

POLICY COMMITTEE MEETING MINUTES - 25 SEPTEMBER 2023

Present: Councillor Brock (Chair);

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

21. MINUTES

The Minutes of the meeting held on 10 July 2023 were agreed as a correct record and signed by the Chair.

22. QUESTIONS

A question on the following matter was submitted by a Councillor:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	Drone Superhighway Above Reading	Cllrs Ennis

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

23. VOLUNTARY & COMMUNITY SECTOR COMPACT 2023 TO 2025

The Committee considered a report on a Voluntary and Community Sector Compact for 2023 to 2025.

The report explained that the Compact had specifically been requested from the sector and co-produced over six months by the Council and voluntary and community sector organisations across the borough. The aim of the Compact was to create and embed mechanisms that ensured the work to improve the lives of residents and communities was effectively joined up, targeted to add most value, and each partner supported the other as much as it could.

The Compact provided a framework for partnership working, with dialogue and collaborative working between the Council and the Voluntary and Community Sector including the following:

- Our Shared Ambition
- How we will Work Together
- Principles of Our Compact Approach
- The Relationship Between Reading Borough Council and the Voluntary & Community Sector
- Our Compact Offer
- Accountability for the Compact
- Annual Review

POLICY COMMITTEE MEETING MINUTES - 25 SEPTEMBER 2023

The Compact covered the period for 2023-25 and would align with existing Closing the Gap funding agreements between the Council and voluntary and community sector as well as the Council's medium term financial strategy. Progress would be reviewed annually by the Council and the Voluntary and Community Sector.

It was noted that a key element in the action plan would be to raise awareness and that the Compact worked for the whole sector. The Action Plan had been developed with the voluntary and community sector and would be taken to the Council's Social Inclusion Board and reviewed on a regular basis.

Rachel Spencer, Chief Officer, Reading Voluntary Action, attended the meeting representing the Reading Voluntary sector leaders. She explained that the leaders of RVA would raise awareness and encourage the wider sector to be involved in the Compact. Rachel confirmed that she would attend a future meeting to update the Committee and to share positive working across the sector.

Resolved –

- (1) That the Voluntary and Community Sector Compact 2023-25 as presented in Appendix 1 to the report be approved;**
- (2) That, as per section 10 of the Voluntary and Community Sector Compact, the Committee receive annual updates on the activities of the Compact at future Policy Committee meetings.**

24. STRATEGIC INFRASTRUCTURE - ELECTRIC NETWORK CAPACITY

The Committee received a report that provided information on network capacity issues in the local grid due to the growing energy demand and how this could impact on the ability to deliver a range of Local Plan and climate policy ambitions.

The report explained that the local electricity network was operated by the District Network Operator (DNO) which was Scottish and Southern Electricity Network (SSEN) for Reading and a large area of southern England. The Borough was now facing network capacity issues in the local grid due to the delivery of various climate policy initiatives which were not previously a constraint on the council's projects or housing delivery. The grid capacity needed to comply with the Local Plan policy requirements, and might not be able to be secured due to the DNO placing restrictions on new developments if they generated new electricity consuming loads via heat pumps and/or EV charging points.

Officers had met with SSEN to discuss support of Net Zero and economic development. SSEN submitted to the Committee a response to the report setting out a local position and work they would undertake with the Council. SSEN had informed the Committee that there were no restrictions, however, a case-by-case approach would be undertaken with more flexibility than previously understood. The Council would also be able to engage with a Net Zero accelerator tool to support future demand modelling.

POLICY COMMITTEE MEETING MINUTES - 25 SEPTEMBER 2023

It was noted that discussions on the issue had taken place with neighbouring areas and partner organisations who shared the same concerns. The report outlined several proposals including:

- Direct engagement with SSEN
- Indirect lobbying of SSEN
- Local Area Energy Planning
- Regional System Planning
- Lobbying SSEN to fund work to enable council to be more 'intelligent' clients' due to the complex policy area.

Resolved –

- (1) That the content of the report be noted;**
- (2) That options to engage with Scottish and Southern Electricity Network from a local and regional perspective, with a view to determining how best to unlock capacity needed for environmentally and economically sustainable growth, as outlined in the report, be agreed.**

25. REVIEW OF THE CONSTITUTION

The Committee received a report that set out revisions to the Council's Constitution. The last review of the Constitution had taken place in October 2022 and a further review had been agreed after 12 months to assess whether the objectives of the review had been successful and to consider further revisions.

