

POLICY COMMITTEE MEETING MINUTES - 15 JULY 2019

Present: Councillor Brock (Chair);

Councillors Page (Vice-Chair), Duveen, Emberson, Hoskin, James, Jones, Pearce, Robinson, Rowland, Skeats, Stevens, Terry and Warman

Apologies: Councillors Ennis and White

RESOLVED ITEMS

11. MINUTES

The Minutes of the meeting held on 10 June 2019 were agreed as a correct record and signed by the Chair.

12. QUESTIONS

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

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Ann Dally	Revenue Collection	Cllr Emberson
2.	Ann Dally	Mental Health linked to Problem Debt	Cllr Hoskin
3.	Peter Burt	Sale of Arthur Hill Pool	Cllr Brock
4.	Peter Burt	Review of FOI arrangements	Cllr Brock
5.	Roger Lightfoot	Sale of Central Pool site	Cllr Brock
6.	Roger Lightfoot	Leisure Contract	Cllr Hoskin
7.	Stuart Kinton	Third Thames Bridge	Cllr Page
8.	Stuart Kinton	Schemes to Reduce Carbon Emissions	Cllr Page
9.	Stuart Kinton	Reducing Personal Car Use	Cllr Page
10.	Tony Warrell	Eldon Square Gardens	Cllr Rowland

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

13. CLIMATE EMERGENCY

Further to Minute 48 of the meeting of full Council on 26 February 2019, the Director of Economic Growth and Neighbourhood Services submitted a report outlining the Council's progress to date in tackling climate change, work in progress and setting out the proposed approach to responding to the climate emergency declaration made by the Council on 26 February 2019. The following documents were attached to the report:

- Appendix 1 - Modelling a Zero Carbon Pathway
- Appendix 2 - Existing Projects

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- Appendix 3 - Item 11 Full Council - 26th February - Council Climate Emergency Declaration
- Appendix 4 - 'Reading Climate Change Strategy 2013-20 Action Plans

The report summarised work in progress including the development of the new Reading Climate Change Strategy, which would be launched in April 2020, and the new Local Plan which set requirements for zero carbon planning on all large residential developments and BREEAM 'Excellent' standard on large commercial developments. It also summarised a Climate Emergency Action Framework which set out the major actions that would be needed to make significant progress towards a carbon neutral Reading by 2030.

The report explained that an internal Corporate Task Group would be established to oversee the coordination of the Climate Emergency Framework, ensuring its principles and objectives were embedded as part of day-to-day business and that key projects were taken forward across the Council. All the standing Committees would report on the relevant elements of Reading's Climate Change Strategy and the Climate Emergency Action Framework. The role of the Policy Committee would be to take an overview of the success of the Corporate Plan in delivering the climate change objectives, as well as matters relating to energy, budget and the Council's own operations and to the Council's constitution and governance arrangements. Work with businesses on the low carbon economy through the Local Enterprise Partnership, Reading UK and Reading 2050 would also feed into Policy Committee.

Resolved -

- (1) That the progress made to date by the Council's proactive approach to addressing climate change issues and impacts in Reading be welcomed, while noting the scale of the ongoing challenge;**
- (2) That the climate emergency declaration be embedded across all Council services, activities, plans and other relevant work to ensure a fully integrated and systematic approach to the Council's own response to this challenge;**
- (3) That it be agreed that while the Council would lead by example the scale of the climate emergency challenge required action across all of Reading's communities, and that to this end the Council work with and through the long-established Reading Climate Change Partnership and Reading UK to align respective strategies towards ensuring they secured the active participation of residents, businesses and other organisations across the borough;**
- (4) That the Chief Executive write to the Government and local MPs setting out the urgent need to equip local authorities with the policy framework, powers and funding necessary to deliver this critical agenda;**
- (5) That all future Committee reports include a section on environmental implications and necessary mitigations and all reports to the committees**

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consider the impact of the decisions being taken on the council's ability to respond to the Climate Emergency and achieving a carbon neutral Reading by 2030.

14. ENERGY PROCUREMENT

The Director of Economic Growth and Neighbourhood Services submitted a report seeking approval to enter into new contracts for energy supply. An appendix to the report setting out the Energy Purchasing Strategy was submitted separately in closed session (see Minute 26 below) due to the inclusion of commercially sensitive information.

The report explained that the Council currently spent in the region of £2m per year on energy supply and that the majority of this was procured centrally through a framework agreement managed by Crown Commercial Services, reducing risk and price through aggregated purchasing with other customers. The current energy contracts would end on 31 March 2020.

