

To: Councillor Lovelock (Chair)  
Councillors Duveen, Eden, Ennis, Gavin,  
Hacker, Hopper, Hoskin, Jones, Page,  
Skeats, Stevens, Terry and White

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2 June 2017

Your contact is: **Simon Hill - Committee Services**

### NOTICE OF MEETING - POLICY COMMITTEE - 12 JUNE 2017

A meeting of the Policy Committee will be held on Monday 12 June 2017 at 6.30pm in the Council Chamber, Civic Offices, Reading. The Agenda for the meeting is set out below.

*Please Note - the Committee will first consider items in closed session. Members of the press and public will be asked to leave the Chamber for a few minutes.*

### ITEMS FOR CONSIDERATION IN CLOSED SESSION

The following motion will be moved by the Chair:

"That, pursuant to Section 100A of the Local Government Act 1972 (as amended) members of the press and public be excluded during consideration of the following items on the agenda, as it is likely that there would be disclosure of exempt information as defined in the relevant Paragraphs of Part 1 of Schedule 12A (as amended) of that Act"

<u>ACTION</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO</u>
1. DECLARATIONS OF INTEREST FOR CLOSED SESSION ITEMS	-	-
2. BERKSHIRE FAMILY HISTORY SOCIETY - RELOCATION  Councillor Lovelock / Director of Environment and Neighbourhood Services	ABBAY & MINSTER	A1

### ITEMS FOR CONSIDERATION IN PUBLIC SESSION

#### 3. CHAIR'S ANNOUNCEMENTS

*CIVIC OFFICES EMERGENCY EVACUATION: If an alarm sounds, leave by the nearest fire exit quickly and calmly and assemble on the corner of Bridge Street and Fobney Street. You will be advised when it is safe to re-enter the building.*

- 4. DECLARATIONS OF INTEREST**
- Councillors to declare any interests they may have in relation to the items for consideration in public session.
- 5. MINUTES** **B1**
- To confirm the Minutes of the Policy Committee meetings on 10 April and 24 May 2017.
- 6. PETITIONS AND QUESTIONS**
- To receive any petitions from the public and any questions from the public and Councillors.
- 7. DECISION BOOK REFERENCES**
- 8. PROJECTED OUTTURN POSITION 2016/17** **BOROUGHWIDE** **C1**
- Councillor Lovelock / Director of Finance
- This report sets out the Council's projected outturn position for the 2016-17 financial year.
- 9. SUPPORTED LIVING RENT AND TRANSFER TO HOUSING REVENUE ACCOUNT** **BOROUGHWIDE** **D1**
- Councillor Eden / Director of Adult Care and Health Services
- This report outlines the current situation with regard to rents in the Adult Social Care supported living properties and also includes a proposal to appropriate flats from the General Fund to the HRA, due to the tenancy arrangements of the units.
- 10. CONTRACT AWARD - MEASURED TERM CONTRACTS FOR ELECTRICAL TESTING, ELECTRICAL REPAIRS & REWIRES** **BOROUGHWIDE** **E1**
- Councillor Ennis / Director of Environment and Neighbourhood Services
- This report seeks approval for the award of 'measured term' contracts for the provision of electrical testing and electrical repairs & rewiring.
- 11. CONTRACT AWARD - CORPORATE MECHANICAL AND ELECTRICAL TERM CONTRACTS** **BOROUGHWIDE** **F1**
- Councillor Lovelock / Director of Environment and Neighbourhood Services
- This report seeks approval for the award of contracts for the delivery of mechanical and electrical service contracts to corporate buildings and schools.

**12. OUTSIDE BODY APPOINTMENTS**

**BOROUGHWIDE**

**G1**

Councillor Lovelock / Monitoring Officer

This report asks the Committee to make appointments or nominations to outside bodies for the Municipal Year 2017/18, or longer where required.

## WEBCASTING NOTICE

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Members of the public seated in the public gallery will not ordinarily be filmed by the automated camera system. However, please be aware that by moving forward of the pillar, or in the unlikely event of a technical malfunction or other unforeseen circumstances, your image may be captured. **Therefore, by entering the meeting room, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.**

Members of the public who participate in the meeting will be able to speak at an on-camera or off-camera microphone, according to their preference.

Please speak to a member of staff if you have any queries or concerns.

## POLICY COMMITTEE MINUTES - 10 APRIL 2017

**Present:** Councillor Lovelock (Chair)

Councillors Duveen, Eden, Gavin, Gittings, Hopper, Hoskin, Jones, Page, Skeats, Terry and White.

**Apologies:** Councillors Davies and Stevens.

### 105. 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 items 106-110 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.

### 106. HOUSING BENEFITS/COUNCIL TAX SUPPORT - RISK-BASED VERIFICATION POLICY CONTINUATION/REVIEW

The Managing Director submitted a report setting out the Council's current risk based verification (RBV) policy and process for dealing with evidence requirements in support of claims for both Housing Benefit and Council Tax Support. The Council had adopted a risk based verification process for evidence requirements in 2012, and the report sought approval for the continuation of this approach. The Risk Based Verification Policy 2017/18 was attached to the report at Appendix 1.

