

## POLICY COMMITTEE MEETING MINUTES - 18 FEBRUARY 2019

**Present:** Councillor Lovelock (Chair);  
Councillors Page (Vice-Chair), Brock, Ennis, Hacker, Hoskin, James, Jones, O'Connell, Skeats, Stevens, Terry, Vickers, Warman and White

**Apologies:** Councillors Pearce

### RESOLVED ITEMS

#### 65. DECLARATIONS OF INTEREST

Councillors Ennis and Lovelock declared pecuniary interests in item 71 - 'Shareholder Consent: Homes for Reading Ltd Appointment of External Auditor for 2018/19', left the meeting and took no part in the debate or decision. Nature of interest: the Councillors were Directors of Homes for Reading Limited.

#### 66. MINUTES

The Minutes of the meeting held on 14 January 2019 were agreed as a correct record and signed by the Chair.

#### 67. PETITIONS AND QUESTIONS

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

	<b>Questioner</b>	<b>Subject</b>	<b>Reply</b>
1.	Hilary Smart	Caversham Library	Cllr Hacker
2.	Glenn Dennis	Cultural Partnership & Cultural Education Partnership	Cllr Hacker
3.	Richard Stainthorp	Prison Site	Cllr Page
4.		WITHDRAWN	
5.	Roger Lightfoot	Sale of Arthur Hill Pool	Cllr Lovelock
6.	Peter Burt	Sale of Arthur Hill Pool	Cllr Lovelock
7.	Peter Burt	Sale of Arthur Hill Pool	Cllr Lovelock
8.	Amjad Tarar	Retention of Business Rates	Cllr Lovelock
9.	Anne Green Jessel	Sale of Arthur Hill Pool	Cllr Lovelock

Questions on the following matters were submitted by Councillors:

	<b>Questioner</b>	<b>Subject</b>	<b>Reply</b>
1.	Cllr White	Accessible Playgrounds in Reading	Cllr Hacker
2.	Cllr White	Increasing Council Spend on	Cllr Lovelock

	Agency Staff	
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(The full text of the questions and responses was made available on the Reading Borough Council website).

**68. CONCESSIONARY TRAVEL SCHEME - INVESTIGATION OF BUDGET SAVING PROPOSALS**

The Director of Environment and Neighbourhood Services submitted a report providing an update on possible changes to the Concessionary Travel scheme for Older Person pass holders and disabled people using the Access Pass in Reading. In February 2018, the Policy Committee had agreed to investigate the potential removal of further discretionary elements of the Concessionary Travel scheme, following the implementation of initial changes to the Older Persons' scheme in April 2017. The anticipated budget savings from these potential changes, subject to the outcome of public consultation and an Equalities Impact Assessment (EIA) of the proposals, had been estimated to be approximately £200-250k per annum.

The report noted that, following an initial review of the consultation results, it had been announced at the meeting of Policy Committee on 29 October 2018 that the Council did not intend to proceed with the removal of the Companion Entitlement for eligible Access Pass holders, as this provided a vital lifeline for disabled residents who were unable to travel alone. However, this prospective change had been included in the list of proposals to enable the Committee to confirm formally the position taken at the earlier meeting.

The report also recommended endorsing an internal review of the current process for assessing the eligibility of applications for Access Passes to ensure the process provided value for money in line with Government guidance. This process would include an assessment of the renewal procedure, which could be amended to require pass holders to renew their eligibility for the scheme at the end of the five-year lifespan of their pass, whilst recognising any such review would need to be sensitive to those pass holders who had a permanent disability.

The report had appended: an Equality Impact Assessment of the proposals; Consultation Questionnaires; the full results of the consultation response; background information on administering eligibility and the Concessionary Fares Schemes in the South-East; and the Readibus consultation responses.

Having considered the recommendations and in light of the responses received to the public consultation and the Equality Impact Assessments undertaken, Councillor Page, Lead Councillor for Strategic Environment, Planning and Transport, proposed that the possible changes to the discretionary element of the Concessionary Travel scheme set out in Section 4 of the report should not be implemented.

**Resolved -**

- (1) That the report and the potential financial savings of £200k - £250k per annum that the changes to the scheme could deliver be noted;**

- (2) That, taking into account the responses received to the public consultation and the Equality Impact Assessments undertaken, none of changes set out in the report be made to the discretionary elements of the Concessionary Travel scheme, which would mean the following would continue to be available:
- Off-peak Weekday Free Travel (pre-9.30am/ after 11.00pm) for Access Pass Holders;
  - Companion entitlement for eligible Access Pass Holders;
  - Free use of Readibus dial-a-ride services for eligible Access Pass Holders;
  - Free use of Readibus scheme by Older Person Pass Holders;
- (3) That the administration of eligibility criteria for Access Passes be reviewed on the grounds described in Appendix D to the report to ensure the process provided value for money in line with Government guidance.

**69. CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL'S 2019/20 BUDGET**

The Director of Resources submitted a report fulfilling the requirement on her under Section 25 of the Local Government Act 2003 as the Council's Chief Finance Officer to report on the robustness of the estimates made for the purposes of the calculations of the budget and the adequacy of the proposed level of financial reserves. The Council had a duty to have regard to the advice set out in the report when considering setting its 2019/20 Budget and Medium Term Financial Strategy for the subsequent two financial years. The Statement of Reserves and Balances, which provided a summary of estimated reserve movements from 31 March 2019 and 31 March 2022, were circulated to the Committee for its information.

