

To: Councillor Brock (Chair)
Councillors Terry, Barnett-Ward, Emberson,
Ennis, Gittings, Hoskin, Leng, McElroy,
McEwan, Mitchell, Robinson, Rowland,
Thompson and White

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2 June 2023

Your contact is: **Simon Hill - Committee Services (simon.hill@reading.gov.uk)**

NOTICE OF MEETING - POLICY COMMITTEE 12 JUNE 2023

A meeting of the Policy Committee will be held on Monday, 12 June 2023 at 6.30 pm in the Council Chamber, Civic Offices, Reading, RG1 2LU. The Agenda for the meeting is set out below.

- | | | |
|---|---------------------|----------------|
| 1. CHAIR'S ANNOUNCEMENTS | | |
| 2. DECLARATIONS OF INTEREST | | |
| 3. MINUTES | | 5 - 10 |
| 4. PETITIONS AND QUESTIONS | | |
| To receive any petitions from the public and any questions from the public and Councillors. | | |
| 5. DECISION BOOKS | | |
| 6. CIVIL ENFORCEMENT CONTRACT (PARKING SERVICES) - DELEGATED AUTHORITY TO SPEND AND AWARD CONTRACT | BOROUGH WIDE | 11 - 18 |
| This report informs the Committee of the ongoing procurement process for the Civil Enforcement (Parking) Contract(s) and seeks authority to enter into a contract with the most economically advantageous tenderer. | | |
| 7. THE LODGE AT COLEY PRE-SCHOOL | COLEY | 19 - 26 |

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This report presents the findings from a viability analysis of The Lodge at Coley pre-school nursery in Reading and seeks approval to carry out consultation on a proposal to close the facility and to initiate discussions on its possible use as additional provision for children with SEND.

8. OUTSIDE BODY APPOINTMENTS

**BOROUGH
WIDE 27 - 28**

This report asks the Committee to make appointments or nominations to outside bodies for the Municipal Year 2023/24, or longer where required. A schedule of outside body appointments showing the Group Leaders' recommendations will be circulated prior to the meeting.

ITEMS FOR CONSIDERATION IN CLOSED SESSION

9. EXCLUSION OF THE PRESS AND PUBLIC

The following motion will be moved by the Chair:

“That, pursuant to Section 100A of the Local Government Act 1972 (as amended) members of the press and public be excluded during consideration of the following items on the agenda, as it is likely that there would be disclosure of exempt information as defined in the relevant Paragraphs of Part 1 of Schedule 12A (as amended) of that Act”

10. DECLARATIONS OF INTEREST FOR CLOSED SESSION ITEMS

11. PROPERTY IN CENTRAL READING

**BOROUGH
WIDE 29 - 34**

12. PROPERTY IN SOUTH CENTRAL READING

**BOROUGH
WIDE 35 - 42**

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Present: Councillor Brock (Chair);

Councillors Page (Vice-Chair), Barnett-Ward, Emberson, Ennis, Leng, McElroy, McEwan, Mitchell, Robinson, Rowland, Terry, Thompson and White

Apologies: Councillors Hoskin

RESOLVED ITEMS

64. MINUTES

The Minutes of the meeting held on 13 March 2023 were agreed as a correct record and signed by the Chair.

65. LOCAL AUTHORITY HOUSING FUND

The Executive Director of Economic Growth & Neighbourhoods submitted a report on a proposal to purchase 15 homes, using funding provided by the Department of Levelling Up, Housing and Communities (DLUHC), which would initially be made available to Afghan and Ukrainian refugees, and in the longer term be used as General Needs Social Housing. The report set out the total spend approval required to deliver the scheme, which included match funding of £3m from the Council.

Additionally, the report sought agreement to endorse retrospectively the Memorandum of Understanding, which had been signed by the Director of Finance to deliver 15 homes for the purpose set out above by the end of March 2024, in return for Government grant as set out in the table at paragraph 4.2.3 of the report. Due to the short timescale, it was proposed that the mechanism to deliver the scheme would be to purchase additional properties from the open market.

Resolved -

- (1) That the signing by the Director of Finance of the Memorandum of Understanding between Reading Borough Council and DLUHC to receive an award of grant totalling £2,164,331 to purchase 15 homes, initially for Afghan and Ukrainian refugees, and in the longer term to be used as General Needs Social Housing, as described in more detail in the report, be endorsed;**
- (2) That the budget of £3m to match fund the grant, funded through a combination of S106 contributions and Housing Revenue Account borrowing be approved;**
- (3) That the total spend of £5.5m to purchase 15 homes, as set out in the body of the report, be approved.**

66. APPOINTMENT OF REMUNERATION PANEL MEMBERS

The Executive Director of Resources submitted a report seeking agreement to appoint additional members to the Independent Remuneration Panel, following the resignation of one of its current members. The report explained that the Council must maintain the Panel to review the scheme for Councillors' Allowances annually and make recommendations on:

- the amount of basic allowance to be paid to all Councillors;
- duties in respect of which Councillors should receive a special responsibility allowance, and the amount of such an allowance; and
- allowances for the care of children or dependents.

The report also sought delegated authority to the Monitoring Officer to appoint a further member to the Panel.

