

CABINET

THURSDAY, 22 JULY 2021

PRESENT: Councillors Andrew Johnson (Chairman), Stuart Carroll (Vice-Chairman), David Cannon, David Coppinger, Samantha Rayner, David Hilton, Gerry Clark, Donna Stimson and Ross McWilliams

Also in attendance: Councillor Lynne Jones, Councillor Wisdom Da Costa, Councillor Helen Price, Councillor Gurch Singh, Councillor Ewan Larcombe, Councillor John Baldwin, Councillor Gurpreet Bhangra and Councillor Simon Bond. Barbara Richardson (RBWM Prop Co)

Officers: Duncan Sharkey, Hilary Hall, Emma Duncan, Adele Taylor, Louisa Dean, Andrew Durrant, Andrew Vallance and David Cook.

APOLOGIES FOR ABSENCE

There were no apologies for absence received.

DECLARATIONS OF INTEREST

None received.

MINUTES

RESOLVED UNANIMOUSLY: That the Part I minutes of the meeting held on 24 June 2021 were approved.

APPOINTMENTS

None

FORWARD PLAN

Cabinet considered the contents of the Forward Plan for the next four months and noted the changes made since last published.

CABINET MEMBERS' REPORTS

A) DRAFT CORPORATE PLAN FRAMEWORK FOR PUBLIC CONSULTATION

Cabinet considered the report regarding the adoption of the draft Corporate Plan to go to public consultation.

The Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property informed that he was very pleased to be in a position to present the draft Corporate Plan. It looked to build upon the work already undertaken in terms of the interim strategy adopted in July 2020. In recognition of this significantly changed operating context for the local authority brought about by COVID-19. There was a need to succeed that interim strategy with a new forward looking Corporate Plan, a plan, which sets out the clear strategic direction of the council over the next period four or five years.

The plan was being designed as an evidence based approach with the final plan due to be proposed to full Council for adoption in the autumn. Before that point it would go through a thorough and rigorous scrutiny process. It had already had significant input from all members and our valuable community partners in shaping that draft before us this evening.

The plan set out to crystallise focus on the core areas where the council at most needs to drive forward change. But also to help in the crucial allocation of guidance, resources and energy and delivering that change. The administration was committed to creating an area of opportunity and innovation. They wanted a clear plan, a credible plan and a deliverable plan.

Development and delivery needed to follow strong process and good governance. In line with good practice, the objectives, goals, strategies and measures model had been adopted to help formulate the final plan. The purpose of this report was to propose a draft framework noted as Appendix B for a six week period of public consultation and engagement. This had been drawn up in close consultation with relevant Cabinet Members, the Corporate Leadership Team, Council staff and members of the opposition and indeed our wider partners.

The purpose of the next stage of public consultation was to invite residents, partners and businesses into the development of the plan to give them the opportunity to not only share their views on our framework but strengthen the plan so we truly can deliver a council of opportunity and innovation.

The Deputy Leader of the Council, Corporate & Resident Services, Culture and Heritage and Windsor informed Cabinet that she supported the paper and that it was really refreshing that the Council was asking residents, what they think of our proposed Corporate Plan. This shows a huge step forward in transparency, and the way we wish to engage with our residents, and to listen to what they say. So I'll be very interested in what they do have to say. She asked how the report and the consultation would be communicated.

The Monitoring Officer informed that we had already been out to consultation, in relation to this report. The next stage was rolling out through engagement HQ, which is our electronic platform for engagement, that will hit a number of areas our communities, our residents, and our key stakeholders. So primarily, we will be doing a lot of it electronically, because that's a safe, efficient way of consulting on the plan. But we'll also be having real life conversations to really get into the detail.

The Chairman said that we would be looking to build upon the success, particularly at the very recent libraries consultation, but the consultation on the budget. It was the administration's intention to consult more widely than before.

Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health informed that consultations were really important on these kinds of documents. It was pleasing to see that we had an embedding approach on all of our critical policy papers to get maximum public participation and engagement. It was pleasing to hear the range of communication channels that were being used to try to optimise feedback.

The Cabinet Member for Climate Change, Sustainability, Parks and Countryside said that she was excited about the report and the approach of engagement to get a broad view of opinions to the final plan.

The Chairman welcomed Mr Hill to the meeting who had registered to speak to Cabinet.

Mr Hill said that this was simultaneously the most inspiring set of words, and if you not careful the least likely to ever be put into practice. He said to misquote 'Councillor' Eric Morcambe, "I like all of the words in it, but not necessarily in the order written." The draft was mostly rhetoric that can be spun by anyone to mean anything. As a critical friend he wanted to show how limited this approach to using generic objectives could be.

Cabinet say they wanted to “empower individuals, communities, and business to maximise their potential”. Fantastic words unless you live in Windsor where the request by individuals and communities to literally empower themselves to create a Town Council was rejected this week, and in Maidenhead where the request by 60 members of the Neighbourhood Forum to empower them to create a neighbourhood plan was rejected last year.