To facilitate the procurement of new energy contracts, a range of different energy supply framework contracts and other purchase options had been assessed against the Council's business requirements, such as customer service, length of advance buying window available and available risk strategies. Notice would be given on current contracts once new contract terms had been confirmed.

At the meeting an amendment to the recommendation was moved and agreed which specified that the Council should enter into contracts with an energy supplier(s) that could demonstrate that they purchase from 100% renewable generation sources.

Resolved -

- (1) That the Director of Economic Growth and Neighbourhood Services and the Assistant Director of Procurement, in consultation with the Lead Councillors for Corporate and Consumer Services and Strategic Environment, Planning and Transport, be authorised to select an energy supplier(s) that could demonstrate that they purchased from 100% renewable electricity generation sources, in respect of Reading Borough Council's supply;
- (2) That, subject to the above requirement, the Director of Economic Growth and Neighbourhood Services and the Assistant Director of Procurement be authorised to enter into the recommended energy supply contracts for gas and power for the period 2020 to 2024 with Total Gas and Power Limited, through entering into an access agreement for the framework tendered by West Mercia Energy.

15. WATER PROCUREMENT

The Director of Economic Growth and Neighbourhood Services submitted a report seeking approval to enter into a new contract for water supply. A Strategy for Procurement of

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Water, Wastewater and Ancillary Services, was listed as Appendix 1 to the report, but had been submitted separately as an exempt item due to the inclusion of commercially sensitive information (see Minute 26 below).

The report noted that the Council currently spent in the region £250k annually on water and waste water supply. The non-household (business) water and waste water market had been deregulated in April 2017 and since then the Council had been on a 'deemed' contract with Castle Water for its water supply. This contract was a temporary arrangement that was non-compliant with the Public Procurement Regulations 2015, and a long-term supply contract therefore needed to be procured.

The report explained that there were now a number of frameworks for water supply with the key differentiator between providers being the ability to provide ancillary services to assist with the effective management of water resources. The available water supply framework contracts had been assessed and selected on price, customer service and access to ancillary services and it was recommended to use the London Energy Project (LEP) Direct Award process to procure water services from the LEP's appointed water retailer Anglian Water Business Limited.

Resolved -

That the Executive Director of Economic Growth and Neighbourhood Services and the Assistant Director of Procurement and Contracts be authorised to enter into water supply contracts for the period 2019 to 2022 with Anglian Water Business (National) Limited through entering into an access agreement for the London Energy Project pan-London water framework; the contract being through Crown Commercial Services and the Yorkshire Purchasing Organisation (YPO) framework RM3790.

16. ESTABLISHING A CLEANER AIR AND SAFER TRANSPORT FORUM

Further to Minute 9 of the meeting of Council on 22 May 2019, the Director of Economic Growth and Neighbourhood Services submitted a report setting out proposed Terms of Reference for the new 'Cleaner Air & Safer Transport Forum' which had been set up at the Council AGM on 22 May 2019. The proposed Terms of Reference were attached to the report at Appendix 1.

The report explained that the Forum's key topic areas would be cross-cutting themes around transport-related matters including air pollution, electric charging infrastructure, staff travel planning and policies, education initiatives, school initiatives and other transport projects which promoted sustainability, healthy living, energy efficiency and carbon reduction. The Forum could make recommendations to the Council's Committees and Sub-Committees on ways to bring about positive change to support the Council's climate change agenda. The Forum would incorporate the work of the Cycle Forum, while allowing for an annual 'conference' or meeting.

The report asked the Committee to approve the Terms of Reference and to appoint the Councillor membership of the Forum.

Resolved -

- (1) That the Terms of Reference for the Cleaner Air & Safer Transport Forum be approved, as set out in Appendix 1 to the report;
- (2) That the Councillor membership of the Forum be agreed as follows:

Cleaner Air and Safer Transport Forum (4:1:1:1)

<u>Labour</u>	<u>Conservative</u>	<u>Liberal Democrat</u>	<u>Green</u>
<u>Councillors</u>	<u>Councillor</u>	<u>Councillor</u>	<u>Councillor</u>
Debs Absolom Barnett-Ward Gittings Hoskin	Stanford-Beale	Duveen	Whitham

- (3) That the previous appointment of Councillor Barnett-Ward as the Chair of the Forum at the Council meeting held on 22 May 2019 be noted.

17. REVIEW OF RESIDENTS PARKING PERMIT CHARGES AND NEW RESIDENTS PARKING SCHEMES

The Director of Economic Growth and Neighbourhood Services submitted a report on a review of the charges for residents and visitor parking permits, which had been included in the Council's agreed Medium Term Financial Strategy.