The Committee noted that the policy should be examined by the Audit & Governance Committee, in line with government guidance on good practice.

**Resolved -**

- (1) That the Risk Based Verification policy be noted and approved for continued use in 2017/18;
- (2) That the policy be periodically reviewed by the Audit & Governance Committee.

(Exempt information as defined in paragraph 7).

### 107. LAND AT ROSE KILN LANE

The Director of Environment and Neighbourhood Services submitted a report setting out a proposal to establish a new Marina and enabling development on land adjacent to Rose Kiln Lane, shown on Plan A attached to the report. The proposal from H2O was attached to the report at Appendix A and the proposed layout and design of the marina was attached at Plan B. The report sought authority to enter into a Development Agreement with H2O.

## POLICY COMMITTEE MINUTES - 10 APRIL 2017

Resolved -

That a development agreement be entered into with H2O, on the terms outlined in Appendix A and sections 4.5 - 4.8 of the report.

(Exempt information as defined in paragraph 3).

### 108. ABATTOIRS ROAD

The Director of Environment and Neighbourhood Services submitted a report setting out the outcome of a marketing exercise to grant a 25 year lease, with break options, of a site at Abattoirs Road, shown on a plan attached to the report.

Resolved -

That, subject to NCP obtaining planning consent, a 25 year lease of the site at Abattoirs Road, with break clauses, be granted to NCP to provide car parking, on the terms outlined in paragraph 4.2 of the report.

(Exempt information as defined in paragraph 3).

### 109. PROPERTY IN CENTRAL READING

This item was deferred.

(Exempt information as defined in paragraph 3).

### 110. ARTHUR HILL POOL - COMMUNITY RIGHT TO CHALLENGE EXPRESSION OF INTEREST - CONFIDENTIAL INFORMATION

The Monitoring Officer and Director of Environment and Neighbourhood Services submitted a report on an Expression of Interest to provide swimming services at Arthur Hill Pool, made under the Community Right to Challenge provisions of the Localism Act 2011. The information in the Expression of Interest from Arthur Hill - Save Our Swimming CIC had been designated by that organisation as commercially confidential, and the submission document and officers' evaluation of the submission were therefore reported to the Committee in closed session prior to consideration of the main report.

The Submission from Arthur Hill - Save Our Swimming CIC was attached to the report at Appendix E, and the evaluation of the submission was attached at Appendix F.

Resolved -

That the information in the report and Appendices be noted and taken into consideration when making a decision on the expression of interest to provide swimming services at Arthur Hill Pool (Item 113 below refers).

(Exempt information as defined in paragraph 3).

## POLICY COMMITTEE MINUTES - 10 APRIL 2017

(Councillor White declared an interest in this item, on the grounds that he was a member of the Arthur Hill - Save Our Swimming CIC, although not involved in the organisation's decision-making. He remained in the meeting and took part in the discussion and decision.)

### 111. MINUTES

The Minutes of the meeting held on 13 March 2017 were agreed as a correct record and signed by the Chair.

### 112. QUESTIONS

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

	Questioner	Subject	Reply
1.	Linda Fort	Use of Household Waste Recycling Centre	Councillor Terry
2.	Sam Swinerd	Leisure Activities for Young People	Councillor Gavin

Questions on the following matters were submitted by councillors:

	Questioner	Subject	Reply
1.	Councillor Hopper	Changes In Legislation For Off-Payroll Workers	Councillor Lovelock
2.	Councillor White	Ofsted Concerns About Reading's Children's Services	Councillor Gavin

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

### 113. ARTHUR HILL POOL - COMMUNITY RIGHT TO CHALLENGE - CONSIDERATION OF EXPRESSION OF INTEREST - NEWTOWN GLOBE GROUP

Further to Minute 27 of the meeting of full Council held on 18 October 2016, the Monitoring Officer and Director of Environment and Neighbourhood Services submitted a report setting out, for consideration and determination, a 'Community Right to Challenge' Expression of Interest to provide swimming services from Arthur Hill Pool. The following documents were attached to the report:

- Appendix A - Community Right to Challenge: the Council's Framework (updated August 2015);
- Appendix B - Statutory Guidance - Community Right to Challenge (DCLG - 2012);
- Appendix C - Initial Expression of interest - Letter from Newtown Globe Group, 14 October 2016;
- Appendix D - Arthur Hill Swimming Pool - Community Right to Challenge Information Request, issued January 2017.

## POLICY COMMITTEE MINUTES - 10 APRIL 2017

Two further appendices - the submission from Arthur Hill - Save Our Swimming CIC - 6 March 2017, and an evaluation of the submission, had been circulated with a report considered in private session (see Minute 110 above).

The report noted that full Council had resolved to close Arthur Hill Pool (the pool) permanently from 19 December 2016 and to declare the site surplus to requirements and to dispose of it, with the sum equivalent to the capital receipt arising from the disposal being invested in a proposed new replacement swimming facility at Palmer Park. The report to Council had set out the financial and structural challenges of operating the pool, which had operated at an annual revenue loss of £120k pa, and which had been the subject of emergency shut-downs in 2013 and 2016. Spending of around £700k would have been required to upgrade the facilities to enable the continued operation of swimming in the pool.