Mr Hill asked why does Cabinet not commit tonight to a corporate plan with a concrete deliverable goal of allowing the creation of a maidenhead neighbourhood plan? Wouldn't that be a positive and practical vision? Cabinet say you want to be “evidence led and invest in prevention”. Excellent words, but might they not ring hollow in Datchet where the evidence suggests you could have prevented flooding if you had invested in the Environment Agency scheme?

Cabinet says they want to “promote awareness of a clean sustainable and biodiverse environment in every decision we make”. Every single decision, unless that decision concerns the biodiversity of the golf club site, in which case the deer can make their own way across the busy roads to whatever copses are left.

Mr Hill also felt that the questionnaire was also similarly vague. He said that if someone ticks the box to say that they strongly disagree with “providing opportunities to families and individuals to fulfil their potential”, then you already know that they are going to be visited by three ghosts next Christmas Eve, shortly before they stand for public office. Where there are actually controversial statements in the document Cabinet did not actually pose a question.

Mr Hill said for example, paragraph 2.5 could lead to the question: “Do you agree or disagree with the statement that RBWM must be unafraid to transform services away from a service-delivery model, promoting less dependence?” Where I a solid Conservative I might agree with that vision, but is it a good idea to try and blame residents for being “dependents”, might some not fear these words? Others might argue that it is the developers who are truly “dependent” on RBWM.

Corporate plans, in times of austerity, need specific deliverable goals from the outset in my view. Do you agree?

The Chairman thanked Mr Hill and replied that with regards to clear goals we could only set these when a clear established mandate or intent was in place by outlining this with the consultation, the very high level of aspirations of the administration are in this report. The proposed document had not just this administrations but also had significant input by all parties. He welcomed Mr Hill's contributions as part of that consultation, but also had to be mindful of not adding too much detail so to be accused of predetermination.

The chairman said that on some of the other issues, he was particularly pleased to see a reference in there, the building a barrier of housing opportunity, exactly what we will be doing, as he has said time and time again on the golf course site, where we deliver 40% affordable housing, the majority of which will be family accommodation. The majority, if not all of the golf course site, will be much needed family housing as well as publicly accessible open space. He said that it had been said a number of times the intention to really strengthen our climate resilience package of measures, particularly in the areas of flooding. On the issue of Windsor Town Council. That debate was held on Tuesday nights Council and it was clear that a strong mandate was required. He again thanked Mr Hill for his contribution and looked forward to the consultation results.

Cllr Price addressed Cabinet and said that how could anyone disagree with this because it is motherhood and apple pie? Because it is at the higher level, I would find it very difficult for anyone to disagree. She asked what response rate would Cabinet accept in which to go ahead, would it be 2%, 3%, 5% or 10%?

Cllr Price also mentioned that when we came to the budget she made a point of asking for the voluntary sector to be involved it would but this happened as an afterthought and had limited input. She asked that this time they are consulted as part of the process. She also asked what the evidence base was as well as if it would be appropriate to add to the consultation what ethnic origin or disability the respondents may be from.

In reply the Chairman said that he was happy to make the proposed additions to the consultation. The Corporate Plan would go to a wide and robust consultation and would also be taken to scrutiny. This was the start of the process and he was not prepared to set any form of threshold for a council Corporate Plan. There would be a full consultation that would include voluntary organisations, who had already been contacted.

Cllr W Da Costa addressed Cabinet and said goals and measures and strategies are going to be included in a corporate plan and apply to investments programmes, contracts, we tender out and policies and it's absolutely right. However it had ignoring climate change, we need to protect our residents with sustainable infrastructure and from future extremes of weather. There was no mention how future housing would be sustainable and robust to climate change. There was no mention of the lose of biodiversity or promoting and protecting sites. Where was the carbon zero measures. Are these going to be included or did the report need to be 'called in'. He mention the consultation with members on the draft but at the time he did not recognise its implications.

The Chairman replied that appendix B, the draft plan framework, which is promoting awareness of a clean, sustainable and bio diverse environment. In every decision we make. That is the top line statement below which will set all of the other council strategies and policies including the adopted climate change climate resilience strategy. And indeed, all of the follow up work that my colleague Councillor stimpson is working on, of course, it will play a central role in all of the decision making going forward. We also have to balance that against the need to continue to provide new homes economic opportunity in jobs, ideally, green jobs, for our growing population to keep our adults and vulnerable children safe to provide the core services to make sure that we continue to provide all of those services. He supported the document going to scrutiny and hoped that in resulted in robust debate and recommendations.

Cllr Jones mentioned that she was pleased to see free text responses was available for the consultation and asked that the responses be made available. She was informed that they would.

