

POLICY COMMITTEE MEETING MINUTES - 15 FEBRUARY 2021

Present: Councillor Brock (Chair);

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

Apologies: Councillors

RESOLVED ITEMS

89. DECLARATIONS OF INTEREST

Councillors Duveen and Stanford-Beale declared a prejudicial interest in Item 100, on the basis that they had been appointed by the Council as directors of Readibus. They left the meeting and took no part in the debate or decision.

90. MINUTES

The Minutes of the meeting held on 18 January 2021 were agreed as a correct record and would be signed by the Chair.

91. QUESTIONS

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

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	David McElroy	Feeling Safe In Our Green Spaces	Cllr Rowland
2.	David McElroy	Rent Holidays For Local Businesses	Cllr Brock
3.	Peter Bowyer	Changes to Waste collections	Cllr Barnett-Ward

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr Duveen	Future Development of Reading	Cllr Page
2.	Cllr White	Insulating Houses In Reading	Cllr Ennis
3.	Cllr White	£20 Universal Credit Top Up	Cllr Emberson

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

92. 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 18 January 2021.

POLICY COMMITTEE MEETING MINUTES - 15 FEBRUARY 2021

Resolved -

That Decision Book Nos 620-623 be noted.

93. 2021/22 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY 2021/22 - 2023/24

Further to Minute 65 of the meeting held on 14 December 2020, the Executive Director submitted a report providing an update on the results of the consultation on the Draft Budget and Medium Term Financial Strategy (MTFS) and asking the Committee to recommend to Council the Draft 2021/22 General Fund and Housing Revenue Account budgets, Draft Capital Programme and Medium Term Financial Strategy. The following appendices were attached to the report:

- Appendix 1 - Summary of General Fund Budget 2021-22 to 2023-24
- Appendix 2 - General Fund Revenue Budget by Service 2021-22 to 2023-24
- Appendix 3 - Detailed General Fund Budget Changes 2021-22 to 2023-24
- Appendix 4 - Housing Revenue Account Budget & Reserves 2021-22 to 2023-24
- Appendix 5 - 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
- Appendix 9 - Dedicated Schools Grant (DSG) Funding 2021-22
- Appendix 10 - Budget Consultation
- Appendix 11 - Residents Survey 2020

The report provided an update on the results of the budget consultation exercise, changes arising from the publication of the Local Government Finance Settlement as well as other changes that had arisen since the draft budget had been submitted to the meeting on 14 December 2020. The Final Local Government Financial Settlement had been published on 4 February 2021 and initial review indicated that there had been no changes from the Provisional Settlement that affected Reading.

The report explained that the proposed MTFS was informed by and supported delivery of the Council's Corporate Plan priorities including its commitment to address the climate change emergency. The underpinning rationale of the MTFS was to deliver a balanced and affordable 2021/22 budget and ensure that the Council's finances were robust and sustainable over the medium term, and that in the longer term the Council's finances were not reliant on the unsustainable use of one-off reserves or funding.

The report noted that preparation of the Budget and MTFS had been particularly challenging due to uncertainty caused by the implications of the Covid-19 pandemic. Savings proposals of £28.0m had been identified to mitigate against budget pressures, but it had not been possible at this stage to completely close the budget gap in 2022/23 and 2023/24 on a recurring and permanent basis. The 2021/22 budget had been balanced by utilising £2.776m of one-off earmarked reserves, but continued use of earmarked reserves to balance the budget was not sustainable so additional savings of £3.649m

POLICY COMMITTEE MEETING MINUTES - 15 FEBRUARY 2021

would need to be identified as part of the 2022/23 budget setting process. The MTFs also assumed the use of £9.906m of the Direct Revenue Financing of Capital Earmarked Reserve in the current financial year (2020/21) to reduce the ongoing Minimum Revenue Provision (MRP) charge to the revenue budget. This reserve had been set aside to mitigate against capital receipts not being realised and available for use as previously expected. Other budget assumptions including on council tax, efficiencies and increased income, contingency provision and government funding were set out in the report.

The report explained that an in-year underspend on the General Fund Revenue Budget of circa £4.8m in 2020/21 was currently forecast. This was primarily due to the Corporate Contingency budget not being required due to Covid grants from Central Government mitigating against non-delivery of savings in-year. It was assumed that any budget surplus would be transferred into earmarked reserves to offset the budgeted drawdown from reserves referred to above.

The report noted that the Strategy built on previous work to stabilise the Council's financial position and build reserves back to more robust levels. This had enabled investment in core infrastructure to drive efficiency improvements, facilitate service redesign and thereby manage pressures within demand-led services. This invest to save approach provided for a robust financial position going forward and enabled services to continue to be delivered. The Budget Strategy relied on significant service transformation to drive increased efficiency savings and income generation, but service cuts were not required.

