

READING BOROUGH COUNCIL

POLICY COMMITTEE

14 JANUARY 2019

QUESTION NO. 1

Ayo Sokale to ask the Lead Councillor for Health, Wellbeing & Sport:

Period Poverty

Despite being the 6th richest country in the world women and girls are struggling to afford menstrual products. Last year 7% of girls were forced to skip school because of their period and parents have missed meals so they are able to afford protection for their daughters:

<https://www.independent.co.uk/news/international-womens-day-period-girls-missed-school-uk-sanitary-products-menstruation-a8244396.html>

One in 10 girls or women aged 14 to 21 are unable to afford sanitary products. And more than one in 10 have had to improvise sanitary wear - for example wearing a sock or using toilet paper - because of affordability issues:

<https://plan-uk.org/media-centre/1-in-10-girls-have-been-unable-to-afford-sanitary-wear-survey-finds>

Could the Lead Councillor for Health, Wellbeing and Sport tell me: Will Reading Borough Council pledge to support Unite the Union's Period Poverty campaign and investigate the possibility of providing free menstrual products in the workplace? How are RBC supporting the Red Box Project, which provides free menstrual products in schools? Can RBC increase the amount of information they give residents about reusable menstrual products, so women and girls have the option to keep costs down?

REPLY by Councillor Hoskin (Lead Councillor for Health, Wellbeing & Sport):

Thank you for your question. I'm very proud that my union, Unite, has taken up the cause of universal access to sanitary products through their Period Dignity campaign. As the father of two daughters I am horrified by the thought that 10% of girls and women aged between 14 and 21 are unable to afford sanitary products. It is clearly very important for women's wellbeing that we create a town where we seek to achieve equality in this area of women's health.

I am therefore asking council officers to investigate and report back to councillors how Reading Borough Council can sign up to this campaign through positive, practical action. I will ask them to consider the council's role as an employer and as a community leader in addressing fair access to sanitary products. As part of this we will need to bring on board schools and the education community.

I am also asking council officers to investigate how we can support the provision of information about reusable menstrual products. Finally I would like to thank you for including in your question the excellent Red Box project and the great work they do. We will investigate how we can support their work.

I intend to bring all of these issues back to a relevant council committee.

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**QUESTION NO. 2**

Ben Longworth to ask the Lead Councillor for Neighbourhoods and Communities:

**Former Loch Fyne Building**

Since the Loch Fyne Restaurant closed, this area has fallen into neglect and disrepair. It is a large piece of land in a prominent position in the centre of town combining outside space and a previously restored period building. The issues here are:

- 1) The outside space is not being maintained and is turning into an unsightly area containing rubbish and health & safety trip hazards (it is also a through route for walking);
- 2) The outside space is being used as a meeting place and toilet for vagrants;
- 3) Living opposite I have noticed young people attempting to enter the building and throwing bricks at the structure;
- 4) The top floor windows are sometimes open allowing pigeons to enter the building.

I do understand that someone probably owns this land but surely they must have some responsibility for upkeep and safety. What can we do?

**REPLY** by Councillor James (Lead Councillor for Neighbourhoods and Communities):

The landowner is responsible for all of the maintenance of their property and any claims arising from the condition of the land. The Council's Anti-Social Behaviour Team has made contact with the landowner to inform them of the concerns that have been raised and has asked them what remedial action they are intending to take. So far their response has been positive but we are awaiting a full reply from them.

Should they fail to act the Council can follow the Community Protection Notice (CPN) route to deal with any build-up of rubbish and debris. A CPN warning notice would be issued and the landowner would have 28 days to respond. If there is no response a CPN notice is issued giving the owner a further 21 days to respond. This is issued under Section 43 of the Anti-Social Behaviour Crime and Nuisance Act 2014. The notice would require them to take certain steps in order to bring the land back into an acceptable standard. An inspection of the land would take place following this period and should the notice not be complied with a legal referral would be made.

In addition, planning enforcement could serve an Untidy Site Notice to require the landowner to tidy the site.

However, the Council would prefer to work with the land owner prior to any enforcement taking place which is what we are doing in this case.

The Council's Anti-Social Behaviour Team have been made aware of the anti-social behaviour you have identified and will be working closely with the town centre Police team to try and identify those who are acting in this way. Behaviour of this kind is often intermittent and unpredictable and therefore difficult to police. Anyone witnessing this anti-social behaviour can report this to the ASB Team directly - this enables a better understanding of when and who is perpetrating the acts and a more efficient deployment of resources to tackle it.

