

READING BOROUGH COUNCIL

POLICY COMMITTEE

24 SEPTEMBER 2018

QUESTION NO. 1

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

Sale of Arthur Hill pool site

Please will you tell me how you voted in the Policy Committee closed session on 16 July with regards to the sale of the Arthur Hill swimming pool site? Did you vote to sell the site to a property developer instead of to a leisure sector provider who would have reopened the pool for public swimming?

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

I voted to secure the best possible capital receipt in order to maximise the opportunity to invest in new leisure facilities we are committed to providing at both Palmer Park and Rivermead.

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QUESTION NO. 2

Peter Burt to ask the Lead Councillor for Adult Social Care:

Sale of Arthur Hill pool site

Please will you tell me how you voted in the Policy Committee closed session on 16 July with regards to the sale of the Arthur Hill swimming pool site? Did you vote to sell the site to a property developer instead of to a leisure sector provider who would have reopened the pool for public swimming?

REPLY by Councillor Jones (Lead Councillor for Adult Social Care):

Please see the response to your previous question.

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QUESTION NO. 3

Roger Lightfoot to ask the Lead Councillor for Health, Wellbeing and Sport:

Sale of Central Pool site

The demolition of Central Pool has started with Council Tax payers picking up a bill for over £1 million pounds for this.

Could you please update me on the progress of any sale, to whom and how much?

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

The Council has secured £1.4m of funding from Homes England's 'Housing Infrastructure Fund'. The funding is subject to a further round of clarifications examining viability and is awarded on the basis of a residential development coming forward on the site. The award is proposed to be used to fund the regeneration works commenced earlier this year which include the demolition of the pool. These works are planned to be complete January 2019.

The Council will then need to review options for the development of the site including the option to dispose of the site on the open market seeking to maximise the land value and secure necessary affordable housing. Officers have undertaken a soft marketing exercise and a number of housing developers including registered housing providers have indicated their interest in acquiring the site should it come to the market.

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QUESTION NO. 4

Roger Lightfoot to ask the Lead Councillor for Health, Wellbeing and Sport:

Sale of Arthur Hill Pool site

On what legal grounds has Reading Borough Council based its decision to withhold information from the public about the sale of Arthur Hill Pool? Does the Council have a written opinion to support its decision?

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

This Committee took the decision to dispose of the freehold of Arthur Hill Swimming Pool, following a marketing exercise, at its meeting on 16 July 2018: Minute 16 refers. The decision was taken under the Part II agenda, and the press and public were excluded under Section 100A of the Local Government Act 1972 (as amended), as it was likely that there would be a disclosure of exempt information as defined in Para. 3 of Part 1 of Schedule 12A to that Act. This is information relating to the financial or business affairs of a particular person (including the authority holding that information).

On 23 July 2018 the Council received a request made under the Freedom of Information Act 2000 for a copy of the Part II report submitted to the Policy Committee on 16 July 2018, and the identity of the buyer of Arthur Hill Pool. The response given was told that the report had been presented to the Committee in closed session because it contained commercially sensitive information about the number, range and detail of all bidders; the nature of the purchase was commercially confidential; and the Council would be in a position to release the identity of the purchaser when contracts were exchanged.

On 20 August 2018, the requester asked for an internal review, on the basis that the above response had not specified an exemption listed in the Freedom of Information Act. The requestor also specified public interest benefits in making the information requested available.

The review was concluded and sent on 17 September 2018. It stated that, rather than advising that the information was exempt under Schedule 12A of the Local Government Act 1972, the response to the Freedom of Information request should have said that the information was being withheld under Section 43 of the Freedom of Information Act. Section 43 permits the Council to withhold information if its disclosure would, or would be likely to, prejudice the commercial interest of any person, including the public authority holding it.

Where the Council, or any public authority, engages Section 43, it must then apply what is known as a "public interest test". This requires the Council to decide whether, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing information. The review

stated that, having taking into account the arguments for and against disclosure, to disclose the information requested at this stage would prejudice the commercial interests of the parties concerned. This is because the information requested is commercially sensitive which if released could damage the Council's position regarding the sale of Arthur Hill as the contract for sale is not yet complete. Furthermore disclosure of the information could also prejudice the buyer's commercial interests going forward.

As the original response to the Freedom of Information request had made clear that the information will be made available after completion of the contracts, the review further applied Section 22 of the Freedom of Information Act as the information relating to the identity of the buyer of Arthur Hill is intended to be released in the future once the contract has been settled.