Items 93-95 were considered together for recommendation to the Council meeting on 23 February 2021.

Resolved -

That, taking due regard of the results of the budget consultation exercise and resident's survey (as outlined in Section 3 and 4, and set out in more detail in Appendices 10 and 11), the Draft 2021/22 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 the Council meeting on 23 February 2021, noting the following:

- a) **the Council's General Fund Budget Requirement of £146.166m for 2021/22 and an increase in the band D Council Tax for the Council of 1.99% plus an additional 3.00% Adult Social Care Precept, or £84.44 per annum, representing a band D Council Tax of £1,776.60 per annum, excluding precepts from Police and Fire, as set out in paragraph 9.2;**
- b) **the proposed utilisation of one-off grant funding in 2021/22 to award £70 to residents in receipt of Local Council Tax Support to help mitigate the increase in Council Tax in the current circumstances as set out in paragraph 5.3;**

POLICY COMMITTEE MEETING MINUTES - 15 FEBRUARY 2021

- c) the proposed efficiency and invest to save savings of £13.7m together with additional income of £1.4m in 2021/22 required to achieve a balanced budget for that year as set out in Appendices 2 and 3;
- d) the overall savings proposed within the MTFs of £28.0m (of which increases to income, fees and charges is £5.4m) and three-year growth changes to service budgets of £19.5m as set out in Appendices 2 and 3;
- e) the budgeted draw from earmarked reserves totalling £2.776m to balance the 2021/22 budget (as set out in paragraph 5.18);
- f) the Housing Revenue Account budget for 2021/22 of £43.647m as set out in Appendix 4 and the average increase of 1.5% in social dwelling rents from April 2021 giving a revised weekly average social rent of £104.11;
- g) the General Fund and Housing Revenue Account Capital Programmes as set out in Appendices 5a and 5b;
- 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 Fees and Charges set out in Appendix 7 of the report;
- j) the Equalities Impact Assessment as set out in Appendix 8;
- k) the allocation of Dedicated Schools Grant (DSG) as set out in Appendix 9.

94. TREASURY MANAGEMENT STRATEGY STATEMENT (2021/22); MINIMUM REVENUE PROVISION POLICY (2021/22) AND ANNUAL INVESTMENT STRATEGY (2021/22)

The Executive Director of Resources submitted a report asking the Committee to recommend to Council the Treasury Management Strategy Statement, Treasury Management Policy, Minimum Revenue Provision, Annual Investment Strategy and Prudential and Treasury Management indicators, as set out in Appendix A.

The report noted the Council was required to approve a Treasury Management Strategy before the start of each financial year. The Treasury Management Strategy Statement (TMSS) was attached to the report at Appendix A, and set out the parameters for the Council's planned treasury activity during 2021/22. The TMSS reflected the Council's Draft Capital Programme 2021/22 - 2023/24.

The report set out information on the economic background, the Council's borrowing and investments, the implications of the Markets in Financial Instruments Directive II, approved investments and counterparties and risk controls.

Items 93-95 were considered together to recommend to the Council meeting on 23 February 2021.

Resolved -

That Policy Committee endorse and recommend to Council:

- The Treasury Management Strategy Statement for 2021/22 as set out in Appendix A;
- The Treasury Management Policy for 2021/22 as set out in Appendix A;
- The Minimum Revenue Provision (MRP) Policy for 2021/22 as set out in Appendix A;
- The Annual Investment Strategy for 2021/22 as set out in Appendix A, noting the revised total limit for Non-Specified Investments; and
- The Prudential and Treasury Management indicators as set out in Appendix A.

95. CAPITAL STRATEGY 2021/22

The Executive Director of Resources submitted a report asking the Committee to recommend to Council the adoption of the Capital Strategy, as required by The Chartered Institute of Public Finance and Accountancy' (CIPFA) revised Prudential Code for Capital Finance in Local Authorities. 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 of the Council. The Capital Strategy provided a high-level 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 and set out the Council's approach to asset management planning, development and monitoring of the Capital Programme. Appendix B to the Strategy set out a prioritisation matrix for new capital schemes.

The report explained that the Capital Strategy has been updated in several respects. The most significant change related to the removal from the Capital Programme of further commercial property acquisition following new restrictions on borrowing from the PWLB. The updated Strategy also provided a more balanced reflection of all asset types owned by the Council and clearer referencing to supporting strategies. The report asked the Committee to note an updated Action Plan, attached at Appendix D to the Strategy, which identified areas of ongoing work required for the Council to become fully compliant with the CIPFA code requirements. Actions completed on the previous action plan were also summarised in the report.

