

## POLICY COMMITTEE MEETING MINUTES - 8 MARCH 2021

**Present:** Councillor Brock (Chair);

Councillors Page (Vice-Chair), Barnett-Ward, Ennis, Duveen, Emberson, Hoskin, Jones, Pearce, Robinson, Rowland, Skeats, Stanford-Beale, Stevens, Terry and White

### 101. MINUTES

The Minutes of the meeting held on 15 February 2021 were agreed as a correct record and would be signed by the Chair.

### 102. 2020/21 QUARTER 3 PERFORMANCE AND MONITORING REPORT

The Executive Director of Resources submitted a report setting out the projected revenue and capital outturn positions for 2020/21 for both the General Fund and the Housing Revenue Accounts (HRA) as at the end of December 2020 (Quarter 3). The financial reporting of the Council and Brighter Futures for Children (BFfC) had now been aligned and the report also included the Quarter 3 projections for BFfC. The following documents were attached to the report:

- Appendix 1 - Financial Monitoring for Quarter 3
- Appendix 2 - Performance for Quarter 3
- Appendix 3 - Covid-19 Related Grants Register

The report stated that the forecast General Fund revenue outturn position as at the end of Quarter 3 was a £4.820m underspend, which was an improvement of £5.487m since Quarter 2. This forecast included gross revenue pressures of £19.969m arising as a direct result of Covid-19. The HRA was currently projecting an underspend of £5.133m as at the end of Quarter 3, an increase of £3.253m since Quarter 2. The General Fund Capital Programme was forecast to underspend by £39.938m this year and the HRA Capital Programme was currently forecast to underspend by £18.138m, due to delays to the delivery of the Major Repairs Scheme and Phase 2 and Phase 3 of the New Build and Acquisitions Schemes.

The report explained that the forecast General Fund position assumed the use of £9.906m of the Direct Revenue Financing of Capital Earmarked Reserve in the current financial year (2020/21) to reduce the ongoing Minimum Revenue Provision charge to the revenue budget in future years. This reserve had been set aside to mitigate against capital receipts not being realised and available for use as previously expected. The impact of Covid-19 had meant that this reserve had to be released, but it was hoped that as the economy picked up the reserve would be able to be replenished.

The report noted that the forecasts included best estimates of the additional pressures arising as a result of Covid-19 and the associated government funding received up to the end of December 2020. The combined gross revenue and capital pressures as a result of Covid-19 totalled £20.269m, which was a decrease of £0.081m from Quarter 2. This was offset by a total allocation of £13.269m of Central Government general support grant,

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£0.981m furlough grant and an estimated £6.000m in income compensation, as well as £0.989m of Arts Council grant to support Cultural Services. Central Government had published the final guidance document in respect of the local government income compensation scheme for lost sales, fees and charges on 24 August 2020, and the first grant claim for £3.186m for the period April to July 2020 had been received on 3 December 2020. Attached to the report at Appendix 3 was a register of the various Covid-19 related grants allocated to the Council.

### Resolved -

- (1) That it be noted that the forecast General Fund revenue outturn position as at the end of December 2020 was a net underspend of (£4.820m), due to an overspend of £17.260m on services budgets mitigated by an underspend of (£1.830m) on corporate budgets and Government Covid-19 Grants of (£20.250m) which comprised (£13.269m) of general support funding, an (£0.981m) furlough claim and an estimated (£6.000m) income compensation claim;
- (2) That it be noted that the Housing Revenue Account was forecast to underspend by (£5.133m) as at the end of December 2020;
- (3) That it be noted that the General Fund Capital Programme was forecast to underspend by (£39.938m), and the HRA Capital Programme was forecast to underspend by (£18.138m) due to delays to the delivery of the Major Works Scheme and Phase 2 and Phase 3 of the New Build and Acquisitions Schemes as at the end of December 2020;
- (4) That £9.906m be drawn from the Direct Revenue of Financing of Capital Earmarked Reserve in 2020/21 to reduce the ongoing Minimum Revenue Provision charge to the revenue budget;
- (5) That the 2020/21 General Fund underspend, currently forecast to be (£4.820m), be added to earmarked reserves to mitigate against this release of reserves and the anticipated use to balance the 2021/22 budget gap.

### 103. BRIGHTER FUTURES FOR CHILDREN LIMITED - GOVERNANCE & RESERVED MATTERS

Further to Minute 53 of the meeting held on 28 September 2020, the Executive Director of Resources submitted a report asking the Committee, in its capacity as the sole member of Brighter Futures for Children Limited (BFfC/the company), to make decisions regarding the ongoing company Executive Leadership Team and Board membership.

The report noted that at its meeting on 28 September 2020 the Committee had approved the appointment of BFfC's Interim Executive Director of Finance and Resources to the Company Board until 31 March 2021, following the departure of the Managing Director, and to fulfil the requirement for at least one Executive Director on the Board in addition

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to the Executive Director of Children's Services. The Company had subsequently considered the future Executive Leadership Team and decided to operate without a Managing Director role in future and continue with the current leadership arrangements with an amended role for the Executive Chair. The Committee were asked to endorse the ongoing amended role of the Chair and to extend the appointment of the Interim Executive Director of Finance and Resources to the Company Board until 31 December 2021. The Company's Articles specified that Executive Directors (other than the Executive Director of Children's Services) must be employees of the Company, and it was therefore necessary to also extend the waiver to the Articles until 31 December 2021 as the Interim Executive Director of Finance and Resources was not an employee of the Company but was employed on a contract for services.

The report also proposed that the three current Non-Executive Directors be re-appointed for a second term of three years. It was planned to recruit a further Non-Executive Director to provide additional breadth of skills and support succession planning for the Board.

