

POLICY COMMITTEE MINUTES - 17 JULY 2017

Present: Councillor Lovelock (Chair)

Councillors Duveen, Eden, Ennis, Gavin, Hacker, Hopper, Hoskin, Jones, Page, Skeats, Stevens, Terry and White.

10. EXCLUSION OF THE PRESS AND PUBLIC

Resolved -

That pursuant to Section 100A of the Local Government Act 1972 (as amended), members of the press and public be excluded during consideration of items 11-13 below as it was likely that there would be a disclosure of exempt information as defined in the relevant paragraphs specified in Part 1 of Schedule 12A to that Act.

11. PROPERTY IN CENTRAL READING

Further to Minute 20 of the meeting of Policy Committee held on 18 July 2016, the Director of Environment and Neighbourhood Services submitted a report on the outcome of a restricted bidding process for the voluntary sector for the Central Club Building.

The report outlined two bids received from the voluntary sector, together with other options available to the Council to dispose of this asset. The report recommended the option of marketing the property to all sectors, and receiving conditional bids subject to obtaining planning consent. The report also set out information on the current condition of the mural, which was showing signs of deterioration.

The report explained that a sum of £220k had previously been identified for this property in the capital programme, which had been envisaged to be paid to a successful group if they could show that they had the remaining funding necessary to repair the property and bring it back into use for community purposes. It was recommended that this provision now be deleted.

Resolved -

- (1) That the options for disposal and financial implications be noted;**
- (2) That agents be procured and the property advertised on the open market with all bids including variant bids received being considered by a future meeting of the Committee;**
- (3) That the provision of £220k allocated to the Central Club building in the approved capital programme be deleted;**
- (4) That the latest position in relation to the condition of the mural be noted.**

(Exempt information as defined in paragraph 3).

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12. WORKS TO CORPORATE BUILDINGS 2017/18

The Director of Environment and Neighbourhood Services submitted a report giving an update on the programme for condition and compliance works to corporate buildings completed in 2016/17 and setting out the proposed 2017/18 programme.

Resolved -

That the allocation of resources in the 2017/18 Capital Programme for condition/compliance and priority health and safety works to corporate buildings be approved.

(Exempt information as defined in paragraph 3).

13. HOMES FOR READING: SHAREHOLDER CONSENT

The Director of Environment and Neighbourhood Services and Director of Finance submitted a report to seek approval from the Committee, acting as shareholder of Homes for Reading Ltd (HfR) for a proposed purchase of a small block of flats. Shareholder approval was required as the proposed transaction was above the threshold of £1m set out in the shareholder agreement.

Resolved -

That, in accordance with the shareholder agreement between the Council and Homes for Reading Ltd (HfR Ltd), HfR Ltd be given consent to purchase the property on the terms set out in the report.

(Exempt information as defined in paragraph 3).

14. CHAIR'S ANNOUNCEMENTS

The Chair made the following announcement regarding a decision taken in closed session (see Minute 11 above):

“During the closed session the Committee considered bids received from the third sector to purchase the old Central Club building on London Street.

Firstly, I would like to thank the groups for the effort and time they put into their bids.

The decision we have come to has been a very difficult one.

You will be aware that later this evening we will again be reviewing the Council's financial position and considering a further tranche of savings and income generating proposals, to help close the budget gap. Given this ongoing financial context, the Committee has decided not to proceed with either of the third sector bidders, and instead has agreed to offer this property on the open market. It is hoped that this approach of seeking new bids will provide the Committee with a full range of bids upon which to make an informed decision based on best value. The marketing

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process will not preclude bids from the third sector, and the existing third sector bids will remain in contention (if they so wish), or they can submit fresh bids.

With regards to the Mural, a small piece of render recently fell off the wall and we have asked officers to undertake an urgent survey of the mural, so that bids can take account of the condition of the mural.

Due to the Council's financial position we have also agreed to remove the £220k provision in the Council's capital programme earmarked for development of this building."

15. MINUTES

The Minutes of the meeting held on 12 June 2017 were agreed as a correct record and signed by the Chair.

16. PETITIONS AND QUESTIONS

Peter Burt submitted a petition on the subject of 'Keep the Arthur Hill Site for Community Site'. Councillor Hacker responded to the petition.