Resolved unanimously: that Cabinet notes the report and:

- i) Agrees the draft Corporate Plan framework for public consultation, and**
- ii) Notes the timelines for implementation.**

B) 2021/22 FINANCE UPDATE - REVENUE AND CAPITAL

Cabinet considered the report regarding the latest financial update for 2021/2022.

The Cabinet Member for Finance and Ascot informed Cabinet that this was the first finance monitoring report for 2021/22. Last year's budget was overtaken by the consequences of the COVID 19 pandemic but turned out better than many would have expected and we established a Covid reserve of £3.8M and increased provisions by about £3.5M.

The 2021/22 budget build was undertaken at a time of extreme uncertainty. The headline in the report was a £244K overspend that reduces reserves to £6.816M and just £100K above the minimum.

The monitoring report was not a snapshot of the Councils financial position at the end of May but, based upon the information available at that time, a forecast of the year end outturn.

Forecasting was an inexact science so sensibly and in the interests of transparency, where there are risks, these were identified in the report. A risk is the possibility, not a certainty that something unwelcome could happen and Directors and service leads are focused on eliminating or at least mitigating risks.

In AfC there were two new high-cost placements but the decision to move the demography fund and two grants to AfC provides a buffer of £340K to cover future placement risks. Covid increased demand for domestic abuse support and other statutory services, costing an additional £300K. As a result of the removal of a public bus service and risks around savings from the retendering of bus services a pressure of £254K was reported in Home to school transport. The increased requirement for AfC was £659K.

It was believed that there would be requests for some children to repeat an academic year, is unprecedented, and number of parents opting to educate their children at home could add to costs. Cllr. Carroll may choose to comment on these points.

ASC is projecting an overspend of £618K; there are many moving parts but the major drivers are an increase in older people needing care and those requiring support for Mental Health issues, the cost of care has also increased.

The transformation team continue to work hard and now COVID 19 restrictions have been lifted, projects designed to reduce cost and improve the quality of life of care users are underway which will assist in meeting savings targets. Re-ablement focusses resource on people when they leave hospital, so they quickly regain their life skills and independence and are able remain in their homes and manage their own lives. A great scheme that improves people's quality of life and reduces cost.

The installation of technology in people's homes has commenced. Sensors raise an alert if it appears a person has fallen or become immobile. Sensors on kitchen appliances monitor when they have been used. So, eating and drinking habits of elderly people may be tracked. This information is monitored and interventions made when necessary. So, prevention not cure.

When setting the budget, A major challenge for our Director of Recourses and Head of Finance was lost income in Parking, Commercial properties and Leisure Centres these budgets are supported by Covid funding but for this year only.

In commercial estates there was a projected £1.5M loss, the team was managing their tenant base and looking to re-let empty properties. Given that new tenants will probably seek a rent-free period he did not expect any change this year but it is crucial for next when the one-off funding will have been used and he would ask the Prop Co to provide Cabinet with a recovery plan.

£1m of income was factored into this year's budget from leisure and there was a warning that this might be reduced to £600K. The Director of Place had agreed to meet with First Leisure to discuss their recovery plans. We have an incredible leisure offer with one of the most modern leisure centres in the country. Families are not holidaying abroad and as Covid restrictions ease we should capitalise on the summer period and work to increase attendance and our wider membership base. Finance reports also indicated a gap of nearly £600K for 2022/23.

The Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health informed Cabinet that he wished to thank the Cabinet Member for his very clear context from which he described the situation with Children's Services and Adult Social Care and Health and Public Health more broadly. The word unprecedented was very aptly, and recently we are seeing across Children Services and on social care, some challenges, particularly which are COVID related, the consequences or complications of COVID are beginning to present. When we think about children's services and education, there is going to be an ongoing challenge to ensure that children can catch up and that any attainment gap

or achievement gap is closed. And there's nothing more important than life chances and opportunities for younger people.

He reported that our services continued to be incredibly resilient, and robust despite the ongoing pressures and challenges of the pandemic. It was testament to the staff what a great job they were doing. Children's services remained largely on track and with Adult Social Care the comprehensiveness of the service in terms of responding to those pressures has been more than comparable and commendable. Both services were committed to providing services for residents and transformation to make sure we have values for money and excellent provision.

The Deputy Leader of the Council, Corporate & Resident Services, Culture & Heritage and Windsor said she would like to comment on the positive variance in libraries and resident services, because they have worked incredibly hard, also the registrar's have had a tremendous year, because they had to cancel weddings, rebook weddings several times, to very distressed people. Given their hard work they had a positive surplus £150,000.

Mr Hill thanked the Cabinet Member for a clear report and asked the following questions.