As part of the 2022 review the scope of officer delegation had been significantly broadened and a new definition of a 'Key Decision' agreed. Following the new scheme of delegations and introduction of the new Constitution officers were invited to training sessions with the Legal Services Manager and Democratic Services Manager on the new system. No issues in relation to the changes had been identified, however, the Key Decision criteria would be kept under review by the Monitoring Officer and continued training and support would be offered to officers.

It was reported that there had been progress on the review of the Financial Regulations, but due to the prioritisation of outstanding audits and the implementation of the new financial system, these were not ready for submission. It was anticipated that the Financial Regulations would be presented to a forthcoming Policy Committee ahead of Council in January 2024.

The revision of the Contract Procedure Rules would be considered at Audit and Governance Committee on 27 September 2023 and recommended onto Council on 17 October 2023. Revised Terms of Reference for the Audit & Governance Committee would be presented to the Audit and Governance Committee on 27 September to be considered and recommended onto Council on 17 October 2023.

POLICY COMMITTEE MEETING MINUTES - 25 SEPTEMBER 2023

A revised Article 12 of the Constitution included amendments as set out in Appendix 1. Other amendments included in the review and outlined in the associated report were as follows:

- Specific Officers Delegations
- Sealing of Documents
- Casual Appointments to Committees
- School Admission Forum
- Cultural Partnership Board

Recommended to Council –

- (1) That the progress to simplify decision making since October 2022 be noted;**
- (2) That progress toward revised Financial Regulations be noted;**
- (3) That Article 12 of the Constitution be revised in accordance with the recommendations of the associated report (as set out in Appendix 1);**
- (4) That references to the School Admission Forum and the Cultural Partnership Board be removed from Article 10 (Consultative Committees and Forums);**
- (5) That the revised working for Sealing of Documents be adopted as set out in paragraph 3.34 of the associated report;**
- (6) That the existing power of the Monitoring Officer to make changes to Committees etc. during the municipal year, be added to Part 3 (Officer Delegations) of the Constitution.**

26. ROUGH SLEEPING DRUG AND ALCOHOL TREATMENT GRANT (RSDATG) AND MULTIPLE DISADVANTAGE OUTREACH TEAM (MDOT) CONTRACT

The Committee considered a report setting out approval to seek to procure and award a contract for the Rough Sleeper Drug and Alcohol Treatment Grant 2024/25 for one year plus 18 months. The expected total value of the contract was £1,866,460. This would be on the understanding and strict condition that the Council received early confirmation from the Department for Levelling Up, Housing and Communities that they would agree to extend the grant beyond 31 March 2025.

The report explained that the Ministry of Housing, Community and Local Government (MHCLG) and Department of Health and Social Care (DHSC), had announced at the Budget in March 2020 that they had secured £262m to be available during 2020-2024 for drug and alcohol treatment and related provision. This was specifically to meet the needs of people experiencing rough sleeping who had drug and alcohol dependence needs. A further funding allocation for 2024/25 had been announced in June 2023.

POLICY COMMITTEE MEETING MINUTES - 25 SEPTEMBER 2023

In January 2022 Reading had awarded a contract to Change Grow Live (CGL) to deliver the Multiple Disadvantage Outreach Team (MDOT) service. This was initially for 15 months plus 1 year and the contract extension was due to end March 2024. It was reported that the total value of the CGL contract in the 2022/23 outturn was £2,000,770 and for 2023/24 predicted to be £2,075,770. The separate MDOT contract with CGL 2023/24 annual spend was £746,584.

The re-procurement of the service would ensure continuity of the service and protect vulnerable residents.

