

AGENDA ITEM 5

QUESTIONS FROM MEMBERS OF THE PUBLIC

1. Glenn Dennis to ask the Lead Councillor for Housing:
Unoccupied Residential Properties

Could the Lead Councillor please tell me the number of residential properties that have been unoccupied in Reading for more than two years ?

Could he outline what steps are being taken to bring these properties back into use ?

REPLY by Councillor Ennis Lead Councillor for Housing.

The 2018 data shows there are 387 long term empty properties within the Borough. These are properties that are empty for 6 months or more. There has been an annual reduction in the number of empty properties for example there were 502 empty properties in 2017 and 575 in 2016.

Officers have benchmarked against 12 other Local Authorities and other than Reading only one other Authority has seen an in year reduction.

Unlike many Council's, Reading does not initially seek to tackle empty homes by using enforcement powers, but seek to find a solution with the owner based on why the home became empty in the first place. A person centred approach places the owner at the centre of decision making so that they can make more timely and informed decisions. In turn their improved capacity to act helps to reduce the need for the Council to resort to more costly enforcement approaches such as empty dwelling management orders, enforced sales or compulsory purchase orders.

The Empty Homes Strategy has the annual target of at least 20 'high priority' long- term empty homes bought back into use per annum (defined as those in a strategic location e.g. on a gateway route into Reading, or an area of significant deprivation in the Town Centre; engagement with the owner; management standards; impact upon neighbouring properties).

This target is a reflection of the complexity and labour intensity of working with owners who are often hard to trace, difficult to engage, vulnerable or just obstructive. Further these properties will generally have complex legal and financial stories behind them. In the financial year 2017-18 a total of 29 high priority long term empty homes were bought back to use.

There is no statutory duty to have an Empty Homes Strategy or devote resources to tackle empty homes however the Council recognises the importance of this and is committed to tackling long term empty homes in the Borough given that housing remains a scarce and valuable resource.

2. Richard Stainthorp to ask the Lead Councillor for Strategic Environment, Planning and Transport:
Station Hill

Can I ask the Lead Councillor for Strategic Environment, Planning and Transport what, if anything, is happening at Station Hill following the change of ownership a year ago ? Will we ever see the remainder of the Station Hill area redeveloped ?

REPLY by Councillor Page Lead Councillor for Strategic Environment, Planning and Transport.

I thank Mr Stainthorp for his question.

The Station Hill site was purchased by Lincoln MGT in June 2018. Lincoln MGT are an established commercial and residential developer, predominantly in the United States and Europe.

Over the past year or so, officers have been in extensive confidential pre-application discussions with Lincoln as to how to take forward or adjust the original Station Hill 3 (SH3) redevelopment proposals. Colleagues may recall this subsequently also included the incorporation of the land known as Telecom House, to the west of the former Friars Walk Shopping Centre.

SH3 was implemented insofar as partial demolition has taken place and the temporary public park has been provided. The amphitheatre/steps/landscaping area forms part of the SH3 masterplan but was actually undertaken, with the previous owner's agreement and guidance, by the then owner and developer of Thames Tower.

For reasons of confidentiality and commercial sensitivity, officers and members are not able to comment on the emerging proposals, nor as to when any planning application(s) is/are likely to be submitted.

However, members should be aware of two recent consents under the Prior Approval system to demolish the NCP car park on Garrard Street and the former Friars Walk Shopping Centre itself (the link bridge over Garrard Street having been removed some years ago by the previous owner/developer).

These approvals are subject to strict conditions on vehicle movements, hours of works, ecology, site hoarding, etc. to ensure a satisfactory methodology for the removal of the buildings/structures.

These prior approvals allow important preparatory works to begin which I hope will signal the start of the site's regeneration and improvement.

3. Peter Burt to ask the following question on behalf of Roger Lightfoot to the Lead Councillor for Health, Wellbeing and Sport:
Arthur Hill and Central Swimming Pools

Reading Borough Council first proposed building replacement swimming pools for Arthur Hill and Central Pool in 2003. A Leisure Project Timeline was published in 2016 - two years or so ago - stating that new pools would open in January 2020. Any amount of research must have been done on this matter by now. You have told us that, because of delays in the leisure outsourcing programme, opening of the new pools will now not take place until mid 2021 at best. What, in detail, has happened between the confident assertions in 2016 and the situation we are in now, two years later, to derail this project ?

REPLY by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr Lightfoot. As I'm sure you are aware we have responded on a number of occasions to similar questions from both yourself and Peter Burt with regard to the timetable for the leisure procurement - I would refer you to the responses given at full

Council on the 23rd January 2018, full Council on the 26th June 2018, Policy Committee on the 26th October 2018 and full Council on the 22nd January this year.