The anticipated Council decision to close the pool had triggered an expression of interest (Eoi) to provide swimming services from Arthur Hill, submitted by the Newtown Globe Group on 14 October 2016, under the provisions of Section 81 of the Localism Act 2011 (the Community Right to Challenge). A Community Interest Company (Arthur Hill Save Our Swimming CIC) had subsequently been set up to take forward the Eoi, and the CIC had submitted their case to support the Eoi on 6 March 2017.

The report presented the Eoi to the Committee for consideration and determination and explained that the Committee could take one of three decisions: to accept, modify or reject the Eoi. If the Committee accepted the Eoi, the Council would have to carry out a procurement exercise for the services to be provided from Arthur Hill, in line with the Council's Contract Procedure Rules, in which the Arthur Hill Save Our Swimming Pool CIC could take part. The report listed the grounds on which, under the relevant regulations, the EOI could be rejected.

At the invitation of the Chair, Peter Burt and Gerard Stewart, representing the Arthur Hill Save Our Swimming CIC, presented the Expression of Interest and submission to the Committee, and answered questions.

At the meeting it was proposed by Councillor White that:

- (1) the Policy Committee resolve to invite a modified expression of interest application from the Save Arthur Hill Community Interest Company taking into account the Council's evaluation; and a further report on the modified application be submitted to the next Policy Committee on 12 June 2017;
- (2) Policy Committee further resolve to instruct officers to support the Save Arthur Hill community interest company, as far as possible, in ensuring that the Expression of Interest documentation meets the Council's requirements.

The proposal was put to the vote and was not agreed.



## POLICY COMMITTEE MINUTES - 10 APRIL 2017

At the meeting it was proposed by Councillor Gittings that the Expression of Interest be rejected on the grounds that, based on the information in the Expression of Interest, the Arthur Hill - Save Our Swimming CIC was not suitable to provide or assist in providing swimming services from Arthur Hill Pool.

Resolved -

**That the Expression of Interest be rejected, on the grounds that, based on the information in the Expression of Interest, the Arthur Hill - Save Our Swimming CIC was not suitable to provide or assist in providing swimming services from Arthur Hill Pool.**

(Councillor White declared an interest in this item, on the grounds that he was a member of the Arthur Hill - Save Our Swimming CIC, although not involved in the organisation's decision-making. He remained in the meeting and took part in the discussion and decision.)

### 114. COMMUNITY HUBS SPEND APPROVAL

Further to Minute 22 of the meeting held on 18 July 2016, the Director of Environment and Neighbourhood Services submitted a report seeking spend approval for Community Hub projects at Battle Library, Southcote Community Centre and South Reading Youth and Community Centre, and also seeking approval for the subsequent disposal of Whitley Library and Southcote Library.

The report explained that the proposals for a new library service offer, which the Committee had endorsed at its meeting on 18 July 2016, had been further developed and spend approval was now sought prior to works taking place. The report summarised proposals for the three community hubs as follows:

Battle Library - services would be maintained with reduced opening hours, extending the current building and developing the site as a community hub, enabling access for community groups to part of the building outside opening hours. The scheme cost was currently estimated at up to £500,000, and £400,000 of funding had been approved from Section 106 grant for the Battle area.

Southcote library - the library would be relocated to Southcote Community Centre within an extended community hub offering a Children's Centre and community activities including adult learning. It was planned to extend the Centre and make internal alterations to enable the relocation of the library and improve the functionality of the centre. These would include provision of a sound insulated space for quiet study, a new kitchenette in the hall and the development of a safe space for children to play and to grow plants. The scheme cost was currently estimated at up to £550,000.

Whitley Library - the library would be relocated to SRYCC, with works to improve and optimise use of the building. As well as relocating the library the proposed design would preserve meeting spaces and revenue income from lettings, retain sufficient storage, and rationalise entrances and improve the 'flow' of the building. Subject to

## POLICY COMMITTEE MINUTES - 10 APRIL 2017

the outcome of the Council's review of Children's Centres, it was proposed that the current Youth Centre be modified to enable the Children's Centre to operate from this space during the day, in order to make better use of the currently under-utilised Youth Centre, increase the visibility of the Children's Centre and provide increased, better quality space including a new dedicated outdoor play area. The scheme cost was currently estimated at up to £750,000.

The report sought spend approval for the estimated cost of these three Community Hubs projects, plus a 10% contingency of £200k. Funding would be delivered through a combination of the Capital Programme, external grant funding, Section 106 funding and capital receipts from the disposal of Whitley Library and Southcote Library (see below). The report also set out the proposed procurement approach and sought approval to enter into contracts with the successful bidders.

The report also noted that, following the proposed relocation of the Southcote and Whitley library functions into the community hub facilities, the existing library sites would become surplus to requirements in accordance with the Council's Corporate Asset Management Plan. It was proposed that the properties be advertised on the open market seeking best offers for the existing buildings and also for potential redevelopment of the sites, and at the same time be advertised through Reading Voluntary Action in accordance with the Community Lettings Policy. The results of the marketing exercise would be reported to a future meeting of the Committee seeking a decision on disposal of the properties.

