



Reading
Borough Council

Working better with you

Summons and Agenda 8 June 2021

**Chief Executive
Reading Borough Council
Civic Offices, Bridge Street,
Reading, RG1 2LU**



Reading
Borough Council
Working better with you

Peter Sloman
CHIEF EXECUTIVE

Civic Offices, Bridge Street,
Reading RG1 2LU
☎ 0118 937 3787

To: All Members of the Council

Direct: ☎ 0118 937 2153
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michael.popham@reading.gov.uk

31 May 2021

Your contact is: Michael Popham - Democratic Services Manager

Dear Sir/Madam

You are hereby summoned to attend a meeting of the Reading Borough Council to be held at **Concert Hall, Town Hall, Reading, on Tuesday, 8 June 2021 at 6.30 pm**, when it is proposed to transact the business specified in the Agenda enclosed herewith.

Yours faithfully

CHIEF EXECUTIVE

A G E N D A

Please Note: Access to this meeting for members of the public will be limited and will be on a strictly first-come first-served basis.

Please Note: Public access at this meeting will be limited and on a strictly first come first served basis.

1. **MAYOR'S ANNOUNCEMENTS**

To receive Mayor's Announcements.

2. **DECLARATIONS OF INTEREST**

To receive any declarations of interest.

3. **MINUTES**

9 - 20

The Mayor to sign the Minutes of the proceedings of the previous Council Meeting.

4. **PETITIONS**

To receive petitions in accordance with Standing Order 8.

5. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

Questions in accordance with Standing Order 9.

6. **QUESTIONS FROM COUNCILLORS**

Questions in accordance with Standing Order 10.

Reports and Recommendations from Committees

7. **UPDATE ON CONSTRUCTION COSTS OF NEW LEISURE FACILITIES**

21 - 28

Report by Executive Director of Economic Growth and Neighbourhood Services

Motions

8. **GOVERNMENT VOTER IDENTIFICATION PROPOSALS**

Councillor Davies to move:

This Council notes that:

- The recent Queen's Speech contained Government proposals to require people to show identification including a photograph in order to vote in General Elections.
- There is no evidence of widespread electoral fraud by voter impersonation in the UK. Of the 595 alleged cases of electoral fraud investigated by police in relation to the 2019 General

Election, only 33 were related to voter impersonation at a polling station, a vanishingly small proportion of the more than 58 million votes cast.

- Turnout at the local elections in Reading in 2021 was 36%. It is estimated that at the 2019 General Election in parts of Reading, turnout was as low as 50%.
- According to an Electoral Commission report on a proof of identity scheme for polling station voters, 11 million people have no driving licence or passport and 3.5 million people have no access to photo ID at all.
- It is estimated that it will cost about £20 million per election to implement photo ID at polling stations.

This Council believes that:

- Voting at elections is the cornerstone of democracy at both local and national level.
- In a democracy the authority of all levels of government is derived from belief that those governing us have been chosen by the will of the majority of the people.
- Participation in elections should be encouraged in all those who are qualified regardless of age, ethnicity, income or ableness.
- Unnecessary barriers to voting is likely to reduce voter participation in elections, proper representation of all parts of the community and so legitimacy of those elected to office.
- The requirement to produce photo ID is likely to disproportionately discourage younger people and people from disadvantaged communities from voting so this measure amounts to voter suppression affecting specific groups of people.

Consequently, this Council resolves to:

- Oppose the introduction of photo ID as a requirement to vote at polling stations.

And, should mandatory photo ID be passed into law, this Council further resolves to:

- Make all reasonable efforts within the Council's means and available budget to introduce a low-cost ID scheme, available to all voters in the Borough, that will qualify as legitimate ID for voting purposes and encourage take up of the same.

9. **HYDROTHERAPY POOL AT THE ROYAL BERKSHIRE HOSPITAL**

Councillor Hoskin to move:

This Council notes that:

- The Royal Berkshire NHS Foundation Trust have taken the decision to permanently close the hydrotherapy pool at the

Royal Berkshire Hospital and is commencing an 'engagement' exercise which will report back to the RBFT Board in July 2021.

- There was no public consultation by the trust before it took this decision
- There is a suggestion that NHS commissioners (the Berkshire West NHS Clinical Commissioning Group) are looking at other hydrotherapy facilities to provide Individual Funding Request referral hydrotherapy - a much more limited service than that previously offered.
- On a number of occasions, this Council has, unanimously and across parties, passed motions opposing the closure of NHS hydrotherapy in Reading.