### **Resolved -**

- (1) That the continuation of the amended role of the Executive Chair be endorsed;**
- (2) That the appointment of the interim Executive Director of Finance and Resources as a Company Director be extended until 31 December 2021;**
- (3) That the waiver of the requirement in the Articles for the interim Executive Director of Finance and Resources to be an employee of the Company be extended until 31 December 2021;**
- (4) That Tony Byrne, Nicola Gilham and Paul Snell be reappointed as Non-Executive Directors of Brighter Futures for Children for a second term of office (three years) from 15 November 2021 until 14 November 2024;**
- (5) That the recruitment of a further Non-Executive Director to provide additional breadth of skills and support succession planning for the Board be endorsed.**

### **104. BRIGHTER FUTURES FOR CHILDREN 2021/2022 BUSINESS PLAN**

The Executive Director of Resources submitted a report to the Committee, in its capacity of sole member of Brighter Futures for Children Limited (BFfC), setting out for approval BFfC's annual Business Plan and contract sum. The report summarised the key points arising from the Business Plan, which was attached to the report at Appendix 1.

The report stated that the Council had made provision for a contract sum in 2021/22 of £47,436,300, which was a reduction of £985k from the 2020/21 figure. This included £6.76m for leases and services provided by the Council via Support Service Level Agreements. Investment was being made for provision of additional SEND places, with

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£4m allocated in the capital programme for 2021/22, which would support savings through fewer placements being made outside the borough. Workforce planning remained a key part of BFfC service improvement and it remained a priority to reduce usage of agency social workers. The Business Plan incorporated a revised Transformation Programme, and provision had been made within the Council's Medium Term Financial Strategy for £1.5m of transformation funding.

The report noted that the BFfC Business Plan continued to build on the improvement journey to date, which was demonstrated through a revised Ofsted rating across all areas improving from Inadequate to Requires Improvement to Good in September 2019 and services coming out of intervention in February 2021.

**Resolved -**

- (1) That Committee, in its capacity as sole member for BFfC, agree the Company's Business Plan and contract sum for 2021/22 as set out in Appendix 1 and the report, and note and agree the provision for transformation funding as set out in the report;
- (2) That the Assistant Director of Procurement & Contracts and the Assistant Director of Legal & Democratic Services be authorised to review the financial reporting arrangements of BFfC to Policy Committee in its capacity as sole member and report back to the Committee on changes that could be made to assist and improve oversight of the Company's financial performance.

### **105. EXCLUSION OF THE PRESS AND PUBLIC**

**Resolved -**

That pursuant to Section 100A of the Local Government Act 1972 (as amended), members of the press and public be excluded during consideration of items 106-107 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.

### **106. ELECTRICAL MAINTENANCE & INSTALLATION - TENDER ACCEPTANCE - CORPORATE PROPERTIES, SCHOOLS AND OTHER ASSOCIATED BUILDINGS**

The Executive Director of Economic Growth and Neighbourhood Services submitted a report seeking approval of the award of a new short-term contract for electrical maintenance and installation.

**Resolved -**

That the award of a new Contract for Electrical Maintenance and Installation for a period of 12 months with two possible six-month extensions to Morris and Blunt Electrical Ltd be approved.

**107. READING GAOL - REVISED BID**

In accordance with Section 100B (4)(b) of the Local Government Act 1972, the Chair had agreed that this item be considered as a matter of urgency, in order to respond promptly to the Ministry of Justice (MoJ) which had given the Council a period of exclusivity to submit a revised bid to purchase Reading Gaol with a deadline of 15 March 2021.

The Executive Director of Economic Growth and Neighbourhood Services submitted a report on a revised bid to purchase Reading Gaol from the MoJ. The report set out the activity to date, the value and risk associated with the Council's bid and sought approval to submit a bid.

**Resolved -**

- (1) That, noting the inherent risks as set out in the report, the Committee agree to submit a formal conditional bid to purchase the prison site and then seek a private sector partner to undertake a comprehensive regeneration of the site;**
- (2) That the conditional bid for the purchase of the Gaol be as set out in the report, and the Executive Director for Economic Growth and Neighbourhood Services be authorised, in consultation with the Council's Chief Financial Officer and the Leader and Deputy Leader of the Council, to set the final value to be informed by the completion of the development appraisal;**
- (3) That the conditions to be attached to the bid be provisionally agreed as set out in paragraph 4.7 of the report, and that the Executive Director for Economic Growth and Neighbourhood Services be authorised, in consultation with the Leader and Deputy Leader of the Council, to agree the final conditions;**
- (4) That the risks and uncertainties presented by a purchase of the Gaol, including the financial risks with the significant investment of capital and a significant and undefined revenue cost, be noted;**
- (5) That, in the event of a successful bid, the Executive Director of Economic Growth & Neighbourhood Services and Assistant Director of Legal and Democratic Services, in consultation with the Leader and Deputy Leader of the Council, be authorised to complete all necessary surveys, due diligence, legal and other related tasks in order to progress the purchase from a conditional to an unconditional bid;**
- (6) That, should the conditional bid be accepted by the MoJ, the final terms of any proposed acquisition together with the financial implications (capital and revenue) be submitted to the Committee for approval once due diligence processes had concluded;**

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- (7) That, should the bid be accepted, a report to amend both the Capital Programme and revenue budget be submitted to a future meeting of the Council;**
- (8) That, should the Council's bid be successful, a cross-party Reading Gaol task-and-finish group be set up to make recommendations on any decisions required to be taken by either Policy Committee or the Council in respect of the future regeneration of Reading Gaol.**

(The meeting started at 6.30 pm and closed at 7.37 pm)