- At paragraph 6.4 Cabinet state that you have lost rental income from Sienna Court, which is held vacant for Denhead's Nicholson redevelopment. Can you quantify how much that annual loss is, is it the £75k pressure stated, and if so have they paid RBWM for that loss?
- At paragraph 9.7 you state that there have been early successes in reviewing Learning Disability cases to identify savings. In broad terms, can you give any examples of how this being achieved without reducing care or support?
- Paragraph 9.7 page 12 you say you have identified the "top 20" bad debts. What is the ballpark figure for the total of that bad debt so far identified?
- At paragraph 10.4 you state that "the one-off Covid-19 budget of £200k to support Libraries and residents' services in 2021/22 is "not expected to be fully required". I'm a little baffled. Why could that money not be used, at least in 2021/22, to maintain pre-covid opening hours of libraries?
- Paragraph 11.11 states that the post-pandemic effect of reduced commuting means that this may "impact this income stream on a permanent basis". If that's true then why are you still planning to build Vicus Way carpark at a cost of around £11m, when the business case is now known to fundamentally weakened?
- Why is the loss of the weekly bin collection saving absolutely nothing? And why do you categorise this as an amber risk instead of a red risk when you state that it is "likely" that no savings will be delivered?

The Chairman informed Mr Hill that he was asking a lot of detailed questions that would better be responded to in writing. He asked Mr Hill to send in his remaining questions and a response would be provided. Cllr Price later asked if the responses to Mr Hill's could be published in the public domain; if there were no objection they would be.

Cllr Jones addressed Cabinet and said we have been seeing an increasing percentage of the council's total spend going on at the Adults and the Children's directorates, which are statutory services. The pressures presented was squeezing other departments, especially areas such as bins, highways, museum and planning, we are told this trend will continue for the foreseeable future. So apart from transformation that takes time to imbed what was planned to address the situation.

Cllr Jones also asked how bigger risks the impact of higher interest rates on our forecast boring costs was as they hit, as our boring hits £250 million by the end of this year.

The Cabinet Member responded that there was no squeezing other departments. Grants had been transferred to AFC so they could manage their accounts and services. Transformation had been ongoing and was progressing. There was a need to increase income and the

administration were working on this. Interest rates remained a risk where we had contracts that needed renewal within year. It was noted that interest rates for the year were budgeted for. With regards to Adult Social Care members continued to lobby Government and an announcement was expected.

Cllr Larcombe asked with regards to appendix D the gross borrowing forecast question. The forecast was only looking at eight months ahead, could it be that we need a forecast that looks further ahead. It was agreed that this could be included in future reports.

Cllr Price asked about inflation rates, she understand that being higher than anticipated when we set our budget, will that have implications for this year, or fall into future years. She also said that every year, we appear to have under resourced Adult Social Care and children's services. And we always end up with an overspend.

The Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health responded that in the last two years there had not been an overspend as mentioned. More resilience had been put into the services and transformation continued to provide better outcomes and value for money. There were national pressures and local services were doing an excellent job.

Resolved unanimously: that That Cabinet:

i)Notes the report including the Council's projected revenue and capital position for 2021/22.

c) NICHOLSONS QUARTER APPROPRIATION

Cabinet considered the report regarding approval for the appropriation of council-owned land.

The Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property informed Cabinet that He had great pleasure in presenting the report before which marked another key milestone in the delivery of this seismic regeneration project. A project that the Times national newspaper has called a blueprint for the future of town centre regeneration post COVID or others have dubbed the conversion of a shopping centre town centres concept.

Two years ago, we approve the sale of the council's freehold interest in parts of the Nicholsons Shopping Centre following its fall into administration and Central House and to enter into an agreement to relocate the existing carpark as part of the new master plan for the regeneration of that quarter of the town centre. I was very pleased to see resolution by councillors to grant planning consent for that developments, which was approved by the then Borough Wide Planning Committee in March 2021, not February as in the report. There was unanimous support across all parties present.

To deliver any significant regeneration scheme, there are various mechanisms that a local authority can and indeed often should invoke progress, speed delivery of the scheme, but also to provide much needed competence to all parties as part of the process. It has been necessary for us to assist the development to not only invoke our powers of compulsory purchase, but further to that, and the paper before us this evening, the ability or the local authority to interfere with a number of existing third party rights across the site, including rights and servicing, rights of lights, rights of access, etc. We also require these rights for the construction of the new Broadway car park as well as to facilitate the broader delivery of the scheme. The use of appropriation will not only increased certainty, and deliverability of the scheme, but it will also enable us to continue with pace to make sure that all the benefits are brought about in the shortest reasonable timeframe.

The use of powers of appropriation will result in those affected parties being entitled to compensation based upon the reduction of their property and loss of his performance rights.

We do have the power and the Housing and Planning Acts 2016 section 203 to use as an appropriation to lawfully interfere with the rights of other parties.

To invoke said section of that particular act, we must hold the land for planning purpose. Council which owns the freehold interest in the shopping centre does not presently hold the land for this purpose. So we need to formally change this process known as appropriation, which we are being asked this evening to approve following the appropriation of land should this report be agreed the council will then enter into a series of transfers to the developer as part of the land transfer agreements.