Consequently, this council resolves to:

- Request that the Reading Borough Council chief executive writes to the chief officers of the Royal Berkshire NHS Foundation Trust and the Berkshire West NHS CCG expressing this Council's strong opposition to the decision to permanently close Reading's NHS hydrotherapy pool with no confirmed replacement.
- Request that the lead councillor for Health, Wellbeing and Sport seeks to gain the support of Reading's two MPs, as well as Wokingham Borough Council and West Berkshire Council, and works with various interested groups to oppose permanent closure of Reading's NHS hydrotherapy pool without adequate replacement and, instead, pushes for the expanded provision of NHS hydrotherapy in our town.

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Present: Councillor Stevens (Mayor);

Councillors David Absolom, Debs Absolom, Ayub, Ballsdon, Barnett-Ward, Brock, Carnell, Challenger, Davies, Duveen, Eden, Edwards, Emberson, Ennis, Gittings, Hacker, Hoskin, James, Khan, Leng, Lovelock, Manghnani, Maskell, McElroy, McEwan, McGonigle, Mitchell, Mpofu-Coles, O'Connell, Page, Pearce, Robinson, Rowland, Rynn, D Singh, Skeats, Sokale, Terry, White, Whitham, J Williams, R Williams and Woodward.

Apologies: Councillors R Singh and Stanford-Beale.

1. EXTENSION OF THE TERM OF OFFICE OF THE MAYOR AND DEPUTY MAYOR

That Councillor Stevens' term of office as Mayor and Councillor Eden's term of office as Deputy Mayor be extended to 17 November 2021.

2. MINUTES

The Minutes of the meeting held on 23 March 2021 were confirmed as a correct record and would be signed the Mayor.

3. REPORT ON THE RESULTS OF THE MUNICIPAL ELECTIONS

The Monitoring Officer submitted a report on the results of the Municipal Elections held on 6 May 2021. He also reported that all those elected had signed the Declaration of Acceptance of Office.

4. APPOINTMENT OF LEADER OF THE COUNCIL

It was moved by Councillor Page and seconded by Councillor Gittings and CARRIED:

“That Councillor Brock be appointed Leader of the Council for the Municipal Year 2021/22.”

5. CONSTITUTION; POWERS AND DUTIES OF THE COUNCIL AND COMMITTEES; SCHEME OF MEMBERS' ALLOWANCES; AND DELEGATIONS

The Monitoring Officer submitted a report making recommendations for the Municipal Year 2021/22 to:

- (1) appoint the Committees of the Council: the allocation of seats between Groups had to be calculated in accordance with Sections 15-17 of the Local Government and Housing Act 1989 and details had been circulated to Group Leaders before the meeting;
- (2) appoint a local Standards Committee for the authority;
- (3) agree the powers and duties of committees, sub-committees, partnerships and consultative Working Parties (Appendices A, B and C), including incorporating the terms of reference of the Channel Panel within Article 10: Consultative Committees and Forums;

COUNCIL MEETING MINUTES - 26 MAY 2021

- (4) agree the general dispensation granted to all Members as set out in para. 2.16 of the report.
- (5) amend the Council's scheme of Councillors' Allowances, and confirm those Councillors who met the definition of Members having significant responsibilities in relation to the discharge of the Council's functions in terms of entitlement to Special Responsibility Allowance at Tier 4 for the financial year 2021/22;
- (6) re-establish the Remuneration Panel for the Municipal Year 2021/22;
- (7) make arrangements for decision-making now that the permission under Section 78 of the Coronavirus Act 2020 and the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 to hold Council and Committee meetings remotely had ceased, which would include:
 - (a) an extension to the general dispensation to Councillors for a further six months in relation to the requirement set out in Section 85 of the Local Government Act 1972, which stated if a member throughout a period of six consecutive months from the date of his last attendance failed to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority;
 - (b) allowing Councillors who were unable to, or hesitant to, attend a meeting in person during the 2021/22 municipal year, to (a) contribute remotely where this was possible, but in these circumstances they would not form part of the quorum or be able to vote; or alternatively (b) ask their Group Leader to appoint a substitute to attend and vote in their place, subject to any substitutes appointed for meetings of the Planning Applications Committee and the Licensing Applications Committee have had suitable training.

It was moved by Councillor Brock and seconded by Councillor Page and CARRIED:

Resolved -

That recommendations 2.1 to 2.21 in the report by the Monitoring Officer be approved.