**Recommended to Council -**

**That the Chief Finance Officer's report on the robustness of the Council's 2019/20 budget and indicative budgets for the subsequent two financial years 2020/21 and 2021/22 be noted and the opinion contained therein be taken into account by the Council when it considered the Budget and Medium Term Financial Strategy on 26 February 2019.**

**70. DRAFT 2019/20 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY TO 2021/22**

The Director of Resources submitted a report asking the Committee to recommend to Council, on 26 February 2019, the draft 2019/20 Budget and Medium Term Financial Strategy (MTFS) and associated spending plans for the three years 2019/20 to 2021/22. The report covered all aspects of the Council's spend: General Fund revenue expenditure funded by the Council tax payer; Government grant and other sources of income; Housing Revenue Account (HRA) expenditure, funded by Council; tenants' rents; and the Council's Capital Programmes (General Fund and HRA) funded by grants and contributions, capital

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receipts, revenue and prudential borrowing. The proposed Medium Term Financial Strategy had been informed by and supported delivery of the Council's Corporate Plan priorities and sought to ensure that the Council was "fit for the future" with sound finances that allowed the Council's future funding challenges and spending pressures to be met.

The report stated that the MTFS 2019 - 2022 provided for a balanced budget position across the three years, as well as making a net contribution to reserves over the three years of £2.4m by using part of the benefit from the business rate pilot, which would enable reserves to move back towards a more robust level. The Strategy provided for a robust financial position going forward, which relied on significant service transformation to drive increased efficiency savings and income generation in order that service reductions could be minimised. In particular it assumed:

- a) Revenue Support Grant from Government had effectively reduced to zero in 2019/20 due to the Business Rates pilot and would remain at zero following the Business Rates reset;
- b) Council Tax increases of 2.99% in 2019/20 and 1.99% in both 2020/21 and 2021/22;
- c) The benefit of Business rate growth forecast in 2019/20 had been discounted in 2020/21 because the impact of the planned business rate reset was as yet unknown;
- d) £27.5m of efficiencies and increased income across the period;
- e) A contingency provision over the three years (£4.4m 2019/20; £4.1m 2020/21; and £3.4m 2021/22) to mitigate possible slippage or non-achievement of higher risk savings and budget pressures over the period;
- f) Capital investment of £464m over the period 2019/20 to 2021/22 of which £249m would be for invest to save purposes;
- g) £6.4m of transformation funding (over the period 2019/20 to 2021/22) to support delivery of efficiency savings assumed within the MTFS; and
- h) Service reductions of £2.6m.

On 1 December 2018, the Council had incorporated a Local Authority Company, Brighter Futures for Children, to provide services previously delivered directly by the Council. The cost of providing those services, as well as funding for transformational change (an additional £2.1m in 2019/20) had been included in the Medium Term Financial Strategy.

The report had appended:

- Appendix 1 Summary of General Fund Budget 2019-20 to 2021-22;
- Appendix 2 General Fund Revenue Budget by Service 2019-20 to 2021-22;
- Appendix 3 Detailed General Fund Budgets 2019-20 to 2021-22;
- Appendix 4 Housing Revenue Account Budget 2019-20 to 2021-22;

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- Appendix 5 General Fund and HRA Capital Programme 2019-20 to 2021-22;
- Appendix 6 Flexible Capital Receipts Strategy;
- Appendix 7 Fees and Charges;
- Appendix 8 Dedicated Schools Grant 2019/20;
- Appendix 9 Equality Impact Assessment.

### Recommended to Council -

That the proposed 2019-20 General Fund and Housing Revenue Account budgets, draft Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-9 be approved, noting the following:

- (a) the Council's General Fund Budget Requirement of £139.5m for 2019/20;
- (b) the proposed service savings and efficiencies of £10.5m together with additional income of £4.4m in 2019/20 required to achieved a balanced budget for that year;
- (c) the proposed growth in 2019/20 service budgets of £12.5m;
- (d) the overall savings proposed within the MTFs of £30.1m (of which changes to income, fees and charges was £6.2m) and three-year growth changes to service budgets of £30.9m;
- (e) the increase in the Band D Council Tax for the Council of 2.99% or £47.24 per annum representing a Band D Council Tax of £1,627.23 per annum as set out in paragraph 15.1;
- (f) the Housing Revenue Account budget for 2019/20 of £42.7m as set out in Appendix 4 and a reduction of 1.00% (£/wk) in social dwelling rents from April 2019 giving a revised weekly average social rent of £99.39 as set out in paragraph 19.3;
- (g) the General Fund and Housing Revenue Account Capital Programmes as set out in Appendix 5;
- (h) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 6;
- (i) the changes to Fees and Charges outlined in Appendix 7 of the report;
- (j) the allocation of the £76.4m dedicated schools grant as set out in Appendix 8;
- (k) the Equality Impact Assessment requirements as set out in Appendix 9.

### 71. SHAREHOLDER CONSENT: HOMES FOR READING LTD APPOINTMENT OF EXTERNAL AUDITOR FOR 2018/19

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The Director of Resources submitted a report seeking consent from the Policy Committee, in its capacity as sole shareholder for Homes for Reading Limited (HfR), for the appointment of Wilkins Kennedy as external auditors for HfR. The report explained that HfR had to present its accounts to Companies House, in accordance with the Companies Act, and that the Shareholder Agreement between the Council and HfR required the Company to submit its annual accounts to the Shareholder to facilitate their incorporation into its main accounts within a reasonable period after the end of the financial year.

**Resolved -**

**That Shareholder Consent be given to Homes for Reading Limited to appoint Wilkins Kennedy as its external auditor for the preparation of its 2018/19 financial accounts.**

(Councillors Ennis and Lovelock declared pecuniary interests in this item, left the meeting and took no part in the debate or decision. Nature of interest: the Councillors were Directors of Homes for Reading Limited. Councillor Page took the Chair for this item).

(The meeting started at 6.30 pm and closed at 7.29 pm)