

POLICY COMMITTEE MEETING MINUTES - 16 DECEMBER 2019

Present: Councillor Brock (Chair);
Councillors Page (Vice-Chair), Duveen, Ennis, Hoskin, James, Jones, Pearce, Robinson, Rowland, Skeats, Stevens, Terry and White

Apologies: Councillors Emberson

RESOLVED ITEMS

54. MINUTES

The Minutes of the meeting held on 18 November 2019 were agreed as a correct record and signed by the Chair.

55. QUESTIONS

Questions on the following matters were submitted by members of the public:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Ann Dally	Collection of Council Tax	Cllr Emberson
2.	Ann Dally	Council Tax Protocol	Cllr Emberson
3.	Richard Tredgett	Mental Health and Problem Debt	Cllr Hoskin
4.	Michael Sage	Grounds Maintenance	Cllr Rowland
5.	Michael Sage	Climate Emergency Action Framework	Cllr Page
6.	Michael Sage	Engagement with the Business Community	Cllr Page

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	Fair Tax Declaration	Cllr Brock
2.	Cllr White	Council Tax Arrears	Cllr Emberson

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

56. ADOPTION OF THE SUSTAINABLE DESIGN AND CONSTRUCTION SUPPLEMENTARY PLANNING DOCUMENT

The Executive Director of Economic Growth and Neighbourhood Services submitted a report proposing the adoption of the Sustainable Design and Construction Supplementary Planning Document (SPD), for use in determining planning applications for new development in Reading. The following documents were attached to the report:

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- Appendix 1 - Equality Impact Assessment scoping
- Appendix 2 - Statement of Consultation on the Draft Sustainable Design and Construction SPD
- Appendix 3 - Sustainable Design and Construction SPD

The report explained that the SPD provided detailed guidance to accompany the new sustainability policies included in the Reading Borough Local Plan, which had been adopted by full Council on 4 November 2019 (Minute 28 refers). In doing so, it would provide an essential part of the Council's response to the Climate Emergency.

The report noted that a draft SPD had been approved for consultation by the Strategic Environment, Planning and Transport Committee on 9 July 2019 (Minute 10 refers), and consultation had taken place between July and September 2019, with a total of 18 responses received. A Statement of Consultation summarising the process and the responses received was attached to the report at Appendix 2. A revised version of the SPD taking account of the consultation response was attached to the report at Appendix 3, and was recommended for formal adoption.

The report noted that where a development was not carbon neutral a financial contribution to carbon offsetting would be secured through a section 106 agreement. This was expected to provide a steady stream of funds to be put towards carbon offsetting schemes and the report set out initial proposals for how these funds raised could be managed and spent.

Resolved -

- (1) That the results of the consultation on the Draft Sustainable Design and Construction Supplementary Planning Document undertaken between July and September 2019, as set out in the Consultation Statement attached to the report at Appendix 2, be noted;**
- (2) That the Sustainable Design and Construction SPD, as attached to the report at Appendix 3, be adopted as a Supplementary Planning Document;**
- (3) That the initial proposals for the use of funds towards carbon offsetting secured under Policy H5 of the Local Plan as supplemented by the Sustainable Design and Construction SPD be noted.**

57. ICT SECURITY POLICY SET UPDATES 2019-20

The Executive Director of Resources submitted a report seeking approval for annual revisions to the Council's ICT Security Policies and the accompanying summary guidance notes for 2019-20. The following documents were attached to the report:

- Appendix 1 - ICT Policy Updates 2019-20 Full Updates List
- Appendix 2.1 - ICT Security Policy Statement v1.7

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- Appendix 2.2 - ICT Use & Information Security Policy v1.9
- Appendix 2.3 - ICT Security Golden Rules v1.9

The report explained that the ICT Policy Set consisted of 13 Policy Documents, with key compliance and required behaviour practices summarised in the 'ICT Security Golden Rules' summary document. The proposed changes represented a substantial revision of the Council's ICT Policies incorporating legislative and best practice requirements and standards that had recently emerged, alongside more routine updates that were needed. The Council could be at risk of fines and possible standards breaches if these changes were not approved and effectively communicated to Staff and Councillors. The policies would apply to both the Council, the Council's wholly owned companies and to Councillors.

