

POLICY COMMITTEE MEETING MINUTES - 18 DECEMBER 2024

Present: Councillor Terry (Chair);
Councillors Leng (Vice-Chair), Barnett-Ward, Ennis, Gittings, Griffith, McEwan, Rowland, R Singh, Thompson, White and Yeo

40. MINUTES

The Minutes of the meeting held on 18 November 2024 were agreed as a correct record and signed by the Chair.

41. QUESTIONS

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	When will we get more electric vehicle chargers for terraced streets?	Cllr Ennis
2.	Cllr White	Children's Support Plans in School and ADHD and Autism referrals	Cllr McEwan
3.	Cllr Thompson	Loss of Free Half-Hour Parking in Tilehurst	Cllr Ennis
4.	Cllr White	Shinfield Road cycle lane remains unfinished and dangerous	Cllr Ennis

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

42. BRIGHTER FUTURES FOR CHILDREN LIMITED CONTRACT REVIEW

The Committee considered a report setting out a review of the performance of Brighter Futures for Children Limited (BFfC) in delivering Children's Services and an assessment of future options. Attached to the report at Appendix 1 was a report from CIPFA on the Assessment of Options for Children's Services and at Appendix 2 a Statement of Support from the BFfC Board.

The report noted that, under the direction of the Secretary of State, the Council had established BFfC on 1 December 2018 as a company limited by guarantee to deliver Children's Services (Social Care and Education) through a seven-year service contract which had come into effect on 30 November 2018 and would expire on 1 April 2026. The contract stipulated that BFfC be given notice of the future for the contract by 31 March 2025 and that a review of the performance of the contract be carried out to inform the Council's decision.

The report explained that a review of the performance of the contract had been overseen by the Contract Management Group, who managed the BFfC contract on behalf of the Council, and including officers from both the Council and BFfC. The Chartered Institute of Public Finance and Accountancy (CIPFA) had been engaged as an independent consultant to validate the review of performance and to carry out an Assessment of Options for future

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delivery of Children's Services. The report produced by CIPFA, which was attached to the report at Appendix 1, set out four options of which two were considered to be viable: Option 1 was for renewal of the contract with BFfC for continuing delivery as a local authority-controlled company, with a review of governance arrangements, and Option 2 was to not renew the contract with BFfC and to bring delivery back in house to be managed by the Council, supported by an Improvement Board. The report summarised the advantages and disadvantages, required transition activities and associated costs of the two options.

The report explained that CIPFA's recommendation was that delivery of Children's Services be brought back in house (Option 2) on the basis that it provided the Council with better direct control of Children's Services, removed a layer of governance and so increased visibility of Service performance likely leading to 'more agile decision making' and removing duplication in reporting, removed the pressure on Council services of maintaining Service Level Agreements, and improved integration and synergy with other Council services, joining up decision-making, innovation and improvement. CIPFA had noted that the current delivery model was no longer 'the norm' and recognised the 'increased maturity' of both the Council and Children's Services in 2024, compared to 2018, which meant that Reading was in a good position to take Children's Services back in house.

The report explained that the BFfC Board had considered CIPFA's report at their meeting on 26 September 2024 and had provided a statement accepting and supporting the recommended option, which was attached to the report at Appendix 2. The Statement also reflected that alternative delivery models for Children's Services had become less popular in recent years and were now very rarely the preferred option in response to statutory intervention. The Board had noted that the implementation of any option would need to be managed in a way that maintained and supported the continuous improvement in the full breadth of services currently delivered by Brighter Futures for Children, maintained stability of service, managed key risks, was communicated effectively, and expedited the process as quickly as possible.

The report noted that bringing the service back in house did not in itself guarantee the delivery of the Council's aspirations for Children's Services. The Company currently had a significant transformation plan in place to address cost pressures and better manage demand, as well as an action plan in place to address the issues identified by the latest Ofsted inspection of Children's Services. It was therefore recommended to establish an independently chaired Improvement Board to provide scrutiny and informed input to ensure effective delivery of these plans.

