

POLICY COMMITTEE MEETING MINUTES - 26 MARCH 2019

Present: Councillor Page (Vice-Chair in the Chair);
Councillors Brock, Hoskin, James, Jones, Skeats, Stevens, Terry, Vickers and Warman

Apologies: Councillors Lovelock (Chair), Ennis, Hacker, O'Connell, Pearce and White

RESOLVED ITEMS

76. 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 78 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.

77. DECLARATIONS OF INTEREST FOR CLOSED SESSION ITEM

Councillors Ennis, Hacker and Lovelock had previously declared pecuniary interests in item 78 - 'Homes for Reading', and as a result did not attend the meeting. Nature of interest: the Councillors were Directors of Homes for Reading Limited.

78. HOMES FOR READING

Peter Sloman, Chief Executive, submitted a report summarising the latest review of the Council's funding of Homes for Reading Limited (HfR), which contained options on the current choices for the Council, in its capacity as the sole shareholder. The report stated that since its incorporation, HfR had acquired just over 100 properties, during which time HfR's financial performance had not met expectations due to the set up costs being passed to the company and changes to debt repayment obligations (MRP). The report set out three options and recommended option 2 as the best way of protecting the Council's interests in the future. A letter had been circulated to the Committee for consideration from the Chair of HfR Board, Sarah Hacker, commenting on the recommendations in the report, following discussion at the Board's meeting on 19 March 2019. In response to the letter the Chief Executive had circulated a further update report responding to the comments from the HfR Board. The update report concluded that the HfR Board's letter helpfully clarified a number of issues but did not raise any material factors impacting on the recommendations dealing with the equity/loan position.

The Chief Executive advised that due to the refinancing arrangements being recommended to Policy Committee, as the sole shareholder, the HfR Board would need to make a statutory declaration of solvency to the shareholder which would necessitate a further HfR Board meeting.

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Resolved -

That the following be approved in principle, subject to the Policy Committee, as sole shareholder for Homes for Reading Limited (HfR), receiving and considering the requisite statutory declaration of solvency from the Directors of HfR:

- (1) That the refinancing of Homes for Reading Limited (HfR) as set out in Option 2 of the report, be approved and permitted;
- (2) That the Council's Section 151 Officer be authorised to make the necessary arrangements to implement the change described in (1) above with the precise interest rate and equity debt ratio being at her discretion balancing the need to ensure the Company was a going concern and the Council's costs were minimised;
- (3) That HfR be directed not to acquire any further properties;
- (4) That HfR be directed and permitted to approve a Service Level Agreement from April 2019, which would enable the Council to manage the company's properties, including housing management, letting and rent collection initially for a circa £100k annual charge and thereafter the Council's Chief Executive be authorised to approve a Service Level Agreement between the Council and the Company which would ensure all the legal obligations of the Company were met.

(Councillors Ennis, Hacker and Lovelock had declared pecuniary interests in this item and did not attend the meeting. Nature of interest: the Councillors were Directors of Homes for Reading Limited.)

(The meeting started at 8.05 pm and closed at 8.16 pm)