of the report be approved. It was noted that the precept of £275k would generate a Band D equivalent charge of £11.82;

(vii) the Special Expenses estimate for West Wycombe closed churchyard for 2019/20 totalling £7,000, in Appendix H of the report be approved;

(viii) it be noted that the budget paper, when approved by Council, would form part of the Medium Term Financial Strategy (MTFS) 2019/20 to 2022/23, see Appendix I of the report;

(ix) the statement by the Chief Finance Officer in Appendix J of the report on the robustness of the budget estimates and level of reserves be approved;

(x) the Cabinet responses to the referral from IRC on the recommendations of the Budget Task and Finish Group be noted; and

## **Council Tax**

(xi) Council Tax be maintained for a Band D property, so it would remain at £136.99 for 2019/20. All the five options for Council Tax changes in Section 6 of the report were considered before making the decision.

## **82 DISPOSAL OF BASSETSBURY TRIANGLE**

Cabinet approval was sought to dispose of the former Bassetsbury allotments site to enable 40 park homes to be developed on the site.

The following decisions were made as the former allotments were closed due to contamination. The Secretary of State's approval had been obtained to release them for development. Underlying ground conditions prevent conventional housing and therefore lightweight park homes were proposed. The estimated disposal value of the site exceeded delegation. Freehold disposal may prove to be unfundable by the market because of latent contamination risk. In which case, disposal would be by way of leasehold joint venture.

**RESOLVED:** That (i) the disposal of 'Bassetsbury Triangle' (former allotments) with the benefit of planning permission for 40 park homes be approved;

(ii) either a freehold disposal or a leasehold joint venture be approved, the decision on sale price or detailed financial terms be delegated to the Corporate Director, in consultation with the Major Projects and Estates Executive, Head of Finance & Commercial, and their respective Cabinet Members; and

(iii) delegated authority be granted to the Corporate Director, in consultation with the Major Projects and Estates Executive, Head of Finance & Commercial, and their respective Cabinet Members, to enter into construction contracts for on-site enabling works and off-site infrastructure works.

**Councillor D Barnes took the Chair**

## **83 ASHWELLS INFRASTRUCTURE AND DISPOSAL AS SERVICED SITES**

The report before Cabinet sought approval to proceed with the development of the Ashwells site, subject to appropriate planning permission. In December 2017, Cabinet had recommended to approve funding for infrastructure works with a view to selling the Ashwells site as serviced building plots. The report confirmed that subsequent to this, further work had been undertaken to determine the current estimated infrastructure costs and end values, in order to produce a full business case. Therefore, Cabinet approval was sought for the release of funding from the Capital Programme to enable the implementation of the on-site and off-site infrastructure, subject to planning.

The following decisions were made as approval was required to enter into a Grant Agreement with Homes England; to release the allocation in the Capital Programme to fund infrastructure works; and to provide delegation to enter into infrastructure construction contracts.

**RESOLVED:** That (i) the Local Authority Accelerated Construction ('LAAC') grant offer from Homes England be accepted;

(ii) on-site infrastructure be implemented;

(iii) it be agreed to dispose of serviced sites, including custom-build and self-build plots;

(iv) it be agreed to undertake off-site road improvements; and

(v) it be agreed to procure and enter into construction contracts for (ii) and (iv); and

(vi) delegated authority be granted to the Corporate Director, in consultation with the Head of Finance and the Major Projects Executive, to agree terms for and enter into contracts for (iii), (iv) and (v) above.

(Councillor Mrs J Adey and D Johncock abstained from voting on this item.)

#### **Councillor Ms K Wood took the Chair**

#### **84 FILE ON ACTION TAKEN UNDER DELEGATED AUTHORITY**

Cabinet received the following files on actions taken under delegated powers:

Community	C/57/18 – C/58/18 C/01/19 – C/09/19
Environment	E/02/18
Finance	F/01/19 – F/02/19
Leader	L/01/19 – L/02/19

#### **85 INFORMATION SHEETS**

Cabinet received the following Information Sheet issued since the last meeting:

1/2019 Frogmoor – Minor Improvements

**86 DISPOSAL OF PART AND DEVELOPMENT OF PART OF HUGHENDEN QUARTER UPPER SITE**

Cabinet considered the report which proposed the disposal of the Council's freehold interest in the southern half of Hughenden Quarter Upper Site at below market value, to enable a housing association to provide 100% affordable housing, subject to planning permission. Cabinet approval was also sought to release funding from the Capital Programme for the development of small workspaces (HQube) at the northern half of the site, which was also subject to planning permission.

The following decisions were made as both the proposed disposal and the proposed development were linked to the Council's proposed Ashwells development.

**RESOLVED:** That (i) It be agreed to dispose of the freehold interest in the southern half of the Hughenden Quarter Upper Site ('HQUS'), with the benefit of planning permission for 68 apartments, to a registered provider (housing association) at below market value, to provide 100% affordable housing;

(ii) the Homes England offer of Local Authority Accelerated Constitution grant, as set out in paragraph 9 of the report be accepted;

(iii) the allocation in the Capital Programme for the direct development of the northern half of the site as 'HQube' small workspace be released;

(iv) a construction contract for HQube and a construction contract for the repair and renewal of the HQUS access road, including new utilities be entered into; and

(v) delegated authority be granted to the Corporate Director, in consultation with the Head of Finance & Commercial, the Major Projects Executive, and their respective Cabinet Members, to agree the final terms of (i), (ii) and (iv) above.

(Councillor Mrs J Adey and D Johncock abstained from voting on this item.)

**87 FILE ON ACTION TAKEN UNDER EXEMPT DELEGATED POWERS**

Cabinet received the following files on exempt actions taken under delegated powers:

Community Sheet No: C/1/19

Economic Development & Regeneration Sheet Nos: EDR/54/18 – EDR/63/18

EDR/01/19

Environment Sheet No: E/03/18 and E/01/19

Planning and Sustainability: PS/01/19

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Chairman

**The following officers were in attendance at the meeting:**

- Karen Satterford - Chief Executive
- Ian Hunt - Democratic Services Manager
- Catherine MacKenzie - Principal Democratic Services Officer
- David Skinner - Head of Finance & Commercial
- Catherine Spalton - Communications and Improvement Manager



<b>Notification for Press and Public</b>
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**Notification of Items expected to be taken in exempt session,  
as required by access to information requirements.**

The meeting will be asked to resolve that the Press and Public be excluded from the meeting during consideration of the following items as they contain exempt information as defined under Schedule 12A of the Local Government Act 1972 (as amended), more particularly as follows:-

**Item 9 – Appendices 2c & 2d - Capital Strategy**

**Item 18 – Appendix A - Extension Works to Court Garden Leisure Complex –  
Procurement Process**

Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Paragraph 3, Part 1 of Schedule 12A, Local Government Act 1972)

[The need to maintain the exemption outweighs the public interest in disclosure, because disclosure could prejudice the Council's position in any future tender process or negotiations]

# Agenda Item 9

## AGENDA ITEM:



Report For:	Council
Date of Meeting:	Council 21 February 2019
Part:	Part 1 - Open Report with Part 2 Appendices
If Part 2, reason:	Para 3 - Information about the financial or business affairs of any particular person (including the authority holding that information).

<b>Title of Report:</b>	<b>CAPITAL STRATEGY</b>
Officer Contact:	David Skinner
Direct Dial:	01494 421322
Email:	Email: David.Skinner@wycombe.gov.uk
Wards affected:	All
Reason for the Decision:	<ol style="list-style-type: none"> <li>1. This report includes:             <ol style="list-style-type: none"> <li>(i) The Capital Strategy</li> <li>(ii) The Capital Programme 2018/19-2023/24</li> <li>(iii) The Treasury Management Strategy.</li> </ol> </li> <li>2. To comply with the Local Government Act 2003, other regulations and guidance and to ensure that the Council's investment plans are prudent, affordable, sustainable.</li> <li>3. The <b>Capital Strategy</b> is a new requirement under the revised CIPFA Prudential Code 2018 with a requirement for full implementation in 2019/20. The purpose of the Capital Strategy is to drive the authority's capital investment ambition, whilst also ensuring appropriate capital expenditure, capital financing and treasury management in the context of the sustainable, long term delivery of services. Full Council is required to agree the Capital Strategy annually and to review and amend it as necessary in the event of a significant change in circumstances.</li> <li>4. The Council approves a <b>Capital Budget</b> each year to invest in the Council's key priorities as set out in the Corporate Plan.</li> </ol>

<b>Proposed Recommendation:</b>	<p>Council is requested to:</p> <ul style="list-style-type: none"> <li>a) approve the Capital Strategy at Appendix 1;</li> <li>b) approve the Minimum Revenue Provision Policy Statement at Appendix 1a;</li> <li>c) approve the Capital Programme for 2018/19 to 2023/24 totalling £134.3m as summarised in Table 1;</li> <li>d) approve the Treasury Management Strategy and Prudential and Treasury Indicators in Appendix 3; and</li> <li>e) approve the Treasury Management Practice at Appendix 3A.</li> </ul>
Sustainable Community Strategy/Council Priorities - Implications	<p>The key risks with the delivery of the capital programme are set out in Appendix 2 paragraph 20.</p> <p>Equalities: EIAs are carried out on all schemes before scheme is given full authorisation to spend</p>
Monitoring Officer/ S.151 Officer Comments	<p><b>Monitoring Officer:</b> Legal and governance arrangements are set out within the report.</p> <p><b>S.151 Officer:</b> All financial implications have been included in the report.</p>
Consultees:	Budget Task and Finish Group has been consulted on the Capital Programme.
Options:	1.1 A number of options regarding capital investment have already been considered as part of the prioritisation and review process with portfolio holders and officers resulting in a programme which meets the Council's aims and vision.
Next Steps:	1.2 Approval by Council
Background Papers:	<ol style="list-style-type: none"> <li>1. Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended.</li> <li>2. DCLG Guidance on Minimum Revenue Provision 2018.</li> <li>3. DCLG Guidance on Local Government Investments – March 2018.</li> <li>4. CIPFA Prudential Code for Capital Finance in Local Authorities, 2017 edition.</li> <li>5. CIPFA Treasury Management Code of Practice, 2017 edition.</li> </ol>

**Appendices** to this report are as follows:

Appendix 1 Capital Strategy

Appendix 2 Capital Programme 2018/19 – 2023/24

Appendix 3 Treasury Management Strategy

## **1 Executive Summary**

- 1.1 This report incorporates the Council's Capital Strategy, the Capital Programme including new capital proposals for the period 2018-19 to 2023-24, and the Treasury Management Annual Strategy Report for 2019-20.
- 1.2 The reports above have been presented separately in previous years, but are now being presented together linking investment both in terms of treasury management and assets. The aim is to avoid duplication between the reports, and to strengthen the link between capital spending and the treasury management function.
- 1.3 Full details of the Capital Strategy, Capital programme and the Treasury Management Strategy are set out in the attached Appendices.

## **2 Capital strategy**

- 2.1 The Capital Strategy is a new requirement under the revised CIPFA Prudential Code 2018. CIPFA have also revised the Code of Practice on Treasury Management ('TM Code'), alongside the revision to the Prudential Code.
- 2.2 Full Council is required to agree the Capital Strategy annually and will review and amend it as necessary in the event of a significant change in circumstances.
- 2.3 Key changes to the Prudential and TM Codes are:
  - development of a capital strategy (linking both the codes)
  - high level context setting and strategy with key indicators
  - confirms the codes applies to all investments (treasury and non-treasury)
  - non treasury investments need to be discussed separately in the report
  - recognition that for non-treasury investments the principle of placing security and liquidity above yield may not be appropriate in all cases but decisions should be explicit
  - coverage of group and combined authorities
  - encouragement of local indicators
  - change in some Prudential Indicators
- 2.4 The Department for Communities and Local Government (DCLG) have also revised their Investment Guidance (last revised in March 2010) and the MRP Guidance (last revised in 2012). The 2010 Guidance was very focused on investments in financial institutions, and as authorities are now increasingly investing in non-financial assets, they need to be brought into the scope of the Guidance. The Guidance retains the requirement for an Investment Strategy to be prepared at least annually and approved by Full Council.
- 2.5 The aim of the Capital strategy is to demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The Council also needs to demonstrate that it sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 2.6 The Capital Strategy is set out in Appendix 1.

### 3 The Capital Programme

- 3.1 The Council has an ambitious Corporate Plan, and in order to achieve the targets within the Plan, we need to invest in our assets and infrastructure. The Capital budget sets out the programme of capital expenditure and the sources of funding of that expenditure.
- 3.2 A comprehensive and rigorous process has been undertaken in determining the Capital budget, totalling £134.3m over the 6 year period. A key principle has been that the Council will not resort to borrowing to fund capital expenditure and this has been achieved as set out in Table 1 below.

**Table 1** Capital Spending and Funding

Table 1	2018/19 Forecast £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	Total £m
<b>Expenditure General Fund</b>	<b>21.6</b>	<b>51.8</b>	<b>25.3</b>	<b>25.1</b>	<b>10.3</b>	<b>0.3</b>	<b>134.3</b>
<b>Funding:</b>							
Grants & Contributions	(7.2)	(15.8)	(7.0)	(12.4)	(3.7)	-	<b>(46.0)</b>
Capital Receipts	-	(24.5)	(17.6)	(12.3)	(6.1)	(0.3)	<b>(60.8)</b>
Revenue Financing	(14.3)	(11.5)	(0.6)	(0.4)	(0.6)	-	<b>(27.5)</b>
<b>Total</b>	<b>(21.6)</b>	<b>(51.8)</b>	<b>(25.3)</b>	<b>(25.1)</b>	<b>(10.3)</b>	<b>(0.3)</b>	<b>(134.3)</b>

- 3.3 The detailed report covering the Capital Programme is set out in Appendix 2.

### 4 Treasury Management Strategy

- 4.1 The Local Government Act 2003 requires the Council to set out a statement of its Treasury Management Strategy. This sets out the Council's policies for managing its borrowings and investments and for giving priority to the security and liquidity of those investments.
- 4.2 The Council defines its treasury management activities as:
- 'The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'*
- 4.3 The Council manages on average £80m treasury investments and does not have any borrowing. The detailed report covering how the Treasury activities and associated risks along with Treasury Management Strategy, Indicators and Treasury Management Practice are set out in Appendix 3.

# APPENDIX 1



## Wycombe District Council

# Capital Strategy 2019/2020

## Contents

1	Purpose of the Capital Strategy.....	3
2	Context.....	3
2.1	Council’s Core objectives and role of Capital Investment.....	3
2.2	Demographic, Technological and Political Change in Wycombe .....	4
3	Key Objectives of Capital Investment.....	5
4	Resources .....	7
4.1	Available Capital resources, borrowing, key principles .....	7
4.2	The Choice of Funding.....	8
4.3	Required Return for Capital Investment .....	9
5	Attitude to risk.....	9
5.1	Risk appetite .....	9
6	Investments .....	10
6.1	Introduction .....	10
6.2	Treasury Investment Strategy .....	10
6.3	Capital Investments.....	11
6.4	Delegated powers to acquire property.....	14
6.5	Disposal of assets .....	14
7.	Minimum Revenue Provision (MRP).....	15
8.	Governance Processes .....	16
8.1	Management of the Capital Programme.....	16
8.2	Development of the Capital Programme .....	17
8.3	Risk Review .....	18
8.4	Prioritisation .....	18
8.5	Capital Pipeline .....	19
8.6	Submission of Capital Plan .....	19
9	Knowledge and Skills .....	19
10	Appendices/Links .....	19



## 1 Purpose of the Capital Strategy

This Capital Strategy is an overarching document which sets the policy framework for the development, management and monitoring of the Council's investment activity. Investment in this context means any investment involving the use of the Council's own or borrowed funds, so will incorporate the Capital Programme and all Treasury Investment activity.

In managing its Capital Strategy, the Council will have regard to its statutory obligations within the context of a changing operational environment, the longer term impact of its decisions, the delivery of value for money and the risks associated with any particular course of action.

The strategy is designed to fully comply with the Prudential Code of Practice for local authority capital investment which has recently been revised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in parallel with revised guidance to local authorities from the Ministry of Housing, Communities and Local Government (MHCLG). The main purpose of the Code is to ensure that capital investment proposals are affordable, prudent and sustainable.

The Capital Strategy aligns with the priorities set out in the Council's [Corporate Plan](#) and other key council strategies including:

- [The Medium Term Financial Strategy](#)
- [The Treasury Management Strategy](#)
- [The Economic Development Strategy](#)

Full Council will agree the Capital Strategy annually and will review and amend it as necessary in the event of a significant change in circumstances.

## 2 Context

### 2.1 Council's Core objectives and role of Capital Investment

The Council's aims and priorities are set out in the Corporate Plan, with the underpinning service delivery plans being refreshed annually. All that the Council does is set within a legislative context, so that meeting its statutory obligations is a key component determining its priorities and how they are to be delivered.

As set out in the [Economic Development Strategy](#) Wycombe District Council wants to create a prosperous and dynamic local economy that enables ambitious local companies to grow, attracting new investment and supporting economic development in a sustainable and inclusive way. We want to balance growth with improvements to quality of life securing investment in our town centres and villages to create high quality housing and attractive public realm and green space. We want our district to continue to be an attractive environment providing easy access to London and the benefits of proximity to the Chilterns' area of outstanding natural beauty.

We want the district to appeal to a wide range of people, providing excellent cultural, leisure, sporting, retail and recreational opportunities and supporting active lifestyles.

We also want to build on the strengths of our cultural diversity, making our district a welcoming place for visitors, enabling all our local communities to benefit from economic growth and share in prosperity. We want to be known as a ‘can do’ community; a connected community; a community that supports enterprise and welcomes creative people and entrepreneurial businesses. And we want to support the growth of a sustainable, low carbon economy that uses clean technology and adapts to the challenges of climate change.

The priorities set out in the Corporate Plan are:

- A great place to be – our Place priority
- Strong communities – our People priority
- Growth and prosperity – our Prosperity priority
- Efficient and effective – our Progress priority

## 2.2 Demographic, Technological and Political Change in Wycombe

### 2.2.1 Changes in Demography

Economic growth is influenced by three primary factors: population growth, rates of economic activity and the productivity of employees and businesses. Productivity can be enhanced through investment in innovation, skills and technology.

Our district’s population is set to grow significantly over the next 15 years and the submission version of the local plan anticipates that around 10,900 new homes will be built across the district during this period. Growth will be needed to ensure people can secure jobs; fewer are dependent upon benefits and that our companies embrace innovation and technology to boost their productivity and provide higher value products and services.

The district’s economic output in 2016/2017 by Gross Value Added is estimated to be £5.5 billion. We plan to set an ambitious growth target of just under 3 per cent a year over the next decade. The challenge is for Wycombe to become a £7 billion gross value added (GVA) economy by 2027. If we are to achieve that challenge Wycombe needs to offer an attractive environment for new business investment as well as a great place for people to live and work in and raise future generations.

Our vision is not solely about making Wycombe economically competitive but helping it become a more successful place, with strong and cohesive local communities and a great quality of life.

### 2.2.2 Changes in Technology

Developing the economy needs to reflect changes to the way we work and better still to reflect the way we will work in the future. The pace of change in technological advancement, including *digital transformation* and other major technological advances, appears to get ever faster, so keeping up with these changes presents a range of challenges.

The Council has a role in putting in place, or at least facilitating, *enabling infrastructure*. An example of this currently might be the developing market in electric vehicles that need a more comprehensive network of charging points. However, as is often the case with emerging technologies there are a number of different options available, so identifying which particular solution to support is a key challenge if capital investment is not to be wasted.

