

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

Present: Councillor Ayub (Mayor);

Councillors David Absolom, Debs Absolom, Ballsdon, Brock, Chrisp, Davies, Dennis, Duveen, Eden, D Edwards, K Edwards, Ennis, Gavin, Gittings, Grashoff, Hacker, Hoskin, James, Jones, Khan, Livingston, Lovelock, Maskell, McElligott, McGonigle, McKenna, O'Connell, Page, Pearce, Robinson, Rodda, Singh, Skeats, Stanford-Beale, Stevens, Terry, Tickner, Vickers, White and Woodward.

Apologies: Councillors Hopper, McDonald, Steele, J Williams and R Williams.

45. MINUTES

The Minutes of the meeting held on 24 January 2017 were confirmed as a correct record and signed by the Mayor.

46. QUESTIONS FROM MEMBERS OF THE PUBLIC IN ACCORDANCE WITH STANDING ORDER 9

	<u>Questioner</u>	<u>Subject</u>	Answer
1.	Peter Burt	Equal Pay	Cllr Lovelock
2.	Peter Burt	Legal Fees	Cllr Lovelock
3.	Adele Barnett-Ward	School Funding	Cllr Jones
4.	Roger Lightfoot	Free Swimming	Cllr Gittings
5.	Neil Adams	Budget Cuts	Cllr Lovelock
6.	Heather Johnston	Homelessness	Cllr Davies

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

47. QUESTIONS FROM COUNCILLORS IN ACCORDANCE WITH STANDING ORDER NO 10

Questions on the following matters were submitted:

	<u>Questioner</u>	<u>Subject</u>	Answer
1.	Cllr Robinson	Demountable Pool at Rivermead	Cllr Gittings
2.	Cllr Rodda	Revenue Support Grant	Cllr Lovelock
3.	Cllr Rodda	South and East Reading Mass Rapid Transit Schemes	Cllr Page

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

4.	Cllr Livingston	Benefit Changes	Cllr Lovelock
5.	Cllr Steele	Local Government Pension Scheme	Cllr Lovelock
6.	Cllr Steele	Green Waste Collection Payments	Cllr Terry
7.		WITHDRAWN	
8.	Cllr Dennis	Rough Sleeping	Cllr Davies
9.	Cllr Hacker	Failing Academies	Cllr Jones
10.	Cllr Hacker	School Funding Losses	Cllr Jones
11.	Cllr White	Consultant and Interim Manager High Pay	Cllr Lovelock
12.	Cllr White	Total Spend on Consultants and Agency Staff	Cllr Lovelock

As there was insufficient time, pursuant to Standing Order 10(4), a written reply to Questions 6 to 12 above would be provided in accordance with Standing Order 11(3).

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

48. BUDGET 2017-2020

The Corporate Management Team submitted a report setting out the General Fund budget and indicative capital programme for the Council covering the forecast capital and revenue expenditure and resources for 2017/18, and explaining how the 2016/17 budget overspend would be financed.

The report set out the financial position of the Council, the context for service delivery, national and local financial matters affecting the Council's services for residents and businesses, proposals about how to address these issues, revenue budgets for service delivery, pressures, savings and income generating solutions and proposed fees and charges, the capital programme 2017/20 (which included updates for 2016/17 to reflect recent decisions and progress), proposals for the Housing Revenue Account, the risks associated with the financial position in the short and medium term, and the Equality Impact Assessment of the overall budget.

Further to Minute 86 of the Policy Committee held on 13 February 2017, the Council received additional information, which included a report setting out in more detail the budget proposal to increase rental income at the point Council homes were re-let and set out the need to apply the 1% rent reduction to sheltered and supported housing from 2017/18. Additionally, the Council received the recommendations made by its external auditors, Ernst and Young LLP, under Section 24 Schedule 7(2) of the Local Audit and Accountability Act 2014, and debated them fully.

The full details of the documents attached to the report for debate were as follows:

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

Appendix 1a)	Savings and income proposals for 2017/18 agreed in previous years
Appendix 1b)	Savings and income proposals for 2017/18 agree at Policy Committee during 2016/17
Appendix 1c)	Additional savings proposals for 2017-20
Appendix 2)	Calculation of Council Tax
Appendix 3)	Fees and Charges Summary Statement
Appendix 4)	Robustness of Budget Estimates & Adequacy of Balances 2017-18 (Statutory Advice)
Appendix 5)	Treasury Management Strategy Statement
Appendix 6)	General Fund and Summary Cost Centre Budget
Appendix 7)	Capital Programme
Appendix 8)	CIL protocol
Appendix 9)	Dedicated Schools Grant
Appendix 10)	HRA Budget 2017/18
Appendix 10A)	Proposal to re-let Council homes at target rent and accompanying equality impact assessment
Appendix 11a)	Letter from Ernst and Young LLP under recommendations made under Section 24 Schedule 7(2) of the Local Audit and Accountability Act 2014
Appendix 11b)	Council response to the letter from the external auditor

A motion was moved by Councillor Lovelock and seconded by Councillor Page and CARRIED as set out in the resolution below.

