

POLICY COMMITTEE MEETING MINUTES - 19 FEBRUARY 2024

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

Apologies: Councillor Robinson

49. PETITION

Callum Harling, on behalf of Mike Harling, presented a petition about tackling accidents on Kings Road and Cemetery Junction. Councillor Brock, Chair of Policy Committee on behalf of Councillor Ennis, Lead Councillor for Climate Strategy and Transport, responded to the petition.

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

50. BRIGHTER FUTURES FOR CHILDREN - APPOINTMENT OF EXTERNAL AUDITORS

The Committee considered a report, in its capacity as sole member for Brighter Futures for Children Limited (BFfC), seeking approval for the appointment of Buzzacott LPP as the new external auditor for BFfC.

The report explained that BFfC had conducted a procurement process to appoint a new audit firm and following a careful selection process of written bids and presentations, a selection panel recommended to the BFfC Board that Buzzacott LLP be appointed as the new external audit firm for BFfC. The BFfC Board had approved the recommended appointment at their meeting on 21 December 2023.

The report noted that the appointment of external auditors was a "Reserved Matter" within the Articles of Association agreed between the Company and Council, and therefore sought the Committee's formal approval of the appointment of Buzzacott LLP as the Company's new external auditors.

Resolved –

That the appointment of the new external audit firm, Buzzacott LLP, as Brighter Futures for Children's external auditor for an initial term of two years, commencing as soon as possible and covering the 2023/24 and 2024/25 financial statements, be approved.

51. ESTABLISHMENT OF A JOINT COMMITTEE - BERKSHIRE PROSPERITY BOARD

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The Committee considered a report seeking to establish a Joint Committee, to be known as the Berkshire Prosperity Board, to enable Berkshire local authorities to collaborate and help deliver economic ambition.

The report explained that establishing a Joint Committee and sharing common goals across a functional economic area would provide Berkshire local authorities with exciting new opportunities for collaboration on economic development. It would also provide more flexibility and influence than a single council would have on its own and enable local authorities to speak with one voice to Government and other agencies/organisations to secure funding to help get key projects and initiatives off the ground. Through collaborative working the Berkshire local authorities would benefit from:

- Working together to create a shared vision of inclusive and sustainable economic prosperity through working together to address challenges and meet opportunities whilst retaining the sovereignty of each local authority.
- Having a strengthened case to Government and private investors for funding and greater investment for strategic projects across Berkshire.
- Acting as a vehicle to commission the Thames Valley Berkshire Local Enterprise Partnership (LEP) and others in response to the Government's review of Local Economic Partnerships.
- Having a stronger, collective voice in lobbying Government and other agencies. Taking a collaborative mindset in targeting external bodies effectively for the benefit of Berkshire.
- Advantageously positioning Berkshire in readiness for potential devolution proposals to benefit from additional responsibilities and funding opportunities. Setting up a Berkshire that is better able to efficiently, seize future opportunities and adapt to challenges.
- Working on six shared themes: health and inequalities, education and skills, affordable housing, sector development, strategic infrastructure and net zero.
- Transform Berkshire's productivity through, responsive, agile collaboration.

The report explained that the core members of the Committee would include Bracknell Forest Council, Reading Borough Council, Slough Borough Council, the Royal Borough of Windsor and Maidenhead, West Berkshire Council and Wokingham Borough Council. The detail of the draft Constitution and structure of the Joint Committee was provided at Appendix A, Functions and Procedure Rules for a Joint Committee; Appendix B, Responsibilities of the accountable body; and Appendix C the draft governance structure.

Resolved –

That the following be recommended to Council:

- (1) The establishment of a fully constituted Joint Committee (to be known as the Berkshire Prosperity Board) from May 2024 to deliver a Berkshire-wide vision for inclusive green and sustainable economic prosperity;**
- (2) The proposed constitution for the Joint Committee as set out in Appendix A to the report; and**

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- (3) **the responsibilities of the accountable body set out in Appendix B to the report.**

Resolved -

- (4) **That the draft Governance structure set out in Appendix C be noted;**
- (5) **That the Assistant Director of Legal and Democratic Services, in consultation with the Director of Finance, the Chief Executive and Leader of the Council be delegated to reach a legally binding Agreement between the member Authorities setting out the supporting arrangements and responsibilities between the Authorities, particularly that between the Lead Authority, known as the Accountable Body and the other member Authorities.**

52. REVIEW OF POLLING DISTRICTS AND POLLING PLACES 2023-25

The Committee received a report to consider the results of the 2023-24 review of Polling Districts and Polling Places in Reading, also to consider changes to some Polling Places for future local and Parliamentary elections.

