

POLICY COMMITTEE MEETING MINUTES - 26 NOVEMBER 2018

Present: Councillor Lovelock (Chair);
Councillors Page (Vice-Chair), Brock, Ennis, Hacker, Hoskin, James, Jones, Pearce, Skeats, Stevens, Terry, Vickers, Warman and White

Apologies: Councillors

RESOLVED ITEMS

45. 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 45 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.

46. INVESTMENT PROPERTY UPDATE

The Director of Environment and Neighbourhood Services submitted a report seeking authority to acquire two commercial investment properties, in line with the Council's adopted investment strategy and the three-year medium term financial strategy.

An update report was tabled at the meeting which set out additional information on the financial implications of the proposed purchases.

Resolved -

- (1) That the freehold purchase of the two properties detailed in Section 4 of the report be endorsed;
- (2) That, subject to the satisfactory outcome of Due Diligence, the Director of Environment and Neighbourhood Services, the Director of Resources (S151 Officer) and the Monitoring Officer be authorised to complete the purchase, in consultation with the Leader and Deputy Leader of the Council and the Lead Councillor for Corporate and Consumer Services;
- (3) That, in the event that the final negotiated purchase price for both properties was higher than that set out in the report but still met the tests of the financial model, the purchase proceed only with the joint agreement of the Director of Resources (S151 Officer), Monitoring Officer, Director of Environment and Neighbourhood Services, Leader and Deputy Leader of the Council and the Lead Councillor for Corporate and Consumer Services, and in consultation with the Chair of the Audit and Governance Committee.

POLICY COMMITTEE MEETING MINUTES - 26 NOVEMBER 2018

47. MINUTES

The Minutes of the meeting held on 29 October 2018 were agreed as a correct record and signed by the Chair.

48. PETITIONS AND QUESTIONS

Questions on the following matters were submitted by members of the public:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Roger Lightfoot	Sale of Arthur Hill pool site	Cllr Lovelock
2.	Richard Stainthorp	Provision for students with Special Educational Needs	Cllr Pearce
3.	Peter Burt	Palmer Park Development Framework	Cllr Page
4.	John Mullaney	Comments on East Reading MRT site	Cllr Page
5.	John Mullaney	Cycle safety on East Reading MRT route	Cllr Lovelock
6.	Richard Stainthorp	Apartment developments in Reading	Cllr Page
7.	Tamzin Morphy	East Reading MRT funding	Cllr Lovelock
8.	Tamzin Morphy	East Reading MRT scheme costs	Cllr Page

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr McGonigle	Cycling Provision on East Reading MRT	Cllr Page
2.	Cllr McGonigle	Consultation on East Reading MRT	Cllr Page
3.	Cllr White	Leisure provider bids for Arthur Hill Pool site	Cllr Lovelock

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

49. COMMUNITY INFRASTRUCTURE LEVY - ALLOCATION OF 15% LOCAL CONTRIBUTION

Further to Minute 26 of the meeting held on 16 July 2018, the Director of Environment and Neighbourhood Services submitted a report on the outcome of a public consultation on the allocation of the 15% local element of the Community Infrastructure Levy, and seeking approval for the allocation of funds. The following Appendices were attached to the report:

- Appendix A - Consultation outcomes
- Appendix B - Local Areas
- Appendix C - 15% local contribution by ward and zone
- Appendix D - Equalities Impact Assessment

POLICY COMMITTEE MEETING MINUTES - 26 NOVEMBER 2018

The report explained that a consultation had been held between 20 July and 14 September 2018 on how the 15% 'neighbourhood proportion' of CIL raised in each of the four zones in Reading could be spent. An online questionnaire on the Council's website had listed a number of potential schemes for each of the four zones, and asked respondents to rank them in order of preference, with an opportunity to also suggest additional schemes. In total, there had been 347 responses to the consultation and the results were summarised in Appendix A.

The report set out the top ranked schemes emerging from the consultation, with commentary from officers and a recommended allocation of funding to projects. Subject to Committee approval the funds would be allocated to the relevant services in order to deliver the projects. The costs of the schemes proposed were indicative and in some cases the projects would require more funds to complete, become funded by other means, or cost less than projected. The report therefore sought authority for officers to make changes to the final spend allocations.

The report stated that it was considered that the results of the consultation would remain relevant and could be used to inform decisions on the allocation of 15% Local CIL in 2019. A further and similar public consultation could then be undertaken for consideration of CIL allocations in 2020.

