

COUNCIL MEETING MINUTES - 27 FEBRUARY 2024

Present: Councillor Page (Mayor);

Councillors Dennis (Deputy Mayor), Asare, Ayub, Ballsdon, Barnett-Ward, Brock, Challenger, Cresswell, Cross, Davies, Eden, Edwards, Emberson, Ennis, Gavin, Gittings, Griffith, Goss, Hacker, Hornsby-Smith, Hoskin, Juthani, Keane, Keeping, Kitchingham, Lanzoni, Leng, Lovelock, Magon, McCann, McElroy, McEwan, Mitchell, Moore, Mpofu-Coles, O'Connell, Robinson, Rowland, R Singh, Terry, Thompson, White, Williams, Woodward, Yeo and McGoldrick

Apologies: Councillor Tarar

40. MINUTES

The Minutes of the meeting held on 30 January 2024 were confirmed as a correct record and signed by the Mayor.

41. QUESTIONS FROM COUNCILLORS

	Questioner	Subject	Answer
1.	Cllr White	More Free Bulky Waste Collection Slots Needed	Cllr Rowland
2.	Cllr McElroy	Single Use Plastic at Council Venues	Cllr Ennis

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

42. CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL 2024/25 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 2024/25 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 2024 and 31 March 2027, were attached to the report for information.

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

Resolved -

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That the Chief Finance Officer's report on the robustness of the Council's 2024/25 budget and indicative budgets for the subsequent two financial years 2025/26 and 2026/27 be noted and the opinion contained therein be taken into account in making the decisions set out in Minutes 43-46 below.

43. 2024/25 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY 2024/25 - 2026/27

Further to Minutes 42 and 53 of the Policy Committee meetings held on 13 December 2023 and 19 February 2024 respectively, the Director of Finance submitted a report on the Budget and Medium-Term Financial Strategy (MTFS) for the three years 2024/25 - 2026/27. 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 2023. The following documents were attached to the report:

- The Medium Term Financial Strategy (MTFS) 2024/25 - 2026/27
- Summary of the Proposed General Fund Budget 2024/25 – 2026/27
- General Fund Revenue Budget by Service 2024/25 – 2026/27
- Detailed General Fund Budget Changes 2024/25 – 2026/27
- The Housing Revenue Account (HRA) Proposed Budget 2024/25 – 2026/27
- The Dedicated Schools Grant Budget Proposals 2024/25
- The General Fund and HRA Capital Programmes 2024/25 – 2026/27
- The Flexible Use of Capital Receipts Strategy 2024/25
- Fees and Charges Proposals from April 2024
- Equality Impact Assessment of the Budget Proposals
- Summary of the Response to the Budget Engagement
- Summary of the Results of the Residents' Survey 2023

The report explained that the underpinning rationale of the Medium-Term Financial Strategy was to deliver a balanced and affordable 2024/25 budget, to 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 help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success", as well as its Corporate Plan themes of Healthy Environment, Thriving Communities and Inclusive Economy.

The 2024/25 Budget and MTFS 2024/25 - 2026/27 reflected the changing landscape in which Councils were operating and was based on another one-year Local Government funding settlement. The most significant impacts on the Budget and the MTFS included inflationary pressures across all service areas and the impact of the cost of living crisis, in particular high cost placements in children's services arising from increased complexity and market challenges, the cost of temporary accommodation arising from increased homelessness presentations due to landlords moving out of the private rented sector and

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mortgage costs increasing and higher waste disposal costs. The budget and MTFS assumptions included:

- a) Council Tax increases of 2.99% plus an Adult Social Care precept of 2.0% for each year 2024/25-2026/27;
- b) Delivery of £8.465m of efficiencies and increased income across the period;
- c) A net draw from earmarked reserves totalling £3.084m in 2024/25;
- d) A housing rent increase for 2024/25 of 7.7% in line with approved Government policy of CPI + 1%;
- e) General Fund capital investment of £190.519m and Housing Revenue Account (HRA) capital investment of £142.612m over the 5 year period 2024/25 to 2028/29;
- f) £1.587m of transformation funding for 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 Dedicated Schools Grant (DSG) High Needs Block was anticipated to be £12.000m in deficit by 31st March 2024. The Council was one of 55 local authorities taking part in the Department for Education's Delivering Better Value programme. The aim was to support local authorities and their local area partners to improve the delivery of Special Educational Needs and Disability (SEND) services for children and young people whilst working towards financial sustainability. The Council had been awarded a grant of £1.000m to support the implementation of new programmes of work. Further details were set out in paragraphs 2.8 to 2.12 of the report and in Appendix 6.