The Cabinet Member for Planning, Environmental Services and Maidenhead informed that Maidenhead is has already started its rebirth. The new housing that is now being built is the first step. We have the opportunity to turn our town Maidenhead into one of the finest new towns in the whole of the country. This paper is another step in that process of moving from an old fashioned town centre with a vast number of shops to far more varied centre, especially in the new Nicholsons centre which meets the needs of our new and developing population. A place where you can find many cafes and bars and eating places, lots of speciality shops, small traders being allowed to flourish. We will see magic happening in Maidenhead. This paper will enable us to further to get there.

Mr Hill addressed Cabinet and said his questions fell into three categories: lease, negotiation and risk.

The Council currently own leases for 117 years that entitle us to 15% of net rental income. That income fluctuates from year to year from zero to around £1m. The leases could therefore potentially generate £100m over their lifetime.

According to tonight's paper we appear to voluntarily handing over for free all the leases and all that income. How much has Denhead S.A.R.L paid the residents of the Royal Borough for the loss of up to potentially £100m lease income over the next 117 years?

This paper follows from changes under case law from 2010, when a judge in Leeds said these powers amount to the compulsory purchase of private rights, such as the right to light. And here, those draconian powers are effectively given directly to a developer. In a nutshell, this proposal is akin to a privatised CPO. Doesn't that make Members feel uneasy? I do not understand the essential logic of this paper.

Paragraph 5.8(6) page 12 states that it is not feasible to enter into private treaty negotiations with all affected owners. However, the purpose of this complex land-swap is to use a super-CPO power, which essentially converts private property rights into money without compensation.

There will have to be a process of negotiation with every single affected party identified in the appendices to determine their individual level of compensation. So it is in fact feasible to negotiate, because you actually have to do it anyway.

I did not spot any evidence of any party in the appendices of anyone actually threatening an injunction. Can you confirm tonight has anyone actually threatened seeking an injunction? If not, I ask is it proportional under the human rights act to avoid personal property rights with only hypothetical injunctions being faced?

One of the largest comparable sale-and-leaseback deal was that done by Harringey Council with Tottenham Hotspur football club. He had read their minutes, to derive these questions.

Under section 6 of the report you state that "There is limited risk for the Council as all associated costs will be indemnified by Denhead S.A.R.L".

How can be there by any risks at all, if RBWM is indemnified against all associated costs?

- 1) DENHEAD SARL is a Luxembourg based company. If that company folds for any reason what happens to this indemnity, is the indemnity backed by an independent INSURANCE from Lloyds of London or similar?
- 2) Harringey Council had its costs covered for any tax liabilities that arise. Has RBWM received in writing the same tax indemnity? In particular Stamp Duty Land Tax, Land registry fees and VAT?
- 3) In Harringey, the developer offered all affected parties free independent legal advice. Is Denhead proposing to do the same for here for affected businesses and residents?

The Chairman thanked Mr Hill but said that his first question was not part of the report. But the rest of the questions he passed to Barbara Richardson, Managing Director of the RBWM Property Company.

Cabinet were informed that in terms of the council giving rights to the developer for appropriation, those rights are still with the Council, the same as the CPO rights are the council's rights, we don't give them away to the developer. They're there to make sure that the scheme goes forward. In terms of negotiations with various parties and businesses, and also private individuals, those negotiations had already started, and were well underway as part of the land referencing process that started once we had the CPO had approval. In terms of tax advice for both stamp duty and various other corporation tax advice had been obtained for both the developer and both the council by both of our independent legal advisors.

Cllr Jones mentioned that removal of rights seemed quite a significant step and she was concerned about the impact to residents and businesses affected by the appropriation. Those affected were not detailed within the report and this was a concern as it was important to know the impact of the decision. It does seem to be quite a brutal measure and usually used once negotiations had broken down. She asked what negotiation has taken place and how long have those negotiations been taking place?

Cabinet were informed that compulsory purchasing was a physical asset. If a CPO was awarded, then a compensation figure was awarded and the compulsory removal of someone's actual asset takes place, appropriation did not actually remove somebody's actual asset. It removed the right from the asset that they own that they have enjoyed in the past that they may not enjoy in the future. So for instance a right of light or if you were taking away a public right of access. Appropriation was similar to a CPO, but it's not actually as brutal if you'd like in law as a CPO and compensation was still awarded. It was used to stop someone hindering the development. It was not anything unusual or uncommon for a local authority to do on a large scale scheme. It absolutely does not remove the need to negotiate with any residents or any businesses. And it does not in terms of appropriation, take somebody's property away from them.