The Council will continue to work with the landowner and partners to ensure the effective management of this area around the former Loch Fyne building is maintained.

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### QUESTION NO. 3

Peter Burt to ask the Leader of the Council:

#### Closure of Arthur Hill Pool

It is now two years since Reading Borough Council closed Arthur Hill Pool in breach of a long standing promise not to close the pool before a new local replacement had been built. Many Labour councillors now admit in private that the decision to close Arthur Hill Pool was unnecessary and was a bad mistake. With the benefit of reflection in hindsight, do you also think the decision to close Arthur Hill was a mistake, and what lessons has the Council learnt from the decision to close the pool?

REPLY by Councillor Lovelock (Leader of the Council):

Firstly can I assure Mr. Burt that he will have heard Labour Councillors, including myself, publicly regretting the fact that the Conservative Government's relentless assault on Local Government has forced all Councils to make decisions we would not wish to. This Government will have removed £58million of support for local services by 2020 from Reading Borough Council.

As I have said many times before, the Labour Administration had always hoped to keep Arthur Hill pool going until a new pool could be opened in Palmer Park.

However in the summer of 2014 emergency works costing over £100,000 were undertaken to Arthur Hill Pool building to address immediate structural failings and enable short term continued operation.

A further condition survey carried out by Faithful & Gould in April 2015 concluded that:

'The overall structural condition of this building is considered to be poor. There is significant evidence of structural defects affecting primarily the basement concrete structures including the pool 'tank', pool surround, and suspended ground floor and support structures'.

Faithful & Gould estimated the then costs of necessary and urgent works to repair the pool and building to be over £650k. These costs will have increased subsequently in line with general trends in the construction industry.

In addition, the pool's running costs, funded from revenue budgets, were being subsidised by the Council to the tune of £120k per annum.

In the context of the Council's difficult financial position and budget cuts required as a result of the Government's austerity measures, it was not considered appropriate nor sustainable to continue to spend large amounts of money to keep Arthur Hill Pool open pending its replacement, and nor would this represent good value for money for Council Tax payers. A planned closure was therefore undertaken rather than run the risk of forced closure because of the pool's poor and deteriorating condition.

The Council clearly considers the provision of leisure facilities such as swimming pools as important, as demonstrated by the provision of the busy and popular demountable pool at Rivermead.

In this context, with regard to the wider improvements planned to our leisure facilities, we have listened to the views of people across Reading and have specified a good geographic spread of facilities to facilitate community access, including the new pool at Palmer Park as part of the Leisure procurement process.

So the message I would repeat from this experience is that we need a Labour Government to put an end to austerity and allow local councils to invest in the facilities local residents expect.

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QUESTION NO. 4

Peter Burt to ask the Lead Councillor for Health, Wellbeing, and Sport:

New East Reading Pool

In December 2016 Reading Borough Council closed Arthur Hill swimming pool. Since then the Council's procurement process for a new leisure services provider has stalled; sale of the Arthur Hill site has failed to progress to the exchange of contracts stage; and we are no nearer building a replacement for Arthur Hill than we were in 2003, when plans for a new pool in East Reading were first announced.

Over the same period since December 2016 Wokingham Borough Council has closed and demolished the Bulmershe Leisure Centre, appointed a new contractor to run its leisure services, given planning permission for a new leisure centre at Bulmershe, and appointed a contractor to build the new pool.

I would like to offer the Lead Councillor for Health, Wellbeing, and Sport a wager of £50, to be paid to a charity of the winner's choice, that construction of the new East Reading Pool will not have commenced by the time the new Bulmershe Leisure Centre opens - currently scheduled for late 2020.

Are you willing to accept this wager?

REPLY by Councillor Hoskin (Lead Councillor for Health, Wellbeing, and Sport):

Thank you for your question Mr Burt. However, and as you have a history of doing, you are misrepresenting the reality of the current position to suit your own agenda rather than acknowledging the fact that this Council is in the process of delivering a radical enhancement of the town's leisure facilities, including the provision of a new pool at Palmer Park and a new competition standard pool to replace Central Pool.