Resolved –

That the following be recommended to Council:

- a) **That the contract with Brighter Futures for Children Ltd (BFfC) to deliver Children's Services not be extended beyond 31 March 2026 when it was due to end;**

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- b) That by 1 April 2026, services currently provided by BFfC, including all remaining support services, be brought in house to be delivered directly by the Council;
- c) That the Executive Director of Resources, in consultation with the Leader of the Council, the Lead Councillors for Children and Education, the relevant statutory officers and Chair of the Board, be authorised to:
 - i. Transfer all staff from BFfC to the Council;
 - ii. Remove the secure designated pension arrangements between BFfC, the Council and the Pension Fund;
 - iii. Novate all BFfC contracts to the Council;
 - iv. Take all steps legally required to close the BFfC Company;
 - v. Make any changes required to the Terms of References for Committees to reflect the change of delivery model and remove reference to the Company and contract within the Lead Councillor portfolios;
 - vi. Make any other necessary amendments to the Council's Constitution and Scheme of Officer Delegation to reflect the changes of the delivery model;
- d) That the Executive Director of Economic Growth and Neighbourhood Services, in consultation with the Leader of the Council, the Lead Councillor for Children, the Lead Councillor for Education and Public Health and the Chair of the BFfC Board, be authorised to transfer all property held by BFfC under lease arrangements back to the Council and arrange for the leases to be surrendered;
- e) That the Executive Director of Children's Services, in consultation with the Leader of the Council, the Lead Councillor for Children and the Lead Councillor for Education and Public Health, be authorised to:
 - i. Close the Independent Fostering Agency and transition this to a Local Authority Fostering Service
 - ii. Make all relevant changes to all Ofsted registrations
- f) That the Chief Executive, in conjunction with the Chair of the BFfC Board and in consultation with the Leader of the Council, Assistant Director of Legal and Democratic Services and Executive Director of Children's Services, set up an independently chaired Improvement Board including developing its Terms of Reference for noting at Council;
- g) That the Assistant Director of Legal and Democratic Services be authorised to execute all legal documents that were necessary to give effect to the above resolutions;
- h) That the cost of transition be funded from earmarked reserves.

43. DRAFT TOWN CENTRE PUBLIC REALM STRATEGY

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The Committee considered a report recommending that consultation be undertaken on a Draft Town Centre Public Realm Strategy Supplementary Planning Document (SPD) to provide detailed policy and guidance to improve the quality of the public realm throughout central Reading and to supplement the Local Plan in making decisions on planning applications in the town centre. An Equality Impact Assessment was attached to the report at Appendix 1 and the Draft Town Centre Public Realm Strategy SPD attached to the report at Appendix 2.

The report noted that there was currently no single detailed document that guided the quality of public realm in the centre. Many of the key development sites that would deliver growth in the town centre were currently at planning application or pre-application stage, or were expected to be soon, and there was considered to be a lack of more specific guidance to ensure that all improvements were working to an agreed framework for where and how the public realm was to be improved. Without a full strategy, there was a likelihood that decisions that affected the public realm would be made on an ad hoc basis, undermining the character and cohesiveness of central Reading. The Council's Local Development Scheme, the most recent version of which had been approved by Strategic Environment, Planning and Transport Committee at its meeting on 27 June 2024 (Minute 5 refers), included production of a Town Centre Public Realm Strategy SPD to provide detailed policy and guidance to improve the quality of the public realm throughout central Reading.

The report explained that the guidance document was proposed to have SPD status in order that it could be used to inform planning decisions relating to developments that would affect the public realm. However, it was also intended to have a much wider purpose in guiding all interventions in the town centre public realm, whether or not planning permission was required, and including the Council's own works in the public realm outside the development process, to ensure that streets and spaces achieved a consistent quality across the town centre. The Strategy had been prepared with input from all relevant sections of the Council.

The report summarised the content of the Strategy which included an audit of the existing public realm and pedestrian and cycle movement in the town centre, an overall pedestrian and cycle movement framework, including defining a typology of streets and spaces, a design manual for various features of the public realm, and more detailed public realm proposals for five particularly significant streets and spaces, including illustrative proposals.

The report explained that consultation would be undertaken between November 2024 and January 2025, and the results of the consultation reported to a future meeting of the Policy Committee or Strategic Environment, Planning and Transport Committee when the SPD was considered for adoption.

Resolved -

- (1) That the Draft Town Centre Public Realm Strategy SPD, as attached to the report at Appendix 2, be approved for consultation;**
- (2) That the Assistant Director of Planning, Transport and Public Protection be authorised to make any minor amendments necessary to the SPD that**

did not alter the policy direction, in consultation with the Lead Councillor for Planning and Assets, prior to consultation.

44. CONSULTATION ON DRAFT STATEMENT OF COMMUNITY INVOLVEMENT

The Committee considered a report recommending consultation on a Draft Statement of Community Involvement (SCI), a document setting out how consultation would be undertaken on planning policy documents as well as other planning matters. An Equality Impact Assessment was attached to the report at Appendix 1 and the draft SCI attached at Appendix 2.