Resolved -

- (1) That Jeanette Skeats and Sally Swift be appointed as members of the Independent Remuneration Panel for a term of four years;**
- (2) That the Monitoring Officer be given delegated authority to advertise for a further member of the Independent Remuneration Panel;**
- (3) That the Monitoring Officer, in consultation with the Leader of the Council, be given delegated authority to appoint a further member to the Independent Remuneration Panel.**

67. SOUTHCOTE LIBRARY DISPOSAL

The Director of Economic Growth & Neighbourhoods submitted a report on a proposal to appropriate Southcote Library from the General Fund to the Housing Revenue Account (HRA) for market value for the development and provision of affordable housing. A site plan was attached to the report at Appendix 1. The report explained that the Committee had previously resolved to dispose of the site to Sovereign Housing Association (SHA) at its meeting on 3 August 2020 (Minutes 25 & 29 refer) for the development of affordable housing. However, in January 2023, the Council had been advised that, following an internal review, SHA had withdrawn from the purchase of the site. As a result, the Council had considered contacting the previous underbidders for the site; remarketing the site; and appropriating the site to the HRA for the development of Council housing.

The report stated that there was authority to appropriate suitable sites for the purpose of delivering new housing in cases where a business plan showed it was cost effective. The proposed scheme had been modelled within the latest 30 Year

HRA business plan and it remained financially viable. A key priority of the Corporate Plan and the Housing Strategy 2020-2025 was to build new homes, which supported the appropriation to the HRA being the best option, rather than remarketing the site. The HRA would potentially deliver 15 x 2 Bed flats for Social Rent at an anticipated scheme cost of £3.8m (£800k Land Appropriation and £3m build cost).

Resolved -

That the appropriation of the Southcote Library site from the General Fund to the Housing Revenue Account (HRA) for Market Value for the development and provision of affordable housing be approved.

68. DISPOSAL OF 40 CHRISTCHURCH ROAD

The Executive Director of Economic Growth & Neighbourhoods submitted a report on the outcome of a marketing exercise to dispose of the freehold of the former Phoenix School, 40 Christchurch Road on the terms set out in the report. A site plan was attached to the report at Appendix 1.

Resolved -

- (1) That the recommended action set out in the report be noted;**
- (2) That further consideration of the proposal to dispose of the freehold of the former Phoenix School be conducted in 'Part 2' of the meeting, which would take place in the absence of the press and public as it was likely that there would be a disclosure of exempt information.**

69. EXCLUSION OF THE PRESS AND PUBLIC

Resolved -

That pursuant to Section 100A of the Local Government Act 1972 (as amended), members of the press and public be excluded during consideration of item 70 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.

70. DISPOSAL OF 40 CHRISTCHURCH ROAD

Further to Minute 68 above, the Executive Director of Economic Growth & Neighbourhoods submitted a report on the outcome of a marketing exercise to dispose of the freehold of the former Phoenix School, 40 Christchurch Road on the terms set out in the report. The report recommended acceptance of an unconditional offer for the property from Bidder A to use the property for educational purposes. The Council retained the option to revert to the other offers

POLICY COMMITTEE MEETING MINUTES - 3 APRIL 2023

without any real loss of opportunity, in the event the preferred bidder was unable to move as promptly as expected to conclude the agreement. The following documents were attached to the report:

- Appendix 1 - Location Plan;
- Appendix 2 - Tabulated summary of offers;
- Appendix 3 - Evaluation Matrix;
- Appendix 4- Culture Development comments; and
- Appendix 5- BfC comments on the proposal.

Resolved -

- (1) That the Property be sold to Bidder A on an unconditional basis on the terms set out in paragraph 4.3.1 of the report;**
- (2) That, if the purchaser was unable to perform to an acceptable timescale, the Executive Director for Economic Growth and Neighbourhood Services, in consultation with the Leader of the Council, the Lead Councillor for Planning & Assets and the Assistant Director for Legal and Democratic Services to:**
 - a) agree a revised offer price and terms where appropriate which secured best consideration;**
 - b) re-engage with other bidders as appropriate or remarket the property for disposal at best consideration.**

(Exempt information as defined in paragraph 3).

(The meeting started at 6.30 pm and closed at 6.57 pm)

POLICY COMMITTEE MINUTES - 24 MAY 2023

Present: Councillor Brock (Chair)
Councillors Barnett-Ward, Emberson, Ennis, Gittings, Hoskin, Leng, McEwan, Mitchell, Robinson, Rowland, Terry, Thompson and White.

1. ESTABLISH A TRUSTEES SUB-COMMITTEE, APPOINT THE CHAIRS AND MEMBERS AND AGREE TERMS OF REFERENCE

Resolved:

- (1) That the Trustees Sub-Committee be established for the Municipal Year 2022/23 and the following Councillors be appointed to serve on the Sub-Committee:

Trustees Sub-Committee (5:2:0:1)

Labour Councillors

Ayub
Brock
Eden
Hornsby-Smith
Lanzoni

Conservative Councillors

Mitchell

Green Councillor

McCann

- (2) That the following Councillors be appointed as Chair/Vice-Chair of The Trustees Sub-Committee for the Municipal Year 2022/23:

Chair

Councillor Hornsby-Smith

Vice-Chair

Councillor Brock

- (3) That the Terms of Reference of the Sub-Committee be as set out in Appendix A to the Monitoring Officer's report to Council of 24 May 2023.