**Resolved -**

- (1) That the current position regarding the Community Hubs Programme be noted, and spend approval of up to £2m be granted, subject to the proposed developments gaining necessary Planning permissions and Listed Building Consent as appropriate, to deliver:
  - a) an extension to Battle Library for up to £500,000;
  - b) an extension and improvement works to Southcote Community Centre for up to £550,000;
  - c) improvement works to South Reading Youth and Community Centre for up to £750,000;
  - d) an overall programme contingency of £200,000.
- (2) That the procurement proposals be noted and, subject to the proposed developments gaining Planning permissions and Listed Building Consent, the Director of Environment and Neighbourhood Services in consultation with the Lead Councillor for Neighbourhoods, the Head of Finance and the Head of Legal and Democratic Services, be authorised to enter into contracts with the winning bidder for each scheme;

## POLICY COMMITTEE MINUTES - 10 APRIL 2017

- (3) That the disposal of the Whitley and Southcote Library sites on the open market and through the Community Letting Policy process be agreed, and that the results of the marketing exercise be reported back to a future meeting of Policy Committee for decision.

### 115. PUBLIC HEALTH BUDGET 2017/18

Further to Minute 64 of the meeting held on 5 December 2016, the Director of Adult Care and Health Services submitted a report on progress to meet the reductions in Public Health grant funding for 2017/18. The report also set out detail of the Equality Impact Assessments (EIAs) undertaken as part of the exercise to reduce spending in line with the 2.5% grant reduction.

Attached to the report at Appendix 1 was a breakdown of the services impacted by the grant reduction and the progress made to deliver, and attached to the report at Appendix 2 were the completed EIA's for services impacted by the required reduction in spend.

Resolved -

- (1) That the findings of the EIAs, which had been carried out and the decisions by officers not to undertake EIAs where it was deemed unnecessary be endorsed;
- (2) That, having taken into account the findings of the EIAs, attached at Appendix 2 to the report, the work undertaken to implement the savings to meet the Public Health grant funding reduction, as agreed by Policy Committee at its meeting on 5 December 2016 (Minute 64 refers) and summarised in the report, be endorsed.

### 116. PROGRESS OF THE REGIONAL ADOPTION AGENCY

Further to Minute 58 of the meeting of the Adult Social Care, Children's Services and Education (ACE) Committee held on 20 March 2017, the Director of Children's, Education and Early Help Services submitted a report giving an update on the status of the new Adopt Thames Valley Regional Adoption Agency (RAA) and seeking approval for the Council's financial contributions.

The report explained that the final funding formula had been agreed in late March 2017 by the Adopt Thames Valley Board and Local Authority contributions were currently being fixed against the formula. The 'go live' date was November 2017 although this was at risk if Local Authorities failed to confirm financial commitment during April 2017. The staffing structure and governance arrangements for the RAA had already been agreed and reported to the ACE Committee.

It was reported at the meeting that the Council's financial contributions had now been calculated as £487k for 2017/18 and £430k for 2018/19, and these were approved by the Committee.

## POLICY COMMITTEE MINUTES - 10 APRIL 2017

Resolved -

That the Council continue to participate in the Adopt Thames Valley Regional Adoption Agency and that financial contributions of £487k for 2017/18 and £430k for 2018/19 be approved.

### 117. CONTRACT AWARD - CORPORATE RESPONSIVE REPAIRS

The Director of Environment and Neighbourhood Services submitted a report seeking approval for the award of a contract for the delivery of responsive building repairs to corporate buildings and schools, following a competitive tendering exercise.

The report explained that a procurement was underway to rationalise the number of contracts/agreements for responsive repairs, planned maintenance and servicing for the Council's corporate buildings and schools, in order to obtain competitive rates and reduce contract administration costs. A tender programme to procure the services of a contractor to undertake day-to-day responsive repairs to corporate properties and schools had been completed and approval was sought to award the contract. The contract would cover over 220 corporate properties / schools / assets and include an emergency call-out service 365 days a year, 24 hours a day. No volume of expenditure was guaranteed under the contract, as annual expenditure would depend on the actual level of maintenance and repair works required. The annual value of work carried out under this contract was approximately £325,000.

Resolved -

That a contract be awarded to Bellrock Property and Facilities Management for the delivery of responsive repairs to corporate buildings and schools for an initial period of five years, with an option to extend for two further consecutive years in accordance with the Public Contracts Regulations 2015.

(The meeting started at 6.30pm and closed at 8.40pm).

POLICY COMMITTEE MINUTES - 24 MAY 2017

- Present: Councillor Lovelock (Chair)  
Councillors Duveen, Eden, Ennis, Gavin, Hacker, Hopper,  
Hoskin, Page, Skeats, Terry and White.
- Apologies: Councillors Jones and Stevens.