Questions on the following matters were submitted by members of the public:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Roger Lightfoot	School Transport to Swimming Pools	Cllr Jones
2.	Peter Burt	Arthur Hill Building	Cllr Hacker
3.	Tony Warrell	Trees in King George V Memorial Garden	Cllr Hacker
4.	Tony Warrell	Kings Road and Queens Road junction	Cllr Page
5.	Ruth Pearse	Proposal to reduce Information Advice & Support Service	Cllr Gavin
6.	Leslie McDonald	Proposal to reduce Information Advice & Support Service	Cllr Gavin
7.	Jo Billington	Proposal to reduce Information Advice & Support Service	Cllr Gavin
8.	Ramona Bridgman	Proposal to reduce Information Advice & Support Service	Cllr Gavin
9.	Leslie McDonald	Proposal to reduce RCVYS Grant	Cllr Gavin

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	Cost to Local Taxpayer of East Reading MRT and Park-and-Ride	Cllr Page
2.	Cllr O'Connell	Take up of Free School Meals	Cllr Jones
3.	Cllr Duveen	Children's Services	Cllr Gavin

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17. BUDGET MONITORING 2017/18

The Director of Finance submitted a report setting out the budget monitoring position for the Council to the end of May 2017.

The report set out results of the Directorate budget monitoring exercises with a commentary for each Directorate on the emerging variances and proposed remedial actions.

Resolved -

That it be noted that, based on the position at the end of May 2017, budget monitoring forecast an overspend of around £1.216m, and that plans to address this position (if it persisted) would be presented to the Committee in September with the July monitoring report.

18. BRIDGING THE GAP: MEDIUM TERM FINANCIAL STRATEGY

The Director of Finance submitted a report presenting and seeking agreement to a revised Medium Term Financial Strategy (MTFS) including a number of new savings and income proposals. The following documents were attached to the report:

- Appendix A - Summary of savings and income options;
- Appendix B - Summary of new savings and income options by category;
- Appendix C - Brief description, by directorate, of the new savings proposals;
- Appendix D - Detailed proposals for new savings;
- Appendix E - Estimates of the cost of change and implementation;
- Appendix F - Financial Guidelines for setting Revenue Budget 2017-20;
- Appendix G - Revised Budget 2017-2018.

The report explained that, since the 2017-18 budget had been agreed by full Council on 21 February 2017 (Minute 48 refers), officers and the Administration had reviewed all previous savings and income proposals. Any savings no longer deliverable in the same way had been removed or amended, and new options had been identified to fill the gap. In addition, there had been a review of base budget assumptions around areas such as interest rates, borrowing and inflation. Appendix A to the report set out a summary of the changes from February 2017, through removal of undeliverable proposals, allocation of the contingency, and addition of new proposals. £36.1m of savings had been identified over the period from 2017/18 to 2019/20, through proposals to deliver different ways of working, efficiencies, savings, generate income and manage demand.

Appendix C gave a brief description, by directorate, of new savings and income options totalling £11.251m. These were categorised as management action (£2.410m), proposals submitted for approval by the Committee (£5.848m), and proposals submitted for approval for further work on the implications and feasibility (£2.993m). Detailed business cases for the new savings proposals which required approval by the Committee were set out in Appendix D. It was recognised that many of the proposals required investment and/or additional resources to implement, and

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estimates of the cost of change and implementation including provision for corporate capacity were attached to the report at Appendix E.

The report noted that, if all the savings proposals were agreed and delivered and other finances were brought under control then the MTFS would result in a much reduced budget gap by the end of 2019/20. This was dependent on a number of underpinning assumptions and caveats, details of which were set out in the report. The report also outlined opportunities to release funds which had emerged from checking of the proposals and base budget for 2017/18, in areas including Treasury Management, Council Tax base, National Non-Domestic Rates & the NNDR Levy, Better Care Fund, National Insurance, National Living Wage, and Staff Terms & Conditions. In addition, reviews of Fees and charges, the Capital Programme, Workforce Planning and Procurement were continuing. Some of this work had strengthened the budget for 2017/18, although the budget still depended on the use of £4.451m of reserves and it remained challenging to deliver all of the savings required in the current year. Close monitoring of progress would continue.