- (4) That the following appointments (or nominations, where indicated) be made for the Municipal Year 2023-24:

(a) Joint Waste Disposal Board

2 Representatives

Councillor Rowland
Councillor Terry

(b) Royal Berkshire Fire Authority

3 Representatives

Councillor Gittings
Councillor Griffith
Councillor McElroy

(c) Local Government Association

POLICY COMMITTEE MINUTES - 24 MAY 2023

General Assembly

Councillor Brock

(d) Joint Committee of the Integrated
Care Partnership

2 Representatives

Councillor Brock
Councillor Terry (Deputy)

Policy Committee

12 June 2023



Reading

Borough Council

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Title	Civil Enforcement Contract (Parking Services) – Delegated Authority to Spend and Award Contract
Purpose of the report	To make a decision
Report status	Public report
Report author	Helen Taverner
Lead councillor	Councillor Ennis
Corporate priority	Our Foundations
Recommendations	<p>The Committee is asked:</p> <ol style="list-style-type: none"> 1. That the recommended procurement route and process as described within the report is noted. 2. That the Interim Executive Director for Economic Growth and Neighbourhood Services be granted delegated authority in consultation with the Leader of the Council, the Director of Finance and the Assistant Director of Legal and Democratic Services to enter into a contract(s) and spend to provide civil enforcement services with the most economically advantageous tenderer(s).

1. Executive summary

- 1.1. The purpose of this report is to inform the Committee of the ongoing procurement process for the Civil Enforcement (Parking) Contract(s) to be implemented in November 2023 and following a competitive procurement process to seek delegated authority to enter into a contract with the most economically advantageous tenderer in accordance with the Public Contracts Regulations 2015.

2. Policy context

- 2.1. The Council’s new Corporate Plan has established three themes for the years 2022/25. These themes are:
 - Healthy Environment
 - Thriving Communities
 - Inclusive Economy
- 2.2. These themes are underpinned by “Our Foundations” explaining the ways we work at the Council:
 - People first
 - Digital transformation
 - Building self-reliance
 - Getting the best value
 - Collaborating with others
- 2.3. Full details of the Council’s Corporate Plan and the projects which will deliver these priorities are published on the [Council’s website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

- 2.4. The control of parking in Reading Borough is based upon the policy objectives of RBC which include:
- 2.4.1. To restrain the use of vehicles, particularly in the business locations, at the busiest times, without undermining the economic life of the town.
 - 2.4.2. To provide adequate short-stay parking to support shops, commercial and leisure activities.
 - 2.4.3. To protect the needs of residents, businesses and visitors, including through the use of permit parking schemes.
 - 2.4.4. To use town centre parking charging strategies to discourage growth in the use of the car and encourage the use of public transport and other modes of travel, without undermining the economic life of the urban areas.
 - 2.4.5. To protect the environment.
 - 2.4.6. To improve the conditions for movement of pedestrians and cyclists.
 - 2.4.7. To control on-street and off-street parking.
- 2.5. The responsibility for parking management within RBC sits within Parking Services, which is part of the Directorate of Economic Growth and Neighbourhood Services. There is a desire with Parking Services and within the wider Directorate, to review and improve the delivery of parking and enforcement services. This includes developing the way services are delivered to ensure this is efficient, effective and delivers the greatest value to RBC, its visitors and residents, and the local economy.

3. The Proposal

3.1. Current Position

- 3.1.1 Currently, RBC outsources the provision of its Civil Enforcement Services and its Civil Enforcement PCN and Permit Software and Associated Hardware, through one contract. This contract is with NSL Ltd, who in turn, sub-contracts provision of the IT Services to ICES Ltd. This contract has been running for ten years following several extensions and will expire on 31 October 2023.

3.2. Options Proposed

- 3.2.1. The proposal is to award new contracts for this service from 1st November 2023 for a period of 4 years with the option of extending the contract for a further 3 + 3 years subject to performance, with a 12-month notice period.
- 3.2.2. A small number of functions are proposed to move in-house, primarily delivery of customer services in relation to informal PCN challenges to allow for RBC to have full control of the customer journey ensuring it aligns with RBC aims and values.
- 3.2.3. To allow for the flexibility to allow changes to the delivery of services to mirror RBC's developing goals for service improvement the contracts are split over three lots comprising:
- 3.2.3.1. Lot 1: Civil Enforcement Services - This Lot is for the provision of an on-street and off-street civil parking enforcement to include provision of appropriate staff and technology to undertake enforcement activities and the management of RBC's pay and display machines, including cash collection.
 - 3.2.3.2. Lot 2: Civil Parking Enforcement PCN and Permit Software and Associated Hardware - This Lot is for the provision of a parking management back-office System for the issuing of Penalty Charge Notices (PCNs) and permits and

receiving payments. The contract also includes providing suitable hardware to enable on-street and off-street enforcement staff to issue PCNs.

3.2.3.3. Lot 3: Combined bid - This Lot is for the provision of both the Lot 1 Civil Enforcement Services and the Lot 2 Civil Parking Enforcement PCN and Permit Software and Associated Hardware. Bids for Lot 3 can be submitted on the basis of either a sole bidder who self-delivers both Lot 1 and Lot 2 services or a joint bid from two organisations, one delivering Lot 1 services, the other delivering Lot 2 services, who, when working together, can leverage their commercial relationship to deliver additional benefits and value to RBC.