The Council's procurement process has not stalled, although it is complex, and we are on track to complete this process and appoint a new operator later this year - contrary to your blatantly incorrect assertion that: 'we are no nearer building a replacement for Arthur Hill than we were in 2003'.

In this context to compare what we are doing to progress made by our neighbouring authority in Wokingham is comparing apples and pears. Wokingham already have a leisure operator and are designing and building one new facility for their existing operator to then manage. In Reading we are proceeding on the basis of a design, build, operate and manage (DBOM) contract across all our retained

facilities and moving from an in-house operation for the first time. This is inordinately more complex - though I share a degree of frustration that the process is time-consuming.

As to your offer of a wager, it would be a close call I think. We anticipate appointing the operator this year with a contract start in January 2020 following a necessary mobilisation period. The operator will then be responsible for obtaining planning permission for the new pool prior to commencing work on site but in the context of also progressing the new leisure centre and competition pool at Rivermead and improving and managing facilities at South Reading and Meadway. This is a significant programme of work and timescales will become clearer as the procurement progresses to detailed and final proposals from the bidders. Once we have this clarity and appointed our preferred operator we will of course publicise the anticipated programme.

I am not a gambling man, and especially with regard to issues that are of such public interest and significance a wager would be highly inappropriate, though I trust you appreciate the transparency and honesty in setting out our intended timescales in this response.



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**QUESTION NO. 5**

Glenn Dennis to ask the Lead Councillor for Corporate and Consumer Services:

**Universal Credit**

Given the national concern about Universal Credit, could the Lead Councillor say how many people are now in receipt of Universal Credit and what the average time is for claims to be processed?

Could he also say what the Council is able to do to support people who are waiting for their claim to be assessed?

**REPLY** by Councillor Brock (Lead Councillor for Corporate and Consumer Services):

I am able to confirm that as of 9 January 2019 there are 682 households living in Council accommodation that are claiming Universal Credit; because the DWP are responsible for claims it will take a bit longer to get the overall numbers, but I am happy to supply those as soon as we hear from the DWP.

Reading Borough Council is offering to support UC claimants through Personal Budgeting Support to help them through the minimum five week wait at the start of a claim and can help by assisting the claimant to organise an advanced payment, preparing them for monthly budgeting and make a food parcel referral where necessary. We have dedicated officers in place who can help UC claimants, including Assisted Digital Support which can help with the making of a claim or the ongoing maintaining of their claim. We also have a dedicated Universal Credit Officer who helps claimants who have complex issues with their claim. Up-to-date tailored training is offered to all departments to ensure correct advice is given by all areas of the Council.

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### QUESTION NO. 6

John Hoggett to ask the Lead Councillor for Corporate and Consumer Services:

#### Commercial Property Investments

In June 2018 the publication Property Week reported that local authorities' spending on commercial property reached almost £1 billion during the first six months of that year, an increase of more than £300 million from the first half of 2017. In October 2018 the publication Public Finance reported that CIPFA (the Chartered Institute of Public Finance and Accountancy) was to work on fresh guidance to local authorities, having suggested councils were investing in commercial properties disproportionate to their resources. This would be against the requirements of the CIPFA Prudential and Treasury Management code.

CIPFA's code and the Government's statutory guidance on Local Government investments are very clear that local authorities must not borrow more than or in advance of their needs purely to profit from the investment of the extra sums borrowed.

Therefore my question to the Lead Councillor for Corporate and Consumer Services (which is also addressed to him in his capacity as a member of the Audit and Governance Committee) is a four part question, as follows:

- 1) Will the Lead Councillor provide the addresses and purchase prices of all the commercial properties acquired by Reading Borough Council for the financial years 2016-17, 2017-18 and 2018-19 (to date)?
- 2) Will the Lead Councillor provide figures to show the total rental income for the financial years 2016-17, 2017-18 and 2018-19 (to date) received by Reading Borough Council from all historical and current commercial property investments, together with the expected rental returns from these properties until 2020-21?
- 3) Will the Lead Councillor provide figures to show the Council's borrowing in order to purchase commercial properties for each of the financial years already referred to in Parts 1 & 2 of my question, together with the repayment interest rate for each of those financial years on any loans taken, and the ratio of borrowing against the Council's reserves for each of those financial years (2016-17, 2017-18 and 2018-19 to date)?
- 4) Will the Lead Councillor inform us what contingency plans have been put in place should Council's commercial property investment strategy fail to meet the desired outcomes - and more specifically what steps the Council plans to take (including any further borrowing, Council Tax or business rates increases, or budget cuts) should it default on any borrowing?