RESOLVED ITEM

1. APPOINTMENT/NOMINATIONS TO OTHER BODIES FOR THE MUNICIPAL YEAR 2017-18

Resolved:

- (1) That, under the provision of Sections 101 and 102 of the Local Government Act 1972, The Mapledurham Playing Fields Trustees Sub-Committee be established for the Municipal Year 2017/18 and the following Councillors be appointed to serve on the Sub-Committee:

The Mapledurham Playing Fields Trustees Sub-Committee (5:2)

Labour  
Councillors

David Absolom  
Ayub  
D Edwards  
Hoskin  
Woodward

Conservative Councillors

Grashoff  
Steele

- (2) That the following Councillors be appointed as Chair/Vice Chair of The Mapledurham Playing Fields Trustees Sub-Committee for the Municipal Year 2017/18:

Chair

Councillor D Edwards

Vice-Chair

Councillor Woodward

- (3) That the Terms of Reference of the Sub-Committee be as set out in Appendix B to the Monitoring Officer's report to Council of 24 May 2017;
- (4) That the following appointments (or nominations, where indicated) be made for the Municipal Year 2017/18:

(a) Berkshire Local Transport Body

1 Representative  
Standing Deputy

Councillor Page  
Councillor Debs Absolom

(b) Bus Lane Adjudication Service Joint Committee & Parking and Traffic Regulations Outside London Adjudication Joint Committee

1 Representative  
Standing Deputy

Councillor Page  
Councillor Debs Absolom

## POLICY COMMITTEE MINUTES - 24 MAY 2017

- (c) Improvement and Efficiency South-East (Nominations)  
Director Deputy Leader of the Council  
AGM Representative Leader of the Council
- (d) Joint Waste Disposal Board  
2 Representatives Councillor Page  
Councillor Terry
- (e) Local Enterprise Partnership (Nomination)  
1 Representative Leader of the Council
- (f) Local Government Association  
General Assembly Councillor Page  
(1 Representative)  
Annual Meeting and Conference Councillors Page and Skeats
- (g) Local Strategic Partnership Board  
2 Representatives Leader of the Council  
Chief Executive  
2 Standing Deputies Deputy Leader of the Council  
Head of Customer Services
- (h) Mid and West Berkshire Local Access Forum (Nomination)  
1 Representative Councillor Hacker
- (i) Reading Climate Change Partnership  
2 Representatives Councillor Page  
Sustainability Manager
- (j) Reading UK Community Interest Company  
2 Representatives Leader of the Council  
Chief Executive
- (k) Royal Berkshire Fire Authority  
3 Representatives Councillor Brock  
Councillor Gittings  
Councillor Maskell
- (l) South East England Councils  
1 Representative Councillor Page

## POLICY COMMITTEE MINUTES - 24 MAY 2017

- |   |  |
|---|--|
| 1 Named Substitute  | Councillor Lovelock  |
| (m) <u>Thames Valley Police &amp; Crime Panel</u>               |  |
| 1 Representative  | Councillor Page  |
| (n) <u>Trading Standards South-East Ltd</u>                     |  |
| 1 Representative  | Trading Standards Manager  |
| 1 Named Substitute  | Regulatory Services Manager  |
| (o) <u>Wholly Owned Housing Company - Homes for Reading Ltd</u> |  |
| Councillor Directors (3:1)                                      | Councillor Ennis<br>Councillor Hacker<br>Councillor Lovelock<br>Councillor Hopper  |
| Senior Officer Directors  | Bruce Tindall (Chief Valuer)<br>Sarah Gee (Head of Housing & Neighbourhoods - appointed at Council on 22 March 2016 (Minute 55 refers) |
| Non-Executive Directors   | Darrell Mercer and John Higgins - appointed at Policy Committee on 13 March 2017 (Minute 99 refers)                                    |

(Appointed for 3 years with Councillor Directors subject to annual confirmation.)





**READING BOROUGH COUNCIL**  
**REPORT BY DIRECTOR OF FINANCE**

<b>TO:</b>	<b>POLICY COMMITTEE</b>		
<b>DATE:</b>	<b>12 JUNE 2017</b>	<b>AGENDA ITEM:</b>	<b>8</b>
<b>TITLE:</b>	<b>PROJECTED OUTTURN POSITION 2016/17</b>		
<b>LEAD COUNCILLOR:</b>	<b>COUNCILLORS LOVELOCK/ PAGE</b>	<b>PORTFOLIO:</b>	<b>FINANCE</b>
<b>SERVICE:</b>	<b>FINANCIAL</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
<b>LEAD OFFICER:</b>	<b>PETER LEWIS/ ALAN CROSS</b>	<b>TEL:</b>	<b>0118 9373263 (x73262)/ 0118 9372058 (x72058)</b>
<b>JOB TITLE:</b>	<b>STRATEGIC DIRECTOR OF FINANCE/ HEAD OF FINANCE</b>	<b>E-MAIL:</b>	<b>Peter.Lewis@reading.gov.uk /Alan.Cross@reading.gov.uk</b>

## 1. EXECUTIVE SUMMARY

- 1.1 This report describes the projected outturn position for the 2016-17 financial year for the Council and builds upon the detailed monitoring carried out during the year.