The following amendment was moved by Councillor White and seconded by Councillor McGonigle and LOST:

“In recommendation (1), after ‘That’ insert the words ‘subject to (2) below’

Add a new Recommendation (2) as follows:

‘(2) That it be noted that in 2015/16 the Council spent £9.8 million on expensive agency staff and that this year the figure is expected to rise to about £11 million.

Notes that by the end of the financial year it is estimated by officers that the council will have spent between 3 and £3.5 million on consultants and that many senior officer positions are filled by interims. This is both expensive and destabilising for the Council.

Notes planned reductions of £2 million in the budget for agency staff and consultants in the coming years through measures like recruiting more permanent staff.

Instructs the Interim Managing Director to review, consult and report on how to bring forward these savings, on agency staff and consultants, more rapidly and to submit a report on this as a matter of urgency to the Policy Committee.

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

Further requests that Policy Committee reinvest the savings identified above to create a more caring and compassionate town by:

- reversing the £100,000 cut to children's centres
- consider any remainder at Policy Committee as part of the work of bringing forward a sustainable delivery plan by quarter 2

Resolves to put on hold decisions regarding reductions in the service mentioned above pending the report detailed above."

Make all consequential amendments to the numbering and cross-referencing of recommendations.'"

A recorded vote having been demanded, the voting was as follows:

For the motion: 4

Councillors Duveen, McGonigle, O'Connell and White.

Against the motion: 37

Councillors David Absolom, Debs Absolom, Ayub, Ballsdon, Brock, Chrisp, Davies, Dennis, Eden, D Edwards, K Edwards, Ennis, Gavin, Gittings, Grashoff, Hacker, Hoskin, James, Jones, Khan, Livingston, Lovelock, Maskell, McElligott, McKenna, Page, Pearce, Robinson, Rodda, Singh, Skeats, Stanford-Beale, Stevens, Terry, Tickner, Vickers and Woodward.

Resolved -

- (1) That the following, as set out in this report by the interim Managing Director and interim Director of Finance and in the Budget Book, noting the equality impact assessment, be approved:
 - a) the Council's general fund budget for the period 2017/20 (Paragraph 4.32);
 - b) the specific revenue estimates for 2017/18 (Appendix 6);
 - c) the capital programme for the period 2017-20 including the 2016/17 update (Appendix 7);
- (2) That it be noted that on 24 January 2017 the Council calculated the Council Tax base 2017/18 for the whole council area as 53671 [item T in the formula in section 31B of the Local Government Finance Act 1992, as amended (the "act")];
- (3) That the Council Tax requirement for the Council's own purposes for 2017/18 be calculated as £1,490.56;
- (4) That the following amounts be calculated for the year 2017/18 in accordance with sections 31 to 36 of the Act:

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

- (A) £413,593,113, being the aggregate of the amounts which the Council estimates for the items set out in section 31A(2) of the Act;
- (B) £333,593,000, being the aggregate of the amounts which the Council estimates for the items set out in section 31A(3) of the Act;
- (C) £80,000,113, being the amount by which the aggregate at 4(A) above exceeds the aggregate at 4(B) above, calculated by the Council in accordance with section 31A(4) of the Act as its Council Tax requirement for the year. (item R in the formula in section 31B(4) of the Act);
- (D) £1,490.56, being the amount at 4(C) above (item R), all divided by item T ((2) above), calculated by the Council, in accordance with section 31B of the Act, as the basic amount of its Council Tax for the year;

(E) Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
993.71	1159.32	1324.94	1490.56	1821.80	2153.03	2484.27	2981.12

being the amounts given by multiplying the amount at 4(D) above by the number which, in the proportion set out in section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

- (5) That it be noted that for the year 2017/18 the Police & Crime Commissioner (PCC) for the Thames Valley had stated the following amounts in precepts issued to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
113.52	132.44	151.36	170.28	208.12	245.96	283.80	340.56

- (6) That it be noted that for the year 2017/18 Royal Berkshire Fire & Rescue Service had stated, subject to confirmation at its meeting on 27 February 2017, the following amounts in precepts issued to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