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QUESTION NO. 5

Keith Kerr to ask the Leader of the Council:

Sale of former Central Club site

In light of Reading Borough Council's (RBC) decision to sell the Central Club site and buildings to the rapacious property speculator Redline, whose business is to find difficult town sites, gain planning permission for the site and then sell the land with planning consent on at a profit to a property developer:

- a) **Why did the RBC accept Redline's bid over Aspire's black community based bid for a site that has been associated with the black community for over 40 years, without complying with RBC legal duty under Section 149 of the Equalities Act 2010?**
- b) **Aspire made an Freedom of Information (FOI) request under the Freedom of Information Act 2000 for the documents used to assess the bids as RBC said their decision was based on best value assessment. However, to date RBC have failed to comply with the FOI request by claiming that the information is commercially sensitive. Now that the public know that Aspire had offered £850,000 for the land and the provision of a raft of services to the under-served black diaspora of Reading worth millions of pounds. What is RBC hiding by failing to release the information so that the best value can be assessed by Aspire and other hard pressed Reading Council Tax payers?**
- c) **The Central Club site is in a conservation area and plans submitted for the bid had to comply with a technical brief contained in the data room set up for the bid. It specifically states that planning consent would not be given to any building that did not comply with the technical specifications and conditions including a height restriction and sympathetic treatment of the new building in a conservation area. Why then did the RBC accept a Bid from Redline for seven floors when Aspire were told by RBC and Haslams that the maximum number of floors would be four?**

REPLY by Councillor Lovelock (Leader of the Council):

I note that you describe Redline as being a rapacious property speculator; I do not know on what basis you make this comment and I disassociate myself from your statement.

As regards your first point - The Council did make its decision in accordance with equalities legislation. I would refer you to the Equalities section within the public report which was presented to Policy Committee.

As regards your second point - ASPIRE is aware of the matrix which takes into account a number of weighted criteria in order to assess and compare the bids

received. Taking into account the total scores for each bid received Aspire's score was not the highest. While Aspire are now willing to reveal that part of their bid which relates to monetary consideration, the details of other bids remain exempt information under S.43 and will remain confidential. It was interesting that "Aspire" were not prepared to reveal details of their bid in the first round of bids and insisted that the Council maintained that confidentiality, which we did. It seems you wanted one rule to apply then, but a different one now.

As regards your third point - As set out within the matrix, the deliverability of the scheme was assessed as part of the bidding assessment process. While the Local Planning Authority has expressed a preference in relation to the height of any new building it is for each bidder to pursue their own proposals. Any planning application submitted will be considered against the Council's Local Plan policies including those related to the protection of conservation areas and will be considered by the Planning Committee in due course.

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QUESTION NO. 6

Katherine McAleer to ask the Lead Councillor for Strategic Environment, Planning and Transport:

Caversham Bus Services

On 22 January 2018 Reading Buses CEO Martijn Gilbert made a formal statement to stakeholders outlining the justification for the cuts to the Caversham Bus services, he stated:

"Whilst bus use has continued to grow across the Borough, despite being a notable part of the wider Reading Buses network and receiving the same levels of vehicle investment, information provision, promotion and ticket offers, bus use in Caversham has continued to fall year on year"

Not long after this statement a Freedom of Information Request was made to Reading Buses regarding figures for Caversham bus usage. The information was duly provided, following intervention by the Information Commissioner, by Reading Buses Finance Director Tony Pettit, currently the Interim CEO.

You can see below a summary of the statistics. These figures show Caversham loading figures which reflected the passengers carried on each service in each four week period. It shows the average number travelled per 4 week period and the total over the 12 months.

These figures do not tally with the statements about falling bus use made in January 2018 and again in the public meeting in August 2018 by Reading Buses. They show that there has in fact been an increase in passenger numbers on these services.

Would the Lead Councillor support further examination of the figures so there can be public confidence that decisions are based on accurate information?

Bus usage 22, 23, 24 and 25 bus routes	2013/4	2014/5	2015/6	2016/7	2017/8
Average passengers carried per 4 week period	125,198	129,324	128,804	130,651	131,072
Total passengers carried over 12 month period	1,394,374	1,681,202	1,674,454	1,698,470	incomplete data only 9 out of 13 periods of data provided

Caversham Loadings a summary of information provided by Reading Buses on 9 July 2108 which relate to the passengers carried in each four week period.