6. APPOINTMENT OF DEPUTY LEADER AND LEAD COUNCILLORS AND ALLOCATION OF PORTFOLIOS

It was moved by Councillor Brock and seconded by Councillor Page and CARRIED:

Resolved -

- (1) That Councillor Page be appointed the Deputy Leader of the Council for the Municipal Year 2021-22;

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- (2) That for the Municipal Year 2021/22, the following Councillors be appointed as Lead Councillors for the services listed below:

Adult Social Care	Councillor Ennis
Children	Councillor Terry
Corporate and Consumer Services	Councillor McEwan
Culture, Heritage & Recreation	Councillor Rowland
Education	Councillor Pearce
Health, Wellbeing & Sport	Councillor Hoskin
Housing	Councillor Emberson
Neighbourhoods & Communities	Councillor Barnett-Ward
Strategic Environment, Planning & Transport	Councillor Page

7. APPOINTMENT OF COUNCIL COMMITTEES AND OTHER BODIES

It was moved by Councillor Brock and seconded by Councillor Page and CARRIED:

Resolved -

- (1) That, subject to the provisions of the Local Government and Housing Act, 1989, and Regulations made thereunder, the following Councillors be appointed to serve on Committees in the Municipal Year 2021/22:

Adult Social Care, Children's Services & Education Committee (10:3:1:1)

<u>Labour</u> <u>Councillors</u>	<u>Conservative</u> <u>Councillors</u>	<u>Liberal Democrat</u> <u>Councillor</u>	<u>Green</u> <u>Councillor</u>
David Absolom Ennis Hoskin James Mpofu-Coles Pearce D Singh Sokale Terry R Williams	Ballsdon Carnell Robinson	O'Connell	White

Audit & Governance Committee (5:2:1)

<u>Labour</u> <u>Councillors</u>	<u>Conservative</u> <u>Councillors</u>	<u>Green</u> <u>Councillor</u>
Davies Edwards	Robinson Stevens	McElroy

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Emberson
Gittings
McEwan

Health & Wellbeing Board

Leader of the Council

Lead Councillor for Health, Wellbeing and Sport

Lead Councillor for Adult Social Care

Lead Councillor for Children

Named Substitutes: Councillors James, Mpofu-Coles, Page and R Williams

Observers: Conservative and Liberal Democrat Group Spokespersons

Housing, Neighbourhoods & Leisure Committee (10:4:1:2)

<u>Labour Councillors</u>	<u>Conservative Councillors</u>	<u>Liberal Democrat Councillor</u>	<u>Green Councillors</u>
Debs Absolom	Manghnani	O'Connell	McGonigle
Barnett-Ward	Mitchell		J Williams
Davies	Rynn		
Emberson	R Singh		
Hacker			
Hoskin			
Leng			
Mpofu-Coles			
Rowland			
Sokale			

Licensing Applications Committee (8:3:1)

<u>Labour Councillors</u>	<u>Conservative Councillors</u>	<u>Green Councillor</u>
Barnett-Ward	Carnell	McGonigle
Challenger	Rynn	
Edwards	Skeats	
Ennis		
Maskell		
Page		
Rowland		
Woodward		

Personnel Committee (4:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>
Brock	Skeats
Lovelock	

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McEwan
Page
(or nominees)

Investigating & Disciplinary Committee (4:1)

<u>Labour</u> <u>Councillors</u>	<u>Conservative</u> <u>Councillors</u>
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Brock	Skeats
McEwan	
Page	
Sokale	

(or nominees)

Appeals Committee (4:1)

<u>Labour</u> <u>Councillors</u>	<u>Conservative</u> <u>Councillors</u>
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Edwards	Stevens
Emberson	
Lovelock	
Rowland	

(or nominees)

Planning Applications Committee (9:3:1:1)

<u>Labour</u> <u>Councillors</u>	<u>Conservative</u> <u>Councillors</u>	<u>Liberal Democrat</u> <u>Councillor</u>	<u>Green</u> <u>Councillor</u>
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Challenger	Carnell	Duveen	J Williams
Emberson	Robinson		
Ennis	Stanford-Beale		
Leng			
Lovelock			
McEwan			
Page			
Rowland			
R Williams			

Policy Committee (10:4:1:2)

<u>Labour</u> <u>Councillors</u>	<u>Conservative</u> <u>Councillors</u>	<u>Liberal Democrat</u> <u>Councillor</u>	<u>Green</u> <u>Councillors</u>
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Barnett-Ward	Robinson	Duveen	McElroy
Brock	Skeats		White
Emberson	Stanford-Beale		
Ennis	Stevens		
Hoskin			

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McEwan
Page
Pearce
Rowland
Terry

Standards Committee (4:2:1)

<u>Labour Councillors</u>	<u>Conservative Councillors</u>	<u>Green Councillor</u>
Ayub Edwards Gittings Leng	Robinson R Singh	J Williams

(Together with the following independent member: Mrs T Barnes)

Named Substitutes (1:1)