3.2.4. The process for this procurement exercise is ongoing as per timetable in Section 11 below.

3.3. Other Options Considered

3.3.1. Continue with **one contract** for all services – this option would not allow for direct relationships to be formed with all RBC suppliers, leading to ‘arms length’ relationships with sub-contractors that are not as responsive to the agile way in which RBC Parking Services needs to work to develop and improve in this area. This is not recommended as it will not improve the current way of working nor be flexible enough for RBC’s ambitions.

3.3.2. **In house** – There is an option to provide these services directly by Reading Borough Council, however the initial capital outlay, time to implement and on-going costs are prohibitive at this time and would exceed the estimated costs of the contract, it is therefore not a recommended option. However work will continue to fully investigate the possibility of this happening in the future should it become advantageous to do so.

4. Contribution to strategic aims

4.1. This is a RBC wide service that supports the movement of traffic, including pedestrians, cyclists, public transport, delivery vehicles as well as private cars. These contracts will allow the Parking Services Manager to deliver a cost effective and efficient service to all those travelling in the RBC area.

4.2. **Healthy Environment** – this service seeks to ensure that the highway is available for all to use as designed and that congestion is reduced by enforcing the regulations (through the Traffic Regulation Order process) made by RBC. This, for example, helps to ensure sustainable travel routes are not blocked by inconsiderate parking, and that parking places for electric vehicles remain available for those vehicles encouraging use of alternative fuels and reducing emissions.

4.3. **Inclusive Economy** – ensuring desired turnover of parking places in our town centre and other economic hubs supports the use of retail, leisure and work premises allowing communities to thrive. A well-managed parking service will enhance Reading’s attractiveness to businesses and customers alike.

4.4. **Thriving Communities** – Enforcement of residential parking zones, and continuing provision of resident parking zones via permit schemes will ensure communities are able to thrive within their neighbourhoods. Enforcement at schools and other community locations seeks to improve the environment and encourages communities to thrive.

4.5. **TEAM Reading Values** - the contract makes the following contributions to the TEAM Reading values:

4.5.1. Together – These contracts allow for effective delivery of the service through partnership working, both internally across directorates and externally with our Contractor(s).

4.5.2. Efficiency – These contracts provide the most efficient model for delivering the service.

- 4.5.3. Ambitious – The contracts allow RBC to realise its ambition to deliver a modern, digital, customer focused Parking Service.
- 4.5.4. Make a Difference – The contracts makes a positive difference to residents and the travelling public in the RBC area.

5. Environmental and climate implications

- 5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 5.2. The tender documentation contains the requirement for bidders to ensure consideration of environmental impacts of the operations being carried out, including a 'pass/fail' Environmental Management quality question. RBC will expect to see positive consideration of matters such as the movement of personnel around the RBC area in a sustainable way and the energy efficiency of any buildings to be used as part of contract delivery.
- 5.3. Delivery of the services themselves (enforcement of traffic regulation orders) supports the transport network with a focus on a more sustainable travel footprint, reduces congestion and decreases reliance on single occupancy car journeys.

6. Community engagement

- 6.1. There is no relevant community engagement for this contract; engagement on all traffic restrictions enforced or permit zones introduced takes place as part of the statutory Traffic Regulation Order process and is not in scope.

7. Equality impact assessment

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, 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 is not relevant at this stage; all contracts let include the requirement to comply with all relevant legislation and RBC policy. All functions carried out by contractors will have Equality Impact Assessments carried out before commencement of any contract activities.

8. Other relevant considerations

- 8.1. There are no other relevant considerations.

9. Legal implications

- 9.1. The procurement exercise is subject to the Public Contract Regulations 2015, and as such the principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality will be applied.
- 9.2. In accordance with the Public Contract Regulations 2015 and the Council Contract Procedure Rules, the opportunity will be advertised on the Council's electronic tendering portal and via 'Contracts Finder'.

- 9.3. It is intended to enter into contracts based upon the most economically advantageous tenders in accordance with the criteria stated in the specification.
- 9.4. Two contracts will be entered into between the successful tenderers and Reading Borough Council.
- 9.5. Under the constitution of the council for contracts above £500k, the authority to award is either by a formal decision of Council or Committee, or by an officer with an appropriate delegated Authority as set out in the Delegations Register or delegated specifically by a formal decision of Council or Committee. This contract breaches those delegation levels and so requires permission to be sought from this Committee.

10. Financial implications

- 10.1. The estimated cost associated with the contract is approximately £2.5m to £3m pa across all lots, with a total value over the contract period including extensions c£17.5m. This is based on estimates using our most recent contract, benchmarking and soft market research. The cost can be met from within the Parking Services budget (4725).
- 10.2. Benchmarking Results conducted by 30 local authorities in 2022 show a wide variation in costs of this type of contract – it should be noted that it is very difficult to find exact 'like for like' contracts as each Authority chooses which elements of their service to outsource in this way. These ranged from £1m to £10m per year; this reflects the local arrangements in place and the market conditions in that local area. The contract is highly specialised with a limited pool of suppliers. Previous procurement exercises have resulted in a wide variation in price from potential bidders. The procurement intends to ensure value for money by a suitable balance between price and quality.
- 10.3. There is a risk that the bids may come in at a higher price than anticipated, particularly given the current financial climate (cost of living crisis / increasing cost of vehicles / property / people). The contracted out services are fundamental in delivering approx. £6m per year income from parking related activities and so would remain affordable even at a higher price.