**REPLY** by Councillor Brock (Lead Councillor for Corporate and Consumer Services):

Firstly, it is necessary to say something in response to the general points you have made in your question. The Council's property investments are directed by the following interconnected and inseparable principles:

- That the Council, by investing in property in Reading, has a clear stake in the economic development of our community.
- That, by holding properties in the Borough and locality, the Council enhances its 'place making' potential in the interests of residents (e.g. by helping to ensure provision of buildings suitable for business that provides employment in our town, for example).
- That the portfolio of properties be properly balanced by asset type to ensure that the portfolio is sustainable and that to achieve this investments outside of the Borough which meet the relevant investment criteria should be considered.
- That borrowing to fund property acquisition be prudent (you will note that the Council's Section 151 officer must be satisfied that this is the case).
- That the surplus delivered from property investment be used to support the delivery of Council services so as to ensure that economic benefits are distributed around our community for the benefit of all residents.

Moving to your specific questions:

1) The Council has purchased the following Investment properties over this period.

Kennet Wharf      £20.1m, purchased 22/12/2017

Adelphi House      £11.43m, purchased 03/02/2017

160 -163 Friar St      £11.23m, purchased 29/07/2016

2) Total rental income for the financial years 2016-17, 2017-18 and 2018-19 (to date) received by Reading Borough Council from all historical and current commercial property investments, together with the expected rental returns from these properties until 2020-21.

Property	2016-17	2017-18	2018-19 (Forecast full year)	2019-20 Forecast	2020-21 Forecast
	£000's	£000's	£000's	£000's	£000's
Historic Investments	354	450	438	440	440
Kennet Wharf	-	349	1,270	1,295	1,295
Adelphi House	50	744	701	701	701
160 -163 Friar St	622	737	708	730	730
Total	1,026	2,280	3,117	3,166	3,166

3) Reading Borough Council did not take out specific loans to purchase the three properties mentioned but the purchases have formed part of the overall consideration of the Treasury Management position.

The loan portfolio contains a mixture of long and short, fixed and variable loans and average rates have been provided in the table below. Please note that Reading Borough Council has a single loan portfolio to cover both General Fund and HRA borrowing.

	16-17	17-18	18-19 (to date)
Average balance - all loans	£355m	£360m	£368m
Average rate - all loans	3.152%	3.072%	3.155%
Average balance - long term fixed	£267m	£261m	£281m
Average rate - long term fixed	3.629%	3.644%	3.553%

Current long term 30-year Public Works Loan Board rates available to the Council to fund future investment are around 2.8% by comparison. Notionally, if these investments were to be funded today they would cost the Council around £1.4m a year in financing costs on an annuity basis, which includes the repayment of the principal loan. This represents a net financing cost of around 4.19%. The current gross return on these investments is around 6.4%.

Reserve balances are determined as part of the production of the annual Statement of Accounts (SoA). For 16-17 the SoA taken to Audit & Governance on 27/07/18 reported £43m of usable General Fund Reserves. As a proportion of reserves in 2016-17 this represents around 4%.

The 17-18 SoA is due to be published shortly and the 18-19 SoA following the end of the financial year.

4) Reading Borough Council has an approved Property Investment Strategy that is reviewed regularly. The Council has a cautious and prudent approach to identifying

suitable opportunities for investment, which involves a robust and comprehensive process confirming Value for Money, undertaking due diligence and sensitivity analysis, and builds in anticipated void periods. This approach means that we have reduced potential risk as far as is practicable.

The investment portfolio is revalued on an annual basis and valued on market value; in addition we monitor the performance of all investment assets closely. If the properties were no longer viable as investment properties the Council would look to undertake an options appraisal that could include, for instance, disposal, housing or other alternative uses.

In summary, I'm sure you will agree that, given the enormous cuts to this Council's budget by the Conservative government, the benefits that the property investments deliver, especially in terms of financial support for the delivery of Council services, are of clear value to residents in Reading. Indeed, it is a reflection of this Labour administration's desire to utilise and promote Reading's economic development for the benefit of all residents.