POLICY COMMITTEE MEETING MINUTES - 15 FEBRUARY 2021

Items 93-95 were considered together to recommend to the Council meeting on 23 February 2021.

Resolved -

- (1) That the adoption of the Capital Strategy, as attached to the report at Appendix 1, be recommended to Council;**
- (2) That the updated Action Plan that formed Appendix D of the Capital Strategy (Appendix 1) together with the associated financial implications, be noted.**

96. CHILDREN'S ACTIVITY CENTRE AT PROSPECT PARK

The Executive Director of Economic Growth and Neighbourhood Services submitted a report outlining proposals to extend the recreational facilities at Prospect Park to include educational, chargeable and support activities for young people, children and families and seeking scheme and spend approval for the project.

The report explained that the proposals for Prospect Park would provide a unique mix of indoor and outdoor facilities focused at the primary school age range. This would create outdoor attractions, generate commercial revenue for the Reading Play Service and enhance the play-based education offer the service provided for schools and other clients. The proposal would be funded through a mixture of section 106 and CIL funding. A range of facilities were proposed to complement the broader park facilities such the play area and open space. These included:

- Skytrail - An indoor adventure low ropes course for children up to 7 years old;
- Outdoor family mini golf designed to accommodate wheelchair access;
- A multi-functional space for hire, suitable for parties, meetings and outreach;
- Space for a commercial café to complement the activities;
- Outdoor enclosed education zone to support the outreach programmes, features to include archery, portable climbing structure and team building activities.

It was proposed to convert redundant garaging into ropes and climbing wall and consolidate offices to provide the café and classroom. Open space to the front of the building would be converted into the family mini golf course and redundant yard space behind the pavilion would accommodate the outdoor activity area. Plans showing the current layout and proposed layout were attached to the report at Appendix 1.

The report noted that the proposals included accessible activities that would cater for a range of physical abilities, and ensure that established support services for vulnerable and disadvantaged young people and children could be further developed.

Resolved -

- (1) That scheme, spend, and consultation approval be agreed for the development of the Children's Activity Centre at Prospect Park;**

- (2) That a planning application be submitted for the proposed development of facilities at Prospect Park;
- (3) That the Executive Director for Economic Growth and Neighbourhood Services, in consultation with the Lead Councillor for Culture, Heritage and Recreation, the Lead Councillor for Children, the Lead Councillor for Corporate and Consumer Services, and the Assistant Directors of Procurement, Legal and Democratic Services, and Property and Asset Management, be authorised to enter into a contract for the works and equipment required for the development of the facilities at Prospect Park within the agreed budget and including the letting of café space to an external operator within the premises;
- (4) That the land be advertised as a disposal of open space in accordance with S123 of the Local Govt Act 1972.

97. COMMUNITY INFRASTRUCTURE LEVY - 15% LOCAL CONTRIBUTION

The Executive Director of Economic Growth and Neighbourhood Services submitted a report providing an update on the use of Community Infrastructure Levy (CIL), in particular the 15% of collected CIL which should be allocated to the local area in which development takes place. The following documents were attached to the report:

- Appendix 1 - Equality Impact Assessment
- Appendix 2 - Update on existing 15% local CIL projects
- Appendix 3 - Schemes consulted upon in 2018 that did not receive funding
- Appendix 4 - Amended CIL protocol
- Appendix 5 - Proposed consultation on allocation of 15% local CIL

The report noted that following public consultation on a schedule of preferred projects the Committee had agreed at its meeting on 26 November 2018 (Minute 49 refers) an allocation of CIL to a range of projects in each neighbourhood zone. Officers in consultation with the relevant lead councillors had been authorised to vary the provisional allocations within each zone and using this delegation additional funding had been allocated towards the High Street Heritage Action Zone project and proposed refurbishment of the seating areas in Broad Street (Decision Book 608 refers). Attached to the report at Appendix 2 was a schedule of the projects that had been allocated funds so far and progress on their delivery. A number of schemes had already been delivered and others represented longer term projects or delivery was expected to take longer.