11. Timetable for implementation

- 11.1. The Procurement timetable yet to be completed is shown below:

Procurement activity	Target date
<i>Internal Award authorisation by</i>	Friday 16 th June 2023
<i>Intention to Award Letters to all Suppliers</i>	Monday 19 th June 2022
<i>Standstill period starts</i>	Tuesday 20 th June 2023
<i>Standstill period ends</i>	23:59 on Thursday 29 th June 2023
<i>Award Letter sent</i>	Friday 30 th June 2023
<i>Contracts signed by</i>	Friday 14 th July 2023
<i>Start date for contracts</i>	Tuesday 1 st August 2023
<i>Lot 1 services commencement date</i>	Wednesday 1 st November 2023
<i>Lot 2 services go live date</i>	Wednesday 1 st November 2023

12. Background papers

- 12.1. None.

FINANCIAL IMPLICATIONS

The financial implications arising from the proposals set out in this report are set out below:-

1. Revenue Implications

	2021/22 £000	2022/23 £000	2023/24 £000
Employee costs			
Other running costs	£2.5m	£2.7m	£2.9m
Capital financings costs			
Expenditure	£2.5m	£2.7m	£2.9m
Income from:			
Fees and charges			
Grant funding (specify)			
Other income			
Total Income			
Net Cost(+)/saving (-)	£2.5m	£2.7m	£2.9m

The net cost of the proposal can be funded from the Parking Services/4725 budget.

These are estimates, as the awarded procurement price could be higher, however we would award the most advantageous (lowest price) and sustainable service.

If the price is over the above estimated costs, we request a delegated sign off for approval at the appropriate level.

2. Capital Implications

Capital Programme reference from budget book: page line	2021/22 £000	2022/23 £000	2023/24 £000
Proposed Capital Expenditure			
Funded by			
Grant (specify)			
Section 106 (specify)			
Other services			
Capital Receipts/Borrowing			
Total Funding			

3. Value for Money (VFM)

Benchmarking Results conducted by 30 local authorities in 2022 show a wide variation in costs of this type of contract – it should be noted that it is very difficult to find exact 'like for like' contracts as each Authority chooses which elements of their service to outsource in this way. These ranged from £1m to £10m per year; this reflects the local arrangements in place and the market conditions in that local area. The contract is highly specialised with a limited pool of suppliers. Previous procurement exercises have resulted in a wide variation in price from potential bidders. The procurement intends to ensure value for money by a suitable balance between price and quality.

4. Risk Assessment

There is a risk that the bids may come in at a higher price than anticipated, particularly given the current financial climate (cost of living crisis/increasing cost of vehicles/property/people). The contracted-out services are fundamental in delivering approx. £6m per year income from parking related activities and so would remain affordable even at a higher price.

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Policy Committee

12 June 2023



Reading
Borough Council
Working better with you

Title	The Lodge at Coley Pre-School
Purpose of the report	To make a key decision
Report status	Public Report
Report author	Lara Patel, Director of Children’s Services
Lead councillor	Cllr Graeme Hoskin
Corporate priority	Not applicable, but still requires a decision
Recommendations	<p>The Committee is asked to:</p> <ol style="list-style-type: none"> 1. Agree that the current service model for the pre-school nursery presents quality and financial risks and delegate the Director of Children’s Services to commence consultation on the impact of its potential closure. 2. Delegate authority to the Director of Children’s Services to discuss with the headteacher of St Mary’s and All Saints Primary school possible use of the provision for a SEND facility within the school. 3. Delegate authority to the Director of Children’s Services in Consultation with the Lead Councillor for Children’s Services to decide on the future of the facility based on the outcomes of the above two actions.

1. Executive summary

1.1. This report presents the findings from viability analysis of The Lodge at Coley pre-school nursery in Reading. This analysis was initiated following the inadequate Ofsted inspection in June 20220 and concludes that, in its current configuration, there remain significant risks around both the quality of day-care and financial viability of the service both of which would require considerable additional ongoing investment. As a result, the report proposes that the Director of Children’s Service is given permission to go to external consultation on the proposal for its closure and that permission is also given for discussions with the head teacher of the St Mary and All Saints primary school (in whose room the service is currently located) for the possible use of the facility as additional provision for children with SEND. The report further proposes that the Director of Children’s Services is given delegated authority in consultation with the Lead Councillor to consider the pre-school nursery’s closure dependent on the results of the consultation.

2. Background

2.1. In Reading, Early Years provision is delivered by a mixed economy of Maintained Nursery Schools (MNS), Nursery Classes, Private, Voluntary and Independents (PVIs), pre-schools and childminders. At any one time there are approximately 4,000 available places although these are subject to significant seasonal variation. Ofsted inspections measure the quality of practice in safeguarding and early learning for children under five.