The Electoral Registration and Administration Act 2013 (the 2013 Act), and the Electoral Administration Act 2006 (the 2006 Act), did not provide for councils to review constituency or ward boundaries (these responsibilities sat with the Boundary Commission for England (BCE) and the Local Government Boundary Commission for England (LGBCE)), and the regular review of Polling Districts and Polling Stations by councils must therefore take place within the existing constituency and ward boundaries. The report provided information on changes that had been made to the location of some of the Polling Places in the Polling Districts, to reflect changes brought about by the Local Government Boundary Commission for England (LGBCE) review of 2019/20 and changes made as a result of the Covid Pandemic.

The report explained that the Electoral Registration and Administration Act 2013 (the 2013 Act) introduced a change to the timing of compulsory reviews of UK Parliamentary Polling Districts and Polling Places. The last review had taken place in 2018/19 (the 2019 review) and the results had been reported to Council on 26 March 2019 (Minute 26 refers).

The current compulsory review had to be started and completed between 1 October 2023 and 31 January 2025 (inclusive). The notice of the current 2023-24 review had been published on 1 November 2023, on the Council's website, at the Civic Offices, and in the Council's libraries. The deadline for responses was 1 December 2023.

This year's review had attracted seven responses which was a significant decrease from the 37 responses generated by the 2019 review. The comments were set out in the schedule at Appendix A to the report. The Returning Officer's written submission to the review process, which commented on the existing Polling Stations, any new Polling Stations and new Polling Districts that may be used based on proposals made in the

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review, was attached to the report at Appendix B. A plan of the new (2023) Polling Districts was also provided at Appendix C to the report.

Resolved –

That the following be recommended to Council –

- (1) That the results of the consultation on the 2023-24 Review of Polling Districts and Polling Places (Appendix A), and the Returning Officer's written submission (Appendix B), be received and noted;**
- (2) That the changes to Polling Places made since the 2019 review, to accommodate the Local Government Boundary Commission for England's (LGBCE's) 2019-20 review of ward boundaries in Reading, implemented in 2022 and set out in para. 3.22 of the report, be noted;**
- (3) That the impact of the Boundary Commission for England (BCE) review of Parliamentary Constituency boundaries, and the changes to Parliamentary Constituencies covering Reading made in the Parliamentary Constituencies Act 2020, be noted, in particular those arising from the Act basing the new Parliamentary Constituencies on the pre-2019-20 review ward boundaries; and that the necessarily consequent creation of the additional Polling Districts listed below to deal with the anomalies arising be approved:**
 - a. Polling District BC in Battle ward to serve the even numbered properties on the west side of Wantage Road which will vote in Battle Library Polling Station**
 - b. Polling District JC in Norcot ward to serve houses (even numbers) to the south of Cockney Hill and Cheddington Close which will vote in St Michael's Primary School**
 - c. Polling District BB in Battle ward to serve Stone Street, Tidmarsh Street, Pangbourne Street, Ivydene Road, Ledbury Close which will vote in the Emmanuel Methodist Church;**
- (4) That the following changes be made to the number of Polling Stations at the Polling Places listed below:**
 - a. Battle Polling District B – Battle Library – establish a second Polling Station**
 - b. Battle Polling District BA - Emmanuel Methodist Church - establish a fourth Polling Station**
 - c. Norcot Polling District JA – St Michael's Primary School – establish a second Polling Station;**