## 2. RECOMMENDED ACTION

- 2.1 Policy Committee is asked to note the projected outturn position for 2016/17 set out below.
- 2.2 Policy Committee is asked to approve the use of the S106 Receipts as set out in Appendix A for part financing the capital programme and to approve the allocation of £908k (general) CIL funding as set out in paragraph 3.12.
- 2.3 Policy Committee is asked to approve the write off of 4 irrecoverable debt over £20,000 as set out in paragraph 3.19.

## 3. PROJECTED OUTTURN POSITION

- 3.1 The Council is in the process of finalising its accounts for 2016/17, ready for submission to the external auditor, EY. An important part of that process is to determine the outturn position for the year; i.e. the amount spent compared to the budget set for 2016/17 by the Council in February 2016. This part of the process is completed in two stages; "projected outturn" and "final outturn", the latter only being fully resolved when all necessary

technical adjustments are finalised and audited around the end of September.

- 3.2 Table 1 below shows the projected outturn position, compared to the budget approved by Council in February 2016, and the projected outturn position reported to Policy Committee in March 2017 (based on monitoring to the end of January 2017). This projected outturn at the end of the year builds upon the robust monitoring and the corrective action taken during the year.
- 3.3 As has been widely reported nationally, increased demands on both Adults and Children's care services is putting significant pressure on Council budgets across the country. Reading is no different. In the second quarter of 2016/17 it became clear that pressures within Children's Services and Adult Services were not able to be contained within the original approved budget. The report to the Policy Committee in October 2016 noted a forecast overspend of £7.49m after remedial action, of which £6.7m was in Children's Services and £925k in Adults Services. The December and March budget monitoring reports showed a similar position and one that is familiar to many authorities which deliver care services.
- 3.4 In preparing the budget for 2017/18, the Council took account of the increasing demand pressures on the care services and added significant amounts to those budgets.
- 3.5 In a report to the February 2017 Council meeting it was highlighted that the then reported overspend of £7.6m would be funded from reserves. The underlying overspend remains as projected, although the amount to be drawn from reserves has increased by £1m. This is due to a positive review of Reading Borough Council's business rates collection, which, perversely, leads to an increased payment to Government as described in the next paragraph.
- 3.6 It is normal procedure to review the business rates collected at the year end. This year it has been possible to reduce the appeals provision, which revealed that the Council's collection position is better than forecast. However, in the short term this improved position creates a liability to pay an increased business rates levy under the Government's rules. This must be charged to the 2016/17 accounts. This negatively impacts the outturn position for 2016/17, but the collection fund gain to the Council share is over £2m, which will flow into the 2018/19 year. Therefore, whilst the immediate draw on reserves is larger than forecast, in reality a much larger sum should be available in 2018/19 (subject to any further business rate movements in 2017/18).

Table 1: Initial Draft Outturn Position<sup>1</sup>

	Budget	Projected Outturn as at 31/01/17	Initial Outturn Position	Variance to Budget	Variance to Projected
	2016-17	2016-17	2016-17		
	£'000	£'000	£'000	£'000	£'000
DENS	32,178	31,192	30,486	-1,692	-706
DCEEHS	33,927	40,953	41,385	7,458	432
DACHS	40,009	41,326	42,193	2,184	867
CSS	12,427	13,045	12,940	513	-105
<b>Directorate Total</b>	<b>118,541</b>	<b>126,516</b>	<b>127,004</b>	<b>8,463</b>	<b>488</b>
Capital Financing	9,300	8,998	8,873	-427	-125
Insurance	899	899	931	32	32
Property & Pension	2,889	2,867	3,872	983	1,005
Liabilities, Env. Agency Levy & NNDR Levy					
<b>TOTAL</b>	<b>131,629</b>	<b>139,280</b>	<b>140,680</b>	<b>9,051</b>	<b>1,400</b>
Capitalisation	0	0	-273	-273	-273
Use of Reserves & Funding Measures	-6,800	-13,877	-15,004	-8,204	-1,127
Grants	-4,606	-4,606	-4,606	0	0
Use of GF Balance	-26	-600	-600	-574	0
<b>Budget Requirement</b>	<b>120,197</b>	<b>120,197</b>	<b>120,197</b>	<b>0</b>	<b>0</b>

### 3.7 Environment & Neighbourhood Services

The outturn position for the Directorate is a variance of -£1.692m against the net budget of £32.178m, and reflects both reduced expenditure and over-achievement in income. Given the reported pressures on the overall budget in the second quarter, the Directorate actively sought to temporarily constrain expenditure in year in order to help mitigate the wider Council overspend. However, many of the one-off savings made in year are not considered sustainable going forward.

The delivery of certain savings targets has been delayed and therefore not achieved in-year within the Transport and Streetcare Service. However, these have been more than compensated for by prudent in-year cost controls, an over-achievement of income from parking and bus contracts, and savings from the associated costs of street lighting and fleet management. Where delays in savings plans are still expected during 2017/18 compensating measures are being identified to offset any pressures. At the end of February this service was predicting a net year-end variance of -£461k, which has reduced slightly to -£402k

<sup>1</sup> The total budget is as agreed at Council for the year in February 2016. The budget has been subject to adjustments and virement in year, and therefore directorate totals have been adjusted so the budget, projected outturn at 31/1/17 and projected year-end outturn are consistent.