By contrast the *economic development role* the Council plays may need to facilitate experimentation, such as creating space for start-up businesses in emerging technologies. The very nature of this means that there is likely to be a degree of failure and the Council needs to determine the level of risk it is prepared to take and the mitigations that can be put in place.

More detail of our ambitions and plans can be found in our [Economic Development Strategy](#).

### 2.2.3 The Changing Public Sector Landscape.

The Secretary of State has now approved the creation of a new a Single Unitary District Council for Buckinghamshire to replace the current County Council and four District Councils. This is likely to need to a rationalisation and re-profiling of the local government estate in Buckinghamshire and a County wide approach to investment decisions.

The financial, technological and demographic pressures in the system likely to lead to change - all public sector bodies are under increasing financial pressure as well as there being an expectation to provide fit for purpose, more coherent and accessible services to the public.

Those financial pressures on local authorities, caused in large part by the year on year cuts in Government grant funding, but also significant increases in demand for services, lead to the need to explore alternative sources of income. This in turn prompts consideration of capital investment in assets which can support the generation of additional income. This might mean investing in existing assets to facilitate their use to create income streams. It may also mean investing in assets purely, or significantly, for the purposes of making a return.

## 3 Key Objectives of Capital Investment

The Capital Strategy comprises two main elements – Treasury Investment and Capital Investment. Treasury Investment is covered in the [Treasury Management Strategy](#).

### 3.1 The key objectives of capital investment will be to:

- Support service delivery in line with the Council's strategic objectives
- Support economic development and the wider growth agenda
- Enhance value for money by helping to reduce or avoid costs

- Facilitate the generation of income, be that from commercial assets held predominantly for their rental yield, or service based assets capable of generating income as a by-product.

3.2 Where assets are held by the Council that do not fall into the above categories the Council will aim to dispose of such assets. However, it will seek to maximise the return in doing so and therefore will on occasions hold assets awaiting favourable market conditions. The retention of assets in this way will require an explicit decision to do so.

3.3 As well as the key objectives set out in 3.1 above there will also be regard for the following:

- Meeting legislative requirements, such as health and safety.
- Maximise community benefits, working in partnership with other agencies
- Ensure that investments are affordable and sustainable
- Safeguard the on-going integrity of existing assets (property, ICT, etc.) ensuring they remain fit for purpose.
- Be forward looking in terms of investing in future technologies and recognising societal behaviour patterns and not the ways of the past.
- Ensure, where appropriate, that investments are in line with the Asset Management Plan

3.4 Based on the above objectives it is envisaged that capital investment will fall into three main categories:

- Assets held for a financial return to support the financial resilience of the Council.
- Assets owned by the Council to support the direct delivery of services by the Council itself.
- Assets owned by the Council to support the delivery of services by third parties where there is a strategic need/advantage in continuing to own the assets.

3.5 In addition the Council may on occasions make capital investments in assets owned by third parties where doing so facilitates the delivery of Council objectives, or legislative requirements.

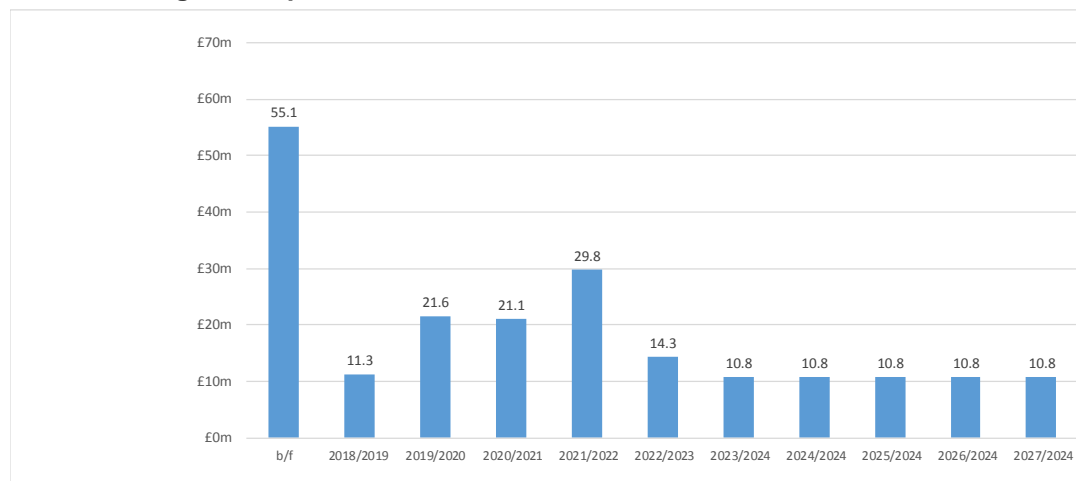
## 4 Resources

### 4.1 Available Capital resources, borrowing, key principles

Table 1 below sets out the estimated funding envelope for the next 10 years.

**Table 1**

#### 10 Yr Funding Envelope



	Balances b/f	Yrs 1-5					Yrs 1-5	Yrs 1-5 + op bals	Yrs 6-10	Total
		2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023				
Capital Receipts	16.8	5.1	12.3	9.5	13.0	6.0	45.8	62.6	15.0	£77.6m
CIL	8.0	4.0	4.0	4.0	4.0	4.0	20.0	28.0	20.0	£48.0m
S106	5.6	-	-	-	1.5	1.2	2.7	8.4	-	£8.4m
DFG	-	0.8	0.8	0.8	0.8	0.8	4.0	4.0	4.0	£8.0m
HiF Abbey Barn Lane	-	0.1	0.5	0.2	5.0	1.7	7.5	7.5	-	£7.5m
HiF Princess Reisb Relief Rd	-	0.1	0.8	6.0	5.1	-	12.0	12.0	-	£12.0m
ACF	-	-	2.7	-	-	-	2.7	2.7	-	£2.7m
LRF	-	0.5	-	-	-	-	0.5	0.5	-	£0.5m
Revenue Reserve	24.7	0.7	0.5	0.6	0.4	0.6	2.8	27.5	15.0	£42.5m
<b>Total Funding available</b>	<b>£55.1m</b>	<b>£11.3m</b>	<b>£21.6m</b>	<b>£21.1m</b>	<b>£29.8m</b>	<b>£14.3m</b>	<b>£98.0m</b>	<b>£153.1m</b>	<b>£54.0m</b>	<b>£207.1m</b>

4.1.1 There are a number of potential sources of financing for the capital programme. These can be described as follows:

4.1.2 **Grant Funding** (often specifically for capital purposes and also often from central government, but they may come from, or through, other agencies).

4.1.3 **Capital Receipts** (receipts arising from the disposal of existing assets are constrained to only be useable for the purposes of funding new assets. Such funds when generated are held in a Capital Receipts Reserve until such time as used).

4.1.4 **Developer Contributions** (S106 agreements and/or the Community Infrastructure Levy (CIL) effectively impose a tax on new development in order to fund infrastructure required as a consequence of the development.). Future funding application has been risk assessed to take account of uncertainty in the housing market.

- 4.1.5 **Partner Contributions** (some projects may be jointly funded between the Council and other agencies or development partners, both in the public and private sector)
- 4.1.6 **Revenue Contributions to Capital** (the Council is able to use its revenue resources to fund its capital expenditure, but obviously this then reduces the funding available for recurrent expenditure.)
- 4.1.7 **Leasing** (essentially this is a specialised form of borrowing linked directly to the asset. The Council currently has no operating or finance lease agreements where the Council is lessee)
- 4.1.8 **Prudential Borrowing** (The default position is zero borrowing. However, the Council is able to borrow in order to fund its capital investments in accordance with the Government's guidelines and with regard to the Prudential Code for capital finance in local authorities, and provided that the return and payback period is in accordance with the minimum requirements set out by cabinet and in force at that time).

## **4.2 The Choice of Funding**

- 4.2.1 The choice of funding for the capital programme and projects within it will depend upon the overall availability of resources and any constraints applicable to particular sources and the priorities of the Council.

Wherever possible external resources such as partner contributions, or grants will be the first preference for funding projects. In the case of developer or partner contributions that arise through legal agreements (eg s106 contributions) these funds may only be available for specific projects that meet the legal conditions of those agreements.

- 4.2.2 The Council will aim to maximise its funding for capital expenditure by bidding for grant funding, disposing of surplus assets, seeking to maximise its leverage with partners in respect of joint funding opportunities, etc. The ability to respond to and deliver the Capital Programme and Pipeline schemes will be heavily dependent upon the ability to attract additional resources. This may come in the form of additional funding from Government and the private sector, such as is being sought via the HIF bids, developer contributions, or working in partnership with other bodies.
- 4.2.3 Although the Council will continue to bid for all the resources available to it, the Government's austerity measures are leading to a tightening of grant funding associated with Capital projects.
- 4.2.4 Historically the Council has provided a reasonable level of revenue contributions to fund the capital programme. However, as part of measures to keep the revenue budget in balance in the face of reduced funding and increasing service pressures the capacity to do this has been reduced to a relatively low level in the future.

## 4.3 Required Return for Capital Investment

4.3.1 The current requirement is that a scheme that is not funded from external borrowing must deliver a minimum average annual net yield of greater than 4.25% (4%+Base Rate-0.5%) i.e. currently (4%+0.75%-0.50%)=4.25%, have a positive NPV using a discount rate of 4.25% and operate within an acceptable level of risk (see section 5).

4.3.2 The 4% threshold is based on using the pooled property fund as a benchmark which has delivered an average return of 4% over the last three years.

4.3.3 Prudential borrowing will be the last resort of funding, and will only be used in exceptional cases and where there is a strong business case offering a rate of return and/or payback period exceeding the requirements set out by Cabinet. If borrowing is required to fund a capital investment **the required annual gross return increases to 8.75%** to cover the 2% cost of the minimum revenue provision (assuming the investment is in property), and the 2.5% PWLB interest rate. These rates will be kept under review to match with prevailing interest and borrowing rates at the time of decision. **The NPV must be positive using a discount factor of 8.75%**. This rate will increase if there are additional costs such as voids, maintenance etc. which need to be allowed for.

4.3.4 Overall, our investments in property must deliver a net averaged return of over 4% which will include both rental yields and capital appreciation and take account of the cost of administration of the estate.

4.3.5 The above requirement relates to schemes where the proposed investment is purely for commercial return. Schemes which are not fully commercial in nature eg have wider economic and strategic benefits are required to clearly evidence those benefits but are not required to meet the commercial requirements set out above.

## 5 Attitude to risk

### 5.1 Risk appetite

This section considers the council's risk appetite with regard to its capital investments and commercial activities, i.e. the amount of risk that the council is prepared to accept, tolerate, or be exposed to at any point in time. It is important to note that an overly adverse attitude to risk can create an opportunity cost to the Council, as well as an overly aggressive attitude can lead to unplanned losses. Risk will always exist in some measure and cannot be removed in its entirety but needs a proportionate and pragmatic approach to managing it.

Subject to careful due diligence, the council may consider a moderately higher level of risk for strategic initiatives, where there is a direct gain to the council's revenues or the ability to deliver its statutory duties or strategic objectives more effectively and efficiently.

## 6 Investments

### 6.1 Introduction

6.1.1 Investments are classified into two main categories:

- **Investments** held for Treasury Management purposes; and
- Other Investments (**Capital Investments**).

6.1.2 The prudent investment policy will have two underlying objectives: Security and Liquidity. The generation of yield is distinct from these prudential objectives. However, this does not mean that local authorities are recommended to ignore potential revenues. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with these priorities

6.1.3 When entering into treasury management investments, local authorities should consider security, liquidity and yield in that order of importance.

6.1.4 When entering into other types of investments local authorities should consider the balance between security, liquidity and yield based on their risk appetite and the contribution(s) of that investment activity.

### 6.2 Treasury Investment Strategy

#### 6.2.1 Introduction

6.2.1.1 The Council holds significant surplus funds, representing income received in advance of expenditure, plus balances and reserves. Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and in order of importance to have regard to the **security** and **liquidity** of its investments before seeking the highest rate of return, or **yield**.

6.2.1.2 Council will also consider long term investments to secure better yield. This will be subject to cash-flow requirements and will ensure that it is prudent and sustainable.

6.2.1.3 The Treasury Management Strategy at Appendix 3 provides details on how the Council will manage and control the risks which are inherent to Treasury activities. There are two main categories of Investments : Financial and Non-Financial investments within Treasury activities which are briefly described below;



## **6.2.2 Financial Investments**

6.2.2.1 Financial Investments can fall into three categories, as defined by the Statutory Guidance issued under section 15(1)(a) of the Local Government Act 2003: Specified Investments; Non-specified Investments and Loans.

6.2.2.2 Specified and non-specified investments are only likely to be undertaken on either a short, or a long term basis as part of managing the council's cash flows and are therefore covered by the Treasury Management Strategy.

6.2.2.3 The 2019/20 Treasury Management Strategy sets a limit of £7.5m in a pooled property fund.

6.2.2.4 Loans may also be used for treasury management purposes, but loans that are made to third parties and interests acquired in companies, joint ventures or other enterprises must, as per section 6.9.6 of the Finance Regulations, have the approval of the full Council, following consultation with the Head of Finance and Commercial.

6.2.2.5 In making loans the Council is exposing itself to the risk that the borrower defaults on repayments. The Council must therefore ensure they are prudent and has fully considered the risk implications with regard to the individual loan and that the cumulative exposure of the Council is proportionate and prudent.

## **6.2.3 Non-Financial Investments**

6.2.3.1 For purposes of this strategy a non-financial investment is a non-financial asset held by the authority primarily, or partially to generate a return. This might be through an anticipated appreciation in the capital value of the asset, or by way of delivering a regular income stream, or a combination of both. Treasury Management Strategy sets a limit of £7.5m in direct property investments which falls under this category.

## **6.3 Capital Investments**

### **6.3.1 Commercial Activity and Investment Property**

- 6.3.1.1 Chosen carefully, investment in property offers the opportunity for a higher yield and less volatility than financial investments. The financial return may be generated through a variety of routes – e.g. acquisition, development and disposal, investment for long term rentals, and capital appreciation and each investment proposal needs to be assessed on its merits, alongside all possible options, and all potential risks considered. Property is an illiquid asset and carries with it the inherent risk of being unable to respond quickly enough to changes in market conditions.
- 6.3.1.2 As stated in section 13 of the [Council's Audited 2017/18 Annual Accounts](#) the Council already has a significant property portfolio, holding property valued at £130.5m as at 31 March 2018, based largely around Wycombe and delivering an annual gross return of £6.1m. Factoring in the increase in fair value of investment properties of £4.5m and operating expenses of £1.3m, the portfolio delivered a net return of 7% for 2017/18. The property mix is predominately geared towards retail (49%), with industrial property being the next largest sector (17%). Many of these properties were purchased for combined reasons of economic regeneration and commercial return. A detailed analysis of the Council's property portfolio is currently being developed to provide increased visibility by investment type, sector, and type of return.
- 6.3.1.3 Going forward, the council should aim to have an investment portfolio that is proportionate to the size of the Council's ability to manage and absorb the associated financial risks. The risk can be spread by ensuring the portfolio is spread over a suitably balanced portfolio of asset classes, locations, etc.
- 6.3.1.4 It is recognised that property investment may not be undertaken for purely commercial reasons and may involve strategic regeneration factors. If the required returns are unlikely to be met, but the strategic reasons are still considered valid and give merit to the scheme, these will need to be clearly set out in a business case and presented to Cabinet.
- 6.3.1.5 It should also be noted that although high on CIPFA's agenda to provide clearer guidance relating to Capital and Commercial Investment, the Code and Guidelines are still a work in progress and Councils therefore need to adopt sensible, proportionate and prudent investment strategies in line with their financial capacity and management capabilities.
- 6.3.1.6 In addition to the financial return criteria set out in para 4.2 above, when selecting suitable properties in which to invest the Council will have regard to the following criteria:
- Lease length, or the average of lease lengths if multiple occupation, to be generally 5 years left to run or greater.
  - A preference for purchases to be in locations within but not limited to the District, or with an economic footprint falling within the District.

- Only opportunities let to strong covenant tenants on full repairing leases will be considered based on Dun & Bradstreet ratings, or similar.
- Properties in strategic locations with good transport links
- Properties that offer a marriage value with the existing portfolio
- Properties and/or tenants consistent with the ethical values and aims of the public sector.
- Weight will be given to properties that offer the option of alternative uses through gaining planning permission for a change of use, or through redevelopment in order to enhance the capital value.
- A preference will be given to premises that offer the opportunity to increase income streams by infilling additional services e.g. coffee shop.

6.3.1.7 The following risks associated with the purchase of commercial property are recognised:

- The relative illiquidity of property as an asset class compared with holding cash reserves or a share portfolio.
- As lease lengths erode the value of the asset will tend to diminish in most cases.
- The risk of a tenant failing financially, which will present the Landlord with a temporary loss of income coupled with the cost of re-letting the accommodation.
- Void rates and service charge liability whilst the property remains vacant.
- Obsolescence of the building and the cost of returning it to a tenantable condition at the end of a lease.
- Over time certain segments of the property market can weaken leading to a loss of both a revenue income stream and capital value.

6.3.1.8 In order to mitigate the risks it will be essential to carry out full due diligence. To this end investments in property will only be made following advice from suitably qualified and experienced specialist advisors. Adherence to the selection criteria set out above will also be important to ensure that properties are well located and have tenants with a strong covenant. It will also be important that a diverse portfolio is established to reduce vulnerability to market fluctuations.

6.3.1.9 A suitable balance needs to be found between yield rates and lease length and security. Active asset management will be essential to ensure that tenant obligations under the lease are fulfilled and regular rent reviews are carried out, as well as looking for opportunities to maximise income streams and reduce the likelihood of voids. Despite these measures it is inevitable in any portfolio of scale that there will be some level of voids from time to time. The rental income budget line is reviewed annually and an allowance for void periods is factored into the final budget.

## 6.3.2 Operational and Strategic Investments

- 6.3.2.1 On occasions the Council may choose to purchase land, property or other assets for strategic reasons rather than for any short term return. This might be to protect existing service provision, but will most likely be linked to its community leadership role in accommodating and facilitating economic and housing growth. This will require a well-documented formal decision.
- 6.3.2.2 Although there is a need to generate positive investment returns to mitigate the ongoing financial pressures, it must not be forgotten that the Council is an organisation heavily governed by statute and that it is not a commercial organisation with the purpose of making a financial return for shareholders. Nonetheless like any organisation it does need to fund its activities and with more traditional funding sources, such as government grants, substantially decreasing and local taxation being heavily constrained by central government rules, there is a need to look to more innovative ways of generating income, the financial return on investments being one such approach in addition to other intangible social and regeneration benefits these investments can yield.
- 6.3.2.3 Recognising the Council's core objectives to support its local community there may be a range of further objectives beyond a simple financial return that the Council seeks when making investments and in so doing may accept a lower rate of financial return in order to achieve, or facilitate these other objectives. Examples of this might be to promote local economic development, or to support partner organisations. The remainder of this section seeks to set out the nature of investments the Council will engage in and the circumstances in which it will do so.

## 6.4 Delegated powers to acquire property

The delegated powers to acquire property are set out in the [Council's Constitution Doc Part 2 Responsibilities for Functions](#).

## 6.5 Disposal of assets

As a public authority the Council should, in the respect of its landholding and other assets, always seek to realise the best price reasonably obtainable, in terms of money or monies worth, unless it is absolved of this duty by statute or other lawful authority. If in the particular case of any disposal these rules cannot be followed in such a way as to ensure both propriety and optimum value, the matter must be reported to the Cabinet by the Corporate Director for authority to proceed in a different way. Any report requesting a disposal below market value must be fully compliant with the directions set out in Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained.