The report explained that, of the £1.670m 15% local CIL collected up to the end of 2018-19, the allocation of £1.339m had been identified (£1.204m by Policy Committee in November 2018 plus £0.135m by Decision Book) and £0.332m therefore remained unallocated. An additional £1.337m of 15% local CIL had been collected in 2019-20, meaning that there was £1.669m available to allocate. There were a significant number of schemes included in the original schedule that had been subject to consultation in July 2018 which had not been allocated funds but were still both necessary and deliverable,

POLICY COMMITTEE MEETING MINUTES - 15 FEBRUARY 2021

and these were listed in Appendix 3. These remaining schemes had been re-examined to consider deliverability, necessity and the degree to which infrastructure would relate to the areas where development was taking place, and an allocation of CIL funds to 19 schemes totalling £1.187m was recommended. In addition, the High Street Heritage Action Zone project would need local CIL funding to make up much of the required match funding and an additional allocation of £0.275m was recommended. The provisional allocation, to be subject to a further consultation, would therefore total £1.462m with the balance of £0.207m being carried over.

It was proposed and agreed at the meeting that an additional allocation of £0.095m be made for a Skate Park at Rabson's Rec, Northumberland Avenue, in place of the proposal for a Skate Park in Cintra Park.

The report explained the limitations of taking a strict zonal approach towards allocating 15% local CIL and proposed that the allocation of 15% local CIL already collected not be undertaken in strict accordance with the four neighbourhood zones. As this differed from the zonal approach upon which the 2018 consultation had been based, it was proposed that the preliminary allocation be subject to further public consultation, as part of the consultation document set out in Appendix 5 attached to the report. This consultation would be undertaken in March and April 2021 and reported back to Policy Committee for a decision on the final allocation.

The report also summarised difficulties that had emerged with the approach to consultation on and allocation of 15% local CIL, as well as the recommendations made by an audit report on the processes around local CIL, which had been taken into account in the proposed future approach to consultation and allocation of funds collected after 31 March 2020 (and any funds carried over from before that date). This new approach would require amendment to the CIL protocol and a proposed amended protocol was attached to the report at Appendix 4.

The report explained that the proposed new approach was to consult on general priorities every three to four years and use the outcomes as one of the main considerations in the annual allocation of CIL to specific schemes by Policy Committee. Specific schemes would be put forward by officers from the relevant sections, but there would also be an opportunity for Councillors, community groups and members of the public to make nominations. There would also be a move away from the four neighbourhood zones. The proposed consultation document to identify future spending priorities for the next few years was attached to the report at Appendix 5.

Resolved -

- (1) That the progress on the projects benefitting from the 15% local CIL allocated by Policy Committee on 26 November 2018, as set out in Appendix 1, be noted;**
- (2) That the following further allocations of 15% local CIL collected up until 31st March 2020 be agreed, with a total allocation of £1.462m:**

£0.050m for town centre monuments and statues
£0.100m for war memorials and public art
£0.075m for Borough-wide graffiti removal project
£0.100m for Thames cycle path in Kings Meadow
£0.100m for Palmer Park play area improvements
£0.275m for the High Street Heritage Action Zone project
£0.005m for Morpeth Close road marking
£0.050m for pedestrian crossing on Addington Road
£0.015m for landscaping improvements at South Whitley Park
£0.095m for Waterloo Meadows play area improvements
£0.075m for Shinfield Road Recreation Ground improvements
£0.050m for pedestrian crossing on Church End Lane
£0.010m for lining alteration on The Meadway
£0.050m for pedestrian crossing on Norcot Road
£0.100m for Arthur Newbery Park play area improvements
£0.095m for Oxford Road Recreation Ground play area improvements
£0.085m for Dover Street play area improvements
£0.030m for Moriston Close play area improvements
£0.002m for laptops for Coley Park Community Centre
£0.100m for Brook Street West improvements
£0.095m for a Skate Park at Rabson's Rec, Northumberland Ave

- (3) That the relevant Assistant Directors be authorised to complete the necessary procurement processes to deliver the programme of work;
- (4) That the relevant Assistant Directors be authorised to give spend approval in accordance with the funds approved in (2) above, and that variation to the allocations above be delegated to the relevant Assistant Directors in consultation with the Lead Councillors for Strategic Environment, Planning and Transport and Corporate and Consumer Services and the Assistant Director of Finance;
- (5) That changes to the CIL protocol (Appendix 4) setting out a new process for local consultation and allocation of 15% local CIL be agreed;
- (6) That the consultation document on spend of collected and future 15% local CIL (Appendix 5) be agreed for consultation.

98. COUNCIL TAX, COUNCIL TAX REDUCTION AND HOUSING BENEFIT PENALTIES

The Executive Director of Resources submitted a report seeking approval for a Council Tax, Council Tax Reduction Scheme & Housing Benefit Civil Penalty Policy. The proposed Policy was attached to the report at Appendix A.