Resolved -

- (1) That the responses from the public consultation and top ranking projects be noted;
- (2) That the provisional allocations of projects receiving 15% Local Community Infrastructure Levy funding be agreed as below with a total allocation of £1.206m (from funds received up to 30 September 2018):

Central Zone:

£16.1k - 'loan' to the northern area to complete the Gosbrook Road zebra crossing
£50k - Boroughwide enhancement to conservation areas
£15k - refurbishment of the seating areas along Broad St
£10k - reinstatement of the Shopping Bags sculpture formerly at the Oxford Rd/Butts junction;
£10k - a contribution towards the reinstatement in the town centre area of the Libby & co statue currently in storage at Darwin Close
£30k Dog fountain in St Lawrence's Churchyard
£100k - Ivydene Play Area Improvements
£100k - Avon Place Play Area Improvements

North

£33k - Zebra Crossing on Gosbrook Road

South

£95k - Cintra Park play area improvements
£50k - Zebra crossing for access to the Ridgeway School
£40k - Extension of 20mph zone Reading Girls School
£155k - Improvements at Long Barn Lane Recreation Ground (this is a combination of Items K-7. & P-16)
£100k - Enforcement of 20mph areas
£50k - Signs for HGVs Elgar Road
£50k - Additional community facilities as part of, or near to, improved health care provision in Whitley Wood

West:

£700 - Southcote Community Centre improvements (new fridge freezer)
£1k - Southcote Community Centre improvements (new blinds)
£50k - 20mph zone and width restriction, Brunswick St and Western Rd
£30k - to reduce speeding on Southcote Road and Westcote Road
£65k - New outdoor gym, Coley Recreation Park
£15k - Improvements to double roundabout signing, Grovelands Road
£50k - Pedestrian Crossings, Oxford Road and Overdown Road
£88k - Improvements at Prospect Park

- (3) That the reallocation of funds (£16.1k) from the central zone to the northern zone be noted and approved, and that no further projects be approved in the north zone until this amount was recovered from further CIL local 15% funds arising in the north zone;
- (4) That the relevant Heads of Service be authorised to complete necessary procurement processes to deliver the programme of work;
- (5) That spend approval for the projects be given in accordance with the provisional funding allocations listed in (2) above, and that officers be authorised to vary the allocations in consultation with the Head of Finance and the Lead Councillors for Strategic Environment and Planning and Transport and Corporate and Consumer Services.

50. PROPOSED RENT FOR LOCAL AUTHORITY NEW BUILD PROPERTIES

The Director of Environment and Neighbourhood Services submitted a report setting out a proposal to set rents for permanent homes built as part of the Council's Local Authority New Build programme at an 'Adjusted Target Rent'. An Equality Impact Assessment for the proposal was attached to the report at Appendix 1.

The report explained that all existing Council properties were re-let at social housing 'Target Rent', which was determined by a nationally set formula, but that Ministry of Housing, Communities and Local Government guidance enabled local authorities to set

POLICY COMMITTEE MEETING MINUTES - 26 NOVEMBER 2018

rent levels above Target Rent for new build homes developed within the Housing Revenue Account (HRA). In winter 2018/19 it was expected to let the first of the 57 new build Council homes being developed at Conwy Close; these would be the Council's first general needs homes to be completed as part of the new build programme and also the first properties with flexibility to set a higher level of rent. An Adjusted Target Rent was proposed that would reflect the expected rent levels of the existing stock, had the mandatory annual 1% rent decrease for all social housing not been imposed by Government in 2015 for four years. The proposed rent levels were therefore consistent with what the rent levels would have been for all stock had they been increased in line with the Council's adopted rent policy and national rent policy prior to 2015.

The report stated that the proposal would increase income to the HRA by £3.7m over the life of the 30 year business plan for Phases 1 and 2 of the new build programme, increasing financial resilience and supporting the delivery of service improvements and further new homes. It noted that the proposed Adjusted Target Rent was still significantly lower than Local Housing Allowance levels and the 'Affordable Rents' often used by Registered Providers. The Adjusted Target Rent would be a default but not a blanket policy for all new build schemes, to enable future mixed tenure schemes where letting all properties at the proposed Adjusted Target Rent levels might not be viable. In addition schemes supported with grant from Homes England, where the grant was awarded on the basis of the properties being let at social rent, would be let on that basis.

Resolved -

That the proposal to charge an 'Adjusted Target Rent' as a default rent policy for new permanent social housing developed as part of the Council's local authority new build housing programme, subject to the exceptions described in the report, be agreed.