2.2. Brighter Futures for Children provides the following in-house early years provision for children 0-5 years in Reading:

- Two-day nurseries, Surestart Whitley day nursery and The Lodge at Southcote offering approximately 114 places
 - Two pre-schools The Lodge at Coley and Sunnyside pre-school providing early education to disadvantaged two-year-old children offering up to 24 places.
- 2.3. The aim of the nurseries is to support young children to access their free entitlement to early education and to support parents to access employment by providing childcare. The nurseries help support the Local Authority's statutory duty to ensure there is a sufficiency of early years places in Reading.
- 2.4. The nurseries operate on zero budgets relying on government early years funding entitlement and parental income in the day nurseries to cover all costs of running the settings.
- 2.5. The Lodge at Coley is a pre-school nursery opened in 2017 to provide for funded 2-year-old children only and although registered with Ofsted as a stand- alone provision falls under the management of The Lodge at Southcote. The pre-school is based in the children's centre in the grounds of St. Mary's and All Saints primary school. The pre-school operates from one room and can accommodate up to 16 funded 2-year-old children opening Wednesday -Friday for 15 hours term time only, 9.30-2.30. Children attend the pre-school for one year and then transition to another setting when they turn three years to access their universal entitlement to 3 and 4 year old funding.
- 2.6. The Lodge at Coley was the subject of an Ofsted inspection in June 2022 and was graded overall as inadequate. It was then subject to an intensive programme of support and improvement over the Autumn term which involved managers from the Lodge at Southcote being seconded to provide additional support. It was re-inspected in December 2022 and graded good in all areas.
- 2.7. Despite having capacity for up to 16 children, the unit has never had more than 14 children, for one term in 2021, and, in reality numbers have fluctuated. The table below indicates the average attendance of the unit over the last 4 years which is generally in the 8-11 children range. The inadequate grading in June impacted parental confidence and the pre-school only had four children for the autumn term 2022. Despite moving to a good grading, there have been no children registered to attend the nursery since the end of March 2023 and as a result it has been temporarily closed. There are three children currently on the waiting list for the nursery, two of whom are only eligible until July '23 and one who is eligible until December '23. There is another child who will become eligible for a place in September '23. There are approximately 10 spaces available currently for children under 5yrs within 2 miles of Coley, through a combination of child-minders and day nurseries. This number will increase from September when current children move up into reception classes.

Children attending	Spring	Summer	Autumn
2019	11	11	8
2020	8	Closed due to lockdown	8
2021	12	8	14
2022	10	12	4

3 Policy context

- 3.1 Nationally the early years sector is a mixed model of delivery ranging from full day care, pre-schools, childminders, home carers and schools. It is subject to an Ofsted inspection framework. The sector plays an important role in the government's employment agenda enabling the workforce to access childcare for their children supporting a stronger economy.
- 3.2 The sector is however quite financially fragile, largely due to the low levels of agreed funding for free places for 2, 3 and 4 yr olds. The sector received an uplift in April '23

which for Reading realised the maximum increase of 4.9% for three- and four-year-olds and 10% for 2-Year-olds from April 2023. Although this was a positive settlement, the current inflation rate impacted the increase.

- 3.3 Currently, all three- and four-year-old children are entitled to free childcare for 15 hours per week increasing to 30 hours per week for working families. Disadvantaged two-year-olds (approximately 40% nationally) are also eligible for 15 hours free entitlement. The current hourly rate of funding paid per three- and four-year-old is £5.33 plus an additional £1.69 when a child is eligible for Early Years Pupil Premium. The rate for two-year olds is £6.51.
- 3.4 In response to pressures from within the sector, the government's spring budget (which was after the April 23 uplifts identified in paragraph 3.2), the chancellor announced reforms to childcare which included additional entitlements and funding investment for early years. These included new entitlements for working parents of 2-year-olds starting in April 2024 and extending to working parents of children aged 9 months from September 2024. From September 2025, all working parents of children aged 9 months up to school age will be funded to access 30 hours free childcare per week. Hourly rates will rise to around £8 for two-year-olds and £5.50 for three- and four-year-olds from September 2023. The sector is still waiting for those changes to be confirmed at the time of writing
- 3.5 There is no doubt that the changes will impact the market, affecting both supply and demand for places. However, it is much too early to fully understand the scale of the changes and until the details have been confirmed they are unlikely to become any clearer.

4 Sufficiency of places

- 4.1 The Reading Childcare Sufficiency Assessment 2022-2023 concluded that there are currently sufficient childcare places for all under-fives where there is a demand and this includes funded early education and paid spaces, albeit not always in the preferred area. The Sufficiency Assessment examines likely future patterns of demand accounting for changing birth rates and any planned new housing developments. The Office of National Statistics reports a national long-term trend of decreasing live births. Reading follows this trend with a 22.2% decrease in live births when comparing 2018-19 and 2021-22 data. A further decrease is expected for 2022-23 of around 15% based on current figures. Live births for Minster Ward have also decreased with an 11% decline when comparing 2018-19 and 2021-22 data. Again, a further decrease is expected for 2022-23 of around 10% based on current figures. In terms of building growth, there were 107 planning permissions granted for new accommodation in Minster ward in 2022. A small number of these are building conversions set to increase the number of flats in the area which may have some impact on the number of families living in the ward.
- 4.2 If there is no provision available in the immediate area, families are directed to the nearest provision where there are available places. There are however recent local challenges, and the spring budget announcement will create further changes in demand. Sufficiency of early years places is largely determined by market forces with parental demand driving the market. This has remained fairly stable over recent years although 2022 did see two pre-schools and one PVI provider close with an additional pre-school due for closure in July 2023, this equates to a loss of about 100 places. There are four new providers opening in 2023 offering approximately 300 places, three situated centrally and, one in south Reading. The three nurseries will be large with robust management structures and considered to be more economically viable to strengthen the sufficiency of the early years sector in Reading.
- 4.3 It is difficult to accurately determine the actual number of places available at any one time as this fluctuates throughout the year and is dependent on staffing levels in individual settings. The summer term is more challenging for accessing spaces due to the high number of children starting school in September. An average of 4000 places are available in Reading across the range of provision.