The report noted that the Council was responsible for the billing, collection and enforcement of Council Tax, the administration of Housing Benefit (on behalf of the DWP), and the administration of the Council Tax Reduction Scheme. There were a wide

POLICY COMMITTEE MEETING MINUTES - 15 FEBRUARY 2021

range of Council Tax exemptions and discounts and the Council had a responsibility to ensure that where a discount, exemption, Housing Benefit or Council Tax Reduction award had been made, the recipient remained entitled to it. It was therefore proposed to introduce a Council Tax, Local Council Tax Reduction Scheme and Housing Benefit Civil Penalty Policy to encourage customers to promptly report to the Council when their circumstances changed.

The report explained that the proposed policy would be part of a pro-active approach to preventing and reducing the risks associated with fraud, error and other irregularities in the administration of Council Tax, the Local Council Tax Reduction Scheme and Housing Benefit, and reinforce the message that the Council would take positive action against abuse of these schemes and public funds. There were legal statutory powers which allowed the Council to impose civil penalties. The timely reporting of changes in respect of Council Tax discounts, exemptions, reductions and liability would also ensure that the Council was able to more accurately calculate the Council Tax income base.

Resolved -

That Policy Committee approve the Council Tax, Council Tax Reduction Scheme & Housing Benefit Civil Penalty Policy as set out at Appendix A, noting the following levels of penalty as prescribed by Regulation:

- **A penalty of £50 may be imposed for failure to notify the Council of a change in circumstances which affects an award of Housing Benefit;**
- **A penalty of £70 may be imposed for failure to notify the Council of a change in circumstances which affects an award of Council Tax Reduction;**
- **A penalty of £70 may be imposed for failure to notify the Council of a change in circumstances which affects entitlement to a Council Tax discount or exemption;**
- **A penalty of £70 may be imposed where the Council has requested but not been supplied with the information necessary to establish liability for Council Tax;**
- **A penalty of £280 may be imposed where a £70 penalty has been imposed for not supplying information to establish liability and a further request for the information has not been complied with.**

99. CENSUS 2021 PREPARATIONS

The Executive Director of Resources submitted a report setting out plans for the national Census on 21 March 2021 and the Council's role in supporting the census.

The report noted that for the first time it would be a digital-first Census, with help available for people to take part online and paper surveys available for those who needed it. In order to ensure as many Census returns as possible from the local area, local

authorities had been asked to help in a number of areas, particularly in identifying more hard-to-reach communities and routes for engagement with those groups, as well as developing a general communications plan. To facilitate this, ONS had employed Census Engagement Managers to work with local authorities in their areas. Community Advisors had also been employed to work with particular communities. There would also be two Census Support Centres in Reading funded by ONS and run by Reading Voluntary Action at Central Library (if open), and by Communicare in East Reading. These would support people to fill in the Census online.

The report explained that the first outputs of the census would be available by March 2022, with all results available by March 2023. In the event of the Covid-19 lockdown situation continuing into March, the Census would still go ahead, with support for completion provided by telephone and online.

Resolved -

That the report be noted.

100. COMMUNITY TRANSPORT - CONTRACT EXTENSION

The Executive Director of Economic Growth and Neighbourhood Services submitted a report seeking approval for the proposed extension of the existing Community Transport contract with Readibus Limited from April 2021 for a further two years, in accordance with the provisions contained within the current contract. The contract encompassed both the provision of dial-a-ride services and transport provision for the Council's Adult Social Care service. Attached to the report at Appendix A was a Benchmarking Review carried out by WSP Ltd.

The report explained that the Council had commissioned an independent benchmarking exercise, undertaken by external consultants WSP Ltd, to investigate the value for money provided by the current contract. The review had shown that Readibus' community transport services appeared to provide good value for money.

The report also proposed a review of future requirements for community transport provision and set out a timetable for procuring a new contract for this service, to commence in April 2023 following the end of the proposed extension period to the existing contract.

Resolved -

- (1) That the agreement for the provision of Community Transport Services (Dial-a-Ride) with Readibus be extended for a further period of two years until 31 March 2023, in accordance with the terms of the contract;**
- (2) That the proposed timetable for undertaking a review of future community transport requirements be endorsed and re-procurement of a new Community Transport Services contract to commence from 1 April**

POLICY COMMITTEE MEETING MINUTES - 15 FEBRUARY 2021

2023, upon the expiry of the existing contract with Readibus, be authorised.

(Councillors Duveen and Stanford-Beale declared a prejudicial interest in this item on the grounds that they had been appointed by the Council as directors of Readibus. They left the meeting and took no part in the debate or decisions.)

(The meeting started at 6.30 pm and closed at 8.36 pm)