Resolved –

- (1) That a procurement for the Rough Sleeper Drug and Alcohol Treatment Grant (24/25) for one year + 18 months (an expected total value of £1,866,460), on the condition that Department Levelling Up, Housing and Communities extend the grant beyond 2024/25 be approved;**
- (2) That the Executive Director of Communities & Adult Social Care, in consultation with the Lead Councillor for Education and Public Health, be authorised to award the new contract from 1 April 2024 and any extensions to the contract.**

27. 2023/24 QUARTER 1 PERFORMANCE AND MONITORING REPORT

The Committee considered a report setting out the projected revenue and capital outturn positions for 2023/24 for both the General Fund and the Housing Revenue Account (HRA) as at the end of Quarter 1 and the performance against the measures of success set out in the Council's Corporate Plan. The following documents were attached to the report:

- Appendix 1 – General Fund Revenue Financial Monitoring and Performance Quarter 1
- Appendix 2 – Brighter Futures for Children (BFfC) Budget Monitoring Report Period 3
- Appendix 3 – Capital Programme Quarter 1
- Appendix 4 – Corporate Plan Performance Measures (Monthly & Quarterly) Quarter 1
- Appendix 5 – Corporate Plan Projects and Initiatives Quarter 1

The report noted that the Council remained financial stable, however, it was not immune to several wider pressures impacting on the Local Government sector including:

- A cost-of-living crisis with pay and inflation pressures far in excess of what was anticipated when the budget was set in February 2023;
- Cost pressures arising from increasing demand and increasing complexity of need in children's social care services;
- Increasing numbers of families presenting as homeless;
- Income still not returning to pre-Covid levels.

POLICY COMMITTEE MEETING MINUTES - 25 SEPTEMBER 2023

There was also an increasing trend of non-delivery of savings, with only 42% of savings currently showing as on track or delivered. As a result of these factors there was a forecast adverse variance of £11.255m on General Fund (GF) revenue service expenditure. This was broken down as follows:

- £0.288m Adult Care & Health Services
- £3.981m Economic Growth & Neighbourhood Services
- £1.142m Resources
- £0.015m Chief Executive Services
- £5.829m Children's Services Delivered by Brighter Futures for Children (BFfC)

Detailed explanation for these variances were contained within Section 3 of the report.

It was noted that other Corporate Budgets were forecasting an adverse net variance of £0.374m. This variance included a forecast pressure of £1.243m relating to current 2023/24 pay award assumptions. This pressure on pay inflation was predominantly offset by positive net variances of £0.869m within Other Corporate Budgets mainly due to the forecast release of all other contingencies. The pressure relating to the pay award was assumed to be funded by a drawdown from the Pay & Inflation earmarked reserve. In addition, the Capital Financing budget was currently forecast to deliver a positive net variance of £2.472m.

A corporate contingency of £4.108m was set for 2023/24 to mitigate against non-delivery of savings. This contingency was now fully released to offset against the adverse variance on service expenditure. Overall, this resulted in a projected overall adverse net variance of £3.806m. While this level of adverse variance was manageable within existing reserves, it was important to take action now in order to avoid a worsening of the Council's financial position. Each Directorate had been tasked with developing a Recovery Plan to identify options/mitigations for in-year savings. If successful this would avoid the need to implement additional spend controls at a later point. The results would be presented to Policy Committee in December as part of the 2023/24 Quarter 2 Performance and Monitoring Report.

The provisional General Fund Capital Programme outturn was forecasting a positive net variance of £0.728m against a proposed revised budget of £107.178m in 2023/24. This variance related to £0.842m of the Delivery Fund that had not yet been allocated to specific proposals as at the end of Quarter 1 and an adverse variance of £0.114m on approved Delivery Fund allocations.

The approved Housing Revenue Account (HRA) budget assumed a drawdown from HRA reserves of £2.499m. At Quarter 1 the forecast revenue outturn position was a positive net variance of £0.661m. Therefore, a drawdown from HRA Reserves of £1.838m was forecast rather than the originally budgeted £2.399m. The HRA Capital programme was forecasting to spend to budget against a revised budget of £36.442m in 2023/24.

The report also set out performance against the measures of success published in the Council's Corporate Plan. Of the 26 Corporate Plan Performance Measures monitored monthly or quarterly, 52% were currently "green", 46% "amber" and 2% "red". 38% had

POLICY COMMITTEE MEETING MINUTES - 25 SEPTEMBER 2023

improved since Quarter 4 of 2022/23, whilst 50% had gotten worse. Of the 48 Corporate Plan Projects, 52% were currently “green”, 46% “amber” and 2% red”. Those measures that had shown significant change since Quarter 4 of 2022/23 were set out in Appendix 4 to the report.