5. The proposal to close the Lodge at Coley

5.1 We have analysed the economic and structural viability of the pre-school in the light of the low occupancy rates, the findings from the Ofsted inspection around the quality of provision and the impact of the inspection on occupancy. There was a range of factors identified that impacted on the poor inspection performance and whilst these were addressed in preparation for the re-inspection, they remain a risk to the effective functioning of the unit going forwards. These factors were:

- The setting is small, accessing only one room and garden area as part of the children's centre building. There is no option to increase capacity (child numbers) due to the physical constraints of the building. This means we are limited to a theoretical maximum capacity of 16 places, albeit as the report notes this averages between 8-11 places. This number (with their associated income) then limits the number of staff we can afford to employ within an economically viable model.
- The staffing establishment is for a room leader (RG4) and an early years practitioner (L3) for every four children. There are no senior staff onsite and no daily management presence. This presents a major risk to the quality of the service, as we are not able to provide the level of senior on-site support that is required to run the unit to the standard that we believe is appropriate. This view is clearly supported by the findings of the Ofsted inspection. The fact we had to second two senior staff from another unit to bring the Lodge up to standard following the poor inspection illustrates this point clearly. Whilst seconding those staff was the correct thing to do in that context, it also risked weakening the situation at the Lodge at Southcote, the unit from which they were seconded.
- There is a national shortage of early years staff and small units such as this are more vulnerable to this situation. Whilst we have been able to manage to date across our nurseries this is because we have relied on agency staff and have benefitted from the economies of scale that are associated with larger capacity units. It is noteworthy that the new providers which are due to open in Reading in 2023 are all part of much larger structures and will be running larger (30 place plus) units.
- The pre-school is isolated within the grounds of the primary school.

5.2 In conclusion, this is a small unit, which has never run at capacity. The size and structure mean that we have not been able to operate the unit with the number of senior staff that are required to ensure that it is delivering a safe, high-quality service. This situation was at the heart of the poor inspection result in 2022. On that basis, without additional ongoing investment the unit represents a major risk in terms of quality of provision and financial viability. Our initial analysis suggests that the financial breakeven point for the unit is 16 children, an occupancy level that has never occurred.

5.3 The only caveat to this position is that the changes around places for 2yr olds announced by government earlier this year mean that there may be an increase in demand from this group. This does pose a small risk to the proposal to close the unit, however, we believe this should be offset by the four additional providers that will be coming online later this year offering approximately 300 additional places across Reading. St Mary and All Saints' school has also expressed an interest in expanding its early years provision and this will potentially create more local provision. Furthermore, the availability of places for children under 5's is largely market driven, meaning that if there is evidence of more demand in a specific area, the market is highly likely to respond positively to this.

6 Alternative options for the building

6.1 The building is owned by St Mary's and All Saints primary school. We are seeking permission to initiate formal discussions with the school around the possibility of using the space as a specialist facility for primary aged children with SEND. This could amount to an additional 16 places. This is an area where there is considerable pressure, where we are struggling to identify suitable educational provision for children with SEND. Based

on provisional discussions with the school we are confident that they are interested in such an option. The school has also expressed an interest in expanding their own early years offer, which would reduce the risk of a loss of early years places.

7 Contribution to strategic aims

- 7.1 As set out above, closure of the pre-school nursery will reduce the capacity for 2yr old places in the local area, although the scale of that reduction is very minor, especially in the light of its historic under- use. It would mean approximately 10 less places against an overall number of approximately 4,000 under-fives places in Reading. St Mary's and All Saints primary school has also expressed an interest in expanding their own early years offer, which would reduce the risk of a loss of these 10 places.
- 7.2 Against this reduction, the potential for increasing SEND provision for primary aged children would assist us in addressing a real shortage which at the time of writing has resulted in 8 children who we are unable to place in suitable primary settings. If we can do more to support those very young children with SEND at the earliest stage, we will be making a major contribution to giving them the best possible start in their educational lives.

8 Environmental and climate implications

- 8.1 The decision to consult on the future of the Lodge at Coley will not have any significant environmental or climate implications. It is possible that a very small number of children may have to travel slightly further for a nursery place, but this would be more than offset by children with SEND accessing more local provision.

9 Community engagement

- 9.1 Consultation should take place after this committee's decision to proceed.

10 Equality impact assessment

- 10.1 We have initiated an Equality Impact Assessment into the proposed closure and change of use. This will be further informed by the community consultation exercise. Any equalities implications which emerge during the process of making the changes to this nursery will be considered as part of the statutory process. Any equalities impact on staff will be considered through the normal consultation processes which include one to one meetings for staff during which any concerns can be discussed. The completed Equality Impact Assessment will be available to the Director of Children's Services when any decision is made.

11 Legal implications

- 11.1 The Local Authority must comply with the School Organisation legislation, (the Education and Inspections Act 2006), and statutory guidance, "Making 'prescribed alterations' to maintained schools" published by the Department for Education. As set out in the body of the report this statutory process requires the Local Authority to carry out consultation on the proposed changes, to publish statutory notices which are followed by a four-week representation period, and to make a final decision within two months of the end of the representation period.

12 Financial implications

- 12.1 The nursery will not financially breakeven while numbers are low and will require additional support and resources that will increase expenditure. Brighter Futures for Children have picked up these pressures over the last few years and this is unsustainable going forward.
- 12.2 The financial risk of this proposal is minimal as staff can be moved to other internal nurseries within BFfC due to the struggles in finding nursery staff nationally, meaning there is no proposed compensation/redundancies required.