The report noted that the existing SCI had been adopted in 2014 and updates were now required, in particular to comply with the law around neighbourhood plan making. It was a statutory requirement to adopt an SCI and that it be reviewed within five yearly intervals, and a review of the SCI's content had been carried out and reported to Council on 15 October 2024 as part of a report on the Local Plan Partial Update (Minute 22 refers). This review had found that the SCI was up to date other than the elements that related to neighbourhood planning. Council had therefore decided that the Statement of Community Involvement (adopted 2014) be the basis for carrying out consultation on the Local Plan Partial Update, although the report had noted that an update in terms of neighbourhood planning should be progressed when resources allowed.

An updated draft SCI was attached to the report at Appendix 2 and the report explained that there were minor updates throughout but that the substantive changes were solely in relation to neighbourhood planning. It was a statutory requirement for the SCI to set out how the Council would support neighbourhood planning and neighbourhood development orders, irrespective of whether there were bodies that were constituted to carry out such functions. There were no such bodies in Reading at present. These functions were most frequently carried out by parish or town councils, but there were routes to establishing a neighbourhood forum that could potentially be used in Reading during the lifetime of the SCI, so it was necessary for the SCI to deal with this matter. A six-week period of consultation on the draft SCI was expected to begin in January 2025.

Resolved -

- (1) That the Draft Statement of Community Involvement, as set out at Appendix 2 to the report, be published for consultation;**
- (2) That the Assistant Director for Planning, Transport and Public Protection, in consultation with the Lead Councillor for Planning and Assets, be authorised to make any minor amendments necessary to the Draft Statement of Community Involvement prior to consultation that did not alter the overall approach.**

45. 2024/25 QUARTER 2 PERFORMANCE AND MONITORING REPORT

The Committee considered a report setting out the projected revenue and capital outturn positions for 2024/25 for the General Fund and the Housing Revenue Account (HRA) as at

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the end of Quarter 2 and the performance against the measures of success set out in the Council's Corporate Plan. The following documents were attached to the report:

- Summary of the General Fund Budget and Forecast 2024/25
- Recovery Plan Quarter 2
- Savings Tracker Quarter 2
- General Fund Capital Programme
- Housing Revenue Account (HRA) Capital Programme
- Corporate Plan Performance Measures Quarter 2
- Corporate Plan Projects Quarter 2
- Debt Write-offs (exempt information)

The report explained that the overall forecast adverse net variance as at the end of Quarter 2 was £9.620m, which was an increase of £4.633m from Quarter 1. The movement almost entirely related to an increase in the variance forecast by Brighter Futures for Children where the adverse net variance had increased by £3.150m, and a newly reported adverse net variance of £1.380m within Adult Social Care Operations. The report summarised the current main financial pressures in the areas of Adult Social Care Operations, Homelessness, Planning, Transport & Public Protection, Children's Social Care and Corporate Budgets.

At Quarter 1 the Recovery Plan had initially set out a target of deliverable mitigations totalling £8.081m, a further £0.499m of recently approved actions had been included as at Quarter 2, bringing the total target Recovery Plan to £8.580m. As at Quarter 2, the forecast delivery against this total was £8.495m. With regards to savings included in the current year's budget, the Quarter 2 forecast was that £0.044m (1%) of savings had been delivered already, £4.114m (55%) of savings were on track to be delivered by March 2025, £0.845m (11%) of savings were currently categorised as non-deliverable (red) and £2.435m (33%) categorised as at risk of delivery (amber). There was no Corporate Contingency to mitigate against undelivered savings as it had been removed as part of the 2024/25 budget setting process, and it was therefore critical that all savings were delivered. The Savings Tracker listing progress against each individual saving was attached to the report at Appendix 3.

The General Fund Capital Programme was set out in Appendix 4, and the report explained that the original 2024/25 budget of £95.232m had been revised to £96.905m following approved adjustments as part of the subsequent Performance and Monitoring reports reported to the Committee. Approval was requested for further adjustments, summarised in the report and set out in detail in Appendix 4, that would result in a revised approved budget of £72.760m for 2024/25. Against this revised budget the current forecast was a positive net variance of £0.451m, which incorporated a £0.453m positive variance for the Delivery Fund slightly offset by a £0.002m adverse variance on the Hexagon replacement of PA System scheme.