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- (5) That with regard to the responses to the public consultation on the 2023-24 Polling Districts and Polling Places Review, set out in Appendices A and B:**
- a. On Caversham ward District CA, the Returning Officer consulted with the Caversham ward Councillors about the proposal to utilise Our Lady and St Annes Caversham Church as a Polling Place to replace New Bridge Nursery School which presently hosts two Polling Stations. The Caversham ward Councillors wish the Polling Place to remain at New Bridge Nursery School**
 - b. The position and response concerning Abbey Polling District AB in light of the proposed closure of Reading Central Library be noted; and in this regard, having received the views and reference of the Abbey ward Councillors, and their preferred location as an alternative Polling Place being Abbey Baptist Church be implemented by the Returning Officer after 2024 elections**
 - c. it be noted that the anomaly to locate all the properties in the range 37-91 Lowfield Road in Emmer Green ward Polling District GB was corrected in 2022**
 - d. no change be made to the location of the Polling Place for Whitley Polling District PC, where the Whitley ward Councillors had been consulted and wished to retain the Polling Station at 100 Longwater Avenue**
 - e. the Returning Officer having consulted with the Church ward Councillors, regarding the use of Tyndale Baptist Church as an alternative Polling Place for Church Polling District E in anticipation of the temporary closure for refurbishment works at the Guide and Scout HQ making the building unavailable for elections in 2024 implement their decision to utilise the Tyndale Baptist Church as the Temporary Polling Place;**
- (6) That the following changes to Polling Districts be agreed:**
- a. Wantage Hall and St Georges Hall be moved from Redlands ward district LD into Redlands ward district LA**
 - b. Numbers 1,3,5,7,9 Whitley Park Lane be moved from Redlands ward LC into Redlands ward district LD**
 - c. Katesgrove HC Polling District be abolished and all properties in it be moved into Katesgrove ward H Polling District (Katesgrove School);**

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- (7) That the Returning Officer be authorised to implement all appropriate actions arising from the review and discussed in the report, in consultation where appropriate with affected ward Councillors.

53. 2024/25 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY 2024/25 - 2026/27

Further to Minute 42 of the meeting held on 13 December 2023, the Committee considered a report setting out for recommendation to Council the 2023/24 Budget and 2023/24-2025/26 Medium-Term Financial Strategy and updating the Committee on the results of the budget consultation exercise, changes arising from the publication of the Local Government Finance Settlement (LGFS) as well as other changes that had arisen. The following documents were attached to the report:

- Appendix 1 – The Medium-Term Financial Strategy (MTFS) 2024/25 – 2026/27
- Appendix 2 – Summary of the General Fund (GF) budget proposals 2024/25 – 2026/27
- Appendix 3 – General Fund Revenue Budget by Service 2024/25 – 2026/27
- Appendix 4 – Detailed General Fund Budget Changes 2024/25 to 2026/27
- Appendix 5 – The Housing Revenue Account (HRA) budget proposals 2024/25 – 2026/27
- Appendix 6 – The Dedicated Schools Budget proposals 2024/25
- Appendix 7 – The General Fund and HRA Capital Programmes 2024/25 – 2026/27
- Appendix 8 – The Flexible Use of Capital Receipts Strategy 2024/25
- Appendix 9 – Fees and Charges proposals from April 2024
- Appendix 10 – Equality Impact Assessment of the Budget Proposals
- Appendix 11 – Summary of the Response to the Budget Engagement
- Appendix 12 – 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 report set out the budget assumptions which included: Council Tax increases of 2.99% plus an Adult Social Care precept of 2.0% for each year 2024/25 to 2026/27; delivery of £8.465m of efficiencies and increased income across the period; a net draw from earmarked reserves totalling £3.084m in 2024/25; a housing rent increase for 2024/25 of 7.7% in line with approved government policy of CPI + 1%; 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; and £1.587m of transformation funding for 2024/25 to support delivery of efficiency savings assumed

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within the MTFs, taking the total transformation funding to £21.729m across the whole life of the Delivery Fund.

The deficit on the Dedicated Schools Grant High Needs Block was anticipated to be £12.000m 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. Reading 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 and in Appendix 6 of the report.

The report stated that the Council was not immune to national issues. The 2024/25 Budget and MTFs 2024/25-2026/27 reflected the changing landscape in which Councils were now operating and was based on another one-year Local Government funding settlement from Central Government. 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 mortgage costs increasing and increased waste disposal costs.

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); and the Final Local Government Finance Settlement 2024/25 – DLUHC (5th February 2024).