41.66 48.60 55.55 62.49 76.38 90.26 104.15 124.98

- (7) That, having calculated the aggregate in each case of the amounts at 4(D), 5 and 6 above, the Council, in accordance with section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2017/18 for each of the categories of dwelling shown below:

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1148.89	1340.36	1531.85	1723.33	2106.30	2489.25	2872.22	3446.66

- (8) That in the event that the Royal Berkshire Fire & Rescue Service resolved to set a different precept or tax levels to the provisional tax levels stated in (6) above at its meeting on 27 February 2017, the Strategic Finance Director be authorised to enact all relevant changes to the Statutory Resolution and Council Tax levels and report any such changes to the Council meeting on 28 March 2017 for ratification;
- (9) That the savings and income proposals outlined in Appendices 1a and 1b that had been approved at earlier meetings of Policy Committee be noted, and officers be authorised to implement the additional savings proposals outlined in Appendix 1c subject to any necessary consultation and equality impact assessments being undertaken and the outcomes being reported back for consideration by the relevant committee;
- (10) That, after considering the statutory advice of the interim Finance Director in accordance with s25 of the Local Government Act 2003 on the robustness of the budget adequacy of financial reserves in Appendix 4, summarised in Sections 1.11-1.19 and Section 5 of the report, the minimum level of general fund balance to be maintained over the year to 31 March 2018 be set at £5m (Appendix 4);
- (11) That, in the event that the Council decide to set a general fund balance which is less than that advised by the interim Director of Finance then the reasons for this difference be recorded in the minutes of the Council meeting;
- (12) That, following consideration of the recommendations made by the Council's external auditors, Ernst and Young LLP, as attached to the report at Appendix 11a, the Managing Director's response to those recommendations, as set out at Appendix 11b, be endorsed;
- (13) That the arrangements set out in paragraphs 4.24 to 4.32 in connection with capital receipts, the Council's Equal Pay Provision and the Minimum Revenue Provision to balance the 2016/17 financial position and proposed 2017/18 budget be approved, and the Director of Finance be authorised, in consultation with the Leader and Chairman of Audit & Governance Committee, to determine the final detailed arrangements for 2016/17 in closing the (pre- audit) accounts;

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

- (14) That the Treasury Management and Investment Strategy and the Prudential Indicators set out in Appendix 5, and the revised MRP Statement to apply for 2017/18 set out in Annex D of the Strategy, be approved;
- (15) That the Community Infrastructure Levy (CIL) protocol as set out in Appendix 8 be approved for the remainder of 2016/17 and 2017/18, and the Policy Committee be asked to consider the protocol in detail as soon as practicable during 2017/18 with the intention of approving the procedure, amended as necessary, for dealing with the allocation and monitoring of the spending of income arising from the CIL for the longer-term;
- (16) That the changes to Fees and Charges outlined in Appendix 3 of the report, and set out in detail on the Council's website be approved, and officers be authorised to take the action necessary to implement these changes;
- (17) That the Housing Revenue Account budget for 2017/18 set out in Appendix 10 be approved, and the outcome of the consultation with tenant representatives and the accompanying equality impact assessment set out in Appendix 10A be noted, and that the Head of Housing & Neighbourhoods be authorised to implement the revised rent policy to re-let vacant HRA housing at target (formula) rent on all relets with a tenancy commencement date of 3 April 2017 or later, (as explained in section 4.41 to 4.45 of the report);
- (18) That the Government's announcement that the one-year exemption applied to sheltered and supported housing from the requirement on registered providers to reduce social housing rents in England by 1% a year for 4 years, starting from 2016/17, would not be continued be noted and accordingly rents for sheltered and supported housing should be reduced by 1% from Monday 3 April 2017.
- (19) That a 2.0% garage rent increase be approved from Monday 3 April 2017, in line with normal rent policy. (CPI + 1%).

A recorded vote having been demanded, the voting was as follows:

For the motion: 30

Councillors David Absolom, Debs Absolom, Ayub, Brock, Chrisp, Davies, Dennis, Eden, D Edwards, K Edwards, Ennis, Gavin, Gittings, Hacker, Hoskin, James, Jones, Khan, Livingston, Lovelock, Maskell, McElligott, McKenna, Page, Pearce, Rodda, Singh, Terry, Tickner and Woodward.

Against the motion: 11 Councillors Ballsdon, Duveen, Grashoff, McGonigle, O'Connell, Robinson, Skeats, Stanford-Beale, Stevens, Vickers and White.

49. WORKPLACE PARKING LEVY TO TACKLE CONGESTION AND AIR POLLUTION

Pursuant to Notice, a motion was moved by Councillor McGonigle and seconded by Councillor White.