They cover solely the Caversham routes that have been cut in the past few months, numbers 22, 23, 24 and 25, from September 2013 to June 2018 and has been presented in the FOI response as actual bus use for the year September to

September in 13 x 4 week periods (Sept 2017 is pro-rata'd with just 9 periods provided up to 3 June 2018).

REPLY by Councillor Page (Lead Councillor for Strategic Environment, Planning and Transport):

I thank Ms McAleer for her question. I do not apologise for the length of this reply as it is important for key facts and issues to be placed in the public realm.

Unfortunately the interrogation of figures at route level is not an entirely accurate way of determining route profitability, as the number of passengers carried does not of itself prove profitability or losses.

The figures included in your question appear to show ups and downs with a generally upward trajectory. They show that passenger numbers for a 4 week period in year 2016/17 for the Caversham routes selected are 4.4% above that for 2013/14. By comparison total passengers carried on buses in the same period in Reading Borough rose by 20.9% (DfT annual figures). During the same period of time passenger numbers on Reading Borough Council's Greenwave bus services rose by 47.2%.

It is likely that cost figures for Reading Buses have risen by considerably more than 4.4% in these three years! Therefore studying the Caversham figures does show they have performed relatively poorly compared with the overall Reading Buses performance.

However, when considering whether a bus company should alter the resource level allocated to a route the real test is that of revenue taken versus costs of operation.

For English bus companies operating under the provisions of the 1985 Transport Act there is no requirement to disclose figures relating to revenue or costs as these are considered commercially sensitive. Bus companies are required to operate profitably taking revenue into account, although Councils cannot just 'subsidise' bus services - even if there were Council funds available to do so.

In these respects Reading Buses is no different to the other companies operating commercial bus services north of the river, i.e. Arriva, Thames Travel and, for a while, Carousel. All three companies have been successful in taking customers away from the Reading Buses services which local residents state they want, but paradoxically local residents are undermining Reading Buses by using these other services.

For Arriva and Thames Travel the Caversham business is entirely marginal, as they are on their way into Reading anyway. Their services tend to stay on main roads and can easily accommodate extra customers who merely get on the first bus which comes along. All of this abstraction of passengers by private companies takes revenue away from Reading Buses. This is particularly true in Caversham Heights and along Henley Road and Lower Caversham.

To give an idea of profitability of Caversham routes it would be necessary to compare passenger revenue taken with the cost of resourcing those routes. It is clear that the Caversham bus routes are highly peak period centred and, in fact, highly school term and peak centred. This means that most of the passengers are carried at times when it is most difficult to run buses - namely when there is school term Monday to Friday peak congestion. The numbers of people carried off-peak when operations are easier to manage is much lower.

As well as the high cost of bus provision for the peaks of demand, bus provision has been adversely affected by peak congestion. In an attempt to manage that situation Reading Buses has in the past added further buses to provide congestion cover, increasing costs even more.

The company has struggled to afford to add resources to this set of routes and has tried to reduce costs through targeted service reductions. The previous off peak reduction on route 22, and on routes 22 and 25 now, saves some off peak costs. The reductions in frequency on routes 23 and 24 reduce peak costs by taking out extra buses previously allocated to counter peak congestion, although extra school term buses direct to various schools are still provided.

The latest timetables show the effects of peak Caversham congestion on routes 23 and 24. I would give the following examples:

At 6.15am a number 24 bus takes 32 minutes for a circuit from Friar Street round Caversham back to Friar Street; at 7.15am it takes 42 minutes, and at 8.05am it takes 63 minutes, an increase of 97%.

For a number 23 the 6.00am trip takes 30 minutes; the 7.50am trip takes 52 minutes, an increase of 73% in running time. Clearly one bus cannot do as many trips, and the timetable cannot be as frequent, if increases in trip time such as these are needed.

If buses to and around Caversham could be provided with dedicated bus lanes and other bus priority measures, as are common in other parts of Reading, then bus services north of the river could be maintained and probably expanded.

I have for long challenged critics of Reading Buses, who live north of the river, to face up to the dilemmas described above, and offer proposals for bus priority measures that would deliver faster and reliable peak period running times. As of today no suggestions have been forthcoming.

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COUNCILLOR QUESTION NO. 1

Councillor White to ask the Leader of the Council:

Issuing Public Contracts to Companies Operating Out of Tax Havens

Recently I have been shocked to learn more details about the way banks, corporations and wealthy elites use public contracts to bypass the rules of capitalism and undermine the social contract and the post-war welfare state. I do hope that Reading Council will take part in the important national campaign to close down tax havens by stopping issuing public contracts to companies operating out of them?