Resolved –

- (1) That it be noted that:**
 - a) That the forecast General Fund revenue outturn position for Quarter 1 was an adverse net variance of £3.806m;**
 - b) £0.044m (1%) of savings had been delivered (blue) to date in this financial year, with a further £3.345m (41%) of savings on track to be delivered (green) by March 2024; £2.730m (33%) of savings were currently categorised as non-deliverable (red) and £1.999m (25%) categorised as at risk of delivery (amber);**
 - c) That the General Fund Capital Programme was forecasting a positive net variance of £0.728m against the proposed revised budget of £107.178m;**
 - d) That there was a total £4.595m Delivery Fund available for 2023/24 (inclusive of 2022/23 approved carry forwards). At Quarter 1, £3.753m of this funding had been allocated to approved schemes;**
 - e) That the Housing Revenue Account (HRA) was projecting a positive net variance of £0.661m as at the end of Quarter 1, which resulted in a forecast contribution to HRA reserves of £0.051m;**
 - f) That the HRA Capital Programme was forecasting to spend to budget against the proposed revised budget of £36.442m;**
 - g) The performance achieved against the Corporate Plan success measures was as set out in Section 11 of the associated report and Appendices 4 and 5;**
- (2) That the amendments to the General Fund Capital Programme (as set out in Section 7 and Appendix 3 of the report) resulting in a revised Capital Programme budget of £107.178m for 2023/24 be approved;**
- (3) That the Scheme & Spend approval for the two General Fund Capital Programme schemes as set out in paragraph 7.8 and Table 13 totalling £0.309m be approved;**
- (4) That spend approval for the three General Fund Capital Programme scheme as set out in paragraph 7.9 and Table 14 of the report totalling £24.800m be approved;**
- (5) That the amendments to the HRA Capital Programme (as set out in further detail in Section 10 and Appendix 3 of the report) resulting in a revised HRA Capital Programme net budget of £36.442m for 2023/24 be approved.**

28. 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 items 29 and 30 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.

29. BRIGHTER FUTURES FOR CHILDREN LTD - APPOINTMENT OF DIRECTORS

The Committee, in its capacity as the sole member of Brighter Futures for Children Ltd, considered a report regarding appointments to the Board of Directors. Details regarding the appointments were set out in the confidential report.

Resolved –

- (1) That the appointment of the Chair of Brighter Futures for Children Ltd be extended from 31 March 2023 until 31 March 2027;**
- (2) That the Brighter Futures for Children Board be invited to agree a scheme for the staggered retirement and appointment of the current Independent Non-Executive Directors over a four-year period from October 2024 to November 2028;**
- (3) That the Chief Executive, in consultation with the Leader of the Council, be authorised to agree the terms and conditions of the further appointment of the Chair until 31 March 2027;**
- (4) That the Assistant Director of Legal and Democratic Services be authorised to give notice in writing to the Company Secretary under Article 10.1 as regards the further appointment of the Chair until 31 March 2027;**
- (5) That the Assistant Director of Legal and Democratic Services be authorised, in consultation with the Chief Executive and the Leader of the Council, to approve the Reserved Matter under Article 26.2 with regard to the Board's proposed retirement and appointment scheme for the Independent Non-Executive Directors.**

(Exempt information as defined in Paragraph 1)

30. READING TRANSPORT LIMITED SHAREHOLDER REPORT

The Committee, in its capacity as shareholder of Reading Transport Limited (RTL), considered a report setting out at Appendix 1 a Shareholder Update Report and 2022/23 Annual Review submitted by RTL. Provisional Management accounts were attached to the report submitted by RTL at Annexes 1-3.

POLICY COMMITTEE MEETING MINUTES - 25 SEPTEMBER 2023

Resolved –

- (1) That the contents of the confidential report and Annual Review as attached at Appendix 1 be noted;**
- (2) That Reading Transport Limited's provisional management accounts for the year ending 3 April 2023 be noted;**
- (3) That the appointment of Operations Director, effective from 3 July 2023, as set out in the confidential report be noted.**

(Exempt information as defined in Paragraph 3)

(The meeting started at 6.30 pm and closed at 8.02 pm)