To reiterate, as we have always said, this is a complex procurement process and a major construction project so whilst we seek to be open and transparent about the timetable we are aiming to achieve it is not one we could ever guarantee. Far from being ‘derailed, and as I set out in my response to your question at Council last month, there is a very clear route map to the awarding of a contract in September of this year.

I’m sure you will also be aware that the Council is proposing to allocate £30.5m within its capital programme to invest in new and improved council owned leisure facilities, including a new competition pool at Rivermead and a new pool at Palmer Park Stadium. I would hope that you welcome this investment and the commitment of the Council to dramatically improve the quality of leisure facilities across the Borough.

4. Peter Burt to ask the Leader of the Council:

Consultancy Fees

By my reckoning Reading Borough Council has over recent months spent approaching £500,000 on auditors fees to sort out the Council’s accounting mess, over £800,000 on the abortive East Reading Mass Rapid Transit scheme, a further £170,000 on consultancy fees for the leisure outsourcing process, and over £1 million in legal fees for the equal pay claim case the Council is contesting. Please correct these figures if you disagree with them.

I calculate this as a total of around £2.5 million of Council Taxpayers money spent with nothing tangible to show for it as a result of poor decision making by the Council. This is at a time when Labour Councillors frequently, and with good reason, complain about the financial difficulties local authorities are facing as a result of government cuts.

Please can you tell me what steps you and the Lead Councillors will be taking over the next municipal year to cap and reduce the amount of money being spent on consultancy fees, and what steps you will be taking to improve Council decision-making and spend money on services and proposals which have the support of local residents.

REPLY by Councillor Lovelock Leader of the Council.

Thank you for your question Mr Burt. Firstly, I would point out that the audit fee is not a consultancy cost, the auditor’s fee rates are agreed nationally. However, I would further point out that it is entirely usual for Councils to incur consultancy fees in progressing complex schemes or issues. As a general rule this is a far better route to value for money than overstaffing with permanent highly skilled and expensive employees to cover time limited specific pieces of work.

The examples you cite are very different, each underpinned by a specific set of, very often, complex circumstances.

Firstly, and, as I’m sure you’re aware, equal pay claims are a national issue affecting very many Councils. I would also like to make it clear, as many people misunderstand this issue, that we are not talking about equal pay for the same job, which was dealt with many decades ago. The recent claims have been about comparing entirely different jobs which needed to be assessed to decide whether they merited the same pay. For example, should a care worker’s job be rated the same as a tractor driver? Reading had a large number of comparators because we have kept most of our services in-house. There was also a “no-win - no fee”

lawyer who targeted women in many local authorities and who submitted some genuine claims and a number of claims that proved to be invalid. In this context, and given the very large amounts of money involved, the Council spending on expert legal advice was needed to protect the public purse whilst also seeking to provide a fair outcome for employees. As I have often said, this took longer than anyone would have liked, but without that expert legal advice we might still be seeking to establish how much each individual was due.

With regard to the East Reading MRT scheme there have been some abortive costs, such as the planning fees charged for each of the two planning applications. However, the bulk of the costs will not have been wasted as the preparatory work undertaken included assessing a wide range of alternatives, the details of which were all published, and will feature in the forthcoming transport consultation prior to the publication of the Council's Local Transport Plan 4. Tackling poor air quality, caused by considerable traffic congestion, remains a priority for this Council.

The spending on the leisure procurement is proceeding. As you know, the council is currently having a dialogue with potential providers and decisions will be made later this year on how best to ensure that new Leisure facilities, including two new pools, are built.

With regard to the cost of the current audit, I can assure you that councillors, especially those who have been or are members of the Audit and Governance Committee, feel badly let down by the previous auditors who signed off the accounts year after year with very few issues. When the current auditors took over it became clear that there were discrepancies which should have been dealt with under the previous company. As a result of this a new staffing structure has been put in place to work with the auditors to ensure that the accounting systems are robust. So, yes, we have been clear that this has cost extra, but is necessary to ensure that the improvements are embedded in the financial systems in the future.

The amount spent on consultancy fees depends on the schemes and issues we are managing at any one time and skills and capacity required to manage them. As a responsible employer and learning organisation the Council actively seeks to improve its processes and procedures and invests in the development and training of its staff. However, it would be inappropriate to impose an arbitrary cap that adversely impacted on delivery of projects and hampered the Council's ability to best meet needs and priorities.

**5. Peter Burt to ask the Lead Councillor for Health, Wellbeing and Sport:
Sport and Leisure Service**

The Lead Councillor for Health, Wellbeing, and Sport has on several occasions, in answering my questions at these meetings, assured me that there will be consultation with members of the public and users of Reading's sport and leisure centres over the arrangements for contracting out the sport and leisure service.

So far I have yet to meet any sports club representative or anyone else who has been invited by the Council to give their views on this matter.

What public consultation will there be on the proposed terms of the contract before it is awarded, and when will this consultation take place ?