REPLY by Councillor Lovelock (Leader of the Council):

Of course I agree with Cllr White that the Council should avoid dealing with companies who operate in "tax havens" and I regret that current legislation gives limited powers as described below, but also note that the Council does all it can within the law to avoid contracts with dubious connections.

As a Council, we absolutely support the closedown of tax havens but have to work within the law in terms of actions that we are able to take. The current legislation only gives very limited powers to public sector buyers to exclude bidders who are based in the EU or certain other countries party to the Government Procurement Agreement of the WTO. Our ability to exclude bidders is limited to the actual bidding organisations, including those individuals who have significant control over the bidding organisation. This ability does not extend to the parent companies, regardless of where they are located. In other words, a UK-based company ultimately owned by a company based in a tax haven, can only be excluded on the basis of the record of the UK-based company. The location (or actions) of the parent company cannot be used to exclude a UK subsidiary who have not themselves breached any of the relevant obligations.

In the context of the above and for major competitive procurements, we do ask for details of both the bidding company, the immediate parent company and the ultimate parent company, where applicable. In the vast majority of cases, the companies that bid for contracts are UK-based with a few based in other EU countries or the USA. Our finance team will then check the bidders for financial stability. The bidders are also expected to declare details of certain tax-related, and other criminal convictions which can lead to disqualification. Where we access framework agreements let by organisations such as the Crown Commercial Service or one of the large public sector buying organisations, these checks are carried out by the framework agreement operator on our behalf. Such bodies will be working

to the same qualification criteria in line with public body procurement best practice.

There is a very useful detailed briefing note available at https://fairtaxmark.net/can-ensure-tax-evaders-aggressive-tax-avoiders-not-profit-taxpayer-funded-public-procurement-contracts/#_ftn10, which refers to the current legal constraints.

I would be happy to cooperate with all Parties on the Council to lobby for a tightening up of legislation and regulations. I will ask the Head of Procurement to advise us of the best way to add Reading's voice on this issue.

It is however encouraging to note that, as far as we are aware, all of RBC's contracts go to UK or EU based companies who are not guilty of proven tax evasion. Approximately 48% of contracts on our contracts database are in fact with UK registered SMEs.

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COUNCILLOR QUESTION NO. 2

Councillor White to ask the Lead Councillor for Strategic Environment, Planning and Transport:

Drinking Fountains In Parks

A little while ago I asked if the Council would consider tackling the single use plastic bottle crisis and the resulting pollution by installing drinking water fountains in parks. Please can I be updated on progress by the Council to make this happen?

REPLY by Councillor Page (Lead Councillor for Strategic Environment, Planning and Transport):

I thank Cllr White for his question.

I answered the points made by Cllr White on this matter in January, so I will today provide an update to that original response.

Since February 2018, the re3 Partnership has widened the range of plastics sorted at the Smallmead facility. In relation to bottles used for drinking water, many of these are made of clear Polyethylene Terephthalate (PET). A year-on-year comparison shows that recycled PET has increased by 82% since the new collection arrangements commenced, and the recycling of plastics overall has increased by 44%. This is encouraging news and represents the commitment of residents, not least in Reading, to 'doing their bit' for recycling in response to the growing awareness of the impact of plastic on the environment.

The Refill scheme which offers sustainably sourced reusable coffee cups in independent coffee shops in Reading was successfully introduced at a number of coffee shops in the Borough. Sponsored by the Reading Climate Change Partnership, the scheme has so far sold 375 cups in Reading. Cups remain stocked in Reading coffee shops such as Nibsy's and the Reading Museum.

The Council, and partners Reading UK CiC, have been working with the Business Improvement District, and the Oracle shopping centre is now in the process of installing public drinking water fountains. There are also plans to roll out further locations across the Business Improvement District area in due course.

This strengthens the current situation whereby a number of Council-run sites and local businesses make drinking water available to members of the public upon request. The Council has also written to Thames Water suggesting that they install drinking water fountains in Reading, and we await a reply.

RBC will continue to work in partnership to increase the number of locations where water bottles can be refilled, and extend and encourage schemes which seek to reduce general plastic waste.

Overall, it is felt that Reading compares favourably with London (which has installed 20 public drinking water fountains across the capital) and we continue to work locally with businesses to offer the public free drinking water on request.