The report had been prepared with reference to the following documents: Medium Term Financial Strategy 2024/25-2026/27 Update Report agreed by Policy Committee (13th December 2023); Autumn Statement 2023 - HM Treasury (22nd November 2023); the Final Local Government Finance Settlement 2024/25 - DLUHC (5th February 2024); and 2024/25 Budget & Medium Term Financial Strategy 2024/25-2026/27 Report approved by Policy Committee (19th February 2024).

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

Resolved -

That, in relation to the report on the 2024/25 budget and Medium-Term Financial Strategy to 2027, due regard be taken of the results of the budget consultation exercise (as outlined in Appendices 11 and 12 of the report) and the 2024/25 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 £167.886m for 2024/25 and consequent increase in the band D Council Tax for the Council of 2.99% plus an additional 2.00% Adult Social Care Precept,**

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representing a band D Council Tax of £2,016.88 per annum, an increase of £95.86 per annum excluding precepts from Police and Fire, as set out in paragraph 2.4 of the report;

- (b) the proposed efficiency and invest to save savings of £3.862m and additional income of £0.781m in 2024/25 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 £8.465m (of which increases to income, fees and charges is £1.202m) and three-year growth changes to service budgets of £32.053m as set out in Appendices 3 and 4 to the report;
- (d) the budgeted net draw down from earmarked reserves totalling £3.084m, as set out in paragraph 5.20 of Appendix 1 to the report;
- (e) the Housing Revenue Account budget for 2024/25 of £54.106m as set out in Appendix 5 and the average increase of 7.7% in social dwelling rents from April 2024;
- (f) the allocation of £99.317m Dedicated Schools Grant (DSG) as set out in Appendix 6 to the report;
- (g) the General Fund and Housing Revenue Account Capital Programmes totalling £190.519m and £142.612m respectively over the next five years, 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 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 required, the voting was as follows:

For the motion: 42

Councillors Asare, Ayub, Barnett-Ward, Brock, Challenger, Cresswell, Cross, Davies, G Dennis, Eden, Edwards, Emberson, Ennis, Gavin, Gittings, Griffith, Hacker, Hornsby-Smith, Hoskin, Juthani, Keane, Keeping, Kitchingham, Lanzoni, Leng, Lovelock, Magon, McCann, McElroy, McEwan, McGoldrick, Moore, Mpofu-Coles, O'Connell, Page, Rowland, Terry, Thompson, White, Williams, Woodward and Yeo.

Against the motion: 5

Councillors Ballsdon, Goss, Mitchell, Robinson and Singh.

44. CAPITAL STRATEGY 2024/25

Further to Minute 54 of the Policy Committee held on 19 February 2024, the Director of Finance submitted a report setting out the draft Capital Strategy 2024/25, which was attached to the report at Appendix 1.

The report noted that the CIPFA 2021 Prudential and Treasury Management Code required the Council to prepare a Capital Strategy report which set out the Council's capital requirements arising from policy objectives, as well as the associated governance procedures and risk appetite of the Council. The Strategy provided an overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of services; along with an overview of how associated risk was managed and the implications for future financial sustainability.

In December 2023, the Government launched a new consultation relating to additional flexibilities to use capitalisation without the requirement to approach Government. The outcome of this consultation had not yet been announced, which meant the Council's use of capitalisation and capital receipts had all been based on the existing guidance and legislation. Consequently, there may be a requirement for amended policies to be brought back to Council for approval in advance of February 2025.

The Capital Strategy set out the Council's approach to asset management planning, development, and monitoring of the Capital Programme's delivery. The figures in the various tables within the Capital Strategy had been updated to reflect the latest position consistent with the MTFs report (see Minute 43 above). The Action Plan at Appendix 1 Annex C to the report had been refreshed and the Director of Finance would keep this under review during the year and would bring forward any changes that may be required. The Capital Programme Board chaired by the Director of Finance had been introduced in December 2022 to increase oversight of the Capital Programme and its delivery. Terms of Reference for the Board were included at Appendix 1 Annex B.

The proposed Action Plan of the Strategy identified four areas of ongoing work required for the Council to remain compliant with the CIPFA code requirements. These were:

- Developing knowledge of the Council's existing asset base;
- Identifying what assets would be needed in the future;
- Developing and implementing new systems and processes, which enable full compliance with the Code requirements;
- Reviewing current capacity and skillsets within the organisation.

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

Resolved -

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- (1) That the Capital Strategy 2024/25, as attached at Appendix 1 to the report, be approved;
- (2) That the updated Action Plan that formed Annex C of the Capital Strategy (Appendix 1) be noted, together with the associated financial implications.