REPLY by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr Burt. Firstly, and to be very clear, I have never indicated that there would be public consultation on 'the proposed terms of the contract. What I have said is that we would consult on what people want their leisure facilities to deliver. To this end the Council has already consulted with a number of key user groups on their requirements, including swimming and diving clubs. The responses from these user groups and clubs have been included in the documentation sent to leisure operators who are engaged in the procurement process to inform their development of proposals.

In addition we will be consulting the public on what they value with regard to leisure provision and the outcomes that they would wish to see delivered - which could range, for example, from accessible facilities close by to opportunities to socialise and participate in group sessions, to exercise referral schemes to assist with health and well-being.

We are currently drawing up the details of this extensive consultation but I anticipate this will take place over the next couple of months and it will help inform the final specification against which the leisure operator's performance will be monitored as well as informing our strategies to increase participation and enhance well-being.

**6. Colin Lee to ask the Lead Councillor for Health, Wellbeing and Sport:
Reading Sport and Leisure**

Last month Reading Borough Council announced that it intends to hand over a sweetener of £30 million to the winning bidder for the contract to privatise Reading Sport and Leisure.

Please can you tell me:

- (a) How was this figure calculated and what will the contractor be expected to provide in return for this money ?
- (b) Where will the money come from - for example, loans, Community Infrastructure Levy income, sale of assets, and/or Council Tax income ? Please provide a breakdown for the sources for this money.
- (c) How will payments be phased to the contractor ?
- (d) What safeguards will be put in place to ensure this money is spent in accordance with the contractor's agreement with the Council ?

REPLY by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr. Lee.

Firstly, I would like to say that the Council is extremely pleased to be able to announce proposals for significant investment in improving the town's leisure facilities. This investment is into Council assets for the benefit of residents and most definitely is not a 'sweetener' for the leisure operator that is in the process of being procured. In response to your specific queries:

- (a) The level of investment is an informed estimate of the capital investment likely to be required for delivering new and improving existing facilities. This will include a new competition pool at Rivermead, a new pool at Palmer Park and enhancement of facilities at South Reading and Meadway. Detailed capital investment proposals will be developed by operators to meet the Council's requirements. The successful bidder will then be contractually obliged to deliver as per the successful tender.

- (b) The money will be a mix of prudential borrowing, an anticipated capital grant from Sport England and the value of capital receipts secured for the sale of sites at the former Arthur Hill and Central Pool sites. Exact amounts are yet to be determined but the majority, circa £25m, is expected to be prudential borrowing the cost of which will be offset by the payment of a management fee from the operator to the Council.
- (c) As with any capital scheme, stage payments will be based on capital works completed and signed off by a qualified Quantity Surveyor. Also as is common practice the Council will hold a 5% retention on completion to cover a 12 month 'snagging' period.
- (d) And with regard to your last point, and as stated above, how the money is spent will be a contractual obligation on both parties.

7. Colin Lee to ask the Lead Councillor for Health, Wellbeing and Sport:
Sport and Leisure Contract

Given the poor performance of the twenty five year contract which the Council has with RE3 for recycling and waste disposal, many users of the Council's leisure service are worried that the Council is about to repeat the mistakes of the past in entering into another long term contract to disadvantage of the Council for the provision of leisure services.

How many years is the sport and leisure contract expected to be awarded for ?

What indicators will be used to assess contractor performance, and will there be a break point in the contract ?

REPLY by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr Lee. Firstly, I do not recognise the characterisation of the re3 Contract you have quoted as having poor performance.

During the life of the re3 contract it has received and managed well in excess of two million tonnes of waste from residents. Over that time our reliance on landfill, the least environmentally acceptable form of waste management, has been driven down from 61% to 11% in the last full year of records (2017/18). At the same time the re3 recycling rate has increased from 24% to just over 35%. The re3 facilities receive over 800,000 visits every year and, each September, user satisfaction is independently tested. In 2018 the survey found that:

- 98% of those surveyed found that that the service overall was good or very good.

The re3 contract has proven flexible when the re3 councils have been called-on to change and the scale and length of the re3 contract has also been advantageous as they have sought to address factors such as austerity and market challenges such the ban by China on imports of some recyclables.

Turning to the plans for leisure we anticipate securing similar benefits from a partnership with our leisure provider over a long-term contract. In the case of leisure the proposed contract length is 25 years which helps us to ensure that we can invest significantly in the quality of our leisure facilities in a way that is affordable and delivers the best outcomes for residents. Of course, and as your question implies, this also requires rigorous contract monitoring and performance standards and in this regard the contract is utilising the 'best practice' template developed and endorsed by Sport England and the sector more widely. Whilst the range of performance measures are too great to repeat here, they range from

standards of cleanliness to overall participation rates and wider employment and well-being impacts - the template contract and the framework for the approach to performance and payments can be accessed by anyone via the Sport England website. In this context there are clear penalties for poor performance and provisions for termination in the unlikely event that this is deemed to be necessary.