## **7. Minimum Revenue Provision (MRP)**

- 7.1 Minimum Revenue Provision (MRP) is the charge to revenue made in respect of paying off the principal sum of the borrowing undertaken to finance the capital programme. MRP, which is largely defined by regulation is aimed at ensuring that the council does not have time expired/fully depreciated assets, but still has associated outstanding debt. The Councils treatment of MRP is set out in detail in the MRP Statement (Appendix 1A) and approved annually.

## **8. Governance Processes**

### **8.1 Management of the Capital Programme**

8.1.1 This Capital Strategy sets out the framework for the governance of capital assets for the organisation. Primary responsibility for the development of the Strategy rests with the s151 Officer and Cabinet Member for Finance and Resources, although ultimate accountability for its approval rests with Full Council in line with the Prudential Code.

8.1.2 The development or purchase of new assets, maintenance of existing assets and disposal of surplus assets are matters of operational and financial significance and therefore require robust governance arrangements. For this reason the Strategic Management Board (SMB) will play a pivotal role in these governance arrangements, providing co-ordination and consistency across the organisation.

8.1.3 Whilst this Strategy sets out the overarching framework for identifying, approving, implementing and reviewing capital projects, the detailed procedures and processes are set out in the Council's [Procedures Rules Standing Orders](#) together with the guidance issued by Finance as part of the Council's annual budget setting process.

8.1.4 In line with the new legal requirement, full Council are required to review and approve the Capital Strategy and Programme annually and in the event of a significant change in circumstances. As part of the annual budget setting process the s151 Officer will consider the compliance of proposed schemes in the programme with the medium term financial strategy, the capital resources available to the council, the revenue implications of the proposed capital expenditure, and any other relevant information.

8.1.5 Democratic decision-making and scrutiny processes provide overall political direction and ensure accountability for investment in the capital programme. These processes include:

- A scheme proposal and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each project as part of the detailed Business Case.
- The development and implementation of Asset Management Plans.
- Accountability for each proposal is accepted by a named manager.
- The Improvement and Review Commission (IRC) scrutinises the Capital Plan and any new capital proposals prior to submission to Cabinet
- The IRC can call in Cabinet reports, receive and scrutinise reports
- Full Council approves the Council Plan which sets out the strategic priorities
- Full Council is ultimately responsible for approving the Capital Strategy, Treasury Management Strategy and Capital Programme
- The Cabinet receives regular capital monitoring reports, approves variations to the programme and considers new bids for inclusion in the capital programme
- Portfolio holders are assigned projects in line with their responsibilities
- Leader's Strategic Briefings as appropriate
- Monthly Joint portfolio meetings between two or more Cabinet members and the relevant senior officers
- Regular Portfolio update meetings between a Cabinet member and the relevant head of service

- A monthly Major Projects portfolio status report issued by the Programme Manager to Cabinet members and senior officers
- The Major Projects Group incorporating Cabinet members and senior officers to receive monthly project status reports
- Regular Programme Boards, covering the following different strategic themes (People and Place, Prosperity, and Progress) take place to monitor progress of all Major Projects and initiatives
- All projects progressing to the capital programme follow the constitution, and financial regulations
- The capital programme is subject to internal and external audit.

## 8.2 Development of the Capital Programme

8.2.1 The Council conducts a Capital Planning and annual Budget setting process which covers a 5-year horizon. The key activities are set out below:

<b>Capital Programme - Overview of Process</b>	
August	Services review need and submit new bid proposals supported by Outline Business Case and signed off by portfolio holder
September	New bids for capital schemes received (incl. CIL – currently co-ordinated by Planning)
October	Review and Prioritisation of existing Programme and New Bids, Affordability Envelope reviewed and set
November	Scrutiny by SMB, IRC through Budget Task and Finish Group
December	Draft 5 year Programme submitted to cabinet
February	Final Capital Plan Programme submitted to Cabinet for consideration and recommended to Council for approval

8.2.2 Key features of the process are:

In considering schemes for inclusion in the capital programme, regard will be had to the following principles:

- Schemes to be included in the Capital Programme should follow an appropriate level of due diligence and assurance regarding deliverability/practicable
- Every major project requires a full business case using the standard template to be prepared and submitted and approved by Cabinet before any authorisation to spend can be given
- Prior to mobilisation, all projects should be supported by an affordable and sustainable plan, including carefully consideration of value for money and options appraisal
- Capital appraisal should promote schemes which provide a direct gain to the council's revenues within agreed risk appetite, e.g. council tax and business rate growth, commercial investment return, "invest to save" outcomes
- Environmental and social sustainability issues should be built into project appraisal

- The financial implications of capital investment decisions will be properly appraised as part of the determination process.
- Available resources will be identified for investment over the capital planning period
- Available capital funding will be optimised e.g. through surplus asset disposal strategy, maximising use of planning gain, by corporately pooling capital receipts and by exploring external financing sources
- That capital funding decisions minimise or mitigate the ongoing revenue implications of capital investment decisions
- The financial implications of capital investment decisions should be fully integrated into revenue budget and longer term financial plans
- Robust governance arrangements are in place for all programmes and projects, clearly defining responsibility for the delivery of individual schemes within the capital programme
- All capital schemes follow appropriate project management arrangements
- There are effective working relationships with partners
- That projects are reviewed on completion to ensure key learning opportunities are maximised

### **8.3 Risk Review**

A risk review is an important aspect of the consideration of any proposed capital or investment proposal in order to determine the likely cost and income associated over the lifetime of a proposal. The risks will be considered in line with the risk management strategies we have in place and commensurate with the council's low risk appetite. Sensitivity analyses need to be undertaken looking at a wide range of scenarios in order to build up a picture of the likely range of return can be determined. Schemes showing an undue proportion of loss making scenarios will not be taken forward.

### **8.4 Prioritisation**

8.4.1 Once a scheme is ready for submission as an addition to the Capital Programme, it is reviewed and prioritised alongside all new bids and uncommitted spend within the existing programme. Each scheme is initially scored, ranked and prioritised using a score based on the benefits it brings in terms delivery of corporate priorities, and the relative complexity of delivery. Portfolio holders and relevant senior officers review each portfolio holders' schemes.

8.4.2 Bids to the capital programme are reviewed and prioritised by both Portfolio groups and the Programme governance boards taking guidance from this Capital Strategy and any relevant service priorities. The following criteria will be used to prioritise bids in order to close any gap to the available resources:

- a. Strong financial business case, i.e. the savings arising from the investment will pay back the cost of the investment within 7 years (or less); or the capital receipt generated exceeds the cost of the investment.
- b. Review of uncommitted spend on existing Capital Programme to confirm projects still meet Corporate priorities, or if not, adjust accordingly
- c. Ring-fenced funding, e.g. S106 (i.e. no call on Council resources)
- d. Statutory requirement (including Health & Safety)
- e. Corporate Plan priority
- f. Business Unit / Service Plan priority



## 8.5 Capital Pipeline

Schemes may also be submitted to be added to the 'Capital Pipeline'. These will be of a large scale and likely to require feasibility work before a full business case can be prepared and the cost of the scheme calculated with any degree of certainty. Feasibility cost are largely revenue by nature and to that end revenue budget is set aside within the MTFS to cover these costs.

## 8.6 Submission of Capital Plan

- 8.6.1 The overall affordability of the Capital Programme (the Capital envelope) is determined looking at available reserves, future capital receipts, CIL and s106 income, grants, and use of revenue reserves (see section 5 below).
- 8.6.2 The Council has adopted a default position of zero borrowing and so the draft capital programme must be affordable within the envelope.
- 8.6.3 If the draft programme exceeds the envelope, schemes with a lower prioritisation score need to be revisited and potentially removed from the programme.
- 8.6.4 Once a balanced position is reached, the draft Programme is submitted to Cabinet with final approval needed from full Council.
- 8.6.5 Approval to spend on individual capital schemes is in accordance with the Constitution, Financial Regulations and Contract Standing Orders.

## 9 Knowledge and Skills

The council has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous professional development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

The council establishes project teams from all the professional disciplines from across the council as and when required. External professional advice is taken where required and will always be sought in consideration of any major commercial property investment decision.

Internal and external training is offered to members to ensure they have up to date knowledge and expertise to understand and challenge capital and treasury decisions.

## 10 Links and reference documents

The following links provide further detail and guidance to support the Capital Strategy:

- [Corporate Plan](#)
- [Economic Development Strategy](#).
- [The Medium Term Financial Strategy](#)
- [The Treasury Management Strategy](#)
- [Procedures Rules Standing Orders](#)
- MRP Statement – see Appendix 1A
- Valuation Policy (All Investments Types) - [Statutory Accounts](#)
- Treasury Management Strategy and other Indicators (Appendix 3)
- Prudential Indicators (Appendix 3)
- Capital Programme and Funding (5/10 years) (February 2018 Cabinet Report)
- Asset Management Plan

**Minimum Revenue Provision (MRP) Policy**

1. Capital expenditure is generally defined as expenditure on assets that have a life expectancy of more than one year. The accounting approach is to spread the cost over the estimated useful life of the asset. The mechanism for spreading these costs is through an annual MRP. The MRP is the means by which capital expenditure, which is financed by borrowing or credit arrangements, is funded by Council Tax.
2. Regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended (Statutory Instrument (SI) 3146/2003) requires full Council to approve a Minimum Revenue Provision (MRP) Statement setting out the policy for making MRP and the amount of MRP to be calculated which the Council considers to be prudent. In setting a level which the Council considers to be prudent, the Guidance states that the broad aim is to ensure that debt is repaid over a period reasonably commensurate with that over which the capital expenditure provides benefits to the Council.
3. The Council is recommended to approve the following MRP Statement:
  - a. For capital expenditure incurred before 1 April 2008, MRP will be calculated using Option 2 (the 'CFR Method') of the CLG Guidance on MRP. Under this option MRP will be 4% of the closing non-HRA CFR for the preceding financial year.
  - b. For all capital expenditure incurred after 1 April 2008 financed from unsupported (prudential) borrowing (including PFI and finance leases), MRP will be based upon the asset life method under Option 3 of the DCLG Guidance. In applying 'Option 3':
    - In accordance with the statutory guidance, commencement of MRP will be deferred until the financial year following the one in which the asset becomes operational.
    - the estimated useful lives of assets used to calculate MRP should not exceed a maximum of 50 years. Where a local authority has an opinion from an appropriately qualified professional advisor that an asset will deliver service functionality for more than 50 years it can use the life suggested by its professional advisor.
    - if no life can reasonably be attributed to an asset, such as freehold land, the estimated useful life should be taken to be a maximum of 50 years. But if there is a structure on the land where a local authority has an opinion from an appropriately qualified professional advisor that an asset will deliver service functionality for longer than 50 years, that same life estimate will be used for the land.

- for expenditure capitalised by virtue of a capitalisation direction or regulation 25(1) of the 2003 regulations, the 'asset' life should equate to the value specified in the statutory guidance
- c. A voluntary MRP may be made from either revenue or voluntarily set aside capital receipts.
- d. As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.
- e. Where borrowing is undertaken for the construction of new assets, MRP will only become chargeable once such assets are completed and operational.
- f. Under Treasury Management best practice the Council may decide to defer borrowing up to the capital financing requirement (CFR) and use internal resources instead. Where internal borrowing has been used, the amount chargeable as MRP may be adjusted to reflect the deferral of actual borrowing.

**The Capital Programme 2018/19 - 2023/24**

1. A draft capital programme totalling £134.5m, was submitted to Cabinet in December 2018. Following the Q3 monitoring process the programme has reduced to £134.3m through the removal of two small schemes, the addition of three small CIL funded schemes, and there has been further reprofiling of budgets between 2018/19 and 2019/20. Full details are set out in the Q3 Budget Monitoring Report.
2. The summary programme by portfolio holder is given in Table 1 below:

**Table 1**

<b>Capital Plan Summary - Current Plan 2018/19 - 2022/23</b>	<b>All figures in £m</b>						<b>Total 2018/19 - 2023/24</b>
<b>Portfolio</b>	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	
Community	2.3	3.1	2.2	0.3	0.1	0.3	<b>8.3</b>
Environment	-	2.3	6.2	-	-	-	<b>8.5</b>
Housing	2.2	7.3	5.7	0.8	0.8	-	<b>16.8</b>
Econ. Devt and Regen.	12.7	25.2	1.5	2.0	2.0	-	<b>43.5</b>
Planning	3.3	11.9	9.2	21.6	6.9	-	<b>52.9</b>
Finance and Resources	0.3	0.3	0.3	0.3	0.3	-	<b>1.5</b>
Digital Devt. & Cust. Services	0.7	1.7	0.2	0.1	0.2	-	<b>2.9</b>
<b>Grand Total</b>	<b>21.6</b>	<b>51.8</b>	<b>25.3</b>	<b>25.1</b>	<b>10.3</b>	<b>0.3</b>	<b>134.3</b>

Full details of the five year capital programme by portfolio and by scheme is shown in Confidential **Appendix 2**.

3. The programme sets out how the Council will spend **£51.8m** in 2019/20 and **£134.3m** across five years from 2018/19 to 2023/24 (including 2018/19).
4. The Programme includes **new capital schemes totalling £18.5m** as set out in **Appendix 2A**, including **CIL schemes of £4.8m** which were submitted to Cabinet in November 2018 and High Wycombe Town Centre Committee in January 2019.
5. A key element of the budget process this year was to systematically review and prioritise all uncommitted spend for each portfolio with key officers and the portfolio holder.
6. Within the programme there are a number of schemes that are at feasibility stage and these will require detailed business cases to be provided to ensure the scheme remains a priority and should go ahead.
7. If any scheme requires feasibility work, these costs are unlikely to be capitalised and are therefore budgeted and funded through revenue. An annual provision of **£1.15m** has been included in the MTFS for each year from 2019/20 to 2022/23 to meet feasibility studies as set out in para 19.

8. A core principle in setting the programme has been to ensure zero borrowing over the term of the programme. This has been achieved as set out in **Table 3** below.

## Background

9. The Capital Programme represents a major opportunity to make a step change in meeting some of the Councils' key priorities. The Council has a wide range of needs, and the strategy to tackle these needs, and how resources should be targeted and prioritised, are set out in the Corporate Plan. The Capital Programme has been constructed in line with the Corporate Plan's key themes as summarised below:

- A great place to be – our Place priority
- Strong communities – our People priority
- Growth and prosperity – our Prosperity priority
- Efficient and effective – our Progress priority

10. The budget process followed this year is set out in detail in **Appendix 2B**

## Future Years Capital Programme

11. The table below summaries some of the Major investment schemes with individual scheme budget of £0.900m or more:

**Table 2**

Portfolio	Description	Cost Centre	Funding Source	Total £m
Environment	Swan St Car Park Major Works	NEW2	CR	
	Waste Fleet	NEW3	CR	
	Parking Equipment Refresh	NEW7	CR	
<b>Environment Total</b>				<b>7.7</b>
Community	Court Garden Leisure Centre	EDBC64	CR	
	Facilities for Young People	ECBD19	CR	
	Risborough Springs Extension	EDBC76	CR	
	New Cemetery at Queensway	EDFA62	CR, CIL, Res	
<b>Community Total</b>				<b>6.2</b>
Housing	Affordable Housing / Land Purchase - S106	EDBB01	CR	
	Renovation Grants - DFG	EFBB03	DFG	
	Temporary Accom. Scheme	EDBB10	CR	
<b>Housing Total</b>				<b>14.9</b>
Econ. Devt and Regen.	30 and 34 Oxford Road	EDBB96	CR	
	Ashwells	EDBC92	CR	
	Baker St - Phase 1 Aldi	EDBC41	CR	
	Baker St - Phase 3A Des Box	EDBC43	CR, s106	
	Bassetbury Allotments	EDBD01	CR, LRF	
	Bellfield - Hqube Phase 1 and 2	EDBC52	CR	
	Regeneration Fund	EDBB99	CR	
	Strategic Acquisition	EDBC37	CR	
	Glory Mill, Wooburn	EDFA65	CR	
	Ottakers Building	EDFA88	CR	
	Brunel Shed	NEW4	CR	
<b>Econ. Devt and Regen. Total</b>				<b>34.8</b>
Planning	Strategic Acquisitions/Infrastructure	EDFA71	CR	
	Abbey Barn Lane Realignment	EDFA70	s106, HIF	
	HWTC Masterplan - Alternative Route	EDBC40	CIL	
	Princes Risborough relief road Phase 1	EDFA68	s106, HIF	
	HWTCMP and Regen - Ongoing design and feasibility	NEW11	s106	
<b>Planning Total</b>				<b>48.1</b>
<b>Digital Devt. &amp; Cust. Services</b>	Digital First	EHAA09	CR	<b>0.9</b>
<b>Digital Devt. &amp; Cust. Services Total</b>				<b>0.9</b>
<b>Grand Total</b>				<b>113.5</b>

## Funding

12. The funding of the Capital Programme is set out in Table 3 below:

**Table 3**

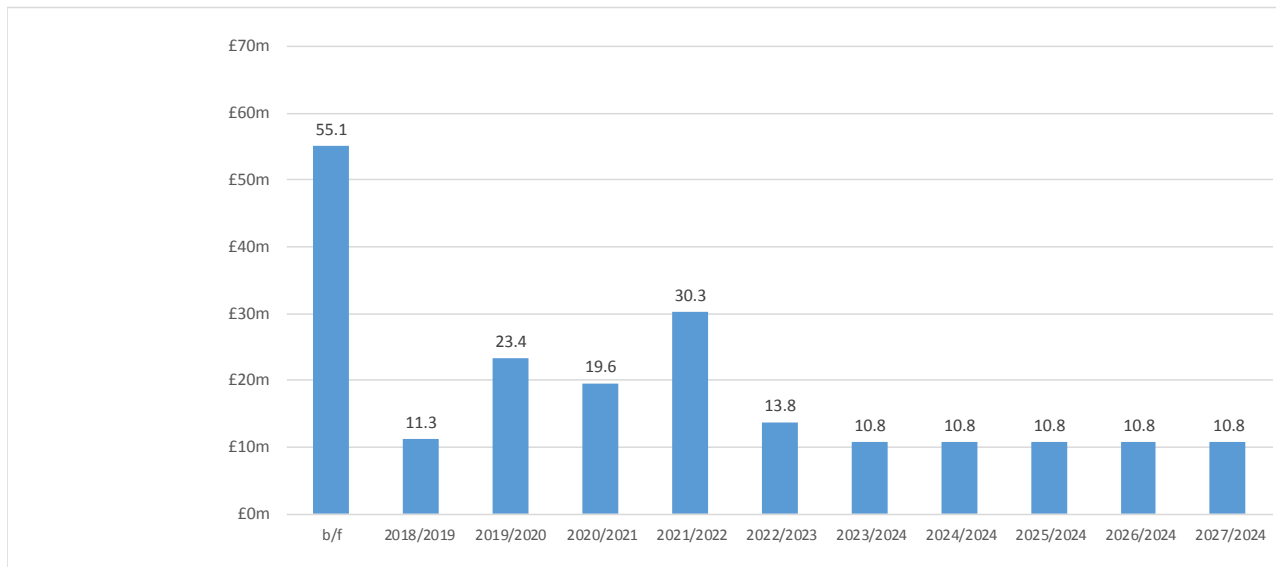
<b>Capital Plan - Funding</b>	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	Total
Capital Receipts - Capex	-	24.5	17.6	12.3	6.1	0.3	<b>60.8</b>
Borrowing	-	-	-	-	-	-	-
CIL	3.6	9.1	-	-	-	-	<b>12.7</b>
S106	2.2	1.7	-	1.5	1.2	-	<b>6.7</b>
DFG	0.8	0.8	0.8	0.8	0.8	-	<b>4.0</b>
ACF	-	2.7	-	-	-	-	<b>2.7</b>
HiF	0.1	1.4	6.2	10.1	1.7	-	<b>19.5</b>
LRF	0.5	-	-	-	-	-	<b>0.5</b>
Use of Revenue Reserves	14.3	11.5	0.6	0.4	0.6	-	<b>27.5</b>
<b>Funding Grand Total</b>	<b>£21.6m</b>	<b>£51.7m</b>	<b>£25.3m</b>	<b>£25.1m</b>	<b>£10.3m</b>	<b>£0.3m</b>	<b>£134.3m</b>

**Notes:**

1. Accelerated Construction Fund (ACF) funding related to Ashwells Infrastructure Development - a report on the scheme is being presented to February 2019 Cabinet which has further details.
  2. Housing Infrastructure Funding (HiF) Funding relates to Abbey Barn Lane Realignment (£7.5m) and Princes Risborough relief road Phase 1 (£12m).
  3. The total cost of the Abbey Barn Lane scheme is currently being estimated and, depending on contingency and the level of optimism bias, may be in the order of £11m with the balance of funding to come from developer contributions.
13. The council has bid for funding from HIF, ACF and other external bodies. The programme incorporates the bid on the basis that the funding is secured. Should any grant award be less than the Council has assumed and given its commitment to supporting economic growth, the Council will need to reconsider its capital expenditure and investment plans to ensure they are affordable. Any shortfall in funding may lead to external borrowing with its consequential impact on the Council Tax.
14. The programme is in part funded by **Capital receipts of £60.9m** over the 5 year period to 2022/23. The final receipt on any scheme will be subject to the prevailing market conditions and any changes to the investment and/or development plan for that scheme. The **total estimated capital receipts of £77.9m** (see Table 4) is based on the most likely estimates. However, a worst case scenario would result in a reduction of receipts of approximately £10m (see detailed capital receipts schedule in **Appendix 2D**). Developments and disposals are kept under regular review and any impacts on the programme are assessed and corrective action taken as required.
15. The Council continuously scans for external grants and leveraged funding opportunities to reduce the net cost of delivering the programme
16. The 10 year funding envelope is set out in **Table 4**. There is a clear reduction in expected receipts from 2022/23 onward as the assets available for disposal reduce.