Items 53-55 were considered together for recommendation to the Council meeting on 27 February 2024.

Resolved –

That, taking due regard of the results of the budget engagement exercise and Residents' Survey (as outlined in Appendices 11 and 12), that Council be recommended to approve the 2024/25 General Fund and Housing Revenue Account budgets, Capital Programme and Medium-Term Financial Strategy as set out in Appendices 1-10, noting the following:

- a) **the Council's General Fund Budget Requirement of £167.886m for 2024/25 and an increase in the band D Council Tax for the Council of 2.99% plus an additional 2.00% Adult Social Care Precept, 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;**

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- b) the proposed efficiency and invest to save savings of £3.862m together with 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;**
- 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;**
- d) the budgeted net contribution to earmarked reserves totalling £3.084m, as set out in paragraph 5.20 of Appendix 1;**
- 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;**
- 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;**
- h) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 8;**
- i) the Fees and Charges set out in Appendix 9 of the report; and**
- j) the Equalities Impact Assessment as set out in Appendix 10.**

54. CAPITAL STRATEGY 2024-25

The Committee received a report setting out for recommendation to Council the draft Capital Strategy 2024/25, which was attached to the report at Appendix 1.

The report noted that the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential for Capital Finance in Local Authorities 2021 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. It showed how revenue, capital and balance sheet planning

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were integrated and set out, among other things, the Council's approach to asset management planning, development and monitoring of the Capital Programme.

The figures in the various tables, most particularly the Capital Programme itself had been updated to reflect the latest position consistent with the MTFS report (Minute 53 above refers). The Action Plan at Annex C to the Capital Strategy had been refreshed and the Director of Finance would keep this under review during the year and bring forward any changes that may be required. Also, the Terms of Reference for the Capital Programme Board, introduced in December 2022 to increase oversight of the Capital Programme and its delivery, were included at Annex B.

Progress against actions still outstanding were reported on the face of the Action Plan along with revised target completion dates. The progress against the Action Plan had not been what was anticipated when set. However, a number of significant steps forward had been made, including strengthening staffing arrangements in the Directorate of Economy, Growth and Neighbourhood Services, especially within Property and Asset Management. The Capital Programme Board under the leadership of the Director of Finance had been established to drive improved programming and delivery.

Items 53-55 were considered together for recommendation to the Council meeting on 27 February 2024.

Resolved –

- (1) That the Council be recommended to adopt the Capital Strategy as attached at Appendix 1 to the report;**
- (2) That the updated Action Plan at Annex C of the Capital Strategy (Appendix 1), together with the associated financial implications, be noted.**

55. TREASURY MANAGEMENT STRATEGY STATEMENT (2024/25); MINIMUM REVENUE PROVISION POLICY (2024/25); ANNUAL INVESTMENT STRATEGY (2024/25)

The Committee received a report setting out a Treasury Management Strategy for endorsement and recommendation to Council. The Strategy required approval before the start of the new financial year in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) 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) was attached to the report at Appendix 1.

The report explained that Treasury Management Strategy Statement (TMSS) 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, and that the successful identification, monitoring and control of financial risk were central to the Strategy. Included

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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 (Minute 54 above refers). 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; 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 had 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 are 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. Depending on the outcome of these consultations, and any proposed implementation dates of any new guidance, there might be a requirement for amended policies to be brought back to Council for approval in advance of February 2025.

Items 53-55 were considered together for recommendation to the Council meeting on 27 February 2024.

Resolved -

That Council be recommended to approve:

- a) The Treasury Management Strategy Statement for 2024/25 as set out in Appendix 1, section 2;**
- b) The Capital Prudential Indicators as set out in Appendix 1 section 3;**
- c) The Minimum Revenue Provision (MRP) Policy for 2024/25 as set out in Appendix 1, section 4 (noting the potential requirement for a revised MRP Policy to be brought forward once the outcome of the current MRP Consultation has been announced);**
- d) The Borrowing Strategy for 2024/25 as set out in Appendix 1, section 5;**
- e) The Annual Investment Strategy for 2024/25 as set out in Appendix 1, section 6;**

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- f) The Prudential and Treasury Management indicators as set out in Appendix 1, Annex 1.**

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