**8. Colin Lee to ask the Lead Councillor for Health, Wellbeing and Sport:
Rivermead - Externalised Management Contract**

Please can you detail the costs of early termination of the externalised management contract for Rivermead in order to progress your privatisation plans for Reading Sports and leisure; I understand notice has already been served ?

REPLY by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr Lee and, in short, no I cannot detail the costs of early termination of the current contract with GLL for operating Rivermead as these will not be fully determined until the start date of the new contract is confirmed. What I can say is that the negotiation was based on the well accepted principle that GLL should be in a 'no worse or no better' financial position than they would have been had the contract run to its completion date. In this respect I would emphasise that GLL have voluntarily entered into an agreement in order to enable the inclusion of all the Council owned leisure centres in the current procurement exercise. This unification of management across the Council's facilities will provide much more flexible access to all leisure facilities for residents and other users. One Sport and Leisure service covering the whole town is something residents have been telling us they want to see. This complex early termination arrangement allows this to happen.

**9. John Hoggett to ask the Leader of the Council:
Fees & Charges**

The UK inflation rate since 2012 has been consistently below 3% and is currently standing at 2% (1). In the Proposed Fees and Charges from 1st April 2019 - Directorate of Resources (2) the majority of proposed increases in fees and charges are above the UK inflation rate. For example:

BEREAVEMENT SERVICES Reading Crematorium Cremation

Fee Cremation of the remains of: A person aged 18 years and over (includes strewing of cremated remains or the provision of a container and medical referee's fee). Including Environmental Levy 30min service, 45 min time slot. Increase of £20, 3.36%.

Memorial vase and tablet: Purchase of vase and tablet: increase of £13.20, 5.24%

Memorial Tree: Provision of Tree, Surround and stem plaque: increase £23.00, 5.17%

Burials (d) Cremated remains in an existing grave or a cremated remains plot: increase £6, 4.65%.

REGISTRATION SERVICE

Citizenship Ceremonies: Individual Citizenship Ceremony at Yeomanry House (up to max of 30 people): £6.00 increase, 5.66%.

PARKS

Allotments: Site Category A Standard: £3.68 increase in charge, 50.00%.

How can Reading Borough Council consider increases in Charges and Fees that are more, and in some cases, double the inflation rate

(1)<https://www.statista.com/statistics/270384/inflation-rate-in-the-united-kingdom/>

(2)<https://democracy.reading.gov.uk/documents/s2372/Appendix%20%20-%20Fees%20and%20Charges%20Schedule%20April%202019.pdf?fbclid=IwAR27ghowhECrxsnLug4G-mJvLPme5QNgZebhIG1L-HDp72LwXDcc8cbKmK4>

REPLY by Councillor Lovelock Leader of the Council.

There are a number of measures of inflation and whilst the official measure of consumer inflation, CPI has averaged 1.7% annually over the period 2012-2019, the other measure RPI has averaged 2.6%. It is the case that many of the Councils bought in goods and services are based upon RPI and not CPI.

The council has a legal responsibility to set a balanced budget and an obligation to maintain its services in light of the significant cuts in Central Government funding of over £58m since 2009/10. In setting the level of fees and charges it is vital to the future financial sustainability of the Council that the fees for services provided are priced appropriately. In addition to the rate of inflation, other factors considered in setting fees and charges are relevant legislation, benchmarking against public and (where appropriate) private providers and the ability to recover the full cost of service provision. For instance:

Bereavement Services -

- **Reading Crematorium Cremation**

This fee increase is to recover costs, particularly utility costs which go up yearly. When compared with neighbouring crematoria, Reading's fees remain competitive. For example the 2018/19 fees for Bracknell and Slough which are £845 and £770 respectively. Neighbouring Local Authorities' crematoria are yet to publish their fees for 2019/20.

- **Memorial fee increases help with cost recovery as suppliers also increase their merchandise costs. In previous years the percentage increase in the cost of merchandise has been in the region of 5%. Merchandise prices for 2019/20 are yet to be published.**

- **Burials**

Cemetery maintenance costs are on the rise and these costs are reflected in the fees the Council charges for the interment of cremated remains.

Citizenship ceremonies

This fee is based on cost recovery and benchmarking across the South East region. Compared with other South East region Registration service fees, this fee of £112 is competitive and sits

at the lower end of the range (£100 - £225) and below the average fee for a private citizenship of £131.

Parks

- Allotments -

Allotment fees have been reviewed to reflect the cost of service provision. Allotment Law dictates that existing tenants must be served 12 months' notice of the increase from either April or September. Any new tenants can be charged the revised fees from the 1st of April.