A list of the changes to the policies was attached to the report at Appendix 1 (ICT Policy Updates 2019-20 Full Updates List), along with three key documents to be issued to Staff and Councillors: the ICT Security Policy Statement (Appendix 2.1), the ICT Use & Information Security Policy (Appendix 2.2) and the ICT Security Golden Rules (Appendix 2.3). The report set out the training and briefings that would be provided to Council staff, staff of Council-owned companies and Councillors as part of a wider communications plan to embed a good knowledge of the key changes across the Council.

The report also sought a delegation to the Executive Director of Resources, in consultation with the Lead Councillor for Corporate and Consumer Services, to approve future revisions of the ICT Policy Suite in order to speed up the revision release process.

Resolved -

- (1) That the revised ICT Policy Suite & Guidance Notes for 2019-20 be approved;
- (2) That the communications plan for Staff and Councillors including associated briefings and training be noted;
- (3) That the Executive Director of Resources, in consultation with the Lead Councillor for Corporate and Consumer Services, be delegated authority to make future revisions of the ICT Policy Suite and Guidance Notes.

58. 2019-20 QUARTER 2 PERFORMANCE MONITORING REPORT

The Executive Director of Resources submitted a report setting out the projected revenue and capital outturn positions for 2019/20 for the General Fund and the Housing Revenue Account as at the end of September 2019 (Quarter 2), and performance for the second quarter against measures of success published in the Council's Corporate Plan. The following documents were attached to the report:

- Appendix 1 - Financial Monitoring for Quarter 2
- Appendix 2 - Performance Monitoring for Quarter 2

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The report explained that the forecast outturn showed a projected underspend on General Fund Budgets at the end of Quarter 2 of £2.767m, with weighted risks of £0.791m. Economic Growth and Neighbourhood Services (DEGNS) were projecting a net overspend of £0.643m against a budget of £18.171m, principally as the result of a lack of suitable investment properties coming to the market, and Brighter Futures for Children (BFfC) were forecasting an overspend of £1.651m against a budget of £47.899m, principally the result of agency staff costs and higher than anticipated Looked After Children placements and costs. The General Fund capital budget was currently forecasting a £139m underspend, also in large part due to suitable investment properties not coming to the market. Additionally, the Homes for Reading business model had changed at the start of the year and the earmarked investment and loan financing of £25m was not forecast to be spent. The remainder of the General Fund Capital Programme was forecasting an overspend of £4m in the current year, predominantly the result of additional financing being made available to Reading Transport Ltd, offset by a re-profiling of the Council's vehicle replacement programme.

The report stated that the Housing Revenue Account was forecasting an underspend of £6.890m as at the end of September 2019 due to underspends and delays on major works, additional income and reduced capital financing costs. The under-spend would be transferred to reserves at year end. The Housing Revenue Account Capital Programme was forecasting a £4m underspend, primarily due to delays in delivery of the New Build and Acquisitions programme.

The report also provided a summary of performance, as at the end of the second quarter, against the success measures to monitor progress against the Council's six priorities published in the Corporate Plan. The overall RAG Status of these indicators was that 19 measures were Green, seven measures were Amber, and 11 measures were Red.

Resolved -

- (1) That it be noted that:
 - a) The forecast General Fund revenue outturn position as at the end of September 2019 was a net underspend of £2.767m with weighted risks of £0.791m;
 - b) The forecast outturn position on the Housing Revenue Account as at the end of September 2019 was a projected underspend of £6.890m which would be contribute to HRA reserves;
 - c) The forecast outturn on the Capital Programme as at the end of September 2019 was a projected in year underspend of £139.438m on the General Fund and a projected in year underspend of £3.713m for the Housing Revenue Account;
- (2) That the performance achieved against the Corporate Plan success measures, as set out in the report and Appendix 2 attached to the report be noted.

