

## POLICY COMMITTEE MEETING MINUTES - 14 DECEMBER 2020

**Present:** Councillor Brock (Chair);  
Councillors Page (Vice-Chair), Duveen, Emberson, Ennis, Jones, Skeats, Stevens, Terry and White

### RESOLVED ITEMS

#### 60. DECLARATIONS OF INTEREST

Councillor Ennis declared a non-pecuniary interest in Item 69 on the basis that he was the Chair of the Youth Offending Service, which was provided by Brighter Futures for Children.

#### 61. MINUTES

The Minutes of the meeting held on 2 November 2020 were agreed as a correct record and would be signed by the Chair.

#### 62. QUESTIONS

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	US-UK Trade Deal	Cllr Brock
2.	Cllr J Williams	Rogue Algorithms	Cllr Brock
3.	Cllr Manghnani	Use of Fireworks	Cllr Emberson
4.	Cllr White	Council accepting reduced offer for Central Club	Cllr Brock

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

#### 63. DECISION BOOKS

The Assistant Director of Legal & Democratic Services submitted a report listing the Decision Books that had been published since the report to the previous meeting of the Committee held on 2 November 2020.

**Resolved -**

**That Decision Book Nos 614-617 be noted.**

#### 64. 2020/21 QUARTER 2 PERFORMANCE AND MONITORING REPORT

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The Executive Director of Resources submitted a report sets out the projected revenue and capital outturn positions for 2020/21 for both the General Fund and the Housing Revenue Accounts as at the end of September 2020 (Period 6). Attached to the report at Appendix 1 was the Financial Monitoring for Quarter 2 and at Appendix 2 the Performance report for Quarter 2.

The report explained that the forecast General Fund revenue outturn position as at the end of Quarter 2 was a £0.667m overspend. This forecast included gross revenue pressures of £20.050m arising as a direct result of Covid-19. The Housing Revenue Account (HRA) was currently projecting an underspend of £1.880m as at the end of Quarter 2. The General Fund Capital Programme was forecast to underspend by £111.231m this year. This was predominantly because the £80m budget for commercial property would not be used. The HRA Capital Programme was currently forecast to underspend by £15.146m due to delays to the delivery of the Major Repairs Scheme and Phase 2 and Phase 3 of the New Build and Acquisitions Schemes.

The combined gross revenue and capital pressures as a result of Covid-19 totalled £20.350m. This was partially offset by a total allocation of £9.775m of Central Government general support grant and an estimated £0.837m furlough grant claim and an estimated £6m in income compensation. This gave a net projected pressure caused by Covid-19 of £3.738m. A fourth tranche of Government general support grant had been announced on 12 October 2020, of which Reading's share was 3.494m. This had not been included within the Quarter 2 projections but would be reflected in future reports.

**Resolved -**

- (1) That it be noted that:**
  - a) The forecast General Fund revenue outturn position as at the end of September 2020 was a net overspend of £0.667m, due to an overspend of £19.247m on services budgets mitigated by an underspend of (£1.968m) on corporate budgets and Government Covid-19 Grants of (£16.612m) which comprised (£9.775m) of general support funding, an (£0.837m) furlough claim and an estimated (£6.000m) income compensation claim;**
  - b) The Housing Revenue Account was forecast to underspend by (£1.880m) as at the end of August 2020;**
  - c) The General Fund Capital Programme was forecast to underspend by (£111.231m) and the HRA Capital Programme is forecast to underspend by (£15.146m) due to delays to the delivery of the Major Works Scheme and Phase 2 and Phase 3 of the New Build and Acquisitions Schemes as at the end of September 2020;**
- (2) That the removal of the "Purchase of Commercial Property" capital scheme from the General Fund Capital Programme for the current and following two years be approved.**

**65. 2021/22 DRAFT BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2021/22-2023/24 - INTERIM POSITION**

The Director of Resources submitted a report setting out an interim position in relation to the Council's draft Medium Term Financial Strategy (MTFS) and associated spending plans for the three years 2021/22 to 2023/24 for public consultation. The report covered all aspects of the Council's spend: General Fund revenue expenditure funded by Council Tax, Business Rates, 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 receipts, revenue and prudential borrowing. The following documents were attached to the report:

- Appendix 1 - Summary of Interim General Fund Budget 2021/22 to 2023/24
- Appendix 2 - Interim General Fund Revenue Budget by Service 2021/22 to 2023/24
- Appendix 3 - Detailed Interim General Fund Budget Changes 2021/22 to 2023/24
- Appendix 4 - Interim Housing Revenue Account Budget 2021/22 to 2023/24 and Reserves
- Appendix 5 - Interim General Fund and HRA Capital Programme 2021/22 to 2023/24
- Appendix 6 - Flexible Capital Receipts Strategy
- Appendix 7 - Fees and Charges
- Appendix 8 - Equality Impact Assessment

The report explained that work was ongoing to close the Council's budget gap and present a balanced budget for 2021/22 and MTFS. The Draft General Fund Revenue Budget proposals included within the report and the associated MTFS were based on the latest information available, but a number of matters and assumptions remained to be including the formal determination of the Council Tax Base, the impact of the Spending Review and the subsequent Provisional Local Government Finance Settlement expected in mid-December, and agreement of the Business Plan and associated contract sum for Brighter Futures for Children. Following a consultation on the draft Budget and resolution of the above matters a further report would be brought to Policy Committee on 15 February 2021 recommending approval of a balanced budget to Full Council.