51. READING BUSINESS IMPROVEMENT DISTRICT (BID): RENEWAL AND EXTENSION PLANS 2019-24

The Director of Environment and Neighbourhood Services submitted a report seeking endorsement for proposals to renew the existing retail Business Improvement District (BID) and to set up a new Abbey Quarter BID for the period 2019 -2024. The following documents were attached to the report:

- Appendix 1 - Summary and budget for the Retail BID renewal Proposal 2019-2024
- Appendix 2 - Summary and budget for the Abbey Quarter Commercial BID 2019-2024
- Appendix 3 - RBC Properties in the Proposed BID Areas
- Appendix 4 Reading Retail BID 2019-24 Consultation 'Have Your Say'.
- Appendix 5 Abbey Quarter Commercial BID 2019-24 Consultation 'Have your say

The report noted that the retail BID in the town centre had started in 2006 and been managed since its inception by the Council's economic development company Reading UK CIC. The most recent renewal of the BID had been in 2014 and the next was due in February 2019. The BID was funded by a business levy in the designated area that

POLICY COMMITTEE MEETING MINUTES - 26 NOVEMBER 2018

amounted to nearly half a million pounds per year, and had delivered a range of services to help make the town centre safer, cleaner, more attractive, more vibrant and better connected, adding value to core public services. The BID also acted as an advocate for the retail businesses and a partner to statutory bodies in bringing about improvements and positive change. The report listed activities carried out by the BID between 2014 and 2018.

The report explained that consultation with the businesses in the BID had been carried out and identified priorities for inclusion in the renewal proposal, which was attached to the report at Appendix 1. The report summarised the proposals which included: increasing footfall through more experiential events and greater levels of marketing; a discount scheme for employees; prioritising the use of the security budget into CCTV operatives; night time care for people enjoying the town and maintaining our Purple Flag status; provision of a BID Ranger supporting retailers to cut down shoplifting and supporting the Council and Police in dealing with anti-social behaviour; adding to the flower displays more widely across town and throughout the year; increasing levels of recycling; greater levels of social media marketing and communication in the town; and supporting the development and delivery of the Reading 2050 Vision.

In the last BID Plan (2014-19) it had been agreed that feasibility work be undertaken to consider extending the BID to cover the whole town centre and central business district. The Abbey Quarter adjacent to the town centre was an important part of the Reading economy and home to a number of global companies and large commercial grade 'A' offices, with employees in this area being significant users of the retail town centre. A proposal for new Commercial BID in the Abbey Quarter had been developed and was attached to the report at Appendix 2.

Consultation had been carried out on the proposed Abbey Quarter BID and the report set out proposed priorities: promotion and marketing of the Abbey Quarter as a business location; infrastructure investment to improve the environment and safety of the area; facilities to encourage boats to moor alongside the historic area; a BID Ranger as part of a team of two operating across both BID areas; an events calendar for visitors to the Abbey area and employees of the BID companies, and a programme of work / life balance activities to support the well-being and active engagement of, employees in the area.

The report explained that the proposals to extend the existing BID and to set up an Abbey Quarter BID would each be the subject of an independent and bespoke ballot, and the report sought authority for the Director of Environment and Neighbourhood Services to vote on behalf of the Council in favour of both proposals.

Resolved -

- (1) That the proposals for the renewal of the Retail BID be endorsed;**
- (2) That the proposals for the setting up of a new Commercial BID across the Abbey Quarter of the town centre be endorsed;**

- (3) That the Council vote in favour of both the Retail and Commercial BID proposals in the forthcoming ballot;
- (4) That the Director of Environment and Neighbourhood Services be authorised to vote for the proposed BIDs.

52. REVIEW OF POLLING PLACES

Further to Minute 30 of Council on 21 October 2014, the Returning Officer submitted a report on a review of the Council's polling districts and polling places as required by the Electoral Administration Act 2006 (the 2006 Act). A review was required every four years and the last review had been undertaken in 2014.

The report explained that the review would take place over the winter, with the results reported to the full Council meeting on 26 March 2019. A project plan and timetable for the review of polling districts and polling places was attached at Appendix A, and the schedule of the Council's current polling places and polling stations, with the Returning Officer's initial representations, was attached at Appendix B.

Resolved -

- (1) That the project plan and timetable for the 2018 review of polling districts and polling stations be agreed as set out in Appendix A;
- (2) That the Returning Officer's initial representations on the Council's current polling districts and polling stations, as set out in Appendix B, be received.

53. PURCHASE OF SOFTWARE LICENCES

The Director of Resources submitted a report proposing that the Council enter into software licensing agreements for the award of a contract for software licenses and maintenance for the Council's financial system, and to replace the current desktop operating system and core productivity applications.