<u>Labour Councillors</u>	<u>Conservative Councillors</u>
Terry	Skeats

Strategic Environment, Planning & Transport Committee (9:3:1:2)

<u>Labour Councillors</u>	<u>Conservative Councillors</u>	<u>Liberal Democrat Councillor</u>	<u>Green Councillor</u>
Ayub Challenger Eden Gittings Khan Maskell McEwan Page R Williams	Carnell Mitchell Stanford-Beale	Duveen	McElroy McGonigle

- (2) That the following Councillors be appointed to serve on other bodies in the Municipal Year 2021/22:

Access and Disabilities Working Group (3:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>
James Rowland R Williams	Manghnani

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Adult Safeguarding Panel (3:1:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>	<u>Liberal Democrat Councillor</u>
Edwards Ennis Hoskin	Manghnani	O'Connell

Alliance for Cohesion and Racial Equality (1:1:1:1)

<u>Labour Councillor</u>	<u>Conservative Councillor</u>	<u>Liberal Democrat Councillor</u>	<u>Green Councillor</u>
Eden	R Singh	O'Connell	J Williams

Appeals Pool from which Members will be drawn to serve on the Curriculum Complaints Panel or the Removal of Early Years Providers Appeals Panel, as required by regulation.

<u>Labour Councillors</u>	<u>Conservative Councillor</u>	<u>Liberal Democrat Councillor</u>
Edwards Lovelock	Stanford-Beale	O'Connell

Arts & Heritage Forum (5:2)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>
Ayub Edwards Hacker Rowland R Williams	Manghnani Mitchell

Children's Safeguarding Panel (3:1:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>	<u>Liberal Democrat Councillor</u>
Lovelock Pearce Terry	Robinson	O'Connell

Civic Board (6:3:1:1)

<u>Labour Councillors</u>	<u>Conservative Councillors</u>	<u>Liberal Democrat Councillor</u>	<u>Green Councillor</u>
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Brock	Skeats	Duveen	J Williams
Gittings	Stanford-Beale		
Lovelock	Stevens		
McEwan			
Page			
Rowland			

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

<u>Labour</u>	<u>Conservative</u>	<u>Liberal Democrat</u>	<u>Green Councillor</u>
<u>Councillors</u>	<u>Councillors</u>	<u>Councillor</u>	

Barnett-Ward	Stanford-Beale	Duveen	Whitham
Gittings			
Hoskin			
Page			

Community Safety Partnership

Councillors Barnett-Ward, Brock and Page

Observer: Councillor R Singh

Cultural Partnership Board

Lead Councillor for Culture, Heritage and Recreation and other Group Spokespersons.

Cycle Forum (4:1:1:1)

<u>Labour</u>	<u>Conservative</u>	<u>Liberal Democrat</u>	<u>Green</u>
<u>Councillor</u>	<u>Councillor</u>	<u>Councillor</u>	<u>Councillor</u>

Barnett-Ward	Stanford-Beale	O'Connell	Whitham
Ennis			
Gittings			
Page			

Community Learning and Skills Advisory Board

Leader of the Council, Lead Councillor Education and Councillor Davies

Conservative Group Spokesperson

Joint Health & Overview Scrutiny Committee

Councillors Ennis and Hoskin

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Local Joint Forum (3:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>
Brock McEwan Page	Stanford-Beale

(or nominees)

Older People's Working Group (5:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>
Ennis Khan Leng Rowland R Williams	Manghnani

Parenting Panel (3:1:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>	<u>Liberal Democrat Councillor</u>
Brock Lovelock Terry	Stanford-Beale	O'Connell

Planning Management Panel (3:1:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>	<u>Liberal Democrat Councillor</u>
Challenger Rowland Lovelock (or nominees)	Stanford-Beale	Duveen

SACRE (3:1:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>	<u>Liberal Democrat Councillor</u>
Eden Mpofu-Coles Pearce	R Singh	O'Connell

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Safer Reading Neighbourhood Forum (3:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>
Barnett-Ward Leng Rowland	R Singh

School Admission Forum

Councillors Page and Pearce

Observers - Councillors Carnell and O'Connell

Secure Accommodation Panel

Councillor Ennis

Standing Deputy: Councillor Edwards

Town Twinning Group (2:1)

<u>Labour Councillors</u>	<u>Conservative Councillor</u>
Brock Eden (Mayor - ex-officio)	Manghnani

- (3) That the terms of reference of the above bodies be as set out in Appendices A, B and C to the Monitoring Officer's report on the Constitution, Powers and Duties of the Council and Committees etc;
- (4) That the following Councillors be appointed/nominated as appropriate as Chairs/Vice-Chairs of the bodies listed at (2) above:

<u>Working Party etc</u>	<u>Chair/Vice Chair</u>
Access & Disabilities Working Group	Councillor James (Chair) Councillor R Williams (Vice-Chair)
Adult Safeguarding Panel	Councillor Ennis (Chair)
Arts & Heritage Forum	Councillor Hacker (Chair) Councillor R Williams (Vice-Chair)
Children's Safeguarding Panel	Councillor Terry (Chair)
Civic Board	Councillor Page (Chair)
Cleaner Air & Safer Transport Forum	Councillor Gittings (Chair)
Community Safety Partnership	Councillor Barnett-Ward (Vice-Chair)
Cultural Partnership Board	Councillor Rowland (Chair)

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Cycle Forum	Councillor Gittings (Chair)
Community Learning & Skills Advisory Board (formerly Lifelong Learning Board)	Councillor Pearce (Chair)
Local Joint Forum	Councillor Brock (Chair)
Older People’s Working Group	Councillor Khan (Chair) Councillor Ennis (Vice-Chair)
Parenting Panel	Councillor Terry (Chair) Councillor Brock (Vice-Chair)
Planning Management Panel	Councillor Lovelock (Chair)
SACRE	Non-Councillor
Safer Reading Neighbourhood Forum	Councillor Barnett-Ward (Chair)
School Admission Forum	Councillor Pearce (Chair)
Town Twinning Group	The Mayor

8. APPOINTMENT OF CHAIRS/VICE CHAIRS OF COMMITTEES

It was moved by Councillor Brock and seconded by Councillor Page and CARRIED:

Resolved -

That the following be appointed Chairs and Vice-Chairs of the following Committees for the Municipal Year 2021/22:

Committee	Chair	Vice-Chair
Adult Social Care, Children’s Services & Education	Councillor James	Councillor R Williams
Audit & Governance	Councillor Stevens	Councillor Davies
Health & Wellbeing Board	Councillor Hoskin	Dr A Ciecierski
Housing, Neighbourhoods & Leisure	Councillor Davies	Councillor Leng
Licensing Applications	Councillor Edwards	Councillor Woodward
Planning Applications	Councillor Lovelock	Councillor Challenger
Personnel	Councillor McEwan	Councillor Brock
Investigating & Disciplinary Committee	Councillor Brock	Councillor Page
Appeals Committee	Councillor Lovelock	Councillor Emberson

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Policy	Councillor Brock	Councillor Page
Standards	Mrs T Barnes	Councillor Edwards
Strategic Environment, Planning & Transport	Councillor Gittings	Councillor Challenger

9. DATES OF COUNCIL MEETINGS FOR 2021/22

It was moved by the Mayor and seconded by the Deputy Mayor and CARRIED:

Resolved -

That, before the day of the Annual Meeting in 2022, meetings of the Council be held at half-past six o'clock in the afternoon on 8 June, 19 October and 17 November 2021, and 25 January, 22 February and 22 March 2022, unless the Mayor shall specify some other date and time.

(The meeting closed at 6.37pm).

Agenda Item 7

REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	COUNCIL		
DATE:	8 JUNE 2021		
TITLE:	UPDATE ON CONSTRUCTION COSTS OF NEW LEISURE FACILITIES		
LEAD COUNCILLOR:	CLLR GRAEME HOSKIN	PORTFOLIO:	HEALTH, WELLBEING & SPORT
SERVICE:	CULTURE	WARDS:	BOROUGHWIDE
LEAD OFFICERS:	DONNA PENTELOW	TEL:	07921 941 075
JOB TITLE:	ASSISTANT DIRECTOR CULTURE	E-MAIL:	donna.pentelow@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval to increase the capital spend allocation for the new leisure facilities at Rivermead and Palmer Park by £2,433k largely as a result of an increase in construction costs due to delays to the schemes starting on site as a result of Covid19.
- 1.2 On 20 January 2020 the Council authorised the award of a 25-year contract with GLL to design, build, operate and maintain (DBOM) the Council's four leisure centres; and delegated authority to officers to finalise contractual arrangements with GLL.
- 1.3 These contractual discussions were progressing but were disrupted by the Covid19 pandemic and the temporary closure of leisure facilities, which has delayed the signing of the DBOM contract.
- 1.4 In the interim, on 24th August 2020 Policy Committee delegated authority to officers to enter into a Planning Cost Agreement with GLL to progress the design and planning approval of the new build elements at Rivermead and Palmer Park and limit the impact of Covid19 on leisure facilities. On 31st March 2021, planning consent was given for the two schemes.
- 1.5 An expression of funding has been submitted to Sport England for £1,500k to contribute to the construction cost of the new leisure facilities.
- 1.6 A new timetable for the construction of the facilities is also set out in the report.