The report summarised improvements to the permit scheme since the introduction of a first permit change in 2017, including improved enforcement, a new online permit application process, and a flexible visitor permit renewal system. It set out benchmarking information on charges in similar local authorities and information on the potential for a virtual permit scheme. The report also summarised the progress of delivery of new residents parking schemes which would be developed through the Traffic Management Sub-Committee.

The report proposed increases to permit charges that, if agreed, would provide funding to develop, consult on and introduce a new virtual visitor permit scheme and to improve enforcement of the permit areas. The new charges would be implemented for permit renewals from 1 October 2019. It was also recommended that future proposed changes to permit charges be submitted to the Traffic Management Sub-Committee, and then incorporated within the Council's annual review of fees and charges.

Resolved -

- (1) That the following proposed changes to parking permit charges be approved and introduced from 1 October 2019:

An increase in the first permit charge from £30 to £40;

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An increase in the second permit charge from £120 to £150;
An increase in the third permit charge from £240 to £300;
The cost of a book of visitor permits be increased from £22 to £25
(maintain first two visitor books for free);

- (2) That the current permit holders be notified by letter of the changes to the residents permit scheme;
- (3) That future changes to Residents Parking Permit charges be submitted to the Traffic Management Sub-Committee at its November meeting each year in order for recommendations from that Sub-Committee to be incorporated within the Council's annual fees and charges review considered at February Policy Committee each year;
- (4) That a review of Virtual Visitor permits take place, consulting with members of the Traffic Management Sub-Committee on any potential scheme;
- (5) That officers progress concept designs of the new residents' parking schemes as detailed in para 3.8 and those schemes be reported to Traffic Management Sub-Committee in September 2019 for approval to progress informal and formal consultations.

18. ST MICHAEL'S PRIMARY SCHOOL - PRIORITY SCHOOLS BUILDING PROGRAMME

The Director of Economic Growth and Neighbourhood Services submitted a report on proposed major refurbishment works to St Michaels Primary School as a part of the second phase of the Department for Education's (DfE) Priority Schools Building Programme. The report sought approval to award a contract for the works and to spend the grant funding from the DfE.

The report noted that in 2014 the Council had made several bids for the renovation of school buildings in very poor condition, and had been successful with bids for work at Caversham Primary, Phoenix College and St Michaels Primary. The DfE had agreed that the project at St Michaels would be designated as 'self-delivery' for the local authority. The project was to meet condition need only, and did not address the suitability of existing accommodation or potential shortfalls in accommodation.

The report explained that the proposed works included recladding the two-storey block to improve thermal values, upgrading or replacing necessary elements such as windows, doors and ceiling tiles as well as upgrading heating and lighting services. Changes to improve accessibility include the addition of an accessible WC off the entrance lobby. The current entrance doors would be replaced with an automatic glazed door entry system and new fire escape doors would be added to the hall to improve fire evacuation. Phasing of the project would allow the school to remain operational throughout the building works.

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The report stated that the contractor E W Beard Ltd had been selected via the Intermediate Construction Framework (an OJEU tender framework), and that the agreed work had initially been valued by the DfE at £2.41 million based upon their usual rates for refurbishment works. It was reported at the meeting that the DfE had now confirmed an increased grant of £2.72m to cover the full cost of the works. The grant needed to be spent by 31 March 2021.

Resolved -

- (1) That the Council enter into a contract with E W Beard Ltd to carry out the proposed refurbishment works;**
- (2) That spend approval be given for the £2.72 million grant funding from the DfE for condition works at the school.**

19. SCHOOL ESTATE HEATING AND ELECTRICAL PROGRAMME

The Director of Economic Growth and Neighbourhood Services submitted a report on a programme of condition and compliance works for school and nursery heating and electrical installations. A list of all identified works, shown by school, was attached to the report at Appendix 1.

The report explained that a survey had been carried out across Reading's community schools and nurseries to ascertain the current condition and compliance of their heating and electrical installations, which had identified the need for works of the order of £5.8m. The works had been categorised and prioritised according to the level of risk and further evaluated according to condition factors, impact on health and safety and financial implications. The highest priority works would be carried out in 2019/20.

The report sought approval for the release of designated capital programme funding to carry out a three year programme of works totalling £2.411m, and to authorise the Deputy Director of Assets and Regeneration to enter into the contracts required to deliver the works.