The report explained that the approved HRA budget had assumed a drawdown from HRA reserves of £2.582m. At Quarter 2, the forecast revenue outturn position on the HRA was an adverse net variance to budget of £0.039m, and therefore a drawdown from the HRA Reserve was forecast of £2.621m rather than the originally budgeted £2.582m drawdown from reserves. The HRA Capital Programme, which was set out at Appendix 5, had originally had a budget of £47.760m which had since been revised to £45.284m following approved

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adjustments as part of the Performance and Monitoring reports reported to the Committee. The report sought approval for further adjustments, set out in detail in Appendix 5, that would result in a revised budget of £27.335m for 2024/25. At Quarter 2, the HRA Capital Programme was forecast to spend to budget against the proposed revised budget of £27.335m.

The report also set out performance against the measures of success published in the Council's Corporate Plan. Of the 23 Corporate Plan Performance Measures monitored monthly or quarterly, 26% were currently at or above target (green), 26% were within 30% of the target (amber) and 44% were 10% or more off target (red). Of the 46 Corporate Plan Projects, 68% were either on track (green) or complete (blue). The full list of Performance Measures was attached to the report at Appendix 6 and Projects at Appendix 7.

Resolved –

- (1) That the following be noted:**
 - a) The forecast General Fund revenue outturn position for Quarter 2 of an adverse net variance of £9.620m as set out in Appendix 1;**
 - b) The revised forecast delivery of £8.495m against the revised Recovery Plan target of £8.580m as set out in Section 4 and in detail in Appendix 2;**
 - c) That £0.044m (1%) of savings had been delivered (blue), £4.144m (55%) of savings were on track to be delivered (green) by March 2025, £0.845m (11%) of savings were currently categorised as non-deliverable (red) and £2.435m (33%) categorised as at risk of delivery (amber), as set out in Appendix 3;**
 - d) The forecast positive net variance of £0.451m against the proposed revised General Fund Capital Programme budget of £72.760m, as set out in Appendix 4;**
 - e) The total of £3.144m Delivery Fund available for 2024/25 (inclusive of 2023/24 approved carry forwards) and the allocation of £3.098m to approved schemes at Quarter 2;**
 - f) The projected adverse net variance of £0.039m for the Housing Revenue Account (HRA) as at the end of Quarter 2, which resulted in a forecast drawdown from HRA reserves of £2.621m rather than the originally budgeted £2.582m;**
 - g) That the HRA Capital Programme was forecasting to spend to budget against the proposed revised budget of £27.335m (Appendix 5);**
 - h) The performance achieved against the Corporate Plan success measures as set out in Section 13 of this report and Appendices 6 and 7;**

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- (2) That the write-off of debts be approved, as set out in Section 7 and Appendix 8 relating to:
 - a) Non-Domestic Rates - £569,333.49;**
 - b) Housing Benefit Overpayments - £230,692.48;**
 - c) Adult Social Care - £56,957.01;****
- (3) That the proposed amendments to the General Fund Capital Programme (as set out in Section 9 of this report and Appendix 4), which would result in a revised Capital Programme budget of £72.760m for 2024/25, £70.979m for 2025/26 and £21.435m for 2026/27, be approved;**
- (4) That Scheme and spend approval be given for the fully grant funded Zero Emission Bus Regional Areas (ZEBRA) grant to be passported to Reading Transport Limited (RTL) scheme (as set out in Section 9 of the report and Appendix 4);**
- (5) That Scheme and spend approval be given for the fully grant funded Active Travel Trance 4 extension scheme (as set out in Section 9 of the report and Appendix 4);**
- (6) That Scheme and spend approval be given for the Provision of the additional Children's Homes capital scheme (as set out in Section 9 of this report and Appendix 4) noting that the scheme had been brought forward to Committee for approval due to the urgent nature of the spend, which would enable revenue savings to be achieved;**
- (7) That Spend approval be given for the Maintenance & Enhancement of Council Properties scheme within the Capital Programme as set out in Section 9;**
- (8) That the proposed amendments to the HRA Capital Programme (as set out in Section 12 of the report and Appendix 5), which would result in a revised Capital Programme budget of £27.335m for 2024/25, £60.172m for 2025/26 and £16.687m for 2026/27, be approved.**

46. MEDIUM TERM FINANCIAL STRATEGY 2025/26-2027/28 UPDATE

The Committee considered a report providing an update on the development of the Council's Medium Term Financial Strategy (MTFS) 2025/26-2027/28. The following documents were attached to the report:

- Summary of the Proposed General Fund Budget 2025/26 to 2027/28
- Summary of General Fund Budget Changes 2025/26 to 2027/28
- Summary of HRA Budget 2025/26 to 2027/28
- General Fund Capital Programme 2025/26 to 2027/28
- HRA Capital Programme 2025/26 to 2027/28

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The report noted that the Council remained financially stable, but that the impact of increasing demand for council services, combined with the increasing cost of meeting that demand, meant that financial stability could not be guaranteed over the three years of the MTFS. The 2024/25 Quarter 2 Performance & Monitoring report (Minute 45 above refers) had forecast an adverse net variance of £9.620m, despite additional in-year savings of £8.580m having been identified in response to pressures identified at Quarter 1. The report set out a range of measures in place to mitigate the pressures and listed task & finish groups that had been created to drive delivery of key projects to mitigate future demand and costs.

The report explained that the updated MTFS included the Council's current working assumptions following the announcements made by Central Government in the Autumn Budget (30 October 2024) and Local Government Finance Policy Statement (28 November 2024). These assumptions would need to be reviewed once the Provisional Local Government Finance Settlement had been published. The report summarised key planning assumptions relating to Adult Social Care, Brighter Futures for Children, Homelessness, Housing Benefit, Pay Inflation, Capital Financing, Council Tax, New Homes Bonus and Extended Producer Responsibility.

The report also set out the full year implications of the budget pressures identified in the Quarter 2 report which had been considered and factored into the MTFS assumptions. The net impact of the changes resulted in a current estimated budget gap for 2025/26 of £6.414m, increasing to £15.560m for 2027/28. There was a significant budget gap across the three years of the MTFS and the Council therefore needed to consider implementing additional savings in a range of areas which were listed in the report. A public consultation on the MTFS Update, including where future savings would best be focused, would be launched on 19 December 2024 and conclude on 16 January 2025. Following the consultation, and the announcement of the Provisional Local Government Finance Settlement, a further report would be submitted to the Committee on 17 February 2025 and the Council meeting on 25 February 2025 in order to approve the budget and associated Council Tax level for 2025/26.

Resolved –

That the Committee note the Medium Term Financial Strategy update as set out in the report and the associated appendices, including:

- a) The Council's General Fund Budget Requirement of £184.586m for 2025/26 and an assumed increase in the band D Council Tax for the Council of 2.99% plus an additional 2.00% Adult Social Care precept, or £100.64 per annum representing a band D Council Tax of £2,117.52 per annum;**
- b) The current forecast budget gap of £6.414m for 2025/26 which would need to be addressed in order to present a balanced budget to Council in February 2025;**
- c) The proposed savings and efficiencies of £5.032m and £5.391m of additional income already included within the current gap position for 2025/26 as shown in Appendix 2;**
- d) The overall savings currently proposed within the MTFS of £11.153m (£8.430m savings and efficiencies and £2.723m additional income);**

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- e) The Housing Revenue Account budget for 2025/26 to 2027/28 as set out in Appendix 3, which included an assumed increase in social dwelling rents of 2.7% for 2025/26;
- f) The General Fund and Housing Revenue Account Capital Programmes as set out in Appendices 4 and 5 respectively.

47. 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 48 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.

48. MICROSOFT LICENCE ENTERPRISE AGREEMENT

The Committee considered a report on the award of an enterprise purchasing agreement for the Council's Microsoft Licensing suite.

The report explained that the Council purchased various Microsoft licences which were listed in a table attached to the report at Annex 1. Microsoft did not directly sell licences to local authorities in the UK but instead used trusted partners and approved vendors, selling the licences for the same cost across all said selected vendors. The Council's current vendor was Trustmarque Ltd and it was recommended that Trustmarque continue to supply the Council with these licences. The current contract expired on 1 January 2025 and the report sought authority to make a direct award of a 36-month enterprise purchasing agreement for the Council's Microsoft Licensing suite and any subsequent modifications or variations required during its lifetime to ensure its ongoing utility.

Resolved –

That the Executive Director of Resources, in consultation with the Lead Councillor for Corporate Services and Resources, and the Assistant Director of Digital & IT, be authorised to make a direct award of a 36-month enterprise purchasing agreement for the Council's Microsoft Licensing suite and any subsequent modifications or variations required during its lifetime to ensure its ongoing utility.

(The meeting started at 6.30 pm and closed at 8.38 pm)