Cllr Singh informed Cabinet that in March 2021 Cabinet agreed to a compulsory purchase order to seize land from residents and businesses, for private developers who will make millions. He said it was developer who were running the Council. He said Councillor Johnson avoided a question at full council on whether the administration considered a joint venture of this important site giving away great value. RBWM would only be receiving £1 million by giving away the freehold. You are giving away the right to light, the right to drainage, access rights with just 14 days notice.

This was supposed to be a conservative cabinet. This is not what a one nation conservatism is all about. These developments are supposed to benefit ordinary people not strip their land. We need to start engaging with residents and force these developers to consult with residents.

The Chairman replied that when he mentioned the March meeting he was going to talk about the planning meeting were bot ward members were in favour of the application. He recalled Cllr Singh's supportive comments at the meeting and his support to the regeneration project under the previous leader. He agreed that developers should not ride rough shot and should consult with residents when it affected their day to day lives.

Resolved unanimously: that Cabinet notes the report and:

Approves the appropriation of all Council freehold land that will form part of the Nicholsons Quarter Regeneration Scheme.

ii) Authorises officers to exercise the Council's powers under Section 122 of the Local Government Act 1972 (LGA 1972) to appropriate the Land for planning purposes to facilitate the carrying out of the Scheme in accordance with section 226 of the Town and Country Planning Act 1990 once planning permission has been granted for the Development and the Land is required to deliver the Scheme and so is no longer required for the current purposes.

iii) Approve the acquisition of Denhead S.A.R.L.'s existing freehold interest in the Nicholsons Shopping Centre for nil consideration and simultaneously grant a new 999-year lease back to Denhead S.A.R.L.at a peppercorn rent with the right for Denhead S.A.R.L. to acquire the freehold for nil consideration at a future date.

iv) Delegates authority to the Chief Executive in consultation with the Cabinet Member for Business, Economic Development & Property to negotiate the legal contracts required to complete the transactions.

D) MEDIUM TERM FINANCIAL PLAN 2022/23 - 2026/27

Cabinet considered the report regarding the proposed revision to the Medium Term Financial Plan.

The Lead Member for Finance and Ascot informed Cabinet that This was a refresh of the MTFP published with the budget in March this year but runs for 5 years from 2022/23 to 2026/27. It represents the financial plan to deliver against the MTF strategy which remained unchanged.

The purpose of the report was to set the financial criteria necessary to commence the development of the 2022/23 budget. The report indicates that in 2022/23 a Covid related loss of income from parking and leisure was likely to be £1.1M.

Some of the assumptions were;

- Council tax levels increase in line with national limits of 2%.
- Interest rates continue at 0.6% per annum, as advised by our Treasury Management advisers.
- £2.2m of RSG grant protection continues for 2022/23
- Inflation rises to 3% later this year, before falling back to 2% in future years
- That any growth requirements from new legislation would be fully compensated through new burdens funding. Free Green bins could be an example.

The most significant risks were;

- Inflation which could peak at the wrong time and increase the cost of contracts.
- Any significant Government funding changes.

- Legislation that adds a financial burden to the Council with no compensating income.
- The rate of flow of Capital receipts which could increase interest costs.

Savings for the 4 years from 2022/23 to 2025/26 are little changed increasing from £12.9 M to £13.2M. Adult Social Care Precept was factored into the MTFP but for interest, a 1% precept would deliver £780K and 3% £2.34M.

The Chairman said that we had made considerable progress over the last couple of years in terms of rebuilding and strengthening our financial position. But it's also fair to say that there was a great deal of hard work still to be done. The Royal Borough like all English councils is facing significant financial pressures, both as a result of the covid 19 pandemic, albeit as ever grateful for governmental support. Questions remain going into the future in terms of the legacy of the pandemic and the associated impact particularly amongst certain groups within society, but also to reflect the fact that we are facing particular demographic pressures, growth pressures that we have faced for the last number of years.

He mentioned the excellent work Cabinet were doing in lobbying Government around national pressures that we faced as well as pushing hard in facing the challenges ahead as well as focusing on all of the priorities that had been identified earlier. He looked forward to setting the budget and to genuinely debating credible alternatives to our proposals when we get to that stage.

Mr Hill addressed Cabinet and said that RBWM's reserves had been dipped into again this year, falling to around £6.8m, at paragraph 5.4 you note that you have insufficient reserves to sustain a budget deficit without achieving substantial savings. But you are only projecting to hit 80% of the savings targets for this year, let alone any other year. It appeared the reserves can only go one way.

At paragraph 6.5 you state that you have a strategy to use in year underspends to build up the overall general reserve levels to mitigate against future risks. But even if you achieve the £16m savings needed over the next five years, you will only sustain the general fund statically at or around its £6.7m level for the foreseeable future, that was the answer given to me at Tuesday night's council.

Is a strategy to build up the general fund reserves when you know and project that it will not happen in the foreseeable future. That's not a strategy it is just a hope. The figures do not look promising, if you cannot hit all the savings targets this year.

