

POLICY COMMITTEE MEETING MINUTES - 12 JULY 2021

- Present:** Councillor Brock (Chair);
Councillors Page (Vice-Chair), Ennis, Barnett-Ward, Emberson, Hoskin, McElroy, McEwan, Robinson, Rowland, Stanford-Beale, Stevens, Terry and White
- In remote attendance (non-voting)** Councillor Duveen
- Apologies:** Councillor Skeats

RESOLVED ITEMS

15. MINUTES

The Minutes of the meeting held on 14 June 2021 were agreed as a correct record and signed by the Chair.

16. 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	School Capacity in September	Cllr Pearce

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	Greenwich leisure memberships more expensive	Cllr Hoskin
2.	Cllr White	Closed Public Toilets	Cllr Barnett-Ward

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

17. 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 meeting of the Committee held on 14 June 2021.

Resolved -

That Decision Book Nos 633-634 be noted.

18. THE AVENUE SCHOOL EXPANSION

The Executive Director of Economic Growth and Neighbourhood Services submitted a report seeking scheme and spend approval for the capital investment required to convert The Avenue Centre (TAC) building. The following documents were attached to the report:

- Appendix A - Equality Impact Survey
- Appendices B to D - Pupil Planning data

The report noted that in the November 2020 budget setting exercise, the Avenue Centre had been identified as an opportunity to reduce property running costs, and a savings proposal to discontinue RBC/BFFC's use of the building as an office had been included in the Medium-Term Financial Strategy. Once the building had been vacated, it was proposed to convert it to school use and transfer the site to the school (The Avenue School Special Needs Academy Trust) to provide 60 additional Special Educational Needs and Disability (SEND) places, enabling the school to increase their capacity from 175 to 235 pupils. The cost of the refurbishment would come from the overall Department for Education Basic Need Grant of which there was £5 million allocated in the Capital Programme which had been approved at full Council on 23 February 2021 (Minute 19 refers).

The report explained that the numbers of required SEND places in Reading was continuing to rise. The Avenue School had reached its full capacity of 175 students despite having expanded in 2017 by 25 places and again in 2019 to accommodate another 30 pupils. Other maintained SEND schools, both within the borough and out of borough, were also at full capacity. The additional spaces at The Avenue School and 75 places at the co-commissioned Oak Tree School in Wokingham Borough could reduce the number of more expensive placements at independent or non-maintained schools and related transportation costs and provide a potential saving from the High Needs block. Appendix B indicated a potential saving of £1.5m from 2022 to 2026.

The report explained that in order to deliver the additional SEND school placements and revenue saving, staff and tenants who had used the building prior to the COVID pandemic would need to be relocated. This would require moving staff located there to other Council locations, including increased working from home where appropriate. The report therefore sought authority for officers to proceed with facilitating the transition by agreeing and entering appropriate agreements with current occupiers of TAC and partnership organisations.

Resolved -

- (1) That the release and spend of the £5 million budget for the project as identified in the Council's approved Capital Programme February 2021 be approved;

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- (2) That the Executive Director for Economic Growth and Neighbourhood Services, in consultation with the Lead Councillors for Education and Strategic Environment, Planning and Transport, the Director of Finance and the Assistant Director of Legal and Democratic Services be authorised to:
- a) Tender and enter into contracts for the refurbishment and new building works to the Avenue Centre;
 - b) Agree and enter appropriate agreements with current occupiers of the Avenue Centre and partnership organisations to facilitate the exit of current occupiers from the building and relocation of these parties within the Council's property portfolio;
 - c) Agree and enter into the academy lease with The Avenue School Special Needs Academy Trust in respect of the newly refurbished Avenue Centre;
- (3) That the Assistant Director of Legal & Democratic Services be authorised to enter into the necessary legal agreements;
- (4) That the progress and issues connected with the vacation of the building to enable it to be converted and transferred to achieve the revenue savings target be noted.

19. ROUGH SLEEPER DRUG AND ALCOHOL TREATMENT GRANT

The Executive Director of Adult Care and Health Services submitted a report setting out a proposal to award the Public Health England Rough Sleeper Drug and Alcohol Treatment Grant. An Equality Impact Assessment was attached to the report at Appendix 1.

The report noted that the Ministry of Housing, Communities and Local Government (MHCLG) and the Department of Health and Social Care (DHSC), made £262m available over the next four years for drug and alcohol treatment and related provision, specifically to meet the needs of people experiencing rough sleeping who had drug and alcohol dependence needs. In August 2020, it had been announced that 2020-21 funding would focus on providing additional resources in the MHCLG 43 Taskforce Priority Areas. Reading was one of these priority areas having a higher number of people sleeping rough who had been moved into emergency accommodation during the COVID-19 pandemic. The purpose of the funding was to boost structured drug and alcohol treatment services, to account for additional costs from increased access and engagement from the rough sleeping population with consideration being given to how existing services could find ways to adapt, improve or extend their support to rough sleepers.

The report explained that Public Health England (PHE) had invited the submission of proposals by local authorities for the Rough Sleeper Drug and Alcohol Treatment Grant funding and that a proposal had been developed with the local drug and alcohol provider Change, Grow, Live (CGL) based on an evidence-based model piloted in one of its

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Southampton services. Reading had been informed of the success of its proposal in late December 2020, with a service delivery commencement date of January 2021. £637k grant funding had been awarded to spend in Quarter 4 2020-21, although this funding could now be rolled over into 2021-22.

The report set out a proposal to award the PHE Rough Sleeper Drug and Alcohol Treatment Grant in two phases. For Phase one (January 2021-December 2021) it was recommended that the core drug and alcohol provider CGL be awarded the grant to provide the evidence-based model submitted in Reading's proposal to PHE for year one. This would be a pilot project in order to ensure the proposal was fit for purpose and to give time to adjust requirements and draw up a specification for future requirements. For Phase two (a possible four years from August 2021) it was proposed that an accelerated open procurement process be undertaken in respect of any future funding from PHE for the same purpose. Phase 2 would allow any provider to bid for the contract and any staff already supporting the rough sleeping population would if applicable transfer to the new provider in line with the TUPE Regulations.

Resolved -

- (1) That the contract for provision of Rough Sleeper Drug and Alcohol Treatment service for the full value of the Year one (FY2021-22) allocation be awarded to CGL commencing on 1 January 2021 pursuant to Regulation 32 of the PCR 2015;**
- (2) That it be noted that the Year one allocation was currently £637,000 together with any further funding allocated by PHE during 21/22 to provide the pilot project, as described in Reading's proposal and approved by PHE for Year one;**
- (3) That the services be re-tendered through an accelerated open procurement for the Rough Sleeper Drug and Alcohol Treatment Grant (Rough Sleeper Grant Phase 2) (for a period of up to 4 years);**
- (4) That the Executive Director Social Care and Health, in consultation with the Lead Councillor for Health, Wellbeing and Sport and the Assistant Director of Legal & Democratic Services be authorised to award the new Rough Sleeper Grant Phase 2 contract for a period of up to four years commencing in January 2022.**

20. CUSTOMER EXPERIENCE PROGRAMME ANNUAL UPDATE

The Executive Director of Economic Growth and Neighbourhood Services and Deputy Chief Executive submitted a report updating the Committee on the successes achieved in year 1 of the Council's Customer Experience Strategy, lessons learned and plans for year 2. The following documents were attached to the report:

- Appendix 1 - Service Reviews outputs
- Appendix 2 - Data Dashboard

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The report noted that the Council's Customer Experience Strategy (2020-2024) had been adopted in January 2020 (Minute 67 of the meeting held on 29 January 2020 refers) and set out a vision to achieve the best possible experience for the Council's customers. Ultimately, the Strategy would facilitate a culture and channel shift, by providing a 24/7 online service, designed around the customer, where customers could connect with the Council as and when it suited them. The majority of queries that could not be resolved online would be answered at first point of contact by a central Customer Fulfilment team.

The report explained that the strategy included a high-level roadmap of transformation over four years and was proposed to be delivered in one-year phases of activity. In Year 1, despite members of the delivery team being re-deployed to work on the Council's response to Covid-19 for part of the year, the Programme had made significant progress on discovery and foundational work. The report gave an overview of the achievements to date, covering areas including Service Reviews, Data and Insight and Building Digital Foundations. It also summarised the initiatives not progressed, and lessons learned, and set out the outputs, outcomes, benefits and impact of work planned for Year 2 which covered areas including Service Reviews and Delivery of Process and Digital Improvements.

Resolved -

That the progress made in year 1 of the Customer Experience Programme, and the work to be progressed in year 2, be noted.

21. DIGITAL TRANSFORMATION STRATEGY

The Deputy Chief Executive submitted a report setting out for approval a draft Digital Transformation Strategy 'Connected Reading', together with a recommended work programme for year 1, known as the Digital Accelerator Programme. The draft Strategy was attached to the report at Appendix 1.

The report explained that the proposed vision for the Council's Digital Strategy was 'Strong, connected relationships with residents, businesses and partners underpin a healthy, thriving and inclusive borough.' The Strategy proposed five themes against which action should be pursued to turn the vision into reality: Developing Foundations, Sharing Information, Improving Skills, Connecting Communities and Enabling Investment.

The report noted the significant potential of Digital to deliver direct financial benefit to the Council, with the Medium Term Financial Strategy agreed by Council in February 2021 including £5m of annual savings to be realised by 2023/24 that had dependencies on Digital. This included £1m of savings from the Customer Experience Strategy agreed by Policy Committee in January 2020, which identified explicit dependencies on Digital, most notably the introduction of a customer experience platform. The Council had already taken a first enabling step through putting in place new arrangements for its core ICT services through the implementation of the Future Operating Model from April 2021. To realise the benefits of digital transformation, however, it was necessary to modernise

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ways of working and overcome some significant technical and business obstacles, including the need to replace a number of core business applications and a current lack of technical capacity to support change.

The report set out and recommended implementation of the Digital Accelerator Programme, with the objectives of delivering demonstrable benefit now and building people, process and technology capability to deliver further benefit in the future. The proposed approach was to build functional and system capabilities in a cross-cutting way, for example by implementing a payment system that would ultimately be used by all parts of the business. A review would be carried out in the autumn and a revised business case submitted to the Committee, to provide confidence that as a minimum the remaining digital-dependent MTFs savings could be realised and to inform the 2022 budget setting process.

Resolved -

- (1) That the Connected Reading Digital Strategy as set out at Appendix 1 be approved;**
- (2) That the Year 1 Digital Accelerator work programme set out in report and in the business case at Appendix 2 be agreed;**
- (3) That it be noted that a report on progress and an updated business case would be brought to Policy Committee in the autumn of 2021, prior to budget-setting, together with detailed proposals for future work.**

22. DRAFT DESIGN GUIDE FOR SHOPFRONTS - SUPPLEMENTARY PLANNING DOCUMENT

The Executive Director of Economic Growth and Neighbourhood Services submitted a report seeking approval to undertake community involvement on a Draft Design Guide to Shopfronts SPD (attached to the report at Appendix 1) to provide guidance on how planning applications for applications affecting shopfronts would be decided.

The report noted that, with the new Reading Borough Local Plan having been adopted in November 2019, the Council was in the process of publishing a number of Supplementary Planning Documents (SPDs), which gave further guidance on the implementation of policies within the Local Plan. Currently, Reading did not have an adopted Design Guide to Shopfronts SPD and there was therefore limited guidance for both applicants and planning officers in determining planning decisions. Establishing such guidance would be timely particularly as the Council began to deliver the Reading Heritage High Streets Action Zone programme. The Guide would apply to shopfronts across the whole Borough and additionally, as the nature of the high street was changing, would provide advice for conversions of shopfronts to residential use.

The report explained that the draft document would be subject to a consultation, to begin in July 2021 and extended to eight weeks due to the school summer holidays.

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Responses received would be considered in preparing a final draft SPD which was intended to be adopted in Autumn 2021.

Resolved -

- (1) That the Draft Design Guide for Shopfronts SPD (Appendix 1) be approved for consultation;
- (2) That the Assistant Director of Planning, Transport and Regulatory Services be authorised to make any minor amendments necessary to the SPD that did not alter the policy direction, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, prior to consultation.

23. QUARTER 4 PERFORMANCE REPORT (2020/21)

The Director of Finance submitted a report setting out the provisional revenue and capital outturn positions for the Council's General Fund and Housing Revenue Account (HRA) for 2020/21. The following documents were attached to the report:

- Appendix 1 - General Fund Outturn;
- Appendix 2 - Covid-19 Grants;
- Appendix 3 - Housing Revenue Account (HRA) Outturn;
- Appendix 4 - Capital Programme Outturn;
- Appendix 5 - Savings;
- Appendix 6 - Delivery Fund;
- Appendix 7 - Reserves Position as at 31st March 2021;
- Appendix 8 - Performance Outturn.

The report noted that the Covid-19 pandemic had resulted in a unique set of financial challenges for councils around the country, with income levels dropping; costs increasing; savings projects being de-prioritised in order to focus on the delivery of critical front-line services; and large-scale financial support programmes being implemented. The budget had been based upon a pre-pandemic set of assumptions that had had to be continually revised and adjusted throughout the year and there had been major challenges in monitoring financial performance against the budget. A prudent approach had been adopted in assessing the financial implications of the pandemic in order to protect the long-term financial stability of the Council.

The report explained that there was an overall General Fund positive net variance of £12.762m. The combined gross revenue pressures for 2020/21 as a result of Covid-19 totalled £16.448m, which included £1.643m of pressures in Brighter Futures for Children that the Council had agreed to fund. Funding received from Central Government included £13.269m of Central Government general support grant, £5.842m in compensation for lost income from sales, fees & charges, and £1.305m furlough grant. This had left a net variance of £3.968m of unallocated Covid-19 grant funding that was proposed to be rolled forward into an earmarked reserve to be used to mitigate the ongoing financial impact of the pandemic. It was also proposed that the £0.126m positive

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variance on the Joint Legal Team (JLT) within Legal & Democratic Services be carried forward to fund JLT-specific invest to save projects, the £0.313m positive variance against IT & Digital be carried forward to contribute to the funding of the Digital Strategy, and that the remaining balance of £8.355m be released back to replenish reserves that had been used in order to deliver a balanced budget for 2021/22.

The original budget for 2020/21 had included assumed savings of £15.344m, including £2.539m of savings brought forward from the previous year. A total of £7.579m of ongoing savings had been delivered in 2020/21, and £2.640m of savings had been removed as part of the 2021/22 budget setting process on the basis that they were no longer deemed deliverable. This left a residual balance of £5.125m to be carried forward for delivery in 2021/22. The shortfall on the savings target had been fully mitigated by services in-year and the balance of £5.125m would be added to the £15.083m of savings already included in the 2021/22 budget to give a revised savings target of £20.208m.

The report also stated that the provisional Housing Revenue Account outturn position was a £9.306m surplus/return to reserves and that the provisional General Fund Capital Programme outturn was a £29.142m positive variance against the budget of £67.812m. The provisional HRA Capital Programme outturn was a £4.308m positive variance against the budget of £20.457m. The report also sets out performance against the measures of success published in the Council's Corporate Plan.

Resolved -

(1) That the following be noted:

- a) The provisional General Fund revenue outturn position for 2020/21 was a £12.762m positive net variance;
- b) The provisional Housing Revenue Account outturn position for 2020/21 was a £9.306m transfer to the HRA Reserve;
- c) The provisional General Fund Capital Programme outturn position for 2020/21 was a £29.142m positive net variance;
- d) The provisional HRA Capital Programme outturn position for 2020/21 was a £4.308m positive net variance;
- e) £7.579m of agreed savings had been delivered in year with £5.125m of non-delivered savings being carried forward into 2021/22;
- f) £3.256m of Capital Receipts had been used to fund transformation in accordance with the Capitalisation Directive (Appendix 4);
- g) The performance achieved against the Corporate Plan success measures as set out in Section B of the report and Appendix 8;

(2) That the following be approved:

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- a) The service requests to roll-forward funds totalling £0.439m into 2021/22 to complete future programmes of work;
- b) That £3.968m of un-ringfenced Covid-19 grant funding be put into an earmarked reserve to meet the ongoing financial impacts of the pandemic;
- c) That the remaining balance of £8.355m be set aside to partially replace the drawdown of £9.906m of earmarked reserves in respect of reducing the ongoing Minimum Revenue Provision (MRP) charge to the revenue budget in future years that was approved in the Quarter 3 Performance and Monitoring Report;
- d) The net roll-forwards of budget within the Capital Programme totalling £29.471m; resulting in a revised Capital Programme net budget of £117.624m for 2021/22;
- e) The net roll-forwards of budget within the HRA Capital Programme totalling £4.419m; resulting in a revised HRA Capital Programme net budget of £44.094m for 2021/22;
- f) The re-programming of the New Build & Acquisitions- Phase 4 budget of £1.400m within the HRA Capital Programme from 2023/24 to 2021/22 as set out in the report.

24. CEMETERY ARCH, LONDON ROAD

The Executive Director of Economic Growth and Neighbourhood Services submitted a report seeking approval for the proposal to dispose of Cemetery Arch on a 250-year. A Site Plan was attached to the report. Additional confidential information was included in the report and appendices considered in private session (see Minute 26 below).

The report noted that the Arch had been leased to Thames Valley Police in 1998 until it had been returned with vacant possession in December 2015. In September 2015, the Property had been marketed by informal tender on the open market and in accordance with the Third Sector Lettings Policy but no offers had been received. In June 2018, the Property was to have been sold at auction, but had been withdrawn when a local arts organisation Junction Arch Heritage & Arts (JAHA) had indicated that it wanted to convert the building into an arts venue. Discussions between JAHA and the Council had not concluded, and in November 2020, the Council had remarketed the Property seeking community interest through the Third Sector Policy with Reading Voluntary Action (RVA) and commercially through an agent.

The report explained that three bids had been received comprising one Third Sector bid from JAHA, and two private bids. The report summarised the bids and their proposed uses of the property. It noted that, although the bid from JAHA was not the top offer

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financially, it would provide local economic, community and social wellbeing opportunities with a proposal for a Heritage and Arts and community co-working Hub.

The JAHA development was proposed in two phases with office and community uses and was subject to funding. Phase 1 was to focus on the conservation of the Archway building with the rooms in the arch restored and utilised as affordable office space or dedicated office space for social enterprises together with the creation of a food court area to be run by Blue Collar. This would be funded by a Heritage Impact Loan from the Architectural Heritage Fund (AHF) sustained by income from the food court and office lettings. Phase 2 would create an exhibition space of Heritage and Art along with a single storey building and gardens to the south of the site for local businesses and community groups.

The report proposed that the Council and JAHA enter into an Agreement for Lease with a 250-year Lease of the Property together with any necessary rights of way as required under the archway, then being granted subject to JAHA securing planning permission and a Heritage Impact Loan of £165k from the Architectural Heritage Fund to deliver the Phase 1 works. The grant would also be subject to the Councils S123 disposal of open space process. The Agreement for Lease would be for a maximum of 18 months and if obligations were not met within that timeframe then the Agreement would end. Authority was sought for Officers to proceed with remarketing the property if required.

Resolved -

- (1) That, taking into account the information provided in the closed session (Minute 26 below refers), a long leasehold interest in the Property be granted to JAHA (Junction Arch Heritage & Arts) subject to planning permission and securing the necessary funding;**
- (2) That the Executive Director of Economic Growth & Neighbourhood Services, in consultation with the Assistant Director of Legal and Democratic Services, be authorised to deal with any objections to the Open Space disposal;**
- (3) That, in the event that the bid proposal or offer price was subsequently reduced or the purchaser did not perform to an acceptable timescale the Executive Director of Economic Growth & Neighbourhood Services, in consultation with the Leader of the Council, the Lead Councillor for Corporate and Consumer Services and the Assistant Director for Legal and Democratic Services, be authorised to:**
 - a) agree a revised bid proposal or offer price;**
 - b) re-engage with other bidders as appropriate or remarket the property for disposal at best consideration.**

25. EXCLUSION OF THE PRESS AND PUBLIC

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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 26-27 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.

26. CEMETERY ARCH, LONDON ROAD

The Executive Director of Economic Growth and Neighbourhood Services submitted a report providing additional confidential information on the proposal to dispose of Cemetery Arch on a 250-year Lease, which was considered under Item 24 above. The following documents were attached to the report:

- Appendix A - Site Plan
- Appendix B - Bid Application Summary Table
- Appendix C - JAHA Third Sector Bid
- Appendix D - Financial Implication Summary
- Appendix E - Valuer's Report

Resolved -

That the confidential information be noted and taken into account in considering the proposal to dispose of Cemetery Arch.

(Exempt information as defined in Paragraph 3.)

27. BRIGHTER FUTURES FOR CHILDREN - RESERVED MATTERS

The Deputy Chief Executive submitted a report, to the Committee in its capacity as the sole member of Brighter Futures for Children Ltd, setting out proposals regarding the senior pay scales applicable for BFfC.

The report explained that, following a Senior Pay Review, BFfC were proposing to revise their Senior Management Pay from 5 grades to 7 and that all Senior Management roles be subject to the Hay Job Evaluation methodology. The proposals were contained within the BFfC Report which was attached at Appendix 1.

Resolved -

That the proposed revised senior pay scale implementation as set out in Appendix 1 be agreed.

(Exempt information as defined in Paragraph 4.)

(The meeting started at 6.30 pm and closed at 8.20 pm)