Resolved -

- (1) That the financial context and budget outlook be noted;**
 - (2) That the proposals for change in Appendices A to D be approved, and officers authorised to undertake any necessary public consultation and individual Equality Impact Assessments, with the outcomes and recommendations being reported back for decision at the relevant Committee or Sub-Committee;**
 - (3) That the change and improvement cost estimates set out in Appendix E be approved;**
 - (4) That it be noted that the proposals for change set out in Appendices A to D would be utilised in order to ensure that the 2017/18 budget agreed by Council in February 2017 could be delivered, with the impact on the 2017/18 budget as set out at Appendix G, and to set the conditions for a provisional budget to be prepared for 2018/19, subject to approval by full Council in February 2018;**
 - (5) That the budget guidelines for the 2018/19-2019/20 planning period, as set out at Appendix F, be approved;**
 - (6) That the Corporate Management Team be requested to bring forward additional savings and income proposals in the autumn to bridge the remaining budget gap between 2018-20.**
- 19. PROPOSED SAVING TO HOMELESSNESS SUPPORT SERVICES: RESPONSE TO CONSULTATION AND PROPOSALS TO RECONFIGURE SERVICES**

Further to Minute 87 of the meeting held on 13 February 2017, the Director of Environment and Neighbourhood Services submitted a report summarising the key

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findings from consultation on a proposal to reconfigure Homelessness support services, and seeking approval to implement the proposals and make a budget saving.

The report noted that a consultation had commenced in February 2017 on a new service model reflecting a budget reduction of £245,000, approximately 17% of the total value of currently commissioned homelessness support service contracts. The proposed new model was more flexible and would provide immediate and emergency responses to those who were homeless or rough sleeping, a more tailored and personalised support service for single homeless people, and a stronger multi-agency approach to meeting complex needs and services that pre-empted and prevented homelessness.

The report set out the features of the proposed new service model which would include:

- A hub that brought together services for those who are homeless or rough sleeping, including emergency assessment beds, 24/7 supported hostel accommodation and support services;
- An outreach team focussed on supporting rough sleepers into accommodation and reconnecting those without a local connection to their area of origin;
- A 'No Second Night Out' model to ensure a rapid response for anyone who was sleeping rough for the first time to prevent them sleeping out for a second night;
- Emergency bed spaces for rough sleepers, regardless of their immigration or local connection status, during severe weather;
- Shared supported accommodation for those presently unable to manage independent living and wrap-around support to ensure that if an individual's needs increase moving them was a last resort;
- Some accommodation under 'Housing First' principles where an unconditional offer of independent housing was made alongside intensive support for people with multiple and complex needs where shared supported housing offers had been unsuccessful;
- Cross-tenure floating support service to help people sustain their tenancy;
- 'No First Night Out' preventative approach with those at risk of rough sleeping.

The report summarised the key findings from the consultation with further detail in a report attached at Appendix 2, and an Equality Impact Assessment for the proposals was attached to the report at Appendix 1. Following the consultation it was proposed that homelessness support services be reconfigured as proposed. A full competitive tender exercise would be undertaken, with the implementation of new contracts anticipated from 1 September 2018. The report sought authority to extend the current contracts until this date.

Resolved -

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- (1) That the summary of the consultation responses be noted;**
- (2) That the proposal to reconfigure homelessness support services in Reading based on the principles set out in the report, and delivering an overall saving of £245,000 per annum, be agreed;**
- (3) That the Director of Environment and Neighbourhood Services, in consultation with the Lead Councillor for Housing, the Head of Finance and the Head of Legal and Democratic Services be authorised to award the contracts for the provision of an outreach service for rough sleeping in Reading; supported accommodation to meet the needs of vulnerable single homeless residents and to support the reduction of rough sleeping numbers in the borough and a floating support service to prevent homelessness in lots to be determined; each for a period of three years, with the option to extend up to a maximum of three years, to the successful tenderers in accordance with the Council's Contract Procedure Rules;**
- (4) That the Head of Housing and Neighbourhoods, in consultation with the Lead Councillor for Housing, be authorised to extend interim contracts for all Homelessness Pathway Supported Living Non-Registered Services for a period of five months from 1 April until up to 31 August 2018, with the current providers: Bournemouth Churches Housing Association, Launchpad Reading, Riverside and The Salvation Army;**
- (5) That the Head of Housing and Neighbourhoods, in consultation with the Lead Councillor for Housing, be authorised to enter into an interim contract for the Outreach Service for Rough Sleeping for a period of five months from 1 April 2018 until up to 31 August 2018 with the current provider, St. Mungo's.**

20. USE OF S106 AND RIGHT TO BUY RECEIPTS TO INCREASE THE PROVISION OF NEW AFFORDABLE HOMES

The Director of Environment and Neighbourhood Services submitted a report providing an update on the current Local Authority New Build (LANB) programme and setting out for approval proposals and funding arrangements for the next phase of the programme.

