

## COUNCIL MEETING - 26 FEBRUARY 2019

### AGENDA ITEM 6

#### QUESTIONS FROM COUNCILLORS

1. Councillor White to ask the Leader of the Council:  
Reading Council Accounts Blunder

My Green Party colleagues and I would like to know what the latest costs are associated with the failure to file Reading Council's accounts ?

Please include costs so far and predicted future spend. Please also include council officer time.

**REPLY** by Councillor Lovelock Leader of the Council.

If Councillor White or one of his Green colleagues had taken up a place on the Audit and Governance Committee, which as he should know, is chaired by Cllr. Stevens, a member of the Conservative Group, he would have received regular updates on the work to improve the financial management of the Council. He would also know that the entire committee feel strongly that the historic issues the current auditors EY have required the Council to deal with should have been identified by the previous auditors, KPMG. We have rightly concentrated on putting resources into this in depth approach to improving systems and practices, but the question still remains. As councillors we should be able to rely on advice from one of the main companies in the country. When they signed off our accounts year after year why were none of these issues identified?

The provisional external audit fee for 2016/17 was determined by Public Sector Audit Appointments Ltd for Reading Borough Council was £108,938. In discussions with EY, our external auditors, we have accrued for an additional £300,000 for their work to complete the audit based on their assessment of works undertaken to date and required to complete their work. That accrual remains an estimate at this stage and will be subject to a final fee schedule from EY.

Audit and Governance Committee have been regularly kept up to date with the estimated audit fee for 2016/17 as well as the additional work in undertaking that audit and the issues being resolved.

In addition, and as a requirement of audit work undertaken by EY, the Council has arranged for updated valuations on a significant proportion of the Council's land and buildings to be undertaken for the three years ended March 2015; 2016; and 2017. The cost of those valuations over the three years was £113k.

It is not possible to determine a quantum for officer time attributable to work spent on closing the accounts and dealing with matters arising from audit queries as staff time is not separately recorded against individual activities within finance.

The additional external audit work has arisen due to the need to provide additional clarification over the 2016/17 year being audited, but also historic transactions, balances and accounting treatment and has involved the detailed recalculation of some complex and technical issues some of which have had to be recalculated from 2007/08 and for each intervening year.

The Finance function has undergone significant change in the last year, and as well as a number of key appointments being made, systems and procedures have been reviewed to

address the recommendations raised by EY at the conclusion of their 2015/16 audit and from Internal Audit to improve financial control and to make future audits more efficient.

**2. Councillor Josh Williams to ask the Lead Councillor for Health, Wellbeing and Sport: Council Spending - Arthur Hill Swimming Pool**

Can the Lead Councillor for Health, Wellbeing and Sport remind us how much capital spend was needed to keep Arthur Hill Swimming Pool open in East Reading before it was closed in 2016, and how much is now included in the estimated budget for a potential new pool in East Reading ?

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

Thank you for your question Councillor Williams. As set out in the report to full Council in October 2016 that recommended closure of Arthur Hill the estimated cost of urgent works required to keep the pool open was then in the region of £700,000. This figure does not include additional further maintenance and renovation works that would be inevitably more likely for such an elderly facility. Also set-out in the report was the linked revenue saving of £120,000 per annum that was the required subsidy on an ongoing annual basis to keep the pool running.

We do not have a firm costing for the proposed new council owned community pool for East Reading as this is subject to leisure operators developing their detailed proposals as part of the current stage of the ongoing leisure procurement. However, for the purposes of making provision for investment within the Council's capital programme we have estimated the cost of the pool at Palmer Park Stadium as approximately £7 million.

We have been clear for some time that our leisure provision in Reading is need of significant investment. A brand new pool, purpose built for the needs and aspirations of today's residents is expected to significantly out-perform the old and limited Arthur Hill pool. This will be good in terms of a new, modern pool that is attractive to local residents, leading to increased levels of swimming and exercise, but also in terms of income generation, especially as it would be co-located with and improved gym and other leisure facilities at Palmer Park offering a much better integrated leisure offer for residents..

**3. Councillor McGonigle to ask the Lead Councillor for Strategic Environment, Planning and Transport: East Reading MRT Costs**

What are the final East Reading MRT costs, including estimates of officer time ?

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

I thank Cllr McGonigle for her question.

As has been made clear in response to a number of other questions, and also a number of Freedom of Information requests, a total of £823,861 has been spent on the scheme across three financial years namely 2016/17, 2017/18 and 2018/19.

Work on this scheme has been undertaken by a number of Council officers as part of their wider responsibilities, and the Council does not hold a record of individual officer time

4. Councillor Josh Williams to ask the Lead Councillor for Health, Wellbeing and Sport: Sports Forum

In June 2016 I asked what the Council was doing to set up a Sports Forum, and the Lead Councillor for Sport answered positively that “The Council has been working with Get Berkshire Active to establish a new sports forum.”

That didn’t happen, but in July 2018, a local resident asked the Lead Councillor for Sport what the Council was doing to set up a Sports Forum, and the answer was very positive, “I do indeed support the re-establishment of the Sports Forum.”

Can the Lead Councillor tell us whether the Sports Forum will be established in time to input into the outsourcing process, as bidders are about to submit their detailed proposals for the future of Sport and Leisure in Reading ?

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

Thank you for your question. Contextually, I would like to start by highlighting that the County Sports Partnership, “Get Berkshire Active”, host and deliver a wide variety of forums and networking events across the sub-region and we have a very strong working relationship with them to promote sport and physical activity in the Reading Borough.

As the last sentence of your question seems to imply to recognise it is vitally important that sports user groups and clubs are supported to input into the bidding process for the provision of vastly improved Sport and Leisure provision in Reading.

The Council is currently going through a formal procurement process to select an operating partner to deliver new facilities. Our immediate focus has been to engage directly with leisure facilities users, clubs and regular hirers through a number of meetings and an open evening to ensure the strongest avenues are available for feedback and input; this in addition to the wider ongoing public consultations on proposed facilities developments.

An ongoing dialogue during this time between Officers and stakeholders has informed the procurement specification and continued to inform bidding operators as they develop their proposals. This includes developing our understanding of how clubs needs may overlap and how these might be provided, in the context of a clear strategic drive to increase participation in sport and physical activity through the provision of facilities that best meet the needs of our wider community and reflect levels of use/take-up.

There is certainly an interest by groups in an ongoing form of engagement. Our priority is to develop mechanisms that facilitate meaningful and effective involvement. I am conscious that in the past a sports forum has met but over time suffered from declining membership and stopped meeting. It is important therefore that the format of any new forum or participation structure is sustainable and is developed in partnership with a new operator. There are currently, and will continue to be, a wide range of avenues for current and former service users and stakeholders to offer feedback and influence.