2. RECOMMENDED ACTION

Council is asked to resolve as follows:

- 2.1 to increase the capital budget by £2,433k for the provision of new leisure facilities,
- 2.2 to increase the capital budget by a further £1,500k if the funding application submitted to Sport England for £1,500k does not materialise in full or part,
- 2.3 to authorise the Director of Finance to amend the Medium Term Financial Strategy to reflect the £3,933k increase in capital spend for the new leisure provision.

- 2.4 to delegate to the Executive Director for Economic Growth and Neighbourhood Services scheme and spend approval for £38.451m for the full cost of the Leisure procurement project in consultation with the Director for Finance.
- 2.5 to note the submission of the funding application to Sport England for £1,500k contribution to the construction cost of the new leisure provision.
- 2.6 To note the updated timetable to construct the new facilities at Rivermead Leisure Centre and Palmer Park Sports Stadium.
- 2.7 To note the Council considers the use of a pensions bond as poor value for money and will assume the small risk that the contractor ceases trading in the future and that a deficit on the pension scheme develops.
- 2.8 That the Director of Finance be authorised to utilise Community Infrastructure Levy as a funding source for the project

3. POLICY CONTEXT

- 3.1 Reading has a range of leisure facilities that are of mixed quality and the Council recognises that the provision of suitable and readily accessible sports facilities underpins participation in sports and physical activity and supports the delivery of the social and economic benefits that can be attributed to an active community. With over 750,000 people using the Borough's sports and leisure facilities across the town each year, Reading needs a leisure offer that reflects its needs and that aligns with the Council's wider policies and priorities, including public health objectives and tackling inequality.
- 3.2 An extensive procurement process to find a leisure partner to design, build, operate and maintain (DBOM) boroughwide leisure facilities culminated on 20 January 2020, with Policy Committee awarding a 25-year DBOM contract to Greenwich Leisure Limited (GLL) and delegating authority to officers to finalise the contract arrangements. Officers were in the process of finalising the DBOM contract terms with GLL, when the Covid19 pandemic broke out in March 2020 delaying the contract terms. The DBOM contract is now shortly to be signed.

4. THE PROPOSAL

- 4.1 GLL and officers have been finalising the contractual arrangements for the DBOM contract including agreeing on a final construction cost for the new leisure facilities at Rivermead and Palmer Park. This included reducing the level of provisional sums within their original bid and agreeing on costs associated with the outcome of the 31st March planning approval for the new facilities.
- 4.2 In early April, GLL presented their final construction costs and, with a small client contingency, has shown an uplift in costs due to the following broad areas: (more details are provided in the financial implications section of the report)
 - Construction inflation since the bids were submitted in December 2019
 - Extra prelims to comply with Covid19 construction safety practices.
 - Extra costs to ensure compliance with planning conditions.
 - Firming up some provisional sums into fixed prices with remaining provisional sums in the contract (eg. Asbestos, de-watering costs) costs risk reduced by a small client contingency.
- 4.3 These costs have been reviewed by two independent cost consultancy firms experienced and knowledgeable in the costing of new leisure centre builds. Both confirm that the

costs are at a competitive market rate and have benchmarked the cost per m2 against recent comparable new leisure builds.

- 4.4 The final uplift in capital costs taking into account the construction costs and savings above amounts to £2,433k of additional capital expenditure. These costs have been based on contract signature in mid June, if there is a delay to this there is the likelihood the construction costs will further increase.
- 4.5 Throughout the procurement process the Council has been working closely with Sport England. The Council have been invited by Sport England to submit an expression of interest to the Strategic Facilities Investment Fund. The expression of interest for the £1.5m grant was submitted on 18th May 2021 and, if approved, the full application will follow on 1st June 2021 with a decision on the grant funding anticipated by 15th June 2021.

Options Appraisal

- 4.6 To reduce the increased capital spend back to the original approved level will involve removing large cost elements of the new leisure facilities (eg. reverting back to a 4 lane pool at Palmer Park) or omitting key works programmed to existing facilities (eg. A new roof at Palmer Park, or new fitness facilities at Meadway Sports Centre and South Reading Leisure Centre). This would also mean re-submitting a new planning application for Palmer Park delaying its construction and impacting on the increased income from improved facilities.
- 4.8 Any changes to the fundamental design of the new facilities and planned improvements to existing leisure facilities will result in re-design fees and additional construction inflation costs reducing the savings benefit from such changes. There would also be a delay to the DBOM contract agreement and all the social and public health benefits arising from the new leisure provision. The Council is not obliged to enter the Contract with GLL if it now considers that the costs are too high. The implication of this choice would be a further procurement process to find a new development partner, or to work up an in-house scheme for the Council to develop and run its own facilities. As part of the Policy Committee decision taken in January 2020, work was undertaken to assess the value for money of retaining the service inhouse. Over all an in-house provision would cost in the region of £1.7m extra per annum to run when all centres are fully operating and re-provisioned.
- 4.9 Should the proposed uplift in capital spend be approved then the DBOM contract and construction start on site would both occur this Summer 2021 with the
- New pool at Palmer Park open - Autumn 2022
 - New Pool at Rivermead open - Spring 2023

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 Reading's future leisure provision will contribute towards the achievement of the following Council Priorities:
- Healthy Environment
 - Thriving Communities
- 5.2 The new leisure facilities will modernise facilities and create affordable, accessible services to improve the physical and mental health of residents.
- 5.3 The Council will work with its new leisure partner in the delivery of key national and local strategic policies. It will also demonstrate that investment and action is making a positive difference to people's lives and show the impact the delivery of the leisure service is having on local individuals and communities and public health outcomes.

5.4 Whilst the town's culture and leisure opportunities are accessed by the vast majority of residents there are significant cohorts who face barriers to access. This can lead to increased levels of obesity and poorer health and well-being for both adults and children in respect of physical activity; and poorer quality of life, mental health, social isolation and well-being. Addressing these barriers and widening participation is a key outcome requirement.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 Consultation with key stakeholders has been carried out in 2019 involving an on-line survey, face to face interviews and focus groups as part of the work to develop an indoor sports facilities strategy. This consultation also included a range of sports clubs and operators and involved the Amateur Swimming Association (ASA) and Sport England to ensure that lead governing bodies for a variety of sports have been able to directly influence the strategy and are confident that it reflects their interests and input.

6.2 The proposed new facilities at Rivermead and Palmer Park were subject to statutory public consultation as part of the planning approval process leading to planning consent on 31st March 2021.

7. EQUALITY IMPACT ASSESSMENT

7.1 In addition to the Human Rights Act 1998 the Council is required to comply with the Equalities Act 2010. Section 149 of the Equalities Act 2010 requires the Council to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2 An Equality Impact Assessment was undertaken on the proposals and recommendations as part of the Policy Committee decision taken in January 2020.

8. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

8.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers). The current leisure facilities are ageing and do not have the benefit of being built to modern standards including current energy efficiency standards. GLL has committed to developing the designs for Rivermead and Palmer Park to BREEAM Excellent standards, to use renewables where possible to achieve building control compliance and to help reduce carbon emissions and improve environmental efficiency, this includes triple glazing, improved LED Lighting, improve lighting control, extra photovoltaic (solar) panels and air source heat pumps.

9. LEGAL IMPLICATIONS

9.1 The Council has power under the Local Government (Miscellaneous Provisions) Act 1976 to provide such recreational facilities as it thinks fit including the provision of buildings, equipment, supplies and assistance of any kind. The Council may make such facilities available either without charge or on payment of such charges as it thinks fit.

9.2 The procurement process for the DBOM contract has been conducted in compliance with the Council's Contract Procedure Rules and in accordance with the Public Contract Regulations 2015 using the Competitive Dialogue Process.

- 9.3 Given the cost implications outlined in this report, arising from the delay caused by the pandemic and the additional considerations, the Council has the power to amend the original contract to proceed with the bidder identified by the previous procurement process. There is no obligation to re-run the procurement process at this stage. The pandemic implications would have applied to any other bidder as they apply to GLL.
- 9.4 The Council is not obliged to enter the Contract with GLL if it now considers that the costs are too high. The implication of this choice would be a further procurement process to find a new development partner, or to work up an in-house scheme for the Council to develop and run its own facilities.

10. FINANCIAL IMPLICATIONS

Capital

- 10.1 In February 2021 the Council approved its capital budget. This included £34,518,000 in total for the leisure contract, made up of expenditure of £36,018,000 less an assumed grant from Sport England of £1,500,000. The proposals in this paper will increase the total budget to £38,451,000 with the increase to be funded from CIL. The budget will change as follows:

Budget approved Feb 2021	Expenditure	Sport England Grant	Net Budget
	£000's	£000's	£000's
20/21	950		950
21/22	21,277	-750	20,527
22/23	12,785	-750	12,035
23/24	1,006		1,006
Total	36,018	-1,500	34,518
Addition proposed June 2021	2,433	1,500	3,933
New budget	38,451	0	38,451

If the Sport England grant application is successful then the capital funding requirement will reduce.

- 10.2 The table below shows the changes in the construction costs at June 2021:

	Original Costs Dec 2019 (£000's)	Updated Costs June 2021 (£000's)	Cost Difference (£000's)
Rivermead	£22,528	£24,407	£1,879
Palmer Park	£10,858	£11,412	£ 554
Total	£33,386	£35,819	£2,433

The costs at other sites remain unchanged.

- 10.3 The £2,433k uplift is comprised of the following broad costs:
- £1,168k of extra costs are due to the delay of starting on site as a result of the Covid19 pandemic and relates to additional construction inflation and additional safety measures to comply with current Covid construction advice.

- £205k of extra costs for storm water retention to comply with current legislation and planning conditions on managing ground water flood risk.
- £232k of extra costs to comply with planning conditions for ground contamination remedials and dewatering costs at Rivermead.
- £202k of extra costs relating to the diversion of existing and the provision of new utilities based on updated quotes received from statutory service suppliers.
- The original GLL bid still carried cost risk to the Council in the form of £1.8m of provisional sums. To manage the residual exposure to the council of increased costs arising from the provisional sums, an additional £626k is added as a client-side contingency.

10.4 These costs have been reviewed by two independent cost consultancy firms experienced and knowledgeable in the costing of new leisure centre builds. Both confirm that the costs are at a competitive market rate.

10.5 These costs have been benchmarked on cost per m² against similar new leisure centre builds elsewhere in the table below and show that construction costs for Rivermead and Palmer Park are competitive in the market.

Building cost comparisons	Building Cost Rate (£m²)
Leisure centre A - Surrey	£ 2,014.02
Leisure centre B - Central Bedfordshire	£ 2,513.40
Rivermead Leisure Centre	£ 2,577.79
Leisure centre C - Hertfordshire	£ 2,843.07
Leisure centre D - Surrey	£ 2,848.13
Leisure centre E - Warwickshire	£ 3,195.17
Palmer Park Sports Stadium	£ 1,857.89
Leisure centre A - Central Bedfordshire	£ 2,096.34

10.6 Community Infrastructure Levy (CIL) is a charge on new development that the Council collects and must be spent on infrastructure. Policy Committee on 15th February 2021 agreed a revised protocol for spend of CIL, which states that 80% of CIL should be focused on the following:

- Education
- Strategic Transport Projects
- Strategic Leisure / Culture

10.7 It is proposed to use CIL as a funding source for this project, including the additional £2.433 million that is requested for approval in this report and the £1.5 million that remains at risk until Sport England funding is confirmed. The amount of CIL that can be allocated will depend on the amount collected, but current forecasts suggest that at least £2.5 million of 80% CIL will be available to allocate to infrastructure each year over the next four years.

Revenue

- 10.8 The contractor submitted its tender bid and has maintained that financial proposal except for changes arising from the pandemic and from changes in the timing of the new leisure centre construction.

The table below sets out the revenue position taking into account the latest plans for the timing of the construction of the new leisure facilities. That timing is important because the contractor is expecting to pass to the council the benefits of additional memberships attracted by the new facilities.

Compared with the proposals made in December 2020 the contractor's final submission in May 2021 is less costly to the council by £821k over the first five contract years.

The budget uncertainty created by the delay in starting the contract meant that the budget could not be set with accuracy. Over the three years of the council's financial plan there will be a favourable budget variance overall. The favourable budget variance in 21/22 will be considered to be treated as a carry forward to meet the adverse budget variance in 22/23. From 23/24 the budget will move into an annual favourable variance.

<i>Council Financial Year</i>	<i>Council budget</i>	<i>GLL Revenue Proposal</i>	<i>Forecast Budget variance ('-' = underspend)</i>
	£000s	£000s	£000s
2021/22	1,825	1534	-291
2022/23	1,026	1242	216
2023/24	458	381	-77
2024/25	458	-214	-672

Pensions

- 10.8 The contractor will be taking on the employment of a number of council staff, but they will remain in the council's pension scheme. It can happen that pension schemes develop deficits. If that happens under this contract then the contractor must meet the cost of the deficit. If the contractor had ceased trading then it would not be able to meet that cost. To cover this risk some contractors take out a pensions bond and pass on the annual cost to the client council. In the case of the leisure contract the cost of that will be £11k per annum. The Council considers that the risk is small, and does not justify the cost. In the unlikely event that there is a pension deficit and the contractor has ceased trading then the Council would need to meet the cost of any deficit.

11. BACKGROUND PAPERS

- Policy Committee - 20 January 2020 - Award Of A Design, Build, Operate And Maintain Contract For Boroughwide Leisure Facilities

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