The report explained that the MTFS built on work over the previous two to three years and sought to facilitate vital investment in core infrastructure to drive efficiency improvements, facilitate service redesign and thereby manage pressures within demand led services. This invest to save approach enabled vital and valued services to continue to be delivered albeit differently. The Budget Strategy relied on significant service transformation to drive increased efficiency savings and income generation. Budgets to support children's services (agreed as part of the existing MTFS) included growth to recognise inflationary pressures as well as demographic growth, but also robust savings and efficiency targets underpinned by contingency provision to mitigate against slippage or non-delivery of the most challenging savings. These assumptions were currently under review as part of the ongoing work with BFFC to agree its Business Plan and contract sum.

Resolved -

That the Interim Draft 2021/22 General Fund and Housing Revenue Account budgets, Draft Capital Programme and Medium-Term Financial Strategy as set out in Appendices 1-8, be agreed for consultation, noting the following:

- a) the Council's Interim General Fund Budget Requirement of £143.702m for 2021/22 and an assumed increase in the band D Council Tax for the Council of 1.99% plus an additional 1.00% Adult Social Care precept, or £50.60 per annum representing a band D Council Tax of £1,742.76 per annum as set out in paragraphs 12.1 to 12.3;
- b) the potential impact on the budget gap of increasing the additional adult social care precept in 2021/22 as set out in paragraph 12.5;
- c) the proposed service savings and efficiencies of (£12.5m) and additional income of (£0.8m) currently proposed in 2021/22 and set out in Appendix 2, plus corporate savings of (£0.9m);
- d) the overall savings currently proposed within the MTFs of (£27.7m) (of which changes to income, fees and charges is (£5.3m)), plus the three-year growth changes to service budgets of £20.4m as set out in Appendix 3;
- e) the Housing Revenue Account Interim budget for 2021/22 of £41.8m as set out in Appendix 4 which assumes a 1.5% increase in social dwelling rents from April 2021 giving a revised weekly average target rent of £104.11 as set out in paragraph 16.2;
- f) the General Fund and Housing Revenue Account Interim Capital Programmes as set out in Appendices 5a and 5b;
- g) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 6; and
- h) the Fees and Charges outlined in Appendix 7 of the report.

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

Further to Minutes 20 and 38 of the meetings of Policy Committee on 15 July and 26 September 2019, and Minute 27 of full Council on 4 November 2019, the Returning Officer and Electoral Registration Officer submitted a report to inform the Committee of the final recommendations of the Local Government Boundary Commission for England (LGBCE) review published on 29 September 2020, which were attached to the report at Appendix 1.

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The report noted that the LGBCE had been undertaking an electoral review of the Council in its 2019-20 programme, because the 2017 canvass had showed over 30% of the authority's current wards (5 out of 16) had a variance greater than 10% from the authority's average ratio of electors. The LGBCE had accepted the authority's submission, agreed by Policy Committee on 15 July 2019, that the authority continue to have elections by thirds, and that the number of Councillors be increased from 46 to 48, representing 16 three-member wards across the Borough, in recognition of the significant projected growth in the Borough's electorate.

The following stage of the review had been a public consultation on warding patterns, and the full Council meeting of 4 November 2019 had agreed the authority's submission. The LGBCE had then commenced its consultation on its Draft Recommendations on 4 February 2020. It had received comments from one Borough MP, one Councillor, three local political parties, five local community organisations, and 20 local residents. The LGBCE had issued its Final Recommendations on 29 September 2020 which were attached to the report. They provided for a Council of 48 Members, representing 16 three-member wards, all elected by thirds. The new warding arrangements would come into effect from May 2022, when all-out elections for all 16 wards would be held.

### **Resolved -**

- (1) That the Final Recommendations of the LGBCE dated September 2020 on the new electoral arrangements for the Council, be noted;**
- (2) That the Returning Officer be authorised to take all necessary action to implement the new electoral arrangements in May 2022, including reviewing polling district boundaries and polling places.**

### **67. CORPORATE DEBT RECOVERY POLICY**

The Executive Director of Resources submitted a report seeking approval for an updated Corporate Debt Recovery Policy, which was attached to the report at Appendix 1.

The report noted that the Council's current Corporate Debt Recovery Policy had been approved by Policy Committee at its meeting on 3 November 2014 (Minute 47 refers) and had enabled all Directorates to have consistent debt recovery processes, and fully understand their role and responsibilities in the process. The Policy and its Appendices were a compilation of recovery policies relating to outstanding debts raised by various departments across the Council, and had been reviewed in conjunction with all departments to ensure its accuracy and viability.