The report explained that the Council had introduced the Oracle Fusion financial system in August 2014, and the contract had been renewed in 2016 through the Government's G-Cloud framework agreement, with the current contract due to end on 2 December 2018. The licenses had been amended to include the use of Oracle Fusion by the Council-owned companies Brighter Futures for Children and Homes for Reading. Oracle had withdrawn from the G-Cloud framework in 2018, and it was therefore proposed to contract directly with Oracle and award a contract for the provision of Fusion Financials Cloud licenses for up to three years.

The report explained that the Council currently used the Microsoft range of productivity tools, with data and applications stored locally. Advances in cloud computing technology meant that it was now more efficient for many of these workloads to be moved to the cloud, which would also bring benefits around resilience, flexible and mobile working,

POLICY COMMITTEE MEETING MINUTES - 26 NOVEMBER 2018

communication and collaboration. The current estate of desktop and laptop computers were running Windows 7, for which extended support from Microsoft would end in January 2020, and Microsoft Office 2010, for which extended support would end in October 2020. After these dates the applications would no longer be supported and no further security fixes or updates released, and upgrades were therefore required to maintain a fully functional and secure operating environment.

The report noted that licenses for previous and current software had been procured on a perpetual basis involving large capital purchases when upgrades became due, along with significant project effort involved in rolling updates out. The technology sector was moving towards a greater focus on renewable subscriptions to cloud-based services rather than outright purchases. It was therefore proposed that the Council purchase annual licenses for all users for the cloud-based Microsoft 365 suite comprised of Office 365, Windows 10 and IT Security and Management tools.

Resolved -

- (1) That the award of a contract to Oracle Corporation ('Oracle') for the provision of Fusion Financial Cloud service and associated maintenance services be approved;
- (2) That the purchase of 2,000 licenses for the Microsoft 365 suite, renewable on an annual basis, be approved.

54. QUARTER 2 PERFORMANCE MONITORING RESULTS

The Director of Resources submitted a report setting out the projected revenue and capital outturn positions for 2018/19 as at the end of September 2018 (Quarter 2) and also performance for the first two quarters against the measures of success published in the Council's Corporate Plan. The following appendices were attached to the report:

- Appendix 1 - Financial Monitoring for Quarter 2
- Appendix 2 - Performance Monitoring for Quarter 2

The report explained that the forecast General Fund outturn as at the end of Quarter 2 (Period 6) was a projected overspend of £1.558m, a decrease of £0.796m since the end of Period 5. The decrease was due to a mitigation exercise within each directorate to find mitigations for all current Red Savings within the 2018-2019 savings programme and to cover other pressures previously identified.

The report stated that the General Fund Capital Programme was currently forecasting slippage of £7.185m to future years, mainly due to the East Reading Mass Rapid Transit scheme (£4.577m) and the Accommodation Review (£1.799m); it was anticipated that the rate of expenditure would increase towards the latter part of the financial year. The Housing Revenue Account was forecasting a £0.350m underspend as at the end of quarter two, due to rent collection rates being higher than budgeted, expenditure on reactive and planned maintenance being underspent and staff vacancies in the sheltered housing team. The Housing Revenue Account Capital Programme was also currently projected to

POLICY COMMITTEE MEETING MINUTES - 26 NOVEMBER 2018

have slippage of £6.341m to future years, predominantly due to New Builds and Acquisitions (£5.900m) and Major Repairs (£0.500m) with minor variances on other schemes.

The report also set out a summary of performance as at the end of Q2 against the success measures published in the Corporate Plan, to monitor progress against the Council's six priorities. Measures where there had been key shifts in performance and/or significant variation from the target were highlighted. Since the Quarter 1 report 10 measures had improved, two measures are static and 10 measures had declined. The full suite of twenty nine measures and progress against targets as at the end of September 2018 were set out in Appendix 2 attached to the report.

Resolved -

- (1) That the forecast General Fund outturn position as at the end of September 2018, an overspend of £1.558m excluding the use of contingency, be noted;**
- (2) That the forecast outturn position on the Housing Revenue Account as at the end of September 2018, a projected underspend of £0.350m, be noted;**
- (3) That the forecast outturn position on the Capital Programme as at the end of September 2018 is a projected underspend of £7.185m for the General Fund and £6.341m for the Housing Revenue Account be noted;**
- (4) That the performance achieved against the Corporate Plan success measures as set out in the report and Appendix 2 be noted.**

(The meeting started at 6.30 pm and closed at 8.18 pm)