

POLICY COMMITTEE MEETING MINUTES - 17 FEBRUARY 2020

Present: Councillor Brock (Chair);

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

Apologies: Councillors

RESOLVED ITEMS

70. MINUTES

The Minutes of the meeting held on 20 January 2020 were agreed as a correct record and signed by the Chair.

71. QUESTIONS

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

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Richard Stainthorp	Local Transport Plan	Cllr Page
2.	Richard Stainthorp	Recycling and Enforcement Team	Cllr James
3.	Richard Stainthorp	Teacher Starting Salary	Cllr Pearce

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	Will the Council double Reading's tree cover?	Cllr Rowland
2.	Cllr White	Microsoft Office upgrade problems	Cllr Emberson
3.	Cllr White	Council inaction on Green Road tennis courts	Cllr Page

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

72. 2020/21 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY TO 2023

Further to Minute 59 of the meeting held on 16 December 2019 the Director of Resources submitted a report updating the Committee on the results of a consultation exercise on the Council's draft Budget as well as changes arising from the publication of the Provisional Local Government Finance Settlement and other changes that had arisen since the report to the Committee in December 2019. The following documents were attached to the report:

- Appendix 1 - Summary of General Fund Budget 2020-21 to 2022-23

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- Appendix 2 - General Fund Revenue Budget by Service 2020-21 to 2022-23
- Appendix 3 - Detailed General Fund Budgets 2020-21 to 2022-23
- Appendix 4 - Housing Revenue Account Budget 2020-21 to 2022-23
- Appendix 5 - General Fund and HRA Capital Programme 2020-21 to 2022-23
- Appendix 6 - Flexible Capital Receipts Strategy
- Appendix 7 - Fees and Charges
- Appendix 8 - Equality Impact Assessment
- Appendix 9 - Dedicated Schools Grant
- Appendix 10 - Budget Consultation

The report explained that the budget consultation had run from 19 December 2019 to 19 January 2020, with 619 responses to the online consultation as well as direct submissions from partner organisations. The report summarised the main topics raised in the consultation, and a detailed description of the consultation process and results was attached to the report at Appendix 10.

The report also summarised changes following publication of the draft Budget including the effects of the Provisional Local Government Finance Settlement which had been announced on 20 December 2019. The changes had been taken into account in the overall recommended budget position, which was shown in the report and set out in detail in Appendices 1-5. The budget made a small net contribution to reserves over the three-year period and was not reliant on the use of reserves going beyond the MTFS planning horizon. Savings required to balance the budget were comprised of efficiency savings, invest-to-save initiatives and increased income from fees and charges.

Resolved -

That, taking due regard of the results of the budget consultation exercise (as outlined in Section 3 and set out in more detail in Appendix 10) the Draft 2020/21 General Fund and Housing Revenue Account budgets, Draft Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-9, be endorsed and recommended to full Council on 25 February 2020, noting the following:

- a) the Council's General Fund Budget Requirement of £150.1m for 2020/21 and an increase in the Band D Council Tax for the Council of 3.99% (1.99% general increase and 2.00% additional adult social care precept) or £64.93 per annum representing a Band D Council Tax of £1,692.16 per annum as set out in paragraph 8.2;**
- b) the proposed efficiency savings of £6.3m together with additional income of £5.3m in 2020/21 required to achieve a balanced budget for that year as set out in Appendix 2;**
- c) the overall savings proposed within the MTFS of £32.9m (of which changes to income, fees and charges is £13.5m) and three-year growth changes to service budgets of £26.6m as set out in Appendix 3;**

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- d) the Housing Revenue Account budget for 2020/21 of £40.9m as set out in Appendix 4 and an average increase of 3.3% in social dwelling rents from April 2020 giving a revised weekly average social rent of £102.57;
- e) the General Fund and Housing Revenue Account Capital Programmes as set out in Appendices 5a and 5b;
- f) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 6;
- g) the Fees and Charges set out in Appendix 7 of the report;
- h) the allocation of Dedicated Schools Grant (DSG) as set out in Appendix 9.

73. DRAFT CAPITAL STRATEGY 2020/21

The Director of Resources submitted a report setting out a draft Capital Strategy 2020/21 for recommendation to full Council on 25 February 2020. The Strategy was attached to the report at Appendix 1.

The report noted that the CIPFA 2017 Prudential and Treasury Management Code required the Council to prepare a Capital Strategy report which set out the Council's capital requirements arising from policy objectives, as well as the associated governance procedures and risk appetite. The Strategy provided an overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of services; along with an overview of how associated risk was managed and the implications for future financial sustainability. It showed how revenue, capital and balance sheet planning were integrated.

The Strategy set out the Council's approach to asset management planning including its policy on the acquisition of investment properties, development and monitoring of the Capital Programme and the reasons for the Council departing from guidance from the Ministry of Housing Communities and Local Government and CIPFA on investment in commercial properties and lending to housing associations.

The report noted that Appendix D of the Strategy was a proposed Action Plan, which identified four areas where work was required for the Council to become fully compliant with the CIPFA code requirements. These were developing knowledge of the existing asset base, identifying what assets were needed in the future, developing and implementing new systems and processes which enabled the transition to become fully compliant with the code requirements, and reviewing current capacity within the organisation.

Recommended -

- (1) That Council approve the Capital Strategy attached at Appendix 1;

- (2) That the updated Action Plan at Appendix D of the Capital Strategy (Appendix 1) be noted together with the associated financial implications.

74. RBC ACTION SINCE DECLARATION OF A CLIMATE EMERGENCY AND FUTURE PLANS

The Director of Economic Growth and Neighbourhood Services submitted a report providing an update on action taken on climate change since the declaration of a climate emergency in February 2019, and summarising plans in this area, with a focus on financial commitments in the context of the draft budget to be submitted to Council on 25 February 2020. Attached to the report at Appendix 1 was a summary of RBC Action Since Declaration of a Climate Emergency - and Future Plans.

The report explained that over the two first full financial years since the declaration of a climate emergency (2019/20 and 2020/21), subject to approval of the budget, the Council would have committed c£34million to capital projects which would contribute directly to reducing emissions, in both its own operations and the wider community. The report summarised additional revenue commitments to develop and accelerate the Council's response to the declaration.

The report noted that in addition to specific financial commitments, the Council would take action to ensure that all policy and spending decisions across the full range of its activities took account of their impact on emissions wherever possible, and that all staff were engaged in the process of working towards the goal of a net zero carbon Reading by 2030. A new Climate Action Programme Board had been established in January 2020 to help achieve this and to ensure good governance in this area.

The Committee recommended the report to the full Council meeting on 24 February 2020 to be considered alongside the 2020/21 Budget and Medium Term Financial Strategy.

Recommended -

That the progress to date be noted and the plans outlined in Appendix 1 to take forward the Council's commitment to achieving a net zero carbon Reading by 2030 be endorsed.

(The meeting started at 6.30 pm and closed at 7.00 pm)