This administration had done more than anyone to improve the integrity of financial reporting, along with the Director of Resources and her team. But you have already hit the iceberg before you took over, and there were Members telling us before to look the other way, so it hard not to be sceptical. Have you had any discussions with government about capitalisation directions to convert assets into usable reserves, and help avoid an unbalanced budget in 2022?

Adele Taylor informed that we had not had discussions on capitalization as we did not believe that this stage that we need to do we remained firmly convinced that we have the ability to resolve our issues without recourse to such a requirement. She understood his sceptical view given what went before but wanted to assure him that we are resolute and determined to consolidate and advance our hard won gains of the last couple of years in terms of looking to deliver a balanced budget.

The Cabinet Member for Finance and Ascot informed that in the last financial year, we created the COVID reserve which had £3.8 million that would have sat in usable reserves. So last year we moved £7 million pounds out of the budget into usable reserves. And the strategy going forward was to do just that, whenever an opportunity was available.

Cllr Jones informed Cabinet that she was concerned about the assumptions regarding capital receipts as there was not a cash flow to look at, what was the amount of receipts forecast to be received during this period. What would be the impact if the golf club development did not proceed. She was concerned that the MTFP had made assumptions that were not backed up in this report.

The Director of Resources informed that this is the very start of the medium term financial planning process. We have only changed assumptions where there are things we know such as interest rates. As we move through the budget setting process, we will review the capital cash flows but at this stage they have not changed. As we progress areas such as the comprehensive spending review will become clear. The Chairman also mentioned that they were committed to the golf club development and that the BLP was progressing.

Cllr Bond mentioned that this was the third MTFP he had seen recently, pre lockdown, during lockdown and now after lockdown. The timeframe had changed and savings had increased from £15 million to £16 million. It also mentioned the reliance of capital receipts for future years. He asked that with regards to the LEP who carried the risk for projects and if they came forward with a new project that required joint funding how would that work.

Cabinet were informed that RBWM carried the risk for any LEP project in the Royal Borough as they would with any other capital project and if proposals for a new project joint funded was available it would be for the Council to decide.

Resolved unanimously: that Cabinet notes the report and approves:

- **The Medium-Term Financial Plan set out in Appendix A.**

E) REVIEW OF COUNCIL GOVERNANCE OF PROPCO

Cabinet considered the report regarding the review of governance arrangements between the Council and the RBWM Property Company.

The Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property informed that before Cabinet considered the report he wanted to say that this was not a review of the RBWM Property Company, but the relationship with the Council. The property company had achieved a considerable number of successes since its inception, both in terms of actually delivering its core business of affordable housing, but also assisting and facilitating the unlocking of several large scale regeneration projects.

A very prime example of its success had been such creativity and innovation, for example, in two of the recent reports that was presented before Cabinet, one was the Maidenhead Heritage Centre and former Sports Able building, but more recently, the successful relocation of the Maidenhead Community Centres, which he had the great pleasure of visiting along with Councillor Hill earlier in the week. This showed the added value to company provided.

In June 2020, CIPFA reported to Cabinet on their governance review including financial management arrangements of the Council and an action plan was developed to respond to issues that they raised. One of the actions identified was to review current partnership arrangements with the property company and to identify common purpose and goals for both partners.

The Council commissioned 31ten Consulting Limited to undertake a review of the current governance arrangements in the Council for managing the RBWM Property Company. They were asked to highlight both best practice examples as well as areas where the current arrangements could be improved.

As part of the process a number of elected members, senior officers and key partners were interviewed, which included a mix of both Cabinet Members and opposition Members. Cabinet would be requesting that Corporate O&S Panel to consider and monitor the proposed action plan. Scrutiny was a core requirement and was an important element in reviewing the arrangements and progress made around governance. The report also recommended that the companies focus be brought back to its original incepted in 2016, which was to provide and indeed manage a pipeline of affordable homes, as well as including consultancy support to the council for our property arrangements.

The Cabinet Member for Finance and Ascot said he just wanted to recognise how, over the years, the property company had quietly shifted from its initial objective to something rather different. That said he had nothing but good words about the company. It enabled the council to achieve certain things that they would never have achieved without that involvement.

The Cabinet Member for Housing, Sport & Leisure, and Community Engagement said it was absolutely superb to see that the profit company being returned to its original ambition of delivering council owned and council run housing. There will always be a need for council owned stock within local authority areas to support some of our most vulnerable residents. For the first time the Housing Strategy is set out that we want to deliver on our smart targets, an objective assess need to drive up the number of affordable and social rented units in the borough.

Mr Hill addressed Cabinet and informed that he felt it was a sobering report with many excellent and long overdue recommendations. He welcomed cllr McWilliams commitment to social rent accommodation. At Paragraph 2.6 we are reminded that the key objective of the company when it was set up IN 2016 was to provide affordable housing, and keyworker housing.