**Table 4**

**10 Yr Funding Envelope**



	Balances b/f	Yrs 1-5					Yrs 1-5	Yrs 1-5 + op bals	Yrs 6-10	Total
		2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023				
Capital Receipts	16.8	5.1	14.0	8.0	13.5	5.5	46.1	62.9	15.0	£77.9m
CIL	8.0	4.0	4.0	4.0	4.0	4.0	20.0	28.0	20.0	£48.0m
S106	5.6	-	-	-	1.5	1.2	2.7	8.4	-	£8.4m
DFG	-	0.8	0.8	0.8	0.8	0.8	4.0	4.0	4.0	£8.0m
HiF Abbey Barn Lane	-	0.1	0.5	0.2	5.0	1.7	7.5	7.5	-	£7.5m
HiF Princess Reish Relief Rd	-	0.1	0.8	6.0	5.1	-	12.0	12.0	-	£12.0m
ACF	-	-	2.7	-	-	-	2.7	2.7	-	£2.7m
LRF	-	0.5	-	-	-	-	0.5	0.5	-	£0.5m
Revenue Reserve	24.7	0.7	0.5	0.6	0.4	0.6	2.8	27.5	15.0	£42.5m
<b>Total Funding available</b>	<b>£55.1m</b>	<b>£11.3m</b>	<b>£23.4m</b>	<b>£19.6m</b>	<b>£30.3m</b>	<b>£13.8m</b>	<b>£98.3m</b>	<b>£153.4m</b>	<b>£54.0m</b>	<b>£207.4m</b>

**Note:**

1. The £19.3m difference between the CapEx for the 5 years to 2022/23 of £134.1m and the £153.4m funding envelope relates primarily to the CIL and s106 balances which stand at £17.3m at the end of 2022/23. Additional new schemes will be funded from these reserves during the 5 year period.
2. The Capital Receipts of £46.1m for the 5 years to 2022/23 are based on 'most likely' estimates. The worst case indicates lower receipts of £37.5m.

**MLG**

17. On 1 November 2018 the Secretary of State for Housing, Communities and Local Government) told the House that he had decided to implement, subject to Parliamentary approval, the locally-led proposal to replace the existing five councils across Buckinghamshire – the two tier structure of Buckinghamshire County Council and the district councils of Aylesbury Vale, Chiltern, South Bucks and Wycombe – by one new single unitary district council. The new council will be established on 1 April 2020.
18. Clearly, in time, this will have an impact on the capital Plan and we look forward to working with our neighbouring Councils to develop a plan in due course that continues to invest in the delivery of services, support the economic vibrancy of the district and the provision of services to residents.

## Feasibility Costs

19. A number of schemes will require significant feasibility work to be undertaken to assess the viability of a project and before any specific design work can take place. In this instance these cost need to be charged to revenue and the following provision has been set up within the revenue budgets in the MTFS:

**Table 5** Feasibility Funding

Description	Notes	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Eastern Quarter Regeneration Strategy	1	170	500			
Feasibility - General to be allocated	2		200			
Transport Vision and Strategy in partnership with BCC			250	1,150	1,150	1,150
<b>Total</b>		<b>170</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>
Feasibility Earmarked Reserve B/fwd		200	30	30	30	30

### Notes

- The 18/19 cost of Eastern quarter will be funded from Earmarked reserve
- General budget available for projects

Due to the degree of uncertainty of when feasibility costs will be expended, the schedule above is an indicative allocation at this stage. The budget will be held centrally in the first instance and as work progresses, the budgets may follow a different allocation and profile as the need arises.

## Risks

20. The key risks with the delivery of the Capital programme are set out below:

**Table 5** Capital Programme Risks

Item	Description	Mitigation / Controls
1	Cost overruns	Robust business cases/Regular monitoring and contingency provision within the project
2	Time overruns - delays to project	Regular monitoring of key-milestones; robust contractual arrangements
3	Insufficient Internal resources to procure/deliver projects	External Consultants
4	Grants - reduction /do not materialise /claw back	Other funding source/confirmation of grant before starting the project/stop the project if feasible
5	Shortfall in funding (Capital Receipts and Revenue)	Re-prioritise projects that are at approval stage, Borrowing
6	Change in strategic priorities arising from MLG	Engagement with Shadow Board
7	Failure to achieve planning consent of major projects	Pre-planning application service
8	Failure of external partners to deliver	Regular monitoring of key-milestones; robust contractual arrangements
9	Unexpected revenue impacts from scheme	Thorough evaluation of business case to consider revenue impacts
10	Economic and Brexit risks	Regular engagement with property and development external advisors to assess market conditions
11	Interdependent Projects	Single overall programme management structure - close monitoring of progress and risks



Capital Plan Summary 2018/19 - 2022/23

Appendix 2A

Table 1 - New Schemes

All figures in £m

Portfolio	Type	Description	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	TOTAL
Community	NEW	CCTV merger project		0.087					0.087
<b>Community Total</b>				<b>0.087</b>					<b>0.087</b>
Econ. Devt and Regen.	NEW	Brunel Shed		3.000	1.000				4.000
<b>Econ. Devt and Regen. Total</b>				<b>3.000</b>	<b>1.000</b>				<b>4.000</b>
Housing	NEW	Affordable Housing		1.236					1.236
<b>Housing Total</b>				<b>1.236</b>					<b>1.236</b>
Environment	NEW	Waste Fleet			5.000				5.000
Environment	NEW	Parking Equipment Refresh		1.184					1.184
Environment	NEW	Easton St Car Park Major Works		0.139	0.500				0.639
Environment	NEW	Swan St Car Park Major Works		0.807	0.714				1.521
<b>Environment Total</b>				<b>2.130</b>	<b>6.214</b>				<b>8.344</b>
<b>Grand Total</b>				<b>6.453</b>	<b>7.214</b>				<b>13.667</b>

Table 2 - New Schemes - CIL (November 2018 Cabinet)

Portfolio	Type	Description	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	TOTAL
Planning	CIL	Holmer Green Secondary School 2fe Expansion		0.735					0.735
Planning	CIL	High Wycombe Cycle Ways		0.539					0.539
Planning	CIL	HWTCMP and Regen. - Ongoing design and feasibility costs		3.181					3.181
Planning	CIL	MINIBUS		0.038					0.038
Environment	CIL	Wycombe Community Hub and Surgery Development		0.145					0.145
<b>Grand Total</b>				<b>4.638</b>					<b>4.638</b>

Note 1

Table 3 - New Schemes - CIL (High Wycombe TC Committee - February 2019 Meeting)

Portfolio	Type	Description	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	TOTAL
Planning	CIL	Tree Planting - Dist. Centres Public Realm Imprvnts		0.100					0.100
Planning	CIL	East Wycombe Walkway		0.035					0.035
Planning	CIL	River Wye Interpretation Boards		0.010					0.010
Planning	CIL	Bull Lane Service Yard Gates		0.015					0.015
<b>Grand Total</b>				<b>0.160</b>					<b>0.160</b>

Note 2

Total Additions to Programme **18.465**

**Note 1:** The November 2018 Cabinet approved a CIL allocation of **£4.900m**. This included expenditure of £0.262m which is of a revenue nature as detailed below and so not included in Table 2.

CIL Funded Revenue costs	£k
Cycleways	30
AQMA signage	6
BE cycleway phase 2	70
AQMA monitoring equip	26
HW walking and cycling infr plan	30
Chiltern rangers new depot	100
	<b>262</b>

**Note 2:** HWTC Committee also approved additional funding contribution of £86k to fund the Cemetery - this does not increase the overall budget

## Development of the 2018/19 – 2022/23 Capital Programme

The Council conducts a Capital Planning an annual Budget setting process which covers a 5 year horizon.

The key activities are set out below:

<b>Capital Programme - Overview of Process</b>	
August	Services review need and submit new bid proposals supported by Outline Business Case and signed off by portfolio holder
September	New bids for capital schemes received (incl. CIL – currently co-ordinated by Palnning)
October	Review and Prioritisation of existing Programme and New Bids, Affordability Envelope reviewed and set
November	Scrutiny by SMB, IRC through Budget Task and Finish Group
December	Draft 5 year Programme submitted to cabinet
February	Final Capital Plan Programme submitted to Cabinet for consideration and recommended to Council for approval

### Key features of the process are:

In considering schemes for inclusion in the capital programme, regard must be given to the following principles:

- schemes to be included in the Capital Programme should follow an appropriate level of due diligence and assurance regarding deliverability/practicable
- Every major project requires a full business case using the standard template to be prepared and submitted and approved by Cabinet before any authorisation to spend can be given
- prior to mobilisation, all projects should be supported by an affordable and sustainable plan, including carefully consideration of value for money and options appraisal
- capital appraisal should promote schemes which provide a direct gain to the council’s revenues within agreed risk appetite, e.g. council tax and business rate growth, commercial investment return, “invest to save” outcomes
- environmental and social sustainability issues should be built into project appraisal
- the financial implications of capital investment decisions will be properly appraised as part of the determination process
- available resources will be identified for investment over the capital planning period
- available capital funding will be optimised e.g. through surplus asset disposal strategy, maximising use of planning gain, by corporately pooling capital receipts and by exploring external financing sources
- that capital funding decisions minimise or mitigate the ongoing revenue implications of capital investment decisions
- the financial implications of capital investment decisions should be fully integrated into revenue budget and longer term financial plans

- robust governance arrangements are in place for all programmes and projects, clearly defining responsibility for the delivery of individual schemes within the capital programme
- all capital schemes follow appropriate project management arrangements
- there are effective working relationships with partners
- that projects are reviewed on completion to ensure key learning opportunities are maximised

Schemes may also be submitted to be added to the 'Capital Pipeline'. These will be of a large scale and likely to require feasibility work before a full business case can be prepared and the cost of the scheme calculated with any degree of certainty. Feasibility cost are largely revenue by nature and to that end revenue budget is set aside within the MTFS to cover these costs.

The overall affordability of the Capital Programme (the Capital envelope) is determined looking at available reserves, future capital receipts, CIL and s106 income, grants, and use of revenue reserves.

The Council has adopted a default position of zero borrowing and so the capital programme must be affordable within the envelope.

If the programme exceeds the envelope, schemes with a lower prioritisation score need to be revisited and potentially removed from the programme.

Once a balanced position is reached, the Programme is submitted

## 1.1 Prioritisation

Once a scheme was ready for submission as an addition to the Capital Programme, it was reviewed and prioritised alongside all new bids and uncommitted spend within the existing programme. Each scheme is initially prioritised using a score based on the benefits it brings in terms of delivery of corporate priorities, and the relative complexity of delivery. Portfolio holders and relevant senior officers reviewed each of the schemes within that portfolio.

The following criteria were taken into account when adjusting and prioritising the current programme and new bids in order to close any gap to the available resources:

- a. Reductions from the previous programme
- b. Ring-fenced funding, e.g. S106 or genuinely ring-fenced grants (i.e. no call on Council resources)
- c. Strong financial business case, i.e. the savings arising from the investment will pay back the cost of the investment within 7 years (or less); or the capital receipt generated exceeds the cost of the investment.
- d. Statutory requirement (including Health & Safety)
- e. Strategic Plan priority
- f. Business Unit, Service Plan priority

Approval to spend on individual capital schemes will be in compliance with the Financial Regulations delegations and will only be given once procedural guidelines have been complied with and assessed to the satisfaction of the s151 Officer under the scheme of delegation.

# Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## **Treasury Management Strategy**

### **1 Introduction**

- 1.1 The Local Government Act 2003 requires the Council to set out a statement of its Treasury Management Strategy. This sets out the Council's policies for managing its borrowings and investments and for giving priority to the security and liquidity of those investments.
- 1.2 The Strategy is prepared in compliance with the :-
  - 1.2.1 Statutory guidance on Local Government Investments issued under section 15(1)(a) of the Local Government Act 2003.
  - 1.2.2 CIPFA Treasury Management Code of Practice and Cross-Sectoral Guidance, 2017 edition.
  - 1.2.3 CIPFA Prudential Code for Capital Finance in Local Authorities, 2017 edition.
- 1.3 **The key changes to the strategy from last year are:**
  - 1.3.1 Removal of the prudential indicator – impact on council tax decisions (in line with the proposed new CIPFA code).
  - 1.3.2 Inclusion of more local indicators.
  - 1.3.3 The Treasury Management Practices (TMPs) to be approved by Members.

### **2 Background**

- 2.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the Treasury Management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2.2 The second main function of the Treasury Management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

### **3 CIPFA requirements**

3.1 The Council has formally adopted CIPFA's Treasury Management Code of Practice and Cross-Sectoral Guidance and complies with the requirements of the Codes as detailed below:

3.1.1 Creation of Treasury Management policy statement, stating the policies, objectives and approach to risk management of its Treasury Management activities

3.1.2 A suitable Treasury Management practices (TMPs) attached at Appendix 3A, setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

3.1.3 The full Council and/or Cabinet will receive reports on its Treasury Management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

3.1.4 Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions. The details of delegations and responsibilities are summarised in Appendix 3B. The body and officers responsible will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

3.1.5 The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the Treasury Management strategy and policies.

3.2 **Treasury Management Strategy covers three main areas summarised below:**

- Treasury Management Policy Statement (Section 4)
- Prudential and Treasury Indicators (Section 5);
- Other matters (Section 6)

## **4 Treasury Management Policy Statement**

### **4.1 Introduction**

4.1.1 This section defines the policies and objectives of Treasury Management activities.

4.1.2 The Council defines its Treasury Management activities as:

'The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

4.1.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

4.1.4 The Council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in Treasury Management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

## **4.2 Borrowing Policy**

4.2.1 The Council is currently maintaining an under-borrowed position due to healthy cash balance and this seems likely to continue for the next two or three years at least. This position is measured against the Capital Financing Requirement which is a technical calculation and takes account of cash-flow timing difference. This puts the council in a good position as the capital borrowing need, has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This has served well especially in the recent years with low interest rates and high counter party risks.

4.2.2 The Capital programme for the medium to long-term is based on the key principle of zero borrowing. The policy of avoiding new borrowing by running down spare cash and reserves balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure.

4.2.3 If borrowing is undertaken in this environment there will be a net cost of holding this money until it is used, sometimes called the "cost of carry". As borrowing is often for longer dated periods (anything up to 60 years) the cost of carry needs to be considered against a backdrop of uncertainty and affordability constraints in the Council's wider financial position.

4.2.4 The Council will adopt a flexible approach to any future long-term borrowing in consultation with Link Asset Services. Affordability and interest rate risk will be considered prior to undertaking any external borrowing.

## **4.3 Policy on Borrowing in Advance of Need**

4.3.1 The Council has the power to borrow in advance of need in line with its future borrowing requirements under the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003, as amended.

4.3.2 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.



4.3.3 Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

#### 4.4 **Investment Policy**

4.4.1 The Council holds significant surplus funds, representing income received in advance of expenditure, plus balances and reserves. Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently with two underlying objectives:

- (i) **Security** – protecting the capital sum invested from loss; and
- (ii) **Liquidity** – ensuring the funds invested are available for expenditure when needed.

4.4.2 Generation of yield is distinct from these prudential objectives. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with these priorities. The council must in order of importance to have regard to the security and liquidity of its treasury investments before seeking the highest rate of return, or yield.

#### 4.5 **Security**

Financial Investments: These can fall into one of three categories: **Specified investments; Loans; and Other Non-specified investments.**

4.5.1 Specified Investments: An investment is a specified investment if all of the following apply:

- The investment and any associated cash-flows are denominated in sterling.
- The investment has a maximum maturity of one year.
- The making of the investment is not defined as capital expenditure.
- The investment is made with a body or in an investment scheme described as high quality or with the UK Government, a UK Local Authority or parish/community council.

- 4.5.2 **Loans:** A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity. The financial exposure to these type of loans is proportionate.
- 4.5.3 **Non-specified investments:** A non-specified investment is any financial investment that is not a loan and does not meet the criteria to be treated as a specified investment.
- 4.5.4 **Non-financial investments:** These are Treasury investments in non-financial assets that the Council holds primarily to generate profit. It would normally be a physical asset that can be realised to recoup the capital invested when the funds are needed. When entering into these investments, the Council will consider the balance between security, liquidity and yield based on the risk appetite and the contributions of that investment activity. The Council has set a limit of £7.5m for this type of investment.

## 4.6 Risks

4.6.1 The Council is exposed to number of risks whilst carrying out the Treasury Management activities. The Council's does not have any borrowing and the medium term capital programme does not rely on any external borrowing. Based on zero borrowing position for the foreseeable future, the Council has a balanced approach to risks towards is Treasury Management activities which is mainly investment of surplus cash and the associated returns. To assist the achievement of this objective the Council will prioritise security and liquidity of investments over returns. The risks associated with investments are summarised below along with the policies in place to manage them:

4.6.2 **Credit risk:** The CIPFA Code defines this risk as :

*'The risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.'*

To minimise this risk to investments, the Council applies minimum acceptable credit criteria to generate a list of highly creditworthy counterparties which will provide security of investments, enable diversification and minimise risk. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies. The Treasury Management Adviser monitors counterparty ratings on a real time basis with knowledge of any changes advised electronically as the agencies notify modifications. The creditworthiness policy along with the schedule of counter parties and the limits are detailed in Appendix 3C.

4.6.3 **Liquidity risk:** This risk can be defined as :

*'The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business or service objectives will be thereby compromised'*

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. The Council maintains an under borrowing position as detailed in paragraph 5.2.8, therefore if unexpected

movements lead to liquidity issues then the Council has ready access to borrowing from the money markets and the Public Works Loans Board.