During the final months of the year, Planning, Development & Regulatory Services achieved new rental income arising from strategic investment acquisitions and planning fees income. This additional income, together with strict cost controls, has resulted in a variance of -£304k since the position reported for February. Therefore, the service delivered the agreed savings and achieved a variance of -£785k in 2016/17. The service has experienced a range of in-year pressures, including changes to licensing fees and a delay in the delivery of a significant savings target in Corporate Facilities Management. However, overall, these pressures have been more than offset by an over-achievement of Planning fees and the additional rental income from recently acquired investment properties at Friar Street and Adelphi House, alongside one-off in-year spend controls on salaries and building maintenance.

The bulk of services delivered within Economic & Cultural Development generate significant levels of income. An underachievement of 'parks' income of £184k, largely relating to unavoidable reductions in rental income, has been the primary pressure on budget for 2016/17. However, this pressure has been more than offset by savings across other service areas achieved through a combination of tight control of costs and additional income. Overall performance against budget has been better than expected with an underspend of £39k for the year against a total net budget of £1.92m and gross expenditure of £10.46m

Managing demand and spend on Homelessness continues to be a key focus for the Housing & Neighbourhoods Service and a range of actions and initiatives helped to address the anticipated overspend that was predicted in the first half of the financial year. Having reviewed progress and the impact of mitigations in place and planned, additional measures were implemented during 2016/17 to prioritise moves for larger families and those who have been in placements for longer periods. This has led to an outturn spend of £143k below the adjusted budget.

### **3.8 Children, Education & Early Help Services**

The outturn position for DCEEHS is an overspend of £7.458m, which has been reported during the 2016/17 budget monitoring process as highlighted in paragraphs above. This reflects a further adverse movement of £432k since January's budget monitoring exercise, most of which is as a result of an increase in external placement costs £429k, higher transport costs relating to the increased demand for transport for pupils with SEN £41k; £117k pressure for the Emergency Duty Service (EDS) joint arrangement; which are all partially offset by an increase in the savings from the Early Help Service of £94k.

The key other overspends for DCEEHS can be summarised as follows:

The continued challenge of recruiting social workers has led to the use of agency social workers to deliver key services. This, combined with some additional senior posts in Children's Social Care, resulted in an overspend of

£3.85m. In conjunction with this, the unachieved historical savings for Children's Social Care accounted for an overspend of £545k. External Placements including the Children with Disabilities Placements were £2.675m overspent. This is as a result in a significant increase in the Looked After Children population, with the use of external providers to manage this increased demand. Home to School Transport costs were overspent by £621k, which was partly due to failing to meet the savings target, but also as an increased demand for transport for pupils with special education needs (SEN). Additional skills and capacity to drive service improvement cost £541k. These overspends have been partially offset by the underspend on the Early Help Service of £537k following held vacancies and restructures within service.

This reflects the General Fund position for DCEEHS, but does not include the final Dedicated Schools Grant (DSG) position for 2016/17. The overall deficit for the DSG is £3.2m, arising from the increased number of pupils with SEN requiring support and increasing the deficit carried forward from 2015/16. Recovery measures have included reducing School budget factors by 1% in 2017/18, with a SEN Strategy to be developed to transform the SEN provision for Reading and to address the increasing costs for pupils with SEN. This is reduction of £400k which was previously reported. This will be carried forward into 2017-18 Schools funding and has been reported to the Schools Forum on 18<sup>th</sup> May 2017.

### **3.9 Adult Care & Health Services**

The outturn for DACHs is an overspend of £2.2m. This is an increase of £0.85m since January monitoring. The main causes for the increase are spend on Community Services packages, additional costs on EDS contract and an accrual for an OR case.

There continues to be a considerable pressure on care costs, and at year end the overspend amounts to £2m, across all primary support reasons and all services. There is also an issue where a number of prior year invoices have been paid that were not accrued for (this is around £0.5m of the £2.2m overspend).

There have also been overspends arising from the engagement of additional capacity to drive service improvement. The service improvement programme has reduced expenditure by around £1.4m in year (from a savings target of £2.5m). However, the on-going impact is expected to increase to £1.9m once the full year effect of changes is realised. The remainder will need to be found in 17/18 in order to reduce the ongoing pressure.

There have been further pressures arising from the cost of Deprivation of Liberty Standards (DOLS) assessments within Safeguarding

There have been underspends within Social Work teams, the Wellbeing and Commissioning service and also different use of Disabled Facilities Grant

(DFG) grant within the Better Care Fund (BCF) to fund adaptations and equipment.

During May 2017 the Secretary of State for Local Government has decided that RBC should be liable for a high cost package going back to 2014 (because the client is deemed to be Ordinarily Resident in Reading, though we are considering an appeal). If RBC is required to refund costs for this client this will amount to around £0.8m, which has now been accrued for.