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**COUNCILLOR QUESTION NO. 1**

Councillor White to ask the Leader of the Council:

**Fossil Fuel Divestment**

As the recent report from the Intergovernmental Panel on Climate Change highlighted time is running out to reduce our carbon emissions. Following Policy Committee's resolution on tackling climate change through fossil fuel divestment, please can the Leader of the Council update me on what progress has been made in getting Berkshire pension fund to divest from fossil fuels and invest in more socially and environmentally constructive initiatives?

**REPLY** by Councillor Lovelock (Leader of the Council):

RBWM as the administering authority for the Berkshire Pension Fund is required under Section 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 to publish an Investment Strategy Statement. The Regulations require administering authorities to outline how they meet each of 6 objectives, including: how the authority takes social, environmental or corporate governance considerations into account in the selection, non-selection, retention and realisation of investments.

RBWM'S latest Investment Strategy Statement, published in May 2018 is available on the Berkshire Pension Fund website at:

[https://www3.rbwm.gov.uk/bpf/downloads/file/261/investment\\_strategy\\_statement](https://www3.rbwm.gov.uk/bpf/downloads/file/261/investment_strategy_statement)

The relevant extract states:

'RBWM accepts that stakeholders will have differing views on how social, environmental and corporate governance considerations should be taken into account and believes that no "one-size fits all" policy can possibly be implemented across such a diverse portfolio such as that of the Fund. Nevertheless RBWM seeks to protect its reputation as an institutional investor and ensures that the Investment Manager takes into account these issues when selecting investments for purchase, retention or sale. RBWM will not place social, environmental or corporate governance restrictions on the Investment Manager but relies on it to adhere to best practices in the jurisdictions in which they are based, operates and invests. Furthermore RBWM has implemented three investment theses under "ESG" principles: investment in the food chain, housing and infrastructure. Specifically RBWM has made private equity investments in a "food and water" segregated account within its private equity portfolio, two farmland funds in its property

portfolio, a number of infrastructure fund investments both globally and in the UK (in particular it was the seed investor in the Gresham House British strategic Investment Fund focussed on small scale infrastructure and Housing projects) as well as investments to support house builders via the purchase of residual shared equity loan books and a fund specialising in acquiring brownfield land for residential developments.'

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### COUNCILLOR QUESTION NO. 2

Councillor White to ask the Lead Councillor for Housing:

#### Licensing of Smaller Properties

Every Reading resident should have a good home, unfortunately many especially in the private rented sector don't. Following the introduction of new rules which extend the requirement to register Houses in Multiple Occupation to smaller properties, which should improve the standard of private rented accommodation, please can I get an update on licensing the estimated 3000 landlords who will need a licence for their property for the first time?

REPLY by Councillor Ennis (Lead Councillor for Housing):

The Extension of Mandatory Licensing came into force on 1 October 2018 with the key change being that the three storey rule has been removed. This means that any privately rented property that houses five or more people forming two or more households where there is some sharing of amenities will require a licence. There was also the introduction of minimum room sizes.

Whilst the Government did not allow a grace period for landlords to submit their applications, Reading took the decision to allow landlords until the 31 January 2019 for applications and supporting documents to be submitted. Any landlord or letting agent failing to submit an HMO licence application by the deadline will be subject to enforcement action. To date there have been 135 applications, which is significantly lower than projected. The projected number of applications was based on the 2012 Stock Condition Survey and whilst officers do not believe the rental market has changed that significantly, anecdotal evidence suggests that some landlords are reducing the number of tenants in the property in order to avoid licensing.

As part of the Council's plans to ensure the safety and quality of the private rented sector, officers will be working to update the Stock Condition Survey. In addition to providing vital up to date information about the state of the private and rental sector, it will determine whether any additional licensing scheme is required.

It is important to recognise that the majority of landlords and letting/managing agents provide good quality accommodation in Reading however, there are those landlords who fail to meet the required standards and it those landlords and agents that the Council's Private Sector Housing Team will continue to take enforcement action against.

#### Footnote

Information events were held in August for landlords, letting and managing agents which were well attended. In addition Officers from the Private Sector Housing Team delivered a presentation at the National Landlord Association Branch



meeting and the Council's Landlord Information Evening. The landlord Information newsletter compiled by the Private Sector Housing Team has also provided the relevant information and Press Releases and Social Media has also assisted in getting the message out as well as information on the Council's website.