- 4.6.4 **Interest Rate Risk:** This risk is defined as the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The treasury team monitors market and forecast interest rates to adjust exposures appropriately. For instance, during period of falling interest rates and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns. The council does not use any hedging instruments to manage this risk.

## 5 Prudential & Treasury Management Indicators

### 5.1 Introduction

- 5.1.1 The objectives of the Prudential Code are to ensure, within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable.

- 5.1.2 To fulfil these objectives, the Prudential Code sets out the indicators that must be used and are designed to support and record local decision-making in a manner that is publicly accountable.

- 5.1.3 In setting prudential indicators, the Council has taken into consideration its Service objectives, Stewardship of assets, Value for money, Prudence and sustainability, Affordability and Practicality.

### 5.2 Prudential Indicators

- 5.2.1 The Council's capital expenditure plans are a key driver of Treasury Management activity. The outputs of the capital expenditure plan are reflected in prudential indicators detailed below, which are designed to assist members when making decisions.

- 5.2.2 **Capital Spending and funding plans:** The table 1 below summarises the Council's capital expenditure plans, and also sets out the Council's current expectations of how these plans are to be financed.

2017/18 Actual £m	Table 1	2018/19 Forecast £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	Total £m
11.785	<b>Expenditure General Fund</b>	21.552	51.745	25.266	25.088	10.339	0.303	134.293
	<b>Funding</b>							
-5.046	Grants & Contributions	-7.214	-15.748	-7.000	-12.400	-3.666	0.000	-46.028
-6.739	Capital Receipts	0.000	-24.511	-17.628	-12.283	-6.069	-0.303	-60.794
0.000	Revenue Financing	-14.338	-11.486	-0.638	-0.405	-0.604	0.000	-27.471
-11.785	<b>Total</b>	-21.552	-51.745	-25.266	-25.088	-10.339	-0.303	-134.293

- 5.2.3 As well as investing in assets owned by the Council and used in the delivery of services, the Council also invests, where appropriate, in commercial properties which generates revenue to support the delivery of service to the local community within the district.

- 5.2.4 **Capital Financing Requirement (CFR):** This measures the extent to which capital expenditure has not yet been financed from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's

underlying borrowing need. Any capital expenditure, which has not immediately been financed or paid for, will increase the CFR.

5.2.5 The **CFR** does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

5.2.6 The CFR includes other long-term liabilities such as embedded lease included within the Chiltern Waste contract. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of contracts include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these leases.

5.2.7 The **Council's** Capital Financing Requirement position at 31 March 2018, with forward projections are summarised in the Table 2 below.

2017/18	Table 2	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Actual		Forecast	Estimate	Estimate	Estimate	Estimate	Estimate
£m		£m	£m	£m	£m	£m	£m
2.390	Gross Projected Debt	1.590	0.790	0.000	0.000	0.000	0.000
5.879	CFR 31st March	4.888	3.943	3.836	3.735	3.634	3.533
3.489	<b>Under borrowing</b>	<b>3.298</b>	<b>3.153</b>	<b>3.836</b>	<b>3.735</b>	<b>3.634</b>	<b>3.533</b>

5.2.8 **Gross Debt and the CFR:** The above projections confirms that the Council's gross debt does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for current year and the following two financial years. This allows some flexibility for limited early borrowing for future years if required, but ensures that borrowing is not undertaken for revenue purposes.

5.2.9 The **Head** of Finance and Commercial reports that the Council complied with this indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing programme and the proposals in the budget report.

5.2.10 **Affordability:** The objective of the affordability indicators is to ensure that the level of investment in capital assets proposed remains within sustainable limits. Table 3 below sets out the expected ratio of capital financing costs to income for General Fund.

2017/18	Table 3	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Actual		Forecast	Estimate	Estimate	Estimate	Estimate	Estimate
6.02	Ratio of financing cost %	3.94	0.80	- 2.54	- 3.22	- 3.77	- 4.02

## 5.3 Treasury Indicators

5.3.1 **Borrowing Limits:** The Code requires the Council to set two limits on its total external debt, as set out in Table 4 below. The limits are:

5.3.1.1 **Authorised Limit for External Debt** – This is the limit prescribed by section 3(1) of the Local Government Act 2003 representing the maximum level of borrowing which the Council may incur. It reflects the level of external debt which, while not desired, could be afforded in the short term, but may not be sustainable in the longer term.

5.3.1.2 **Operational Boundary** – This is the limit which external debt is not normally expected to exceed. The boundary is based on current debt plus anticipated net financing need for future years.

2017/18	Table 4	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Actual		Forecast	Estimate	Estimate	Estimate	Estimate	Estimate
£m		£m	£m	£m	£m	£m	£m
	<b>Authorised Limit for external debt</b>						
2	Borrowing and other long term liabilities	10	9	9	9	9	9
	<b>Operational Boundary for external debt</b>						
0	Borrowing	3	3	4	4	4	4
2	Other long term liabilities	2	1	0	0	0	0
2	<b>Total</b>	5	4	4	4	4	4

5.3.2 **Interest rate exposure:** Due to no borrowing strategy, the council does not have significant exposure to interest rate risks. Table 5 below sets out the limits for fixed term borrowing and investments over 365 days.

2017/18	Table 5	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Actual		Forecast	Estimate	Estimate	Estimate	Estimate	Estimate
£m		£m	£m	£m	£m	£m	£m
	<b>Upper limit for fixed interest rate exposure</b>						
0	Net principal re fixed rate borrowing	3	3	4	4	4	4
	<b>Upper limit for variable rate exposure</b>						
0	Net principal re variable rate borrowing	0	0	0	0	0	0
13	Upper limit for principal sums invested over 364 days	40	20	10	20	20	20

5.3.3 **Treasury Performance and Cash Position:** The return on treasury investment is benchmarked against the 3 month London Inter-bank Offered Rate (LIBOR). Table 6 below summarises the performance for the 9 months of the financial year.

Table 6	As at 31 December 2018		As at 31 March 2018	
	£m	%	£m	%
<b>Specified Investments (up to 1 year)</b>				
Banks & Building Societies	50.75	54%	39.55	49%
Local Authorities	23.00	25%	0.00	0%
Money Market Funds	9.40	10%	15.00	19%
<b>Non - specified Investments (longer than a year)</b>				
Local Authorities	3.00	3%	13.00	16%
Property Fund	7.50	8%	7.50	9%
Gilt	0.00	0%	4.98	7%
<b>Total Investments</b>	<b>93.65</b>	<b>100%</b>	<b>80.03</b>	<b>100%</b>
Benchmark 3 month LIBOR		<b>0.63%</b>		<b>0.41%</b>
Actual average return		<b>1.19%</b>		<b>0.73%</b>

5.3.4 The Council's budgeted investment return for 2019/20 is £929k, which is based on the interest rate forecast as shown in table 7 below and expected cash-flow as summarised in paragraph 5.3.5, Table 8.

Table 7	NOW	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.25	1.50	1.50	1.75	1.75	1.75	2.00
5 yr PWLB	2.10	2.10	2.20	2.20	2.30	2.30	2.40	2.50	2.50	2.60	2.60	2.70	2.80	2.80
10 yr PWLB	2.50	2.50	2.60	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.10	3.20	3.20
25 yr PWLB	2.90	2.90	3.00	3.10	3.10	3.20	3.30	3.30	3.40	3.40	3.50	3.50	3.60	3.60
50 yr PWLB	2.70	2.70	2.80	2.90	2.90	3.00	3.10	3.10	3.20	3.20	3.30	3.30	3.40	3.40

5.3.5 **Core Funds and Expected Cash Flow** : The application of resources to either finance capital expenditure or revenue budget will have an ongoing impact on investments. Detailed below are estimates of the year end balances for each resource.

**Table 8**

2017/18 Actual	Year End Resources	2018/19 Forecast	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
£m		£m	£m	£m	£m	£m	£m
- 9.848	General Reserves	- 9.952	- 9.952	- 9.952	- 9.952	- 9.952	- 9.952
- 40.245	Earmarked Reserves	- 25.378	- 13.514	- 13.026	- 13.354	- 13.474	- 14.602
- 16.844	Capital receipts	- 22.044	- 11.533	- 1.905	- 4.122	- 4.053	- 3.750
- 13.350	Capital Grants & Contributions	- 11.636	- 4.688	- 8.688	- 12.688	- 16.722	- 16.722
- 5.018	Provisions	- 5.018	- 5.018	- 5.018	- 5.018	- 5.018	- 5.018
- <b>85.305</b>	<b>Total core funds</b>	- <b>74.028</b>	- <b>44.705</b>	- <b>38.589</b>	- <b>45.134</b>	- <b>49.219</b>	- <b>50.044</b>
0.459	Working capital*	5.000	5.000	5.000	5.000	5.000	5.000
3.489	Under Borrowing	3.298	3.153	3.836	3.735	3.634	3.533
80.327	Expected investments	- 65.730	- 36.552	- 29.753	- 36.399	- 40.585	- 41.511

\*Working capital balances shown are estimated year end; these may be higher at certain points during the year

5.3.6 The medium-term cash flow shows that the Council has a substantial positive cash-flow position with an average cash position of just under £30m for the medium-term.

## 6 Other Updates

### 6.1 UK Banks – ring fencing

6.1.1 The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”.

6.1.2 Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

6.1.3 While the structure of the banks included within this process may change, the fundamentals of credit assessment would not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

### 6.2 Money Market Funds (MMF) Reforms

6.2.1 The MMF regulation permits four types of MMF : Public Debt Constant Net Asset Value MMF (“Public Debt CNAV MMF”); Low Volatility constant Net Asset Value MMF (“LVNAV MMF”); Short-term variable NAV MMF and Standard Variable NAV MMF.

6.2.2 The main differences between the existing CNAV MMF and the two new types of CNAV MMF are:

6.2.2.1 **Valuations:** Amortised cost still permitted and LVNAV can use amortised cost up to 75 days maturity and mark-to-market for longer asset maturities;

6.2.2.2 **Liquidity:** New daily and weekly liquidity requirements are in place;

6.2.2.3 **Diversification:** Additional more restrictive rules;

6.2.2.4 **Eligible assets:** similar to current rules and Public Debt CNAV must have 99.5% government assets, cash or reverse repo backed by government assets; and

6.2.2.5 **Redemption gates and fees:**

If weekly liquidity < 10%, then either liquidity fees or a suspension of redemption.

If weekly liquidity < 30% and net daily redemption >10% of total assets, must consider applying liquidity fees, redemption gates or a suspension of redemption.



6.2.3 The new rules will apply to all MMFs created after 21<sup>st</sup> July 2018 and existing MMFs will have until 21 January 2019. All the Council's investments held in MMF funds fall into the LVNAV category and has been in compliance since 9<sup>th</sup> January 2019 which is before the deadline of 21 January 2019.

### **6.3 IFRS 9 Accounting Standard – Financial Instrument**

6.3.1 This accounting standard came into effect from 1<sup>st</sup> April 2018. It means that the category of investments valued under the available for sale category will be removed from the Statutory Accounts, and any potential fluctuations in market valuations may impact onto the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet.

6.3.2 This change is unlikely to materially affect the commonly used types of Treasury Management investments but more specialist types of investments, (e.g. pooled funds, third party loans, commercial investments), are likely to be impacted. Currently the Council holds an investment of £7.5m in Property Pooled Fund which will be impacted by the new accounting standard.

6.3.3 Following the consultation by The Ministry of Housing, Communities and Local Government (MHCLG), a temporary override period for 5 years has been allowed for English local authorities to adjust their portfolio of investments. This will mean that any fluctuations in market valuation of Property Pooled Fund will not have any impact on the surplus or deficit on the provision of services.

**Treasury Management Practices**

Treasury Management Practices (TMP) set out the manner in which this council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities.

Schedules supporting these practices and other documents held at an operational level specify the systems and routines to be employed and the records to be maintained in fulfilling the Council’s treasury functions.

CIPFA has recommended twelve TMP’s as summarised below:

TMP 1	RISK MANAGEMENT
TMP 2	PERFORMANCE MEASUREMENT
TMP 3	DECISION MAKING AND ANALYSIS
TMP 4	APPROVED INSTRUMENTS, METHODS AND TECHNIQUES
TMP 5	ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS
TMP 6	REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS
TMP 7	BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS
TMP 8	CASH AND CASH FLOW MANAGEMENT
TMP 9	MONEY LAUNDERING
TMP 10	TRAINING AND QUALIFICATIONS
TMP 11	USE OF EXTERNAL SERVICE PROVIDERS
TMP 12	CORPORATE GOVERNANCE

**1    TMP1    RISK MANAGEMENT**

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment.

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements.

In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the Treasury Management Strategy or schedule to this document.

### **1.1 Credit and Counterparty risk management**

The Council will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its treasury management investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments.

Although, the Council's strategy is to remain debt free, however if there is a need for borrowing then it will borrow from Public Works Loan Board.

The Council will use credit criteria in order to select creditworthy counterparties with which to place investments using the approved counterparty criteria set in the counterparty policy. Credit rating will be from three rating agencies – Fitch, Moodys and Standard & Poors, provided by Link Asset Services with regular updates on counterparty credit rating changes. A full list of counterparties and limits is provided in the Council's Treasury Management policy which is updated for any changes in credit rating.

### **1.2 Liquidity risk management**

The Council will ensure it has adequate though not excessive cash resources available for the achievement of its business/service objectives. At the end of each financial day any unexpected surplus funds are transferred to the Natwest SIBA account which is available from the Council's main bank.

The Council will not borrow in advance of need.

### **1.3 Interest rate risk management**

Interest rates are managed on investments only, as the Council has planned to remain debt free. The Council will manage its exposure to fluctuations in interest rates with a view to securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This will be subject to the consideration and, if required, approval of any policy or budgetary implications.

Interest rate forecasts are provided by the Council's advisors and are closely monitored on a daily basis any significant alterations would be reported immediately. Forward dealing consideration will be given to dealing from forward periods dependent on market conditions, in compliance to the Treasury Management Strategy.

### **1.4 Exchange rate risk management**

The Council **does** not currently have any exposure to exchange rate risk. However, if circumstances change it will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

### **1.5 Inflation risk management**

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

## **1.6 Refinancing risk management**

Not applicable to the Council as it has planned to remain debt free.

## **1.7 Legal and regulatory risk management**

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. In framing its credit and counterparty policy under TMP1[1.1] credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

## **1.8 Fraud, error and corruption, and contingency management**

The Council has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it has employed suitable systems and procedures, and maintains effective contingency management arrangements as part of the corporate business continuity plan.

The council maintains adequate fidelity guarantee insurance cover. Internal Audit will report regularly on the treasury function as part of their normal audit programme.

## **1.9 Price risk management**

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

The annual Treasury Management Strategy sets out the details and limits that can be invested in instruments whose capital value may fluctuate.

## **2 TMP 2 PERFORMANCE MEASUREMENT**

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its Treasury Management Strategy.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation's corporate objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements.

The Council will benchmark against other Local Authorities performance. Additionally, The performance of the treasury management function which would include investment income and treasury management costs will be monitored and reported to Cabinet at quarterly intervals as part of the budget monitoring process. In addition to this the Treasury management activity and performance will be reported to cabinet in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements.

### **3 TMP 3 DECISION MAKING AND ANALYSIS**

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

### **4 TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUE**

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the Treasury Management Strategy, and within the limits and parameters defined in TMP1 Risk management. The Council will not use derivative instruments for the management of risks.

The Council has reviewed its classification with financial institutions under MIFID II and the Treasury Management Strategy includes organisations only with which it is registered as a professional client

### **5 TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

The responsible officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.

The responsible officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations to the responsible officer in respect of treasury management are set out in the Treasury Management Strategy. The responsible officer will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

### **6 TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury

management function.

The Council will receive an annual report on the strategy and plan to be pursued in the coming year

The Treasury management responsibilities are delegated to Cabinet who will receive the following reports during the year:

- An annual report on the strategy and plan to be pursued in the coming year;
- a mid-year review; and
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

The responsibilities for scrutiny has been delegated to the Audit Committee who will receive the following reports during the year:-

- a mid-year review; and
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

## **7 TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

The responsible officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques. The responsible officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

## **8 TMP8 CASH AND CASH FLOW MANAGEMENT**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the responsible officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1[2] liquidity risk management.

The cash flow model is maintained in the Logotech system. The system is updated on a daily basis based on the latest available information by the Treasury Officer. The system uses historic data on cash profiles, Medium Term Financial Strategy, 5 year Capital programme and future commitments for cash flow projections.

## **9 TMP9 MONEY LAUNDERING**

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.

## **10 TMP10 TRAINING AND QUALIFICATIONS**

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will ensure a review of training needs of the staff involved in treasury activities is carried out at least bi-annually as part of their performance development assessment.

The responsible officer will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

## **11 TMP11 USE OF EXTERNAL SERVICE PROVIDERS**

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Deputy Head of Finance. Link Asset Services are Council's external treasury management advisors.

## **12 TMP12 CORPORATE GOVERNANCE**

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its treasury management activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code.

This, together with the other arrangements detailed in the schedule to this document, is considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.



## **Treasury Management Delegations and Responsibilities**

The respective roles of the Council, Cabinet, Audit Committee and Section 151 officer are summarised below. Further details are set out in the Treasury Management Practices.

### **1 Council**

Council will approve the annual Treasury Management Strategy, including Treasury Management Practices and Prudential and Treasury Indicators. In doing so Council will establish and communicate their appetite for risk within treasury management having regard to the Prudential Code

### **2 Cabinet**

Cabinet will recommend to Council the annual Treasury Management Strategy and receive a half-year report and annual report on treasury activities.

### **3 Audit Committee**

This committee is responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies.

### **4 Head of Finance and Commercial (Section 151 Officer)**

Council has delegated responsibility for the implementation and monitoring of treasury management decisions to the Section 151 Officer to act in accordance with approved strategy and practices. The s151 Officer is responsible for the following activities:

- (i) Investment management arrangements and strategy;
- (ii) Borrowing and debt strategy;
- (iii) Approves changes to treasury management practices and procedures; and
- (iv) Chairs the Treasury Management Group (TMG).

### **5 Treasury Management Group (TMG)**

Monitors the treasury activity against approved strategy, policy, practices and market conditions.

Reviews the performance of the treasury management function and of the appointed treasury advisor and recommends any necessary actions.

Ensures the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.

Monitors the adequacy of internal audit reviews and the implementation of audit recommendations.

### **6 Deputy Head of Finance (Deputy S151 Officer)**

Has responsibility for the preparation of the Capital Strategy, execution and administration of treasury management decisions, acting in accordance with the Council's Treasury Management Policy Statement and CIPFA's 'Standard of Professional Practice on Treasury Management Prudential Code.

### **7 Treasury Team**

Undertakes day to day treasury investment and borrowing activity in accordance with strategy, policy, practices and procedures.