The following amendment was moved by Councillor Page and seconded by Councillor David Absolom and CARRIED:

"Delete all wording after 'This Council' in the first paragraph and insert the following:

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

'...reaffirms its long standing objectives to tackle congestion and air pollution through its Local Transport Plans and Air Quality Management Strategy, which includes support for a wide range of public transport initiatives such as park and ride and mass rapid transit delivered by Reading Buses, Britain's cleanest and greenest bus fleet, alongside sustainable environmental measures to encourage more cycling and walking.

This Council recognises that much more needs to be done by Central Government to rapidly reduce the numbers of diesel vehicles nationally and in Reading and calls for the Government and Reading's MPs to support an early diesel vehicle scrappage scheme to incentivise the purchase of non-diesel cars, vans and lorries.

This Council also condemns the failure of the Government to give sufficient priority to tackling air pollution across Britain and welcomes last week's action by the EU to enforce compliance.

This Council is also committed to the introduction of a Low Emission Zone providing the funding can be identified, and will continue to work with the local LEP, businesses and neighbouring authorities to identify further means of securing investment in essential highway and transport infrastructure so as to protect the environment, jobs, services and Reading's economy.'"

The amended substantive motion was then put to the vote and CARRIED as follows:

Resolved -

This Council reaffirms its long standing objectives to tackle congestion and air pollution through its Local Transport Plans and Air Quality Management Strategy, which includes support for a wide range of public transport initiatives such as park and ride and mass rapid transit delivered by Reading Buses, Britain's cleanest and greenest bus fleet, alongside sustainable environmental measures to encourage more cycling and walking.

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This Council is also committed to the introduction of a Low Emission Zone providing the funding can be identified, and will continue to work with the local LEP, businesses and neighbouring authorities to identify further means of securing investment in essential highway and transport infrastructure so as to protect the environment, jobs, services and Reading's economy.

50. FAIR FUNDING FOR LOCAL COUNCILS

Pursuant to Notice, the motion set out in the resolution was moved by Councillor Lovelock and seconded by Councillor Eden and CARRIED:

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

The following amendment was moved by Councillor Robinson and seconded by Councillor Grashoff and LOST:

"Delete all wording after 'This Council' and insert the following:

'This Council notes with interest the recent actions taken by David Hodges, the Leader of Surrey County Council in highlighting the very real difficulties his and literally all other councils are facing in funding the essential services needed, by proposing a referendum to raise their Council Tax by 15%.

This Council also notes that Surrey Council entered into direct discussions with the government, as have other Councils, resulting in a better understanding of the governments proposed reforms to council funding which prompted the change of heart in proceeding with the referendum.

Whilst questions over a "sweetheart deal" have filled the column inches recently, both Surrey and the Government have given assurances that this was not the case. Any so called offer which exists is indeed available to all Councils in that they may put their council forward to participate in the next pilot scheme for 2018/19 to fund their services through the retention of the full business rates collected in their authority, with the full scheme to be rolled out to all councils by 2020.

In Reading, currently 75% of the business rates have to be returned to the Government. This equates to over £90 million, which clearly is a significant sum, so undoubtedly our involvement in such a pilot scheme would, we feel, result in a highly positive outcome to the benefit of Reading.

This Council therefore instructs the Managing Director to write to the Government at the DCLG expressing our interest and potential willingness to participate in the proposed "pilot scheme" in 2018/19.

This Council further resolves to request the Managing Director to write to both Reading's MP.s to request their support on this matter which is so important for Reading and its residents.'"

Resolved -

This Council notes with concern the secret nature of the agreement between the Government and Surrey County Council which has resulted in Surrey CC abandoning their local referendum on their proposed 15% Council Tax rise.

This Council further notes that this "deal" seems to be connected to a "pilot" on the retention of business rates in Surrey in 2018, which would give Surrey C.C. additional funding not available to other Councils, including Reading.

This Council also notes that in Reading 75% of the business rates have to be returned to the Government, meaning that over £90million is lost annually to Reading, in addition to the £57million which will be removed from the Council's government grant each year by 2019.

This Council therefore instructs the Managing Director to write to the Government at the DCLG stating that, in the interests of transparency and equality of treatment, the Government must publish details of the "Surrey

COUNCIL MEETING MINUTES - 21 FEBRUARY 2017

deal" so that Reading and other Councils can consider participating in this "pilot scheme" in 2018/19.

This Council further resolves to request the Managing Director to write to both Reading's M.P.s, as a matter of urgency, to request their support on this matter which is so important for Reading's residents.

(The meeting closed at 9.44 pm).