Resolved -

- (1) That the release of designated capital programme funding of £2.411m to deliver a three year programme of works across Reading's community schools and nurseries, up to 31 March 2022, be approved;**
- (2) That the carry forward of £311k, originally designated for spend in 2018/19, be approved;**
- (3) That the Deputy Director of Assets and Regeneration be authorised to enter into the contracts required to deliver the works.**

20. LOCAL GOVERNMENT BOUNDARY COMMISSION REVIEW OF WARD BOUNDARIES 2019-20

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The Returning Officer submitted a report on an electoral review of the Council by the Local Government Boundary Commission for England (LGBCE), and seeking approval for a Council Size submission to the review, which was attached to the report at Appendix C. The current timetable for the review was attached to the report at Appendix A, and a Members Briefing pack for Reading attached to the report at Appendix B.

The report explained that the LGBCE had given the Council notice that, based on its analysis of the 2017 annual canvass in Reading, it would be undertaking an electoral review of the Council, because over 30% of the authority's current wards had a variance greater than 10% from the authority's average ratio of elector. Two wards - Abbey and Whitley - had an electorate which exceeded the average by more 25% and 15% respectively, and Redlands had an electorate which was lower than the average by more than 20%. Church and Southcote wards had also been over 10% below the average.

The report explained that the first phase of the review was a discussion with the Council about the size of the Council (total number of Councillors), which required the authority to indicate whether it wished to retain elections by thirds, or to move to either election by halves or all-out elections. Attached to the report at Appendix C was a proposed submission to the LGBCE on Council Size, which stated a preference for a Council of 48 Councillors, representing 16 wards of comparable size, with three Councillors per ward, based on the retention of elections by thirds. This would represent an increase of two Councillors from the current Council of 46 Councillors representing 16 wards, with 15 three-member wards which held elections by thirds and one Councillor elected every four years in the remaining ward of Mapledurham.

Resolved -

That the Council Size Submission, as attached to the report at Appendix C, and its stated preference for a Council size of 48 Councillors representing 16 wards of comparable size with elections by thirds, be agreed and presented to the Local Government Boundary Commission for England.

21. QUARTER 4 PERFORMANCE REPORT

The Director of Resources submitted a report setting out the interim revenue and capital outturn positions for 2018/19 as at the end of March 2019, as well as performance against the measures of success published in the Council's Corporate Plan. The following appendices were attached to the report:

- Appendix 1 - General Fund Outturn;
- Appendix 2 - Corporate Programme Savings Report;
- Appendix 3 - Delivery Fund;
- Appendix 4 - Performance Outturn; and
- Appendix 5 - Capital Outturn and roll forward requests.

The report explained that the provisional revenue outturn for the General Fund at directorate level indicated a net overspend of £1.1m. Within this Adult Care and Health

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Services were reporting an underspend of £0.434m, Children, Education & Early Help Services/ Brighter Futures for Children an overspend of £1.942m, Environment and Neighbourhood Services an underspend of £0.284m and Resources and underspend of £0.133m. The report summarised the main budget variances within each directorate.

The report also explained that in addition to Directorate budgets there were a number of financing and corporate-wide budgets including income from Council Tax and Business Rates, Treasury and Capital Financing Costs, and Corporate and Contingency Provisions. The projected outturn on these Corporate Items was a £4.2m underspend against budget - predominantly the result of not being required to use contingency and risk provisions held to cover potential overspends. It was therefore recommended that the overall net outturn of £3.2m be transferred to reserves, with £0.500m to further build general reserves and the remainder as specific reserves.

The provisional outturn for the Housing Revenue Account was a £2.9m underspend, due to rent collection rates being higher than budgeted and expenditure on reactive, planned and revenue funded major repairs being less than anticipated. The General Fund Capital Programme showed a net underspend of £10.060m, with details set out in Appendix 5 to the report, and the Housing Revenue Account Capital Programme showed an underspend of £3.636m.

The report also included a summary of performance, as at 31 March 2019, against the success measures published in the Council's Corporate Plan. Key shifts in performance or significant variation from the target were explained in the report and the full suite of twenty nine measures and progress against targets as at the end of March 2019 were set out in Appendix 4 attached to the report.

Resolved -

- (1) That the following be noted:**
 - (a) The provisional General Fund outturn position: a £3.2m underspend, as at the end of March 2019;**
 - (b) The provisional outturn position on the Housing Revenue Account as at the end of December 2018 (a £2.9m underspend) and the lower net drawdown of reserves of £1.2m rather than the budgeted £4.1m;**
 - (c) The progress in achieving agreed savings proposals and the associated spend to support those changes contained in the Delivery Fund;**
 - (d) The use of the Capitalisation Direction to fund transformation (Appendix 3);**

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- (e) The capital outturn as detailed in Appendix 5 and approves the roll forward of variances into the 2019-20 approved Capital Programme;
 - (f) The performance achieved against the Corporate Plan success measures as set out in paragraphs 10.1-10.6 and Appendix 4 attached;
- (2) That unspent contingency provisions of £3.2m be set aside to further bolster reserves - £0.5m relating to general reserves and the balance to earmarked reserves.