### Creditworthiness Policy

1. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration.
2. To minimise the risk to investments, the Council applies minimum acceptable credit criteria to generate a list of highly creditworthy counterparties which will provide security of investments, enable diversification and minimise risk. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies. The Treasury Management Adviser monitors counterparty ratings on a real time basis with knowledge of any changes advised electronically as the agencies notify modifications.
3. Further, the officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to assess continually and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its adviser to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
4. The Head of Finance and Commercial will maintain a counterparty list in compliance with the criteria set out in the table at paragraph 7. The counter parties must meet the minimum criteria from all the three rating agencies. Any revision to the criteria will be submitted to Council for approval as necessary.
5. Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria listed in the table below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in the light of market conditions.
6. Due care will be taken to consider the country, group and sector exposure of the Council's investments. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in the table below. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy

## Schedule of Credit Criteria for investments

7. The criteria for providing a pool of high-quality investment counterparties both specified and non-specified investments is:

Investments	Minimum Credit Rating Required (S&P/Moody's/Fitch)	Maximum Counterparty Limit (£m)	Maximum Tenor
Debt Management Office (DMO) and Gilts	Government Backed	Unlimited	25 years
Supra-nationals and Multilateral development Banks & European Agencies	Government Backed	£6m each £3m each	1 year 2 years
UK Local Authorities	N/A	£7.5m each	3 years
Money Market Funds (MMF) (LVNAV & CNAV)	LT:AAA/Aaa/AAA	£7.5m per fund £40m in aggregate	Up to 7 day notice
Pooled Property Funds	Internal and External due diligence	£7.5m per single fund	Up to 5 years
UK Banks and Building Societies	LT:A+/A1/A+ & above  LT:A-/A3/A- & above	£3m each  £6m each	>1 Year to 5 Years  Up to 1 Year
Nationalised and Part Nationalised Banks		£4m each	1 Year
Non-UK Bank Maximum of £10m per country	LT:A+/A1/A+ & above SR:AAA  LT:A/A2/A & above SR:AA	£3m each  £6m each	>1 Year to 5 Years  Up to 1 Year
Direct Property Investments	Internal and External due diligence	£7.5m	Up to 5 years
<p><b>Minimum sovereign credit rating AA:</b> Australia, Belgium, Canada, Denmark, Finland, France, Germany, Netherlands, Qatar, Singapore, Sweden, Switzerland, United Arab Emirates, United States</p>			

## Planning Committee Minutes

Date: 17 October 2018

Time: 7.00 - 7.24 pm

**PRESENT:** Councillor P R Turner (in the Chair)

Councillors Mrs J A Adey, M Asif, Ms A Baughan, S Graham, C B Harriss, A E Hill, D A Johncock, A Lee, N B Marshall, H L McCarthy, Ms C J Oliver, S K Raja, N J B Teesdale, A Turner and C Whitehead.

### LOCAL MEMBERS IN ATTENDANCE

### APPLICATION

Councillor D Carroll

18/06550/FUL

### 54 MINUTES OF THE PREVIOUS MEETING

**RESOLVED:** That the minutes of the Planning Committee meeting held on 19 September 2018 be approved as a true record and signed by the Chairman.

### 55 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 56 PLANNING APPLICATIONS

**RESOLVED:** that the reports be received and the recommendations contained in the reports, as amended by the update sheet where appropriate, be adopted, subject to any deletions, updates or alterations set out in the minutes below.

### 57 18/06550/FUL - HOPPERS FARM, COCKPIT ROAD, GREAT KINGSHILL, BUCKINGHAMSHIRE, HP15 6ES

Members voted in favour of the motion to approve the application.

**RESOLVED:** that the application be approved.

The Committee was addressed by Councillor D Carroll, the local Ward Member.

The Committee was addressed by Mr Charles Gothard in objection.

### 58 PRE-PLANNING COMMITTEE TRAINING / INFORMATION SESSION

Members noted that no presentation had been confirmed for the next pre-Committee information session due to be held on Wednesday 14 November 2018 at 6.00pm. However, subject to availability, a presentation on the Chilterns Shopping Centre or the proposed development in Gomm Valley would take place in Committee Room 1.

## **59 APPOINTMENT OF MEMBERS FOR SITE VISITS**

**RESOLVED:** That in the event that it was necessary to arrange site visits on Tuesday 13 November 2018 in respect of the agenda for the meeting on Wednesday 14 November 2018, the following Members be invited to attend with the relevant local Members:

Councillors: Ms A Baughan, S Graham, C B Harriss, D A Johncock, T Lee, N B Marshall, H L McCarthy, N J B Teesdale, A Turner, P R Turner and C Whitehead.

## **60 DELEGATED ACTION AUTHORISED BY PLANNING ENFORCEMENT TEAM**

Members raised questions in relation to a number of Delegated Actions Authorised by the Enforcement Team, namely:

16/00711/OP – officer's had chased for further information but had largely been ignored. When officer's eventually gained access to the site it was noted there was no material harm

18/00335/OP – applications for extensions and sub-divisions of the property had been applied for and these applications were taken to appeal. The Appeal was dismissed on sub-division only and as the extensions were not objectionable which therefore meant no material harm.

18/0332/CU – it was hoped that this would be dealt with as a matter of urgency.

## **61 FILE ON ACTIONS TAKEN UNDER DELEGATED AUTHORITY**

The file on actions taken under delegated authority since the previous meeting was circulated for the Committee's attention.

Two queries were raised:

1. "To enter into a deed to vary planning obligations contained in the legal agreement associated with planning permission 15/17349/FUL. Numerous amendments are proposed including provision of a greater amount of affordable housing.

Site of Leo Laboratories, Longwick Road, Princes Risborough."

2. "To enter into a Deed of Variation to vary the affordable housing mortgage clauses in the s106 agreement dated 3<sup>rd</sup> October 2014 in relation to the Daws Hill Development."

In answer to the first query it was noted that it was a split company with one half being Housing Association and the other half being a private company that sold properties therefore they could afford to release affordable housing.

The Chairman agreed that full answers would be brought to a future Committee.

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Chairman

**The following officers were in attendance at the meeting:**

Mrs J Caprio	Principal Planning Lawyer
Mrs L Hornby	Senior Democratic Services Officer
Mrs J Ion	Principal Development Management Officer
Mr R Martin	Development Management Team Leader
Mr P Miller	Technical Officer

# Planning Committee Minutes

Date: 12 December 2018

Time: 6.32 - 10.01 pm

**PRESENT:** Councillor P R Turner (in the Chair)

Councillors Mrs J A Adey, C B Harriss, A E Hill, D A Johncock, A Lee, N B Marshall, H L McCarthy, Ms C J Oliver, S K Raja, A Turner and C Whitehead.

Standing Deputies present: Councillors M Hanif.

Apologies for absence were received from Councillors: M Asif, Ms A Baughan, S Graham and N J B Teesdale.

## LOCAL MEMBERS IN ATTENDANCE

Councillor M Appleyard  
Councillor Mrs J Wassell

## APPLICATION

18/05978/FUL  
18/05741/FUL

## 62 MINUTES OF THE PREVIOUS MEETING

**RESOLVED:** That the minutes of the Planning Committee meeting held on 17 October 2018 be approved as a true record and signed by the Chairman.

## 63 DECLARATIONS OF INTEREST

**Councillor H McCarthy:** 18/06767/FUL – declared an interest in the item as one of the objector’s who spoke was known to him. He therefore did not take any part in the debate or the voting on the item.

**Councillor S Raja:** 18/06767/FUL – declared an interest in the item as one of the objector’s who spoke was known to him. He therefore did not take any part in the debate or the voting on the item.

## 64 PLANNING APPLICATIONS

**RESOLVED:** that the reports be received and the recommendations contained in the reports, as amended by the update sheet where appropriate, be adopted, subject to any deletions, updates or alterations set out in the minutes below.

## 65 17/07846/OUT - OS PARCEL 8300, CHINNOR ROAD, BLEDLOW, BUCKINGHAMSHIRE

Members voted unanimously in favour of the motion to approve the application.

**RESOLVED:** that the application be approved.

The Committee noted a further representation from Councillor Etholen, the local Ward Member.

The Committee was addressed by Mr John Brooker in objection.

**66 17/07892/FUL - THE CAITLIN BUILDING, CORPORATION STREET, HIGH WYCOMBE, BUCKINGHAMSHIRE**

Members voted in favour of the motion to approve the application.

**RESOLVED:** that the application be approved.

The Committee noted a further representation from Councillor Mrs Clarke, the local Ward Member.

The Committee was addressed by Mr John Croke in objection.

**67 18/05741/FUL - 1 HILLARY CLOSE, HIGH WYCOMBE, BUCKINGHAMSHIRE, HP13 7RP**

Members voted in favour of the motion to defer the application for officers to negotiate amendments to the design and layout of the proposed accommodation.

**RESOLVED:** that the application be deferred.

The Committee was addressed by Councillor Mrs Wassell, the local Ward Member.

The Committee was addressed by Mr Steve Stothard in objection.

**68 18/05978/FUL - HILL HOUSE, HARVEST HILL, HEDSOR, BUCKINGHAMSHIRE, SL8 5JJ**

Members voted in favour of the motion to approve the application.

**RESOLVED:** that the application be approved.

The Committee was addressed by Councillors Appleyard and Lee, the local Ward Members.

The Committee was addressed by Dr Christine Havelock in objection and Mr Terry Procter, the applicant.

**69 18/06715/FUL - LAND AT BOUNDARY FARM, SPRIGS HOLLY LANE, CHINNOR, BUCKINGHAMSHIRE, OX39 4BY**

Members voted in favour of the motion to refuse the application as the proposed access and residential curtilage would encroach beyond a defined boundary into the undeveloped countryside of the AONB adjacent to a public right of way. This,

coupled with the conversion of the building, would result in a degree of urbanisation as a result of the:-

- Formalisation of the access track,
- Proposed change of use of the land to residential curtilage, by reason of the likely cutting short of the grass, planting of domestic flora,
- Proliferation of residential paraphernalia

It was considered that these factors would have an unacceptable domestic intrusion into the open countryside and Chilterns Area of Outstanding Natural Beauty. An intrusion of this nature would give rise to an increased urbanisation impact on the landscape which would negatively impact on the special character and intrinsic landscape qualities of the Chilterns AONB and the rural amenity of the area generally.

As such, the proposal was considered to be contrary to policies C4 (Extensions of Site Boundaries in the Countryside), C7 (Re-use and Adaptation of Buildings in the Countryside), C10 (Development in the Countryside Beyond the Green Belt) and L1 (The Chilterns Area of Outstanding Natural Beauty) of the adopted Wycombe District Local, together with CS17 (Environmental Assets) and CS19 (Raising the Quality of Place-Shaping and Design) of the Core Strategy DPD.

**RESOLVED:** that the application be refused.

The Committee was addressed by Dr Zenon Gray in objection and Mr Richard Turner the agent on behalf of the applicant and Mrs Lesley Bryant, the applicant.

**70 18/06767/FUL - ALLOTMENT GARDENS, BASSESTSBURY LANE, HIGH WYCOMBE, BUCKINGHAMSHIRE**

Members voted in favour of the motion that they were minded to grant the application in accordance with the officer's recommendation. The Committee requested that a further Condition be added to require that the officers be consulted in relation to the design and materials to be used.

**RESOLVED:** that the application be minded to grant in accordance with the officer's recommendation.

The Committee was addressed by Mr Trevor Snaith and Mr Trevor Hatton in objection.

Councillors McCarthy and Raja, having declared an interest in the item took no part in the debate or the vote.

**71 18/07065/FUL - 29 SHELLEY ROAD, HIGH WYCOMBE, BUCKINGHAMSHIRE, HP11 2UW**

Members voted in favour of the motion to approve the application.

**RESOLVED:** that the application be approved.



The Committee noted a further representation from Councillor Mrs Clarke, the local Ward Member.

The Committee was addressed by Mrs Joanna Woodforth in objection and Mrs Madasar Mirza, the applicant.

**72 18/07352/FUL - 35 SHELLEY ROAD, HIGH WYCOMBE, BUCKINGHAMSHIRE, HP11 2UW**

Members voted in favour of the motion to approve the application.

**RESOLVED:** that the application be approved.

The Committee noted a further representation from Councillor Mrs Clarke, the local Ward Member.

The Committee was addressed by Mrs Jean Poguntke in objection.

**73 18/06360/FUL - LAND BETWEEN SILVERGATE AND THE DAIRY, DOWLEY COMMON, DOWNLEY, BUCKINGHAMSHIRE**

Councillor Alan Turner took the Chair for this item.

Members voted in favour of the motion to refuse the application and requested that a further reason for refusal be added:

The proposed dwelling by virtue of its scale, bulk, mass and location would detract from the character and visual amenity of the surrounding area to the detriment of the Chilterns Area of Outstanding Natural Beauty and would neither preserve nor enhance the character or appearance of the Downley Conservation Area. The proposal was thus considered to be contrary to the guidance contained in the National Planning Policy Framework and Policies CS17 and CS19 of the Core Strategy Development Plan Document July 2008; Policies G3, G8, L1, HE6, H17 of the Wycombe District Local Plan 2011 (as saved extended and partly replaced) and Policies DM30(The Chilterns AONB), DM31 (Development Affecting the Historic Environment) and DM35 (Placemaking and Design Quality) of the New Wycombe Local Plan Submission Version March 2018.

**RESOLVED:** that the application be refused with the additional reason for refusal.

The Committee was addressed by Councillor Paul Turner, the local Ward Member.

**74 STANDING ORDER 14, PARAGRAPH 41**

**RESOLVED:** As the meeting was still sitting at 22:00 hours, the Chairman moved that the meeting continue until the finish of business.

**75 PRE-PLANNING COMMITTEE TRAINING / INFORMATION SESSION**

Members noted that a presentation was due to take place on Wednesday 16 January 2019 regarding the proposed redevelopment of the Chilterns Shopping Centre in Frogmoor but that it had been cancelled.

This being the case it was agreed that the Committee meeting on the 16 January 2019 would therefore start at 6.30pm.

## **76 APPOINTMENT OF MEMBERS FOR SITE VISITS**

**RESOLVED:** That in the event that it was necessary to arrange site visits on Tuesday 15 January 2019 in respect of the agenda for the meeting on Wednesday 16 January 2019, the following Members be invited to attend with the relevant local Members:

Councillors: M Hanif, D A Johncock, T Lee, N B Marshall, H L McCarthy, Mrs C Oliver, A Turner, P R Turner and C Whitehead.

## **77 DELEGATED ACTION UNDERTAKEN BY PLANNING ENFORCEMENT TEAM**

Members noted the Delegated Action authorised by the Planning Enforcement Team.

## **78 FILE ON ACTIONS TAKEN UNDER DELEGATED AUTHORITY**

The file on actions taken under delegated authority since the previous meeting was circulated for the Committee's attention.

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Chairman

### **The following officers were in attendance at the meeting:**

Mrs T Coppock	Planning Solicitor
Mrs L Hornby	Senior Democratic Services Officer
Mr R Martin	Development Management Team Leader
Mr P Miller	Technical Officer
Mr A Nicholson	Development Manager
Ms S Penney	Principal Development Management Officer
Mr C Power	Development Management Team Leader

# High Wycombe Town Committee Minutes

Date: 15 January 2019

Time: 7.00 - 9.11 pm

**PRESENT:** Councillor M Clarke  
(in the Chair)

Councillors K Ahmed, Z Ahmed, M Asif, Mrs L M Clarke OBE, R Farmer, S Graham, A R Green, M Hanif, A E Hill, M Hussain JP, A Hussain, M E Knight, B E Pearce, R Raja, S K Raja, N J B Teesdale and Ms J D Wassell

**ALSO PRESENT:**

Councillor D Barnes

Councillor D Watson

Melanie Williams – HWBIDCo

## 27 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M Davy, M Hashmi, Maz Hussain and Miss K Wood.

## 28 DECLARATIONS OF INTEREST

During the item Councillor S Graham declared an interest item 5 (Special Expenses Budget 19/20) as the Chairman of the Hilltop Community Centre. Councillor Graham remained in the meeting during discussion.

## 29 MINUTES OF THE PREVIOUS MEETING

**RESOLVED:** That the minutes of the meeting of the High Wycombe Town Committee held on 13 November 2018 be agreed as a correct record and signed by the Chairman.

## 30 HWBIDCO UPDATE

The Committee welcomed Melanie Williams, BID Manager for HWBIDCo, to the meeting.

Melanie explained that she had been in post for four months, and was responsible for delivery of the BID Business Plan and the management of HWBIDCo. She emphasised that HWBIDCo was an independent, not-for-profit partnership, representing the local business community within High Wycombe town centre. There were 250 BIDS in the UK and the HWBID had been renewed in 2017 for a further five years. The HWBIDCo Business Plan focusses on four areas: well

managed (cleaner, greener, security); busy (events, showcasing the town, media); thriving businesses (signposting / business support, parking) and well presented (represent the business voice). The following points with regards to these areas were noted:

- A new website had been launched and there were now 5,000 followers across social media channels.
- The aim was to have three large events across the year. Currently the main large events, Frogfest and the Christmas lights switch on, were very successful. Members were invited to provide any feedback or ideas for future events. There were also plans for smaller events to take place on a monthly basis to encourage people into the town centre.
- A Town Ranger was in post, this role supported the Safe and Secure vision for the town centre. It was noted that during December (eleven) street beggars had been moved on 700 times. Further areas around enforcement and visibility were being considered with increased enforcement powers for wardens being investigated.
- Members were invited to do a 'walkabout' group around the town centre.
- It was noted that there were some issues regarding anti-social behaviour and littering in the town centre.
- The HWBIDCo would be objecting to the planning application regarding temporary accommodation on the Desborough Road.
- There was a lack of free short term parking in the town centre and HWBIDCo were concerned at the effect this was having on businesses.
- BIDCo were tasked with the removal of unused telephone boxes in the area.

Members raised a number of points and received responses in respect of various questions. Main points were as follows:

- Dispersal of beggars did not solve the issue of street begging however HWBIDCo's priority was to protect businesses in the town centre. It was noted that charities would be working in partnership on this matter (Wycombe Street Support Partnership).
- Pparking was an issue in the town centre as there was very little free or short term parking. It was recognised that enforcement was an issue for the short stay parking on Frogmoor. HWBIDCo would like to pioneer schemes that were beneficial for High Wycombe.
- If more funding was available then HWBIDCo would use this for additional staff to help support businesses and improve the town centre, facilitate future events and employ more street wardens.
- It was suggested that the market should be provided with three years of subsidy to make it worthwhile for traders.
- HWBIDCo could consider bidding for the market contract once up for renewal but noted they were not market operators and this this could cause a conflict of interest as they represent the current arrangements. It was suggested that another option that could be explored, that had worked in other areas, was for the market traders themselves could take over the contract in the future.
- Farmers markets would require good footfall to make them viable.

The Committee thanked Melanie for her update.

### **31 SPECIAL EXPENSES BUDGET 19/20**

Julia Turner, Senior Accountant presented a report which set out the details of the 2019/20 Special Expenses Budget and explained the Council Tax precept. Members noted that the estimated net cost of services for 2019/20 was estimated at £385k, this was a decrease of £35k from the previous year. Members also noted that properties had increased by 538 to 23,208, this would generate a Band D equivalent charge of £15.73.

Various options were provided for Members' consideration which presented the impact to the annual surplus/deficit and to working balances and how this impacted the maximum level the District Council could increase Council tax. It was noted that any increase in the Council Tax Band D for the unparished area of High Wycombe would impact on the Council's ability to levy the £5 increase permitted by Central Government.

During the discussion Members sought clarification on the recharging of management fees and it was explained that a new process was now in place at the Council so these were recorded in a different way. Members were concerned at the management fee cost for Community Grants and it was reported that this was due to officer time. There was also concern regarding the income from football as that this was no longer in the figures: it was reported that the grounds maintenance contractor received the income from football clubs. Members requested that further information regarding this matter be provided to the Committee. Regarding allotments the income was retained by the contractor and the software system was used to record information regarding graves and to take bookings. No information had been included regarding management fees for footway lighting and bus shelters. It was reported that historically there was no management charge for this small demand led budget and there had not been any expenditure in this area for a number of years. In response to a query it was noted that rounded figures were used in the accounting process.