Learning and Workforce Development overspent by £211k due to unachieved savings on training costs across the whole Council. This was an improved position compared to that reported in January.

### **3.10 Corporate Support Services**

The projected outturn position for Corporate Support Services is £513k overspent on a budget of £12.4m. This is a reduction of £104k since February monitoring. However there are some final adjustments that still need to be put through and in particular the recovery of Housing Benefit overpayments still needs to be fully reviewed.

The overspend is due to a reduction in Housing Benefit grant of £523k, increased caseloads for Childcare lawyers £349k, additional consultancy fees £93k and pressure on Land Charges £104k. This has been partially offset by additional income from Registration £302k and other minor variances across the directorate.

### **3.11 Capital Financing & Other Non-Service lines**

The capital financing position is slightly better than forecast; the dividend return on the CCLA Property Fund investment has exceeded forecast, and actual borrowing is lower than forecast. The overall variance is £427k under the original budget.

Non-service lines include various property and pension liabilities as well as the NNDR Levy. The Council continues to have a pension fund deficit, and the draft position includes allowances to meet costs that will fall due for payment that are unlikely to be covered by other resources in the near future. The main variation here is a technical one.

Following review (after recent appeals have been settled, and some withdrawn), we have concluded that the business rate appeals provision can be reduced from £16.5m to £10.5m. This change together with other business rate collection changes has led to the business rates balance at the year end being significantly higher than forecast. This money will actually flow into the General Fund in the 2018/19 financial year, but it is necessary to accrue an additional rates levy of £1.5m at this stage.

### **3.12 Capital Expenditure**

The table below shows a comparison by service between the Draft Outturn and Revised Approved Budget as reported to Policy Committee & Council in February.

**Table 2: Capital**

	Initial budget	Revised Approved Budget	Draft Outturn
	£'000	£'000	£'000
Safeguarding & Protect Vulnerable	2,275	3,437	3,402
Providing best life through education, early help and healthy living	27,327	19,954	15,583
Providing homes for those most in need	13,425	12,254	10,183
Keeping the town clean, safe, green and active	11,060	5,711	6,886
Providing infrastructure to support the economy	6,119	9,638	8,614
Remaining financially sustainable to deliver these service priorities	9,897	32,451	29,605
<b>Total</b>	<b>70,103</b>	<b>83,445</b>	<b>74,273</b>
General Fund Capital	56,288	70,817	63,376
HRA Capital	13,815	12,628	10,897
Funded by:			
Grant	17,824	9,491	23,516
S106 Receipts & CIL# Contributions	1,335	1,238	3,174
Borrowing	40,899	63,617	37,760
Other (mainly HRA MRA*)	10,045	9,099	9,823
	70,103	83,445	74,273

\*MRA (Major Repairs Reserve - approx. £7.39m used, leaving nil balance)

#CIL (Community Infrastructure Levy - £0.908m general contributions used)

Up to March 2017 the Council has received £2.172m of Community Infrastructure Levy (CIL) receipts. CIL differs fundamentally from S106 in that the funds collected are not tied to a specific development or the provision of specific infrastructure. Unlike infrastructure provided through S106 planning obligations, which must be necessary to mitigate the impact of a particular development and used only for that specific purpose, CIL funds can be used more flexibly to fund any infrastructure as defined within the regulations and contained in the Council's Regulation 123 list. A

proposed CIL protocol was considered at the February 2017 Policy Committee with the Committee concluding that the protocol should be referred to a future Committee to allow further reflection and debate.

Notwithstanding the intention to present the CIL protocol to the July Policy Committee a decision to use some of the CIL money available to fund expenditure on strategic infrastructure should be taken now to avoid unnecessary capital financing costs to the Council in the 2017/18 financial year. The allocation of £0.908m of general CIL money does not affect the 15% 'local' allocation which requires councillor consideration as part of the protocol and wider consultation

Between the initial budget and the February projection there was slippage from 2015/16, increases in the programme from further approvals, notably the decision to invest in commercial property and some transport related grant awards.

### **3.13 Early Termination (Redundancy) Costs**

As part of in-year budget reductions to keep net expenditure within the approved budget and the requirement to make savings so that the budget could be set for 2017/18 within the available resources, taking account of the on-going reductions in government support for the council's activities, the Personnel Committee has agreed redundancy, compensation and early retirement packages to a value just over £861k for 38 employees.

### **3.14 Capital Receipts**

During 2016/17 the Council received £2.4m of general fund capital receipts and sold 26 housing dwellings under RTB for £4.1m, £1.1m of which was paid to the Government. Of the remaining £3.0m, £1.84m must be spent on replacement housing under the "1-1 replacement" arrangements for sold council houses. Subject to the approval of Policy Committee the Council will use £1.65m of receipts to finance its capital programme (this was mainly 1-1 receipts on affordable housing (including the purchase of 3 properties and assisting a housing association with a development)).

Government rules permit the flexible use of capital receipts to meet one off revenue costs of delivering on-going savings and the above £861k of redundancy costs have been financed in that way, leaving £8.2