45. TREASURY MANAGEMENT STRATEGY STATEMENT 2024/25

Further to Minute 55 of the Policy Committee held on 19 February 2024, the Director of Finance submitted a report setting out a Treasury Management Strategy for endorsement. The Strategy required approval before the start of the new financial year in accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 and the CIPFA Prudential Code for capital finance in local authorities (2021). The Treasury Management Strategy Statement (TMSS), which was attached to the report at Appendix 1, set out the parameters for the Council's planned treasury activity during 2024/25, under which the Council's Treasury Team would manage day to day activity. The report stated that the successful identification, monitoring and control of financial risk were central to the Strategy. Included in the TMSS alongside the Treasury Management Strategy were Capital Prudential Indicators, a Minimum Revenue Provision (MRP) Policy Statement, a Borrowing Strategy and an Annual Investment Strategy.

The CIPFA 2021 Prudential and Treasury Management Code also required the Council to prepare a Capital Strategy report which set out the Council's capital requirements arising from policy objectives, as well as the associated governance procedures and risk appetite. The Capital Strategy included non-treasury investments and was reported separately from the TMSS (see Minute 44 above). The CIPFA Treasury Management Code 2021 further broke down non-treasury investment into: Investments for service purposes - taken or held primarily for the provision and purpose of delivering public services (including housing, regeneration, and local infrastructure), or in support of joint working with others to deliver such services; and Investment for commercial purposes - taken or held primarily for financial return and were not linked to treasury management activity or directly part of delivering services.

The report explained that in December 2023, the Government launched a further consultation on proposed changes to the capital framework for Minimum Revenue Provision (MRP) and a new consultation relating to additional flexibilities to use capitalisation without the requirement to approach Government further details of which were set out in Sections 7 and 8 of the report respectively. As the outcome of these consultations had not yet been announced, the MRP Policy, set out within Appendix 1 to the report, and the Council's use of capitalisation and capital receipts had all been based on the existing guidance and legislation. Consequently, there may be a requirement for amended policies to be brought back to Council for approval in advance of February 2025.

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

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Resolved -

- (1) That the Treasury Management Strategy Statement for 2024/25 be approved as set out in Appendix 1, Section 2 to the report;
- (2) That the Capital Prudential Indicators be approved as set out in Appendix 1, Section 3 to the report;
- (3) That the Minimum Revenue Provision (MRP) Policy for 2024/25 be approved as set out in Appendix 1, Section 4 to the report, whilst noting the potential requirement for a revised MRP Policy to be brought forward once the outcome of the current MRP Consultation had been announced;
- (4) That the Borrowing Strategy for 2024/25 be approved as set out in Appendix 1, Section 5 to the report;
- (5) That the Annual Investment Strategy for 2024/25 be approved as set out in Appendix 1, Section 6 to the report; and
- (6) That the Prudential and Treasury Management indicators be approved as set out in Appendix 1, Annex 1 to the report.

46. COUNCIL TAX SETTING 2024/25

The Director of Finance submitted a report seeking approval of the calculations for determining the Council Tax requirement for the year 2024/25, 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 Gittings and CARRIED:

Resolved -

- (1) That the following amounts that have been calculated for the year 2024/25 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 be agreed:
 - (i) £486,773,400 - 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) £367,889,000 - 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) £118,884,400 - Net Revenue Expenditure, being the amount by which the aggregate at (i) above exceeds the aggregate at (ii)

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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) £2,016.88 - Reading Borough Council Band D Council Tax, being the amount at (iii) above (Item R) divided by the Council's tax base 58,944.73 (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 4.99% in the Council's own tax;
- (2) That the net tax base of 58,944.73 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) for 2024/25 was agreed by Council on 30 January 2024 be noted; and
- (i) that the band D charge for Reading Borough Council be £2,016.88 as shown in Table 2 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 Table 4 of the report.

47. CORPORATE PLAN 2022-25 (2024/25 UPDATE)

The Executive Director of Resources submitted a report on this year's proposed update to the Corporate Plan and outlining the changes that had been made for 2024/25. The Corporate Plan reflected the Council's priorities over a three-year period and provided direction in planning and delivering services. The current Corporate Plan ("Investing in Reading's Future") was a 3-year plan covering the period April 2022 to March 2025. The plan set out the Council's Vision "to help Reading realise its potential and ensure that everyone who lives and works here can share in the benefits of its success". The refreshed Corporate Plan described the major achievements and progress made over the last 12 months and the priorities for 2024/25 against the themes of Healthy Environment, Thriving Communities, and Inclusive Economy. This year's update to the Corporate Plan would be the third and final version of the Plan. In 2024/25, there would be a full revision of the Plan, which would cover the period April 2025 to March 2028. The amended Corporate Plan 2022-25 was appended to the report along with the Key Measures and Projects and the changes to Corporate Plan Key Measures attached.

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

Resolved -

That the update to the Council's Corporate Plan for 2024/25 and the accompanying appendix of key measures and projects be approved, as set out in appendices 1 and 2 to the report.

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(The meeting closed at 8.26 pm)