Members considered the options outlined in the report. Councillor Mrs L Clarke, seconded by Councillor S Raja, proposed a reduction to the Band D Council Tax to £11.82. After being put to a vote this was agreed by the majority of the Committee and recommended to Cabinet.

**RECOMMENDED TO CABINET:** That in respect of the Special Expenses Council Tax setting for 2019/20, a reduction to the Band D Council Tax to £11.82 be recommended.

### **32 COMMUNITY INFRASTRUCTURE LEVY - WORKING GROUP FINDINGS**

Rub Nawaz, Principal Infrastructure Officer, presented a report outlining the recommendations of the CIL Working Group for recommendation to Cabinet.

It was reported that projects proposed included the Queensway Cemetery, East Wycombe walkway, River Wye Interpretation boards, Bull Lane service yard, local centres and parking pressures. It was anticipated that the CIL Local Allocation receipts for 2019/20 would be £336,000 and the proposed funding allocation recommendations totalled £246,000. This allowed for a £90,000 contingency for any further projects required.

**Recommended to Cabinet that:**

- i) The following schemes be allocated funding from the CIL 15% Local Allocation in 2019/20:

Project	Funding Allocated
1 - Queensway Cemetery	86,000
2 - East Wycombe Walkway	35,000
3 - River Wye Interpretation Boards (partial award only within town boundary supported)	10,000
4 - Bull Lane Service Yard (partial award)	15,000
5 - Additional Funds - Local Centres & Parking Pressures	100,000
Anticipated CIL Receipts 2019/20	336,000
Total Proposed Allocation	246,000

- ii) That the release of funding be delegated to the relevant Head of Service in consultation with the Head of Finance.
- iii) That Local Members be invited to lead on identifying the scope for external funding to contribute to low cost local shopping centre improvements and parking problem areas and any potential external funding.

**33 REGENERATION AND TRANSPORT STRATEGY FOR HIGH WYCOMBE**

The Committee considered a report on visioning work to help inform the creation of a new Transport Strategy for the High Wycombe Urban area. Rosie Brake, Principal Planning Policy Officer, gave a detailed presentation and explained that the project was in the early stages. The aim was to align the Local Plan and the Economic Development strategy to enable delivery of the Council’s Corporate Plan priorities. Rosie explained that Wycombe District Council would be working in collaboration with Buckinghamshire County Council to develop the Transport Strategy and develop a shared vision. The Committee’s views were sought on the strategy and were asked how they would prefer to be consulted.

Members raised a number of points and received responses in respect of various questions. The main points were as follows:

- Consideration should be given to cheaper or free parking in the town centre. A memorandum of understanding has been agreed between BCC and WDC and this could be used to make the town better.
- Improvements should be made to improve the appearance of the town.

- Colleagues at BCC have agreed to undertake the project, providing £25,000 in this financial year and BCC is expected to commit a further £60,000 for work in FY 2019-20.
- A number of work streams would be coming together such as the LEP Industrial Strategy and Future High Street Fund.
- It was suggested that there should be public consultation and officers confirmed that this would be the case from the outset.
- Members were concerned at the current lack of public transport and frequency of buses. It was noted that the provision of public transport would be included in the strategy.
- The built up area around High Wycombe would be included and funding for schemes is expected to be drawn from a variety of sources.
- It was suggested that Taxi firms and drivers be consulted on the strategy.
- New technology could be used for parking enforcement in the future.
- Disability groups should be consulted.

The Committee thanked Rosie for her comprehensive presentation.

**RESOLVED:**

- i) That the preparation of the work for the Regeneration and Transport Strategy for High Wycombe be noted.
- ii) When required, that an extra meeting of the High Wycombe Town Committee be arranged to communicate the view of the Committee to officers to input the development of the vision and resulting strategies.

**34 HIGH WYCOMBE TOWN COMMITTEE - FORWARD WORK PROGRAMME**

The Committee's draft work programme looking ahead to November 2019 was presented for review.

**RESOLVED:** That the forward work programme be noted.

**35 CHAIRMAN'S REMARKS**

The Chairman informed the group that an invite had been offered by William Reed to provide Members with a walk around the town centre.

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Chairman

**The following officers were in attendance at the meeting:**

J Turner	Senior Accountant
J Durkan	Senior Democratic Services Officer
J Openshaw	District Solicitor
S Drummond	Community Services Manager
A Sherwood	Green Space Team Leader
R Nawaz	Principal Infrastructure Officer
S Barlow	Infrastructure & Projects Officer
R Brake	Principle Planning Policy Officer
J Ford	Economic Development Officer



# Improvement and Review Commission Minutes

Date: 24 January 2019

Time: 7.00 - 8.37 pm

**PRESENT:** Councillor D Knights (in the Chair)

Councillors K Ahmed, M C Appleyard, H Bull, A D Collingwood, A E Hill, Mrs W J Mallen, H L McCarthy, Ms C J Oliver, D A C Shakespeare OBE, P R Turner and C Whitehead,

Apologies for absence were received from Councillors Mrs L M Clarke OBE, R Newman, R Raja, J A Savage and R Wilson

## **28. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **29. MINUTES OF THE PREVIOUS MEETING**

Regarding Minute 22, the Chairman confirmed that a letter had been sent to the Leader expressing the Commission's disappointment in the responses to the ASB in the District Task and Finish Group recommendations. The Chairman noted that the Leader had responded and read the letter out to the Commission.

**RESOLVED:** That the minutes of the Improvement and Review Commission held on 28 November 2018 be approved as a true record and signed by the Chairman.

## **30. DEPUTY CABINET MEMBER FOR COMMUNITY - UPDATE ON THE CABINET RESPONSES TO THE ANTI-SOCIAL BEHAVIOUR IN THE DISTRICT TASK AND FINISH GROUP**

Councillor Suzanne Brown, Deputy Cabinet Member for Community, provided an update on the status of the work being undertaken as a result of the recommendations of the Anti-Social Behaviour in the District Task and Finish Group.

It was noted that in the Cabinet response a Cabinet Member had not been solely appointed with specific responsibility for ASB. However the Deputy Cabinet Member confirmed that the Cabinet Member for Community, Councillor Peart, was responsible for the anti-social behaviour service.

Regarding the Community Safety Partnership it was noted that the Partnership were in agreement to meet on a bi-monthly basis.

Members were concerned that the data provided by Thames Valley Police regarding anti-social behaviour was not robust and the Council should create its own database. The Deputy Cabinet Member informed the Commission that the database held by Thames Valley Police provided the best information and the number of non TVP incidents would be too small for the Council to need its own database.

Regarding the closure of public toilets the Commission requested further details of when, how and what would be undertaken with regards to this recommendation. It was noted that Cabinet Member for Environment was investigating this matter and the Head of Community informed the Commission that she would find out further details and report back.

There had been problems with staffing levels at TVP and it was reported that new cadets had been recruited. All police officers now dealt with ASB, rather than one designated officer. Problems getting through on the 101 number had been raised and it was recognised that the Police needed to do more to deal with the long waiting times. The police were offered leased car parking spaces for their staff however this offer had not been taken up. It was also noted that access to the TVP computer system in the Council offices was not possible due to network security concerns.

Members were concerned that the direct request for free parking had come from the Chief Constable and had not been considered fully; the Deputy Cabinet Member agreed that this issue would be revisited.

The job description for the Street Warden had been completed and posts would be advertised in February with an expectation that staff would be in place for April 2019. If the work was successful then an early review would be undertaken, which may lead to requests for funding for further Street Wardens. The performance monitoring framework would be reported back to the Commission.

PCSOs needed to be authorised by the Chief Constable before they could issue Fixed Penalty Notices to enforce the Public Space Protection Order. The matter was with TVP's legal department; the Deputy Cabinet Member confirmed that the Chief Constable would be contacted directly so that this matter could be resolved.

There were difficulties in referring beggars to mental health services due to addiction problems as people could only be assessed if they were not using drink or drugs. A copy of the TFGs observations has been shared with the Director of Public Health at Buckinghamshire County Council.

The Wycombe Street Support Partnership had launched a campaign to provide members of the public with information on begging and how to help rather than giving money which may be used for drugs or alcohol. Leaflets and posters were being distributed across the town via the HWBIDCo town ranger.

The Chairman thanked the Deputy Cabinet Member and the Head of Community for their update.

### **31. CABINET MEMBER FOR HOUSING - UPDATE ON THE LICENSING OF HOUSES IN MULTIPLE OCCUPATION**

Councillor Mrs Langley, Cabinet Member for Housing, Brian Daly, Housing Service Manager, and Amy Starsmore, Private Sector Housing Team Leader, updated the Commission on the licensing of Houses in Multiple Occupation (HMO). It was noted that a report had been circulated in advance of the meeting outlining some of the work that had been undertaken. The following was noted:

- Ward Members had been contacted regarding areas being effected by HMOs and the visits being carried out in their Wards.
- Since the 1 October 2018 there had been 96 applications for HMOs of 5 or more persons.
- Operation REVEAL included visits to 162 properties; with 134 properties accessed.
- Some properties would face potential legal action.
- 30 potential HMOs had been reported directly to the team.
- Good partnership working was being carried out with the police and immigration.
- 35 improvement notices had been issued.
- One property had been closed by Prohibition Order.

Members raised a number of points and received responses in respect of various questions. Main points were as follows:

- Officers were working with landlords to make them fully aware of the new legislation and to guide them through the process.
- A desktop exercise had been undertaken before the legislation had come into place. This had dealt with approximately 1500 properties across the District. The exercise included checking the electoral roll, using officer's knowledge, knocking on doors and using information from partner agencies.
- Two streets visited during Operation REVEAL were in Abbey Ward; areas of focus were mainly in High Wycombe.
- It was suggested that a database be compiled of all HMOs in the District. However due to the numbers involved this would be a significant piece of work and there were issues regarding the resources required.
- Members were concerned that the number of people living in HMOs could be around 7,500.
- Data was being collected on unlicensed HMOs.
- Recruitment of staff had been difficult due to the uncertainty regarding employment and the new unitary council.
- It was noted that the Budget Task and Finish Group supported additional funding being allocated to the Cabinet Member for additional resources to deal with HMOs.

The Chairman thanked the Cabinet Member for Housing and the officers for the update, and all the work being undertaken.

### **32. REPORT OF THE BUDGET TASK AND FINISH GROUP**

The Commission considered and discussed the report and draft recommendations of the Budget Task and Finish Group for onward referral to Cabinet. The Task and Finish Group was set up by the Improvement and Review Commission in order to consider the capital and revenue budget for the financial year 2019/20 leading into the new unitary Council.

The Chairman of the Task and Finish Group: Councillor Alex Collingwood guided members through the report.

The draft recommendations were outlined as follows:

#### Planning

- 1) That £500k reduction be achieved in 2019/20 however it was recognised that year 2 and 3 were aspirational and the medium Term Financial Strategy (MTFS) needs to be updated and reflected, and the new unitary needs to be informed. Planning to revisit their budget and discuss alternatives with the Head of Finance and Cabinet Member for Finance.
- 2) That Cabinet provide proposals to deliver the Princes Risborough relief road and Phase 7 of the Town Centre Masterplan, and to report progress within the next six months.

#### Community

- 3) To use the best procurement route to promote delivery and this can include the suspension of contract standing orders.
- 4) That the procurement team be provided with funds for additional resources.
- 5) If the Modernising Local Government process is delayed then the Council revisit the procurement thresholds.
- 6) It be noted that the Budget TFG support the waiver of Contract Standing Orders for the proposed works at Court Garden.
- 7) That a review of Street Wardens be undertaken within 3 months and additional resource be provided if the project is successful (6 street wardens).

#### Economic Development & Regeneration

- 8) That additional revenue funds be made available for the feasibility work to facilitate the continuity and delivery of Capital Projects. Including, but not exclusively car parks, regeneration and the Local Plan.
- 9) To accelerate and expedite all regeneration projects to that they can be delivered ahead or on schedule.

10) That a Project Manager be appointed to oversee delivery and to support the Deputy Leader with implementation plans.

(a) The Deputy leader be given the additional role to oversee the delivery of all projects both revenue and capital.

11) To identify the land acquisition and car parking capacity across the District.

12) That Cabinet note that a Task and Finish Group will be undertaken to consider Parking in the District.

13) To note that the Budget Task and Finish Group support the implementation of an increase in parking charges.

#### Housing

14) To note that the Budget TFG supports the funding for the delivery of HMO licensing.

15) That the Council enter into a Service Level Agreement with Wycombe Homeless Connections on a 3-5 year basis.

#### Environment

16) That £150k be provided for a new recycling collection vehicle.

17) To note that a Task and Finish Group would be undertaken to consider the new Joint Waste Contract.

#### ICT

18) That contingency of £100,000 be considered for funding to support the delivery of the Digital First Programme if required.

#### Community Support Grants

19) That Community Grants be continued and provided to Parish and Town Councils as previously agreed.

The Commission considered and discussed the recommendations. A number of points and suggestions were made, as follows:

- Information regarding the delayed HIF Bid funding should be added to recommendation two and to note that the Abbey Barn Lane work was not as critical at this time.
- Regarding the recommendation to support the contract standing order suspension, this was so that the Community department could deliver cost and time effective contracts. This was supported within the Council's constitution.

- It was suggested that a recommendation be added to investigate a residents parking scheme so that residents could receive discounts at Wycombe District Council car parks.
- To support to economy in the town centre a recommendation be added requesting short term free or low cost parking in the town centre.
- Due to the significant cost to house homeless people in bed and breakfast accommodation it was suggested that funding be provided to the Cabinet Member for Housing for cost effective temporary accommodation.
- It was noted that the existing waste contract ends in 2020 and there was a statutory duty to collect waste. A task and finish group would support work being undertaken by officers on a new contract.
- Regarding ICT funding this amount should be increased to £235,000k.

The Chairman and the Commission thanked Councillor Collingwood and the members of the Task and Finish Group for their report. Comments would be taken into consideration and recommendations amended to reflect the discussion. The final recommendations would then be submitted to Cabinet and their response would be included in the Budget item at the meeting on the 4 February 2019.

### **33. COMMISSION WORK PROGRAMME AND FORWARD PLAN**

The Commission considered the work programme report along with the appended Cabinet Forward Plan and Commission Work Programme.

#### **Waste Contract Task and Finish Group**

The Commission agreed to set up a Waste Contract Task and Finish Group. The TFG would meet when required and support officers in working towards a new contract as the current contract expires in 2020. A suggestion form would be completed and once membership had been confirmed a scoping meeting arranged to consider next steps.

#### **Parking Task and Finish Group**

The Chairman informed the Commission that a suggestion form had been submitted to set up a parking task and finish group.

Councillor Chris Whitehead informed the Commission the he had attended a meeting with the Cabinet Member for Environment and the Interim Head of Regeneration and Investment regarding the proposed parking task and finish group. Discussions included the consideration of a strategic review of transport across the District; this could include air quality management areas, park and ride, and public transport. However the Commission were concerned that this would be too large a scope for a TFG to scrutinise effectively within a short timescale. Therefore the Commission agreed that a parking TFG would be set up to consider

only parking in a strategic way however this would have regard to current work being undertaken. The aim was for the TFG to be completed by the end of April 2019.

The following Members volunteered for the parking TFG, Councillors Mrs Mallen, H McCarthy, P Turner and C Whitehead. Once membership had been confirmed a scoping meeting would be arranged.

An email would be sent to all members of the Commission requesting volunteers for both task and finish groups.

**RESOLVED:**

- i) That Members be invited to volunteer for the Parking Task and Finish Group and the Waste Contract Task and Finish Group
- ii) The Commission Work Programme and Cabinet Forward Plan be noted.

**34. COUNCILLOR CALL FOR ACTION**

There were no Councillor Calls for Action.

**35. SUPPLEMENTARY ITEMS**

There were no supplementary items.

**36. URGENT ITEMS**

There were no urgent items.

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Chairman

**The following officers were in attendance at the meeting:**

Brian Daly	- Housing Services Manager
Jemma Durkan	- Senior Democratic Services Officer
Elaine Jewell	- Head of Community
Amy Starsmore	- Private Sector Housing Team Leader



Report For:	Council
Meeting Date:	21 February 2019
Part:	Part 1 - Open
If Part 2, reason:	N/A

<b>Title of Report:</b>	Community Governance Reviews (CGRs)
Officer Contact: Direct Dial: Email:	Catherine Whitehead 01494 421980 Catherine.whitehead@wycombe.gov.uk
Ward(s) affected:	All Wards but particularly Micklefield, Totteridge, Sands and the wards in the unparished area.
Reason for the Decision:	To enable the Council to respond to statutory requirements within the relevant timeframe.
<b>Proposed Recommendations To Full Council:</b>	<p><b>Members are recommended to</b></p> <ol style="list-style-type: none"> <li>1. To note the position with regard to the Community Governance Reviews in relation to Micklefield and Totteridge</li> <li>2. To delegate to Regulatory and Appeals Committee all the Council's responsibilities for decisions in relation to those reviews and any other petitions received before the next meeting of Council including agreeing the Terms of Reference.</li> </ol>
Monitoring Officer/ S.151 Officer Comments	<p><b>Monitoring Officer:</b></p> <p>The legal framework is as set out in the report.</p> <p><b>S.151 Officer:</b></p> <p>There are no financial implications in delegating this function.</p>
Consultees:	The Council will undertake a consultation with the local



	<p>government electors in any areas under review.</p> <p>The Council will consult Buckinghamshire County Council and any Shadow Authority where appropriate.</p>
Options:	These are set out in paragraphs 15-17 of the report.
Next Steps:	This matter will be considered at the next meeting of Regulation and Appeals Committee
Background Papers:	<p>Minutes of Full Council meeting 10 December 2018</p> <p>2007 Local Government and Public Involvement in Health Act</p> <p>Joint Guidance on Community Governance Reviews from MHCLG and LGBCE.</p> <p>White Paper 2006</p>
Abbreviations:	<p>CGR – Community Governance Review (CGR)</p> <p>the Council – Wycombe District Council</p>

## **Detailed Report**

### **Corporate Implications**

1. This report is designed to ensure that the Council complies with its statutory obligations. The applicable law and guidance is set out within the report.

### **Purpose**

2. The purpose of this report is to delegate powers to the Regulatory and Appeals Committee to carry out the Council's functions between now and the next meeting of the Council.

### **Executive Summary**

3. A district council has the power to undertake CGRs and make changes to local community governance arrangements.
4. The Council has received two petitions for the wards of Micklefield and Totteridge. The Council has an obligation to consider the size and scope of the review.
5. The Council is also required to publish the terms of reference for any review it carries out. CGRs must be carried out within 12 months of the date of receipt of petition.

### **What is a CGR?**

6. A CGR can consider a number of things including:
  - creating, merging, altering or abolishing parishes including town councils
  - the naming of parishes and the style of new parishes
  - the grouping of parishes under a common parish council
  - the electoral arrangements for parishes
  - council size ie the number of councillors and parish warding.
7. In undertaking any Review, the Council will be guided by the following legislation:
  - a. Part 4 of the Local Government and Public Involvement in Health Act 2007;
  - b. Local Government (Parishes and Parish Councils) (England) Regulations 2008 (SI2008/625);
  - c. Local Government Finance (New Parishes) Regulations 2008 (SI2008/626);
  - d. Relevant parts of the Local Government Act 1972.

### **Submitted Petitions**

8. At the meeting of the Council held on Monday 10 December 2018, the following two petitions were handed in
  - a petition by the residents of Totteridge for a CGR with a view to forming a parish council in Totteridge.
  - a petition by the residents of Micklefield for a CGR with a view to forming a parish council in Micklefield.