- 12.3 Due to the current sufficiency around the area, closing down this resource will direct more children to other alternative settings, this will help those settings to stay open and risk any future sufficiency in early years places.
- 12.4 Increased government grant funding has been announced but this increase is far short of inflation in the last 12 months and future inflation (including payroll inflation) means that the deficit position will continue.

13 Timetable for implementation

- 13.1 If the Policy Committee were to agree with the recommendations, we would start the Community Consultation immediately. This would last for the statutory 30 days, allowing a final decision to be made within 2 weeks from the end of consultation. This means we would be able to provide the school with a decision prior to the summer holidays. Any timetable for the school's work on a SEND unit would start immediately following the final decision.

14 Background papers

- 14.1 There are none.

FINANCIAL IMPLICATIONS

The financial implications arising from the proposals set out in this report are set out below:-

1. Revenue Implications

	2023/24 £000	2024/25 £000	2025/26 £000
Employee costs (see note1)	25	0	0
Other running costs	10	0	0
Expenditure	35	0	0
Income from: Fees and charges (see note2)			
Grant funding (specify)	5	0	0
Other income			
Total Income	5	0	0
Net Cost(+)/saving (-)	30	0	0

Note 1: No one-off early retirement and redundancy costs. All staff will be re-deployed due to known vacancies. Staffing for Summer term with other running costs included.

Note 2: Dedicated Schools Grant will fund universal early years entitlement funding.

2. Capital Implications

No capital implications regarding this proposal

3. Value for Money (VFM)

Currently the nursery is not at capacity and is not likely to be in the future, so the value for money benchmark would not be achieved and future deficit forecasts will continue.

4. Risk Assessment.

Financial risk and ongoing deficits will be created if the proposal is rejected.

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Policy Committee

12 June 2023



Reading
Borough Council
Working better with you

Title	Outside Body Appointments
Purpose of the report	To make a key decision
Report status	Public report
Report author	Simon Hill, Principal Committee Administrator
Lead Councillor	Councillor Brock, Leader of the Council
Corporate priority	Not applicable, but still requires a decision
Recommendations	<ol style="list-style-type: none"> 1. That the Committee make appointments or nominations to the outside bodies listed on the schedule (to be circulated); 2. That the appointments or nominations be made on an “or nominee” basis where the organisation in question is willing to accept this arrangement.

1. Executive Summary

- 1.1. This report asks the Policy Committee to make appointments or nominations to outside bodies for the Municipal Year 2023/24, or longer where required. A schedule of outside body appointments showing the Group Leaders’ recommendations will be circulated prior to the meeting.

2. Policy Context

- 2.1. Appointing the Council’s representatives on outside bodies is a Key Decision reserved to Policy Committee under Part 2 Article 13.3 and Part 3 Section 2(5) of the Council’s Constitution. The Monitoring Officer has a delegation to appoint to any vacancies arising mid-year in consultation with the Leader of the Council.

3. Outside Bodies

- 3.1. The Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Partnership (BOB ICP) has been added to the schedule in 2022/23 (see Minute 49 of the meeting of Policy Committee held on 23 January 2023).
- 3.2. Appointments to the Royal Berkshire Fire Authority, Joint Waste Disposal Board, BOB ICP and LGA General Assembly were made by Policy Committee motion at the Council AGM on 24 May 2023 – see the Minutes elsewhere on this agenda.

4. Contribution to Strategic Aims

- 4.1. Representation on joint committees and outside bodies gives the Council an opportunity, through its representatives, to work with partner organisations to achieve the priorities set out in the Corporate Plan under the themes of:
 - Healthy Environment
 - Thriving Communities
 - Inclusive Economy

5. Environmental and Climate Implications

- 5.1. There are no environmental or climate implications arising from the decision to make appointments to outside bodies.

6. Community Engagement

- 6.1. Representation on outside bodies gives the Council an opportunity, through its representatives, to engage with the community on matters that affect the Borough.

7. Equality Implications

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, 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 (EIA) is not relevant to the decision to make appointments to outside bodies.

8. Legal Implications

- 8.1. The Council cannot legally provide personal liability cover for representatives serving on outside bodies (*Burgoine v Waltham LBC 1996*) and it is the responsibility of the outside body to secure the appropriate insurance and personal liability cover for people on it. Local authorities do not have a legal power to extend their insurance policies to cover the liabilities of third parties.
- 8.2. All Councillors, officers and other people appointed by Reading – and any other local authority – are therefore advised of the need to check directly with the outside body about its insurance cover, and how far it protects them.

9. Financial Implications

- 9.1. Attendance by Councillors appointed to outside bodies will be an approved duty for the purposes of the Council's scheme made in accordance with the provisions of the Local Authorities (Members' Allowances) Regulations 1991. This means that travel and subsistence claims may be made in respect of expenses incurred in attending meetings. Non-Councillors who are appointed to represent the Borough on outside bodies may claim financial loss allowance and travel and subsistence, if applicable.

10. Timetable for Implementation

- 10.1. Details of the new appointments will be circulated to the relevant organisations and published on the Council's website in the week following this meeting.

11. Background Papers

- 11.1. There are none.

Appendices

- 1. Schedule of nominations for Outside Body Appointments (to be circulated)**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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