He questioned what the company had been doing. Paragraph 3.8 of the Independent report says that it had moved in selling council assets and maximising much needed capital receipts. But more than that, the 31Ten report stated at paragraph 3.28 that the shift to maximising land receipts was not in the 2019 business case and we have not seen any documentation of when or how that decision was taken. Why was there no documentation or public discussion of this fundamental change in the company's activities. When and how was that decision actually taken.

Members of the public need to know more and be shown more. Were Slough residents shown what their companies were doing. But will those residents have to pay the £159m price tag of service cuts. We need regular public information about the PropCo to maintain confidence.

No detail has been too small about this company for it not to be kept secret. There were no public meetings. The minutes were taken down from the website. But there appears to be a reason for that. Tonight we learn at paragraph 3.19 of the report that the Shareholder Board, which was supposed to monitor operational progress against the business plan, does not even meet! Why did it not meet.

Mr Hill asked if the Leader could explain what 31Ten meant when they said that key Members are more involved in the operational side of the PropCo than we might expect. It was claimed that the PropCo has provided up to £3.3m of savings, but that is hidden in another unpublished document known as the Value for money log, could this be published.

Mr Hill said that I asked you that very question at council last year and I was told that the MD of the PropCo was not an officer of the Council. But the report tonight now says that the PropCo provides line management to the Council's inhouse property team. So the MD of the PropCo is therefore in fact an officer of the Council. How many more property deals should we expect behind closed doors, without business cases, without Shareholder meetings, but with residents expected to burden every last penny of the risk.

The Chairman thanked Mr Hill for his comments and said that there was no comparison between RBWM and Slough were the property had liabilities on the scale that they had encountered. Decisions made had been via Cabinet and Council and where possible in Part I for transparency.

The company had provided advisory services to maximise value for money for the council and as part of this had included maximising capital receipts. They had help provide much needed affordable housing and helped the council review its assets. We commissioned this piece of work, to make sure that the governance arrangements were appropriate, were robust and indeed, were the strongest level that we felt appropriate given the nature of the relationship.

The RBWM Chief Executive confirmed that the Managing Director of the company was employed by the company, not by the Council and was not a council officer. There were line management relationships of property service professionals, to the property company and these needed to be formalised.

Cllr Baldwin as that if they recommendation was to return the company back t its original objective, one must ask why it had been allowed to stray from that objective and why this had not been picked up. Part of the review had been to consult with the opposition and he asked that they e included in moving the governance forward. As stated in paragraph four of the report summary if the intention is to improve the transparency of Prop COEs activities, what could better satisfy your two most burning imperatives here we have the opportunity for collegiate working and transparency.

The Chairman responded that it would be fair to say that they had been more than talking about it for the last two years and in fact, been doing it. They had adopting a far more collegiate and consensual approach than previously may have been the case. The level of transparency and openness is at all-time record highs within the authority. He said that given that this was going to scrutiny the opposition leaders on the panel should be more than happy to represent his views when considering the item.

Cllr Price addressed Cabinet and said that she was concerned her was the willingness to wait so long before taking any action. I personally have been very concerned about the lack of transparency and how the property company had been run for over a year. Yet this report was one of the last actions from CIPfA to be undertaken. She was concerned that one in Cabinet actually understood that the lack of transparency was glaring, that we have a report that says there should be SMART objectives. There was also a lack of affordable housing provision when looking at the BLP.

The Chairman said that once the BLP was adopted there would be a significant amount of development providing AH. That said it was not he responsibility of the property company to deliver the AH targets. As previously mentioned there had been plenty of report presented at Cabinet over the last 2 years with most of them on line for delivery. He reiterated the importance of taking this via scrutiny so did not agree that there was an unnecessary delay given scrutiny's importance. He was delighted that the action plan would be going to and be monitored by the Corporate O&S Panel.

Resolved unanimously: that Cabinet notes the report and:

- I. Asks the Chief Executive to develop an action plan, in consultation with the Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property to respond to the issues raised in the review of governance at the Council in relation to the RBWM Property Company (PropCo)**

- II. Requests Corporate Overview and Scrutiny Panel to consider and monitor the action plan that officers develop and to form part of the Annual Governance Statement Action Plan for this year.
- III. Delegates to the Chief Executive to make suitable arrangements in relation to setting up a client-side function within the Council and identify a suitable lead officer to take on this role
- IV. Agrees that the overall purpose of the RBWM Property Company (PropCo) should be as originally approved in 2016 and amended to include consultancy support for the Councils contractual property arrangements
- V. Agrees that all necessary changes to relevant legal documentation is delegated to the Monitoring Officer to execute on completion of the action plan

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public were excluded from the remainder of the meeting whilst discussion took place on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of part I of Schedule 12A of the Act.

CABINET MEMBERS' REPORTS

The meeting, which began at 7.00 pm, finished at 9.41 pm

CHAIRMAN.....

DATE.....