9. A robust validation process was carried out, and the signatories to each petition were checked against the electoral register. The result of the validation process was that in both Micklefield and Totteridge the petitions contained the required number of valid signatories to trigger CGRs to be undertaken. The Council must therefore commence a CGR in relation to those wards.

### **Further Petitions**

10. Officers have been informed that a petition calling for a CGR for all wards across the unparished area is currently gathering signatures. In addition, the Council is also aware of a further petition calling for a CGR in the Sands Ward.

### **Conclusion of Any CGRs**

11. The 2007 Act sets out that all CGRs should be completed within 12 months. Elections taking place in May 2020 will require to give effect to reviews completed before 31 March 2020.

### **Terms of Reference for Reviews**

12. Section 81 LG&PIHA 2007 requires a principal council to draw up terms of reference specifying the area under review. There is no legal requirement to consult on the terms of reference. The guidance identifies that:

*"the terms should be appropriate to local people and their circumstances and reflect the specific needs of their communities."*

13. The 2007 Act requires the terms of reference to specify the area under review and a principal council to publish the terms of reference. If any modifications are made to the terms of reference, these must also be published.
14. The Government expects terms of reference to set out clearly the matters on which a CGR is to focus. The local knowledge and experience of communities in their area which principal councils possess will help to frame suitable terms of reference. The terms should be appropriate to local people and their circumstances and reflect the specific needs of their communities.
15. The petitions provide some information about the scope of the CGR and principal councils should tailor their terms of reference to reflect those views. Ultimately, the recommendations made in a CGR ought to bring about improved community engagement, better local democracy and result in more effective and convenient delivery of local services.
16. A meeting of Regulatory and Appeals Committee considered some initial proposed Terms of Reference and resolved that it was not happy with the style and content of those Terms of Reference. As a result it is proposed that powers should be delegated to the Regulatory and Appeals Committee to consider revised Terms of Reference. This report seeks approval of the Council to delegate approval of those Terms of Reference to the Regulatory and Appeals Committee.

## **Options**

17. As set out in the report, the Council is in receipt of two community governance petitions which have met the required number of valid signatories. Therefore, the Council has a duty to carry out CGRs.
18. The Council is also under a duty to consider whether to hold a CGR in relation to any area within the District regularly. In the event that a further petition is received and validated the Council will need to consider whether to join that Review with the Review underway. This may have the effect of requiring the Council to change the Terms of Reference for the Review part way through to accommodate areas added.
19. The first step at this stage is to delegate powers to the Regulatory and Appeals Committee to enable it to consider the options available.

## **Implementation**

20. A CGR which is started now will be likely to be completed during the transition period and will therefore be determined by the Shadow Authority. If a decision is made to create a parish council for any area the parish may start to put administrative arrangements in place, but as with the new Buckinghamshire Council, elections will not take place until 7 May 2020.

## **Consultation**

21. The County Council and Shadow Authority will need to be advised and consulted.
22. When reviews are carried out, it will be necessary to carry out stakeholder and public consultation before any decision can be made. The requirements and timescales for consultation are set out in the proposed terms of references at appendix A to the report.
23. Section 93 of the Act sets out how councils must conduct a review - it states amongst other things that councils are required to consult those local government electors in the area under review, and others which appear to the Council to have an interest in the review

## **Conclusions**

24. Members are requested to delegate powers to the Regulatory and Appeals Committee to take the necessary steps to enable the CGR and any other reviews required within the statutory timeframe.

# Agenda Item 18

## SUMMARY



**WYCOMBE**  
DISTRICT COUNCIL

Report for:	<b>COUNCIL</b>
Meeting Date:	21/02/2019
Part:	Part 1 - Open Report with Part 2 Appendices
If Part 2, reason:	Para 3 - Information about the financial or business affairs of any particular person (including the authority holding that information).
<b>Title of Report:</b>	<b>EXTENSION WORKS TO COURT GARDEN LEISURE COMPLEX - PROCUREMENT PROCESS</b>
Cabinet Member Officer Contact: Direct Dial: Email:	Councillor G Peart (Community Portfolio) Elaine Jewell 01494 4213800 elaine.jewell@wycombe.gov.uk
Ward(s) affected:	Marlow
Reason for the Decision:	<p>A fit for purpose leisure complex, including sports hall, swimming pool and up-to-date changing facilities in Marlow for the use of all residents, including children and older people, both for now and the future. At present the sports hall floor has failed repeatedly, the large flat roof leaks regularly, the swimming pool tank and most of the centre's plant are end of life and the changing area has inadequate drainage and does not meet modern user requirements.</p> <p>Minimal closures and/or disruption to the centre during the project. PL, as the current operator of the facility under the Leisure Operator Agreement and the procurer of the works, is best placed to manage these works and to minimise their impact on customers. This ensures there will not be a loss of income claim against WDC.</p> <p>PL's ownership of the design, procurement and management of the project means PL will 'own' the quality of the design and works from the start. Their expertise and ongoing responsibility for maintenance will ensure that high quality, durable solutions are sourced.</p> <p>Improved customer experience: The project aims to reduce customer churn and an ongoing decline in use and increase in customer dissatisfaction and, over time, produce an upturn in use. This will in turn, rally business performance with a rise in revenue and support.</p>

	<p>Without this project parts of the centre will need to be closed as they fail. This will generate a requirement to compensate PL for lost income and will give rise to significant resident dissatisfaction and protest.</p>
<p><b>Proposed Recommendation:</b></p>	<p>(i) To provide an exemption from Contract Standing Orders (“CSO’s”) to allow the non-competitive award of a Development Agreement with a value of £2m to allow Places Leisure (“PL”) to complete refurbishment works at Court Garden Leisure Complex (“CGLC”).</p> <p>(ii) To delegate authority for entering into a Development Agreement, Deed of Variation and any associated legal documents in relation to the existing Leisure Operator Agreement to the Head of Community Services, in consultation with the District Solicitor, Head of Finance and Commercial Services with the Cabinet Member for Community Services.</p>
<p>Sustainable Community Strategy/Council Priorities - Implications</p>	<p>Risk: The management of the works by PL will minimise closures, and/or disruption to the centre, as well as avoiding loss of income during the works. PL will also be able to utilise the benefits of having an established supply chain to achieve quality and value for money.</p> <p>Equalities: It will improve health and swimming facilities for Marlow residents.</p> <p>Health &amp; Safety: Parts of the current Centre are close to the end of their life, in many cases temporary repairs</p>

	<p>have been undertaken. Undertaking the project enables all parts of the Centre to remain in public use for the foreseeable future. The Council and PL will continue to operate safe facilities for residents.</p> <p>Broad EU Principles and case law set the wider legal framework for those contracts which fall below the threshold for EU Procurement. The broad principles include the requirement to prevent, identify and remedy conflicts of interest, to avoid any distortion of competition and to ensure equal treatment of economic operators.</p> <p>Officers have considered best value, case law and the EU principles, taking into account any risk, and recommend that the Council enters into a development agreement with People for Places directly without advertising to enable them to deliver the project.</p> <p>The Council's Contract Standing Order stipulate that its rules should not be waived without Member consent. This paper seeks that consent and sets out the alternative that Officers propose should be followed.</p> <p>The scope of the project is within the approved capital programme.</p>
Monitoring Officer/ S.151 Officer Comments	<p><b>Monitoring Officer:</b> Legal comments have been included throughout this report.</p> <p><b>S.151 Officer:</b> Finance comments have been included throughout this report.</p>
Consultees:	<p>Places Leisure, Ward Member briefing programmed. Centre users will be informed as work is sequenced that affects the areas they use.</p>
Alternative options:	<ol style="list-style-type: none"> <li>1. Do nothing. Customer dissatisfaction will increase. There will also be a reduction in usage and membership of the leisure complex as areas deteriorate and are removed from public use. This may lead to loss of income claims from the operator.</li> <li>2. Comprehensive refurbishment and extension of the leisure complex providing a new location for the Marlow Museum, relocation of the café to the</li> </ol>

	<p>reception area, a new viewing gallery for the pool hall and additional parking spaces.</p> <p>Inadequate budget for this purpose.</p> <p>3. Demolish and build a modern purpose built leisure centre.</p> <p>Planning approval is unlikely to be given due to the site's listing and other protections, eg conservation area, historic park. A considerable amount of finance would be required for a project of this magnitude.</p>
Next Steps:	<p>If Council approves the decisions requested in this report, the next step will be for the Development Agreement and Deed of Variation to be completed under delegated authority, and then signed by the Council and PL. PL will then instruct their professional team to develop a fully detailed programme of works, with a view to procuring one or more specialist contractors for the agreed refurbishment works.</p>
Background Papers:	<p>CGLC Refurbishment Project – Development Agreement Deed of Variation document – in circulation and review</p>
Abbreviations:	<p>PL – Places Leisure CGLC – Court Garden Leisure Complex</p>



## **1. Detailed Report**

### **1.1. Executive Summary**

This report seeks an exemption from CSOs to allow the non-competitive award of a Development Agreement (“DA”) with a maximum value of £2m for PL, the incumbent Leisure Operator to complete refurbishment and development works at CGLC, which are essential works identified as necessary in recent condition surveys. An initial condition survey in 2016 identified numerous, high priority works that were necessary to enable the Centre to continue to operate. A capital sum was requested in March 2017 from Cabinet to complete these works. The sum involved included a number of estimates for which detailed quotes have since been sought from a number of specialist providers. The Council’s standard award process would be to advertise the opportunity on the Government’s national portal “Contracts Finder” (Contracts Finder is a national website which provides information to potential bidders about contracts worth over £25,000 with the government and its agencies), and to run an open competitive tender exercise to select the most economically advantageous tender in accordance with relevant legislation and the Council’s CSO’s. In this case it is proposed that the Council will procure the refurbishment works via PL in order to utilise the benefit of its established supply chain to secure works that are competitively priced and of high quality. Most importantly this procurement route should minimise delays and disruption to the day to day operations of the centre by enabling PL to integrate the works programme with operational management considerations.

### **1.2. Sustainable Community Strategy/Council Priorities – Implications**

The need to comply with a procurement process which achieves best value is a principle within UK law. This continues to apply alongside other requirements for contracts below the EU threshold. The Development Agreement (the “DA”) and associated legal documents will include the requirement for PL to achieve and demonstrate competitive pricing through its supply chain and procurement procedures. This approach involves PL seeking best price from its works contractors, and using the same client team as it has used on a similar recent procurement, the Risborough Springs Swim & Fitness Centre (RSSFC) Extension Project. PL have agreed to conduct a competitive procurement process, similar to that applied for the RSSFC project, this paper seeks authority to non-competitively award a contract of maximum of £2 M to PL the budget approved by Cabinet in March 2017.

PL’s competitive process involves benchmarking from its database of similar previous projects. Independent construction cost estimates are prepared by its external cost consultant and where appropriate, sums are compared to the Building Cost Information Service (BCIS) cost database as published by the Royal Institution of Chartered Surveyors (RICS).

The process also involves open book tendering with detailed tender documents developed to enable competitive tenders from PL's database of four principal main contractors with which it partners. Tenders are based on detailed design/requirements, PL design guide, technical specifications and site specific pre-construction information. Final tender prices are agreed on a lowest cost tender ‘Value for Money’ negotiated basis which achieves an acceptable quality standard.

### **1.3. Background and Issues**

Research conducted on behalf of the Council highlighted the need for major refurbishment of the leisure complex, in particular of the roof covering as well as the sports hall floor, pool hall, the pool tank and plant and the changing areas. The Council intends to sign a DA with its current leisure management contractor PL so that PL can directly manage the building works from initiation through to completion of the works at CGLC.

Officers believe the most appropriate procurement route is to:

- (i) Non-competitively sign a DA with PL, which will provide an agreed sum of money to develop and manage the works on the Council's behalf;
- (ii) To enter into a Deed of Variation varying the Leisure Operator Agreement to allow for the improvement works to be carried out to allow for the new facilities. There may also be a surrender and re-grant of leases on completion to take into account any changes in the plans for the facilities.

The characteristics of a Development Agreement (the "DA") are as follows:

- a. It will form the legal agreement between the Council and PL as to the outline scope of what works will be delivered and what funds are to be made available by WDC in order to do this. PL will be required to carry out and complete the improvement works in accordance with the requirements set out in the DA, using all reasonable endeavours to achieve completion by an agreed planned completion date.
- b. It will set out mechanisms for collaborative working during the project, and also for reviewing costs and making payments against an agreed schedule. It will also include detail of how PL will communicate and manage any issues relating to cost or quality that may arise during design development and works.
- c. PL would remain responsible for any latent defects arising in the improvement works.
- d. The professional team appointed by PL and the eventual contractor/s selected by PL will be required to provide appropriate collateral warranties for the benefit of the Council and any other third party that has an interest in CGLC.

#### **1.4. Need for a Waiver**

The Development Agreement has a maximum value of £2m and so is below the EU works threshold; as such, the Public Contract Regulations 2015 (PCRs) as they relate to "above threshold contracts" do not apply.

Part 4 Chapter 8 of the PCRs applies to contracts valued between £25,000 and relevant threshold ("Below Threshold Contracts"). PCRs require: "where a contracting authority advertises a contract award opportunity"... "In those circumstances the Contracting Authority shall publish information about the opportunity on Contracts Finder". The Council's CSOs require us to advertise contracts over £10,000, so following the standard Council process would result in this opportunity being advertised nationally. Setting CSOs aside will remove this obligation so that the process outlined in this report can be followed.

Also it is necessary to exempt this procurement from the Council's CSOs because, subject to the commitments set out in the Development Agreement, the appointment of any advisors PL may require and the appointment of the works contractor will be in accordance with PL's processes and outside of the Council's control. Additionally CSOs do not offer a process to authorise the non-competitive award of contracts in excess of £ 100,000.00.

### **1.5. Benefits**

PL's ownership of the procurement and management of the improvement works has been identified as the most suitable approach as this will mean they 'own' the quality of the design and works from the start; ensuring the works deliver a fit for purpose sports complex that provides improved continuing service to local residents. As well as this overarching reason for the chosen approach, Officers believe that non-competitive award of the DA to PL is the most appropriate procurement route because:

- A benefit to PL being awarded responsibility for the design and works via their established supply chain of contractors is that, as the current operator of the facility under the Leisure Operator Agreement, they are best placed to closely manage works to minimise closures and or disruption to the centre. PL's established relationship with their contractors means that the contractors are experienced in ensuring any disruption is minimised and in health and safety and other aspects of carrying out works in a 'live' site open to the public. For the Council to appoint a third party/ its own professional team and contractors directly would be highly disruptive to the continued operation of the facility, and would present an increased delivery risk for the Council. This would include having to appoint the professional team, manage multiple contracts directly and also managing any claims from PL if anything was to go wrong.
- If there were any works changes required, the Council would have to manage that process and coordinate between contractor/s and PL and deal with any impact those changes could have on PL's projected FM costs, as well as facilities mix and expected revenue. This could lead to a higher cost for the works from contractors/ consultants having to take into account those interface issues and possible associated delays. It would also be resource intensive – with cost implications - for the Council to manage this process. If PL procures and manages the design development and works, it manages those risks itself and will be able to utilise the benefits of having an established supply chain to achieve value for money.
- Another benefit is that if PL procures the improvement works, and once they are complete, PL will remain responsible for any latent defects in those works for the duration of the Leisure Operator Agreement and would have to rectify any such defects at its own costs, leaving PL with the risk of recovering any damages/ costs incurred and loss of revenue from the contractor in default. If the Council procures the Improvement Works, that risk remains with the Council.
- In addition, under paragraph II.2.1 of the OJEU Contract Notice for the Council's appointment of PL to provide leisure management services, the scope of the required services includes the management, operation and maintenance of WDC's leisure centres. PL's project management of these

works could be said to fit within the scope of this appointment given that PL is responsible for maintaining the new improved facilities.

## 1.6. Risks

The benefits this approach delivers in terms of financial and operational risks are stated above. Potential risks to the Council include the following:

- The works delivered under the contract established with PL's successful tenderer does not match the Council's requirements. This will be mitigated by clear procedures for collaborative working and agreement of designs (as permitted under the contractual approach adopted), plus reviews of works as they progress. Council officers will agree with PL the designs and then will let PL manage the contract/s. A joint Project Board and team has been set up and will be in constant communication throughout the project.
- The works costs of the PL procurement come in above budget. This would be dealt with contractually by PL as part of robust contract monitoring and management, and the joint Project Board will regularly review progress and cost reports. The Development Agreement will allow for the requirement for the joint Board to meet to review any issues arising and reach agreement as to way forward.
- Publication of contract award. Where a Below Threshold Contract is awarded, Regulation 112 of PCRs requires Contracting Authorities to publish certain basic information about that contract on Contracts Finder, this obligation would apply to the Council's award of the DA to PL. For contacts below the EU Thresholds there are general requirements for transparency and competition imposed under EU Treaty Principles. If the procurement were to be found to be subject to these principles there is a risk of challenge. However PL have provided details that it has followed processes similar to that outlined above on several occasions and no such challenge has ensued.

The risk of challenge is considered low – the works are specialist in nature and are complex in terms of timing and linking to operations at the centre. The works relate to improving the current operations within the sports centre and PL regularly carry out improvement works of a smaller scale using their own contractors at the centres as part of their contractual responsibilities. A similar DA was awarded by WDC to Places for People ("PFPL"), PL's previous legal identity, for works at Risborough Springs last year under similar circumstances without incident. It should however be noted that if it were necessary for WDC terminate the DA as result of a procurement challenge, under the DA, the Council would be liable to PL for:

- (a) costs due and invoiced in respect of the period prior termination;
  - (b) the value of completed works; and
  - (c) losses as a direct result of the termination
- In order to minimise the value of these exposures it is proposed that the Contracts Finder award notice be published as early in the process such as two weeks in in an effort to identify challenges before significant sums have been spent.
  - Risks relating to increased costs for closure/ loss of income and operational related delays would be much higher with a new contractor brought in, that

potentially has less experience (or none) of working on a 'live' site that is operational and open to the public during the period of the works.

### **1.7. Conclusion**

Council is invited to approve the recommendations set out at the beginning of this paper.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

# COUNCIL SEATING PLAN 2018/2019

		13 C Harriss					
		14 N Teesdale					
		15 R H Gaffney					
		16 R Wilson					
		17 A D Collingwood					
		18 H Bull					
		19 Mrs J E Teesdale					
		20 R J Scott					
			42 Mrs C Oliver				
			43 R Newman				
			44 D A C Shakespeare				
			45 C Whitehead				
			46 H McCarthy				
12 Maz Hussain	41 N Marshall				47 T Lee	21 Mrs L Clarke OBE	
11 A Hussain JP	40 I L McEnnis				48 B Pearce	22 A E Hill	
10 D A Johncock	39 Mrs G A Jones				49 R Farmer	23 M Clarke	
9 Mrs J D Langley	38 Mrs W J Mallen				50 M E Knight	24 J A Savage	
8 Mrs J A Adey	37 M Davy				51 Ms A Baughan	25 C Etholen	
7 G Peart	36 A Turner				52 Ms J Wassell	26 M Harris	
6 D H G Barnes	35 Mrs S Adoh				53 M Abdullah Hashmi	27 M Appleyard	
5 Miss K S Wood	34 G Hall				54 M Asif	28 S K Raja	
4 D M Watson	33 M Hussain JP				55 M Hanif	29 D Knights	
3 S Broadbent	32 Z Ahmed				56 K Ahmed		
2 L Wood	31 S Saddique				57 Rafiq Raja		
1 D J Carroll	30 Miss S Brown				58 S Graham		

- DSO
- DS Manager
- Chief Executive
- Chairman
- Councillor T Green
- Vice-Chairman
- Councillor P Turner
- Corporate Director

59

60