The report set out the government requirements and current position regarding the retention and use of Right To Buy (RTB) receipts, and stated that the Council had a total of £3.2m of unallocated RTB receipts, with a further £2.2m projected to be received by March 2018. When match funded by Housing Revenue Account (HRA) or General Fund borrowing of up to £12.6m (based on the requirement that RTB be used to cover no more than 30% of development or acquisition costs) this would result in a development budget of c£18m. An additional c£1.9m of s106 receipts were also allocated for affordable housing development, providing a potential total budget of

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c£19.9m to continue the LANB programme. This would deliver around 100 new Council homes, depending on cost inflation, and the report sought initial spend approval for this budget.

The report listed the sites included in Phase 1 of the Council's new build housing programme, which would deliver 148 new units with a capital spend of £26.6m. 63 of the new homes were now completed and tenanted and the remaining 85 units would be completed over the next two years. Feasibility work was being undertaken to assess a number of sites owned by the Council, and a shortlist of potential development sites for the next phase of the LANB programme were being assessed in detail. It was also proposed to continue a small programme of purchasing properties, often within existing Council housing blocks, and to expand this to include purchasing of properties for temporary accommodation funded via a combination of RTB receipts and General Fund borrowing. The Housing Service had also identified opportunities for conversion of storage/ancillary spaces in blocks of flats to create a small number of additional flats.

The report recommended that, in order to expedite the process of delivering viable sites through to completion, the Director of Environment and Neighbourhood Services be authorised to agree which sites to progress within the spend approvals and restrictions set out in the report, and be authorised to enter into contracts with the winning bidders in respect of multi-disciplinary/consultancy services and works to deliver the schemes. Delegated authority was also requested for the Head of Housing and Neighbourhood Services to approve the purchase of existing properties from the open market to be held within the General Fund for the use of Temporary Accommodation, limited to a purchase price of £500k or below.

Resolved -

- (1) That the current position regarding site appraisals and funding capacity to support the next phase of the Council's Local Authority New Build (LANB) programme be noted;**
- (2) That spend approval be given for up to £19.9m to deliver new Council homes on identified sites, and to support the acquisition of market sale properties to provide affordable homes;**
- (3) That the Director of Environment and Neighbourhood Services be authorised, in consultation with the Lead Councillors for Housing and Strategic Environment, Planning and Transport, the Director of Finance and the Head of Legal and Democratic Services, to agree which sites to progress within the spend approvals and restrictions set out in the report;**
- (4) That the Director of Environment and Neighbourhood Services be authorised, in consultation with the Lead Councillor for Housing, the Director of Finance and the Head of Legal and Democratic Services,**

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to enter into contracts with the winning bidders in respect of multi-disciplinary/consultancy services and works to deliver the schemes;

- (5) That the Head of Housing and Neighbourhood Services be delegated authority, in consultation with the Head of Finance, to approve the purchase of existing properties from the open market to be held within the General Fund for the use of Temporary Accommodation, with a limit of £500,000 per single unit.

21. HOMES FOR READING: AMENDMENT TO SHAREHOLDER AGREEMENT

Further to Minute 99 of the meeting held on 13 March 2017, the Director of Environment and Neighbourhood Services and Director of Finance submitted a report seeking approval for an amendment to the Shareholder Agreement between the Council and Homes for Reading (HfR).

The proposed amendment was an increase of the threshold at which shareholder consent for a proposed transaction was required, from £1m to £3m. This would enable HfR to purchase smaller blocks of flats or portfolios of properties without the need to wait for a scheduled meeting of the Policy Committee, or to call an urgent meeting. The need to get Council consent had been seen as a potential barrier to such acquisitions proceeding quickly, with the inherent risk that the opportunity could be lost.

Resolved -

That the Shareholder Agreement between the Council and Homes for Reading Ltd (as set out at Appendix 1 to the report to Policy Committee on 13 March 2017) be amended to change clause 31 from “enter into any contract with a value in excess of £1,000,000” to “enter into any contract with a value in excess of £3,000,000”.

22. READING’S ARMED FORCES COVENANT AND ACTION PLAN - MONITORING REPORT

The Chief Executive submitted a report on the development of the Community Covenant, a voluntary statement of mutual support between a civilian community and its local armed forces community, and giving an annual update on progress against the actions outlined in the associated action plan, which was attached to the report at Appendix A.

The report stated that the Council had nominated itself for the bronze award of the Defence Employer Recognition Scheme, and it was reported at the meeting that the award had been achieved.

Resolved -

- (1) That the progress against the actions set out in the Armed Forces Covenant Action Plan (Appendix A) be noted;

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- (2) That it be noted that the Council had received the bronze award of the Defence Employer Recognition Scheme.

(The meeting started at 6.30pm and closed at 8.50pm).

SIGNED:

DATE: