

## COUNCIL MEETING MINUTES - 23 FEBRUARY 2022

**Present:** Councillor Eden (Mayor);

Councillors Woodward, Debs Absolom, David Absolom, Ayub, Ballsdon, Barnett-Ward, Brock, Carnell, Challenger, Davies, Emberson, Ennis, Gittings, Hacker, Hoskin, Khan, Manghnani, McElroy, McEwan, McGonigle, Mitchell, Mpofu-Coles, O'Connell, Page, Pearce, Robinson, Rowland, Rynn, R Singh, Skeats, Stanford-Beale, Stevens, Terry, White, J Williams, R Williams, Sokale (Deputy Mayor), Leng and Whitham

**Apologies:** Councillors Edwards, James, Lovelock, Maskell, DP Singh and Duveen

### 35. MINUTES

The Minutes of the meeting held on 27 January 2022 were confirmed as a correct record and signed by the Mayor.

### 36. QUESTIONS FROM COUNCILLORS

	Questioner	Subject	Answer
1.	Cllr J Williams	Paying for Leisure Investment	Cllr Hoskin
2.	Cllr White	When will Doorstep Glass Recycling be introduced?	Cllr Barnett-Ward
3.	Cllr White	Where will Council Youth Workers establish Youth Clubs?	Cllr Terry

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

### 37. CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL 2022/23 BUDGET

The Director of Finance submitted a report fulfilling the requirement on him under Section 25 of the Local Government Act 2003 as the Council's Chief Finance Officer to report on the robustness of the estimates made for the purposes of the calculations of the budget and the adequacy of the proposed level of financial reserves. The Council had a duty to have regard to the advice set out in the report when considering setting its 2022/23 Budget and Medium Term Financial Strategy for the subsequent two financial years. The Statement of Reserves and Balances, which provided a summary of estimated reserve movements from 31 March 2022 and 31 March 2025, were attached to the report for information.

The following motion was moved by Councillor Brock and seconded by Councillor Ennis and CARRIED:

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### Resolved -

That the Chief Finance Officer's report on the robustness of the Council's 2022/23 budget and indicative budgets for the subsequent two financial years 2023/24 and 2024/25 be noted and the opinion contained therein be taken into account in making the decisions set out below in Minutes 37-40 below.

### 38. 2022/23 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY 2022/23 - 2024/25

Further to Minutes 55 and 73 of the Policy Committee meetings held on 13 December 2021 and 14 February 2022 respectively, the Director of Finance submitted a report on the Budget and Medium Term Financial Strategy (MTFS) for the three years 2022/23 - 2024/25. The report provided an update on the results of the budget consultation exercise as well as changes arising from the publication of the Provisional Local Government Finance Settlement and other changes that had arisen since the report to Policy Committee in December 2021.

The report stated that the Department for Levelling Up, Housing and Communities (DLUHC) had published the Final Local Government Financial Settlement on 7 February 2022, which included an announcement on the allocations in respect of Public Health Grant. The allocation for Reading was £10.316m, an increase of £0.282m over the 2021/22 allocation. As the grant was ringfenced and any increase/decrease to the Council's grant allocation was offset by a corresponding increase/decrease in expenditure, the MTFS assumed a nil impact on the budget gap. Initial review indicated that there were no other impacts from the Final Settlement for Reading.

The underpinning rationale of the Medium-Term Financial Strategy was to deliver a balanced and affordable 2022/23 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 Strategy was informed by the Council's Vision: "to ensure that Reading realises its potential - and that everyone who lives and works in Reading can share in the benefits of its success", as well as its Corporate Plan themes:

- Healthy Environment;
- Thriving Communities; and
- Inclusive Economy.

The preparation of the 2022/23 Budget and MTFS 2022/23 - 2024/25 had again been challenging due to the continuing uncertainty caused by the wide-ranging implications of the Covid-19 pandemic and, despite a multi-year Spending Review announcement, yet another one-year Local Government funding settlement from Central Government. The budget assumptions included:

- a) Council Tax increases of 1.99% plus an Adult Social Care precept of 1.0% for all three years of the MTFS (2022/23 to 2024/25);

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- b) Delivery of £19.940m (£19.690m services and £0.250m corporate) of efficiencies and increased income across the period;
- c) A contingency provision over the three years (£3.6m 2022/23; £4.8m 2023/24; and £6.3m 2024/25) to mitigate possible slippage or non-achievement of higher risk savings and/or income targets over the period;
- d) A housing rent increase of 3.1% (September 2021 CPI only) in 2022/23, returning to a rent increase in line with approved policy of CPI + 1% in subsequent years;
- e) General Fund capital investment of £171m and Housing Revenue Account (HRA) capital investment of £140m over the period 2022/23 to 2024/25; and
- f) £5.706m of transformation funding (over the period 2022/23 to 2024/25) to support delivery of efficiency savings assumed within the MTFs, taking the total transformation funding to £21.729m across the whole life of the Delivery Fund.

The report had been updated from the version presented to Policy Committee on 14 February 2022, to reflect the Public Health Grant allocations announced as part of the Final Local Government Finance Settlement and the latest interest rate forecasts following the increase of the Bank Rate to 0.50%.

A motion was moved by Councillor Brock and seconded by Councillor Ennis and CARRIED as set out in the resolution below.

The following amendment was moved by Councillor White and seconded by Councillor McElroy and LOST:

‘In the recommendation relating to 2022/23 Budget & Medium Term Financial Strategy to 2025 (Agenda item 8), insert “subject to an additional recommendation (k) below” after the words “...the 2022/23 General Fund and Housing Revenue Account budgets, Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-10 be approved, and...”

Add a new Recommendation (k) as follows:

This Council notes:

- At least 6999 households in Reading live in fuel poverty. The Resolution Foundation estimates that this could triple without appropriate intervention
- Winter Watch is one of the council’s initiatives to tackle fuel poverty. It has a budget of £50,000. This pays for a worker and £10,000 for very low-cost energy efficiency measures
- Unfortunately this is not enough to make a dent tackling fuel poverty across the town.

This Council resolves:

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- To increase the Winter Watch budget to £150,000, for one year, so more can be done to tackle fuel poverty especially the installation of higher cost home energy conservation measures such as solid wall insulation.

Make any consequential amendments to the revenue and capital budgets arising from the above amendment.”

A recorded vote having been demanded, the voting was as follows:

For the motion: 6 Councillors McElroy, McGonigle, O’Connell, White, Whitham and J Williams.

Against the motion: 34

Councillors David Absolom, Debs Absolom, Ayub, Ballsdon, Barnett-Ward, Brock, Carnell, Challenger, Davies, Eden, Emberson, Ennis, Gittings, Hacker, Hoskin, Khan, Leng, Manghnani, McEwan, Mitchell, Mpofo-Coles, Page, Pearce, Robinson, Rowland, Rynn, R Singh, Skeats, Sokale, Stanford-Beale, Stevens, Terry, R Williams and Woodward.

The following amendment was moved by Councillor O’Connell and seconded by Councillor McGonigle and LOST:

‘In the recommendation relating to 2022/23 Budget & Medium Term Financial Strategy to 2025 (Agenda item 8), insert “subject to an additional recommendation (k) below” after the words “...the 2022/23 General Fund and Housing Revenue Account budgets, Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-10 be approved, and...”

Add a new Recommendation (k) as follows:

“In view of the Climate Emergency this council resolves to increase the spending on tackling this emergency.

In relation to paragraph 7.6 of the report, amend the following bullet point:

- £200,000 for tree planting including a new bowser and towing vehicle in 2022/23 and further annual funds of £100,000 for 2023/24 and 2024/25.

Make any consequential amendments to the revenue and capital budgets arising from the above amendment.”

A recorded vote having been demanded, the voting was as follows:

For the motion: 6 Councillors McElroy, McGonigle, O’Connell, White, Whitham and J Williams.

Against the motion: 33

Councillors David Absolom, Debs Absolom, Ayub, Barnett-Ward, Brock, Carnell, Challenger, Davies, Eden, Emberson, Ennis, Gittings, Hacker, Hoskin, Khan, Leng,

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Manghnani, McEwan, Mitchell, Mpofo-Coles, Page, Pearce, Robinson, Rowland, Rynn, R Singh, Skeats, Sokale, Stanford-Beale, Stevens, Terry, R Williams and Woodward.

### Resolved -

That, taking due regard of the results of the budget consultation exercise (as outlined in Appendices 11 and 12 of the report), the 2022/23 General Fund and Housing Revenue Account budgets, Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-10 be approved, whilst noting the following:

- (a) the Council's General Fund Budget Requirement of £149.990m for 2022/23 and an increase in the band D Council Tax for the Council of 1.99% plus an additional 1.00% Adult Social Care Precept, or £84.44 per annum, representing a band D Council Tax of £1,829.72 per annum, excluding precepts from Police and Fire, as set out in paragraph 4.3 of the report;
- (b) the efficiency and invest to save savings of £6.471m together with additional income of £1.682m in 2022/23 required to achieve a balanced budget for that year as set out in Appendices 2 and 3 to the report;
- (c) the overall savings proposed within the MTFs of £19.940m (of which increases to income, fees and charges would be £3.853m) and three-year growth changes to service budgets of £25.186m as set out in Appendices 3 and 4 to the report;
- (d) the budgeted contribution to earmarked reserves totalling £0.695m, as set out in paragraph 3.25 of Appendix 1 to the report;
- (e) the Housing Revenue Account budget for 2022/23 of £46.033m as set out in Appendix 5 to the report and the average increase of 3.1% in social dwelling rents from April 2022;
- (f) the allocation of Dedicated Schools Grant (DSG) as set out in Appendix 6 to the report;
- (g) the General Fund and Housing Revenue Account Capital Programmes as set out in Appendices 7a and 7b to the report;
- (h) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 8 to the report;
- (i) the changes to Fees and Charges set out in Appendix 9 of the report;
- (j) the Equalities Impact Assessment as set out in Appendix 10 to the report.

A recorded vote having been demanded, the voting was as follows:

### For the motion: 25

Councillors David Absolom, Debs Absolom, Ayub, Barnett-Ward, Brock, Challenger, Davies, Eden, Emberson, Ennis, Gittings, Hacker, Hoskin, Khan, Leng, McEwan, Mpofo-Coles, Page, Pearce, Rowland, Sokale, Stevens, Terry, R Williams and Woodward.

### Against the motion: 15

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Councillors Ballsdon, Carnell, Manghnani, McElroy, McGonigle, Mitchell, O'Connell, Robinson, Rynn, R Singh, Skeats, Stanford-Beale, White, Whitham and J Williams.

### **39. CAPITAL STRATEGY 2022/23**

Further to Minute 74 of the Policy Committee held on 14 February 2022, the Director of Finance submitted a report on the Capital Strategy, which was attached as an Appendix, and provided an overview of where and how the Council intended to deploy its capital resources to support the delivery of the strategic aims set out in the Corporate Plan. The Capital Strategy should be read in conjunction with other strategic documents such as the Medium Term Financial Plan, Treasury Management Strategy, Asset Management Strategy, Corporate Investment Strategy and Carbon Reduction Strategy.

The report had been prepared with reference to the following documents:

- CIPFA Code of Practice for Treasury Management in the Public Services 2017
- CIPFA The Prudential Code 2017
- MHCLG guidance February 2018

The following motion was moved by Councillor Brock and seconded by Councillor Ennis and CARRIED:

**Resolved -**

- (1) That the Capital Strategy 2022/23, as attached at Appendix 1 to the report, be approved;
- (2) That the updated Action Plan that forms Appendix C of the Capital Strategy (Appendix 1) be noted, together with the associated financial implications.

### **40. TREASURY MANAGEMENT STRATEGY STATEMENT (2022/23); MINIMUM REVENUE PROVISION POLICY (2022/23); ANNUAL INVESTMENT STRATEGY (2022/23)**

The Director of Finance submitted a report seeking approval for a Treasury Management Strategy, which had to be in place before the start of each financial year, in accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 and the CIPFA Prudential Code. The Council's Treasury Management Strategy Statement (TMSS), was attached to the report at Appendix A, setting out the parameters for the Council's planned Treasury activity during 2022/23, which the Council's Treasury Team would manage on a day-to-day basis. The TMSS reflected the Council's Capital Programme 2022/23 to 2024/25 with non-treasury investments being registered in the Council's Capital Strategy, which was presented separately to the TMSS (see Minute 38 above). The report also had appended the Treasury Management Policy 2022/23; Minimum Revenue Provision (MRP) 2022/23; and the Annual Investment Strategy.

The report had been updated from the version presented to Policy Committee on 14 February 2022 to reflect the latest interest rate forecasts following the increase of the Bank Rate to 0.50% and had been prepared with reference to the following documents:

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- CIPFA Code of Practice for Treasury Management in the Public Services 2017
- CIPFA The Prudential Code 2017
- MHCLG Statutory Guidance on Local Government Investments (February 2018)
- CIPFA Bulletin Treasury and Capital Management Update (October 2018)

The following motion was moved by Councillor Brock and seconded by Councillor Ennis and CARRIED:

### **Resolved -**

- (1) That the Treasury Management Strategy Statement for 2022/23, as set out in Appendix A to the report, be approved;
- (2) That the Treasury Management Policy for 2022/23, as set out in Appendix A to the report, be approved;
- (3) That the Minimum Revenue Provision (MRP) Policy for 2022/23, as set out in Appendix A to the report, be approved;
- (4) That the Annual Investment Strategy for 2022/23, as set out in Appendix A to the report be approved, noting the revised total limit for Non-Specified Investments; and
- (5) That the Prudential and Treasury Management indicators, as set out in Appendix A to the report, be approved.

### **41. COUNCIL TAX SETTING 2022/23**

The Director of Finance submitted a report seeking approval of the calculations for determining the Council Tax requirement for the year 2022/23, in accordance with the Local Government Finance Act 1992. The report also sought approval to set the Council Tax amounts for each property valuation band in the Borough including precepts from the Office of the Police & Crime Commissioner for Thames Valley and Royal Berkshire Fire & Rescue Service.

The following motion was moved by Councillor Brock and seconded by Councillor Ennis and CARRIED:

### **Resolved -**

- (1) That the following amounts that have been calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 be agreed:

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- (i) £466,765,550 - Gross Revenue Expenditure, including transfers to reserves and any collection fund deficit, being the estimated aggregate expenditure of the Council in accordance with section 31A (2) of the Act;
  - (ii) £362,362,550 - Gross Revenue Income, including transfers from reserves, general government grants and any collection fund surplus, being the estimated aggregate income of the Council for the items set out in section 31A (3) of the Act;
  - (iii) £104,430,000 - Net Revenue Expenditure, being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated in accordance with Section 31A (4) of the Act, as the Council's Council Tax Requirement for the year (Item R in the formula in Section 31A (4) of the Act);
  - (iv) £1,829.72 - Reading Borough Council Band D Council Tax, being the amount at (iii) above (Item R) divided by the Council's tax base 57,059.55 (Item T) calculated in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year, representing an increase of 2.99% in the Council's own tax;
- (2) That the net tax base of 57,059.55 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) for 2022/23 was agreed by Council on 27 January 2022 be noted; and
- (i) that the band D charge for Reading Borough Council be £1,829.72 as shown in section 4.4 of the report; and
  - (ii) that, including the Berkshire Fire & Rescue Service and Thames Valley Police precepts, Council Tax by property valuation band be as set out in section 4.9 of the report.

### **42. EXTERNAL AUDITOR APPOINTMENT PROCESS FOR FINANCIAL YEARS 2023/24 TO 2027/28**

Further to Minute 27 of the Audit & Governance Committee held on 25 January 2022, the Director of Finance submitted a report explaining that, under the Local Government Audit & Accountability Act 2014, the Council was required to appoint an external auditor to audit its accounts. The Council had previously opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23. The report recommended that the Council should continue this arrangement and accept the PSAA's invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for a further five financial years from 1 April 2023.

The following motion was moved by Councillor McEwan and seconded by Councillor Brock and CARRIED:



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### Resolved -

That the Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023 be accepted.

### 43. POLLING DISTRICT BOUNDARIES

Further to Minute 66 of the Policy Committee held on 14 December 2020, the Returning Officer and Electoral Registration Officer submitted a report seeking approval of the boundaries of revised polling districts within each ward, which had been necessitated by the changes in ward boundaries brought about by the results of the Local Government Ward Boundary Review. The plans showing the boundaries of revised individual polling districts were attached to this report. The report also recommended authorising the Returning Officer to make changes to polling places under certain limited circumstances to protect the integrity of an election and/or electoral arrangements.

The following motion was moved by Councillor Brock and seconded by Councillor Page and CARRIED:

### Resolved -

- (1) That the polling districts shown on the plan marked "Reading Borough Council Polling Districts 2022" be approved;
- (2) That the polling places for each of the polling districts referred to in recommendation (1) above be designated as listed in the appendix to the report;
- (3) That the Returning Officer be authorised to make changes to polling places in urgent circumstances where doing so would be necessary to protect the integrity of an election and/or electoral arrangements.

### 44. FREEDOM OF THE BOROUGH

The Monitoring Officer submitted a report setting out a recommended annual process for considering the creation of Freeman of the Borough as well as Honorary Aldermen and Alderwomen. The criteria by which nominations for these honorary titles would be assessed were described in the appendices to the report as follows:

Appendix 1 Criteria for Freedom of the Borough

Appendix 2 An annual procedure for considering nominations to the Freedom of the Borough, including for organisations

Appendix 3 Codification of the criteria and procedure for creation of Honorary Aldermen and Honorary Alderwomen

The following motion was moved by Councillor Brock and seconded by Councillor Page and CARRIED:

### Resolved -

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- (1) That the criteria for the award of Freedom of the Borough of Reading be adopted as set out in Appendix 1 to the report;
- (2) That the procedure for consideration of nominations to the grant of Freedom of the Borough of Reading be adopted as set out in Appendix 2 to the report and, to facilitate this procedure, the Civic Board's terms of reference be amended to include the additional responsibility to consider any such nominations on an annual basis;
- (3) That the criteria and procedure for creation of Honorary Aldermen and Honorary Alderwomen be adopted as set out in Appendix 3 to the report.

(The meeting closed at Time Not Specified)