59. DRAFT 2020/21 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY

The Executive Director of Resources submitted a report setting out the Council's draft Medium Term Financial Strategy (MTFS) and associated spending plans for the financial years 2020/21 to 2022/23. The following documents were attached to the report:

- Appendix 1 Summary of General Fund Budget 2020-21 to 2022-23
- Appendix 2 General Fund Revenue Budget by Service 2020-21 to 2022-23
- Appendix 3 Detailed General Fund Budgets 2020-21 to 2022-23
- Appendix 4 Housing Revenue Account Budget 2020-21 to 2022-23
- Appendix 5 General Fund and HRA Capital Programme 2020-21 to 2022-23
- Appendix 6 Flexible Capital Receipts Strategy
- Appendix 7 Fees and Charges
- Appendix 8 Equality Impact Assessment

The report explained that the proposed MTFS was informed by and supported delivery of the Council's Corporate Plan priorities, including its commitment to address the climate change emergency. The underpinning rationale was to deliver a balanced and affordable budget that ensured the Council's finances were sustainable in both the short and medium term.

The report stated that the overall budget position across the three years would contribute to reserves and that the underlying base budget for 2023/24 would not be reliant on reserves. The Strategy built on previous work to stabilise the Council's financial position and build reserves back to a more robust level. It also sought to facilitate investment in core infrastructure to drive efficiency improvements, facilitate service redesign and thereby manage pressures within demand led services. The Strategy relied on significant service transformation to drive increased efficiency savings and income generation but service cuts were not required.

The report set out the budget assumptions including the level of Revenue Support Grant from Government, proposed Council Tax increases of 3.99% (including a one off 2.0% social care precept) in 2020/21 and 1.99% in both 2021/22 and 2022/23, £33.1m of efficiencies and increased income across the period, a contingency provision over the three years (£3.5m 2020/21; £5.2m 2021/22; and £5.5m 2022/23) to mitigate possible slippage or non-achievement of higher risk savings and/or income targets over the period, General Fund capital investment of £358m over the period 2020/21 to 2022/23 of which £202m was for invest to save purposes, and £2.0m of transformation funding (over the period 2020/21 to 2021/22) to support delivery of efficiency savings assumed within the MTFS.

The report noted that budgets to support children's services (agreed as part of the existing MTFS) included growth to recognise inflationary pressures as well as demographic growth, but also robust savings and efficiency targets underpinned by contingency provision to mitigate against slippage or non-delivery of the most challenging savings.

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These assumptions were currently under review as part of the ongoing work with BFFC to agree its Business Plan and contract sum.

The report noted that the draft Budget and associated MTFs were based on the latest information available, and that the current forecasts could be changed by the formal determination of the taxbase, the Provisional Local Government Finance Settlement expected in late December or the New Year, and agreement of the Business Plan and associated contract sum for Brighter Futures for Children. Following the resolution of these matters, and a consultation on the Draft Budget, Policy Committee would be asked recommend a budget to Full Council in order that it could determine its budget, associated Council Tax level and precept for 2020-21 at the meeting on 25 February 2020.

Resolved -

- (1) That the Draft 2020/21 General Fund and Housing Revenue Account budgets, Draft Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-8, be agreed for consultation;**
- (2) That the following be noted:**
 - a) the Council's General Fund Budget Requirement of £148.8m for 2020/21 and an increase in the Band D Council Tax for the Council of 3.99% (1.99% general increase and 2.00% additional adult social care precept) or £64.93 per annum representing a Band D Council Tax of £1,692.16 per annum as set out in paragraphs 14.1 to 14.3;**
 - b) the proposed service savings and efficiencies of £6.3m together with additional income of £5.1m in 2020/21 required to achieved a balanced budget for that year as set out in Appendix 2;**
 - c) the overall savings proposed within the MTFs of £33.1m (of which changes to income, fees and charges is £13.2m) and three-year growth changes to service budgets of £26.4m as set out in Appendix 3;**
 - d) the Housing Revenue Account budget for 2020/21 of £40.9m as set out in Appendix 4 and an increase of 3.3% in social dwelling rents from April 2020 giving a revised weekly average social rent of £102.57 as set out in paragraph 19.2;**
 - e) the General Fund and Housing Revenue Account Capital Programmes as set out in Appendices 5a and 5b;**
 - f) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 6;**
 - g) the Fees and Charges outlined in Appendix 7 of the report.**

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- (3) That the responses received during the consultation, and the Equality Impact Assessments carried out where required on the proposed service savings and efficiencies, be taken into account in preparation of the final Budget and MTFS to be submitted to the Committee at its meeting in February 2020.**

(The meeting started at 6.30 pm and closed at 7.55 pm)