22. READING TRANSPORT LIMITED - OPERATIONAL UPDATE

The Director of Resources submitted a report providing the Committee, acting in its role as shareholder of Reading Transport Limited (RTL), with an operational update on the company. The update was attached to the report at Appendix 1.

The report noted that RTL was a wholly-owned company of Reading Borough Council. The company's Articles of Association set out its obligations in terms of reporting to the Council as Shareholder as well as the matters which were reserved to the Shareholder. The Operational Update had been submitted by the Company in respect of its reporting obligations.

The report explained that key points in the update included the acquisitions by RTL of Newbury and District Ltd in September 2018 and Courtney Coaches Ltd in April 2019, both of which were operating as subsidiaries of RTL. The update also noted that new ticketing technology, the roll out of contactless payments and the introduction of a phone app during the period had reduced boarding times, although journey times on some routes were still suffering due to congestion. The Company proposed to continue with its fleet replacement programme (10% per annum) ensuring the fleet remained fit for purpose.

Resolved -

That the Committee, acting as shareholder of RTL, note the Operational Update attached to the report at Appendix 1.

23. READING TRANSPORT LIMITED - APPOINTMENT OF DIRECTORS

The Director of Resources submitted a report asking the Committee, acting as shareholder of Reading Transport Limited (RTL), to appoint directors to the RTL Board. There were four vacancies, arising from Trish Thomas, Mike Townend, Cllr Woodward and Mark Adams (employee representative) coming to the end of their four-year terms.

Resolved -

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- (1) That Trish Thomas, Chris Gavin, Cllr R Williams and Mark Adams (employee representative) be appointed as Directors of Reading Transport Ltd;
- (2) That a report providing the shareholder with information on Board membership roles, skills and experience be submitted to a future meeting.

24. 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 25-26 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.

25. READING TRANSPORT LIMITED - SHAREHOLDER REPORT

The Director of Resources submitted a report to the Committee acting as shareholder of Reading Transport Limited (RTL), presenting at Appendix 1 a report from RTL providing an update to the shareholder on the following matters:

- Operational Update
- Financial Performance to P82018/19 and close-down of FY 2017/18
- Pension Scheme Commitments
- Dividend 2018/19
- Fleet Replacement 2018/19 & Capital Investment
- Strategic Plan Update

The RTL report also set out a number of recommendations for approval from the shareholder.

Resolved -

That the Committee acting as Shareholder of Reading Transport Ltd:

- a) Note the Company's financial management information for 2018/19 and the trading loss incurred in 2017/18 together with the potential implications for the dividend assumed within the Council's Medium Term Financial Strategy;
- b) Note the commitment of RTL to delivering the 2018/19 dividend target and to working with the Shareholder to ensure that future targets remain achievable;
- c) Agree the following recommendations as set out in the RTL report at Appendix 1:

- i. Note the content of this review;
 - ii. Approve the updated fleet replacement programme;
 - iii. Approve the provision of lease finance to Reading Buses by means of an extension of the existing Master Lease Agreement, should it be required to facilitate the purchase of vehicles as set out in the report, and authorise the Head of Finance to agree terms with the Company;
 - iv. Note the completion of the previously approved acquisition of Courtney Coaches Ltd;
 - v. Note the ongoing work to identify a preferred option to mitigate the balance sheet and profit & loss account impacts of the Local Government Pension Scheme and the detailed actuarial assessments commissioned;
 - vi. Note the progress being made with developing and implementing the Strategic Action Plan following completion of the joint review project;
- d) Note the retirement of Tony Pettitt the Company's Chief Finance and Information Officer in August 2019 and thank him for his service in Reading.

(Exempt information as defined in Paragraph 3).

26. ENERGY AND WATER PROCUREMENT

The Director of Economic Growth and Neighbourhood Services submitted a report presenting the purchasing strategies listed as appendices to the reports on Energy and Water Procurement, which had been considered in the public session of the meeting (Minutes 14 and 15 above refer). The strategies contained commercially sensitive information and had therefore been submitted separately. The following documents were attached to the report:

- Appendix 1 - Energy Purchasing Strategy
- Appendix 2 - Strategy for Procurement of Water, Wastewater and Ancillary Services

Resolved -

That the Energy Purchasing Strategy and Strategy for Procurement of Water, Wastewater and Ancillary Services be noted.

(Exempt information as defined in Paragraph 3).

(The meeting started at 6.30 pm and closed at 9.00 pm)