The report noted that the benefits to the Council of the proposed policy would include achieving the best possible cash flow whilst ensuring that the liability to pay was calculated correctly, providing good financial management and control across the Council, providing a basis for enforcement action to be reasonable, and ensuring that those who were vulnerable were assisted in meeting their financial obligation to the Council.

Resolved -

- (1) That the Corporate Debt Recovery Policy, as set out at Appendix 1, be approved;
- (2) That delegated authority be given to the Chief Finance Officer, in consultation with the relevant Lead Councillor, to make minor amendments to update the Policy and to reflect any service improvements or changes in the future.

## **68. SOCIAL VALUE POLICY**

The Executive Director of Resources submitted a report seeking approval for a proposed Social Value Policy. Attached to the report at Appendix 1 was the National TOMs (Themes, Outcomes, Measures) overview and at Appendix 2 the draft Social Value Policy.

The report noted that the Council wanted to ensure best value from all its procurement and contracts, including the attainment of social value which supported the Council's Corporate Plan priorities and added value to Reading residents. To provide a framework for commissioners and contract managers across the Council setting out how to derive social value from procurement and contract management activity, as well as provide clarity for suppliers on how it would be measured, together with key areas of interest, it was proposed that the Council adopt a Social Value Policy. The draft proposed for adoption was attached to the report at Appendix 2.

The report explained that the draft Policy was not intended to define priorities for social value in absolute terms as it needed to be relevant and proportionate to the contract being let. However, it was expected that social value sought would be in line with the Council's corporate priorities and Corporate Plan. Additionally, in response to Covid, support for skills, employment and digital inclusion were included as a theme. The report outlined how it was intended to measure and monitor the social value obtained to ensure that the desired outcomes were being delivered.

Resolved -

**That the draft Social Value Policy as attached at Appendix 2, together with the proposed approach to obtaining and measuring social value as outlined in the report, be agreed.**

## **69. BRIGHTER FUTURES FOR CHILDREN CONTRACTS PERFORMANCE REPORT**

The Executive Director of Resources submitted a report asking the Committee, in its capacity as sole member for Brighter Futures for Children Limited (BFfC/ 'the Company'), to note the Company's retrospective finances and performance report for the financial year 2019/20, which was attached to the report at Appendix 1.

The Company's report included a Strategic report, Directors' report, Independent auditor's report, Statement of comprehensive income, Statement of financial position,

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Statement of changes in equity, Statement of cash flows, and notes to the financial statements.

**Resolved -**

**That the Committee, in its capacity as sole member for BFfC, note the BFfC retrospective finance and performance report for 2019/20.**

(Councillor Ennis declared a non-pecuniary interest in the above item on the basis that he was the Chair of the Youth Offending Service, which was provided by Brighter Futures for Children.)

### **70. 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 71-73 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.

### **71. REFURBISHMENT OF GRANVILLE ROAD 'B' LIFTS**

The Executive Director of Economic Growth and Neighbourhood Services submitted a report seeking approval to award a contract to refurbish the existing 'B' lifts at the eight-storey blocks on Granville Road, and to increase the allocated expenditure for these works in the Housing Revenue Account.

**Resolved -**

- (1) That the award of contract for the refurbishment of the 'B' lifts at Blocks 28, 34, 38 and 42 Granville Road to Liftec Lifts Limited at the value set out in the report be approved, and that the Assistant Director of Housing and Neighbourhoods be authorised to finalise and award the contract;**
- (2) That a revised capital expenditure in the Housing Revenue Account across the financial years 2020/21 and 2021/22 for these works be approved, as set out in the report.**

### **72. FINANCIAL SYSTEM PROCUREMENT**

The Executive Director of Resources submitted a report on the proposed re-procurement of the Council's core financial system and seeking approval to award a contract following the procurement process. The current contract would expire on 2 December 2021.

**Resolved -**

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**That the re-procurement of the Council's core financial system be endorsed and that the Executive Director of Resources, in consultation with the Lead Councillor for Corporate and Consumer Services and the Assistant Directors of Procurement, ICT and Legal and Democratic Services, be authorised to award a new contract.**

### **73. DIGITAL FUTURES FOUNDATION (ICT FUTURE OPERATING MODEL) UPDATE**

Further to Minute 51 of the meeting held on 28 September 2020, the Executive Director of Resources submitted a report on the progress of 'Digital Futures Foundation' the project to implement the ICT future operating model. The report set out a recap of the agreed model, an update on progress towards transition on 31 March 2021, and details of the procurement of Unified Communications and End User Workspace for which preferred bidders had been identified.

#### **Resolved -**

**That the progress made by the project to date be noted and that a further progress report on progress be made to the Committee in March 2020.**

(The meeting started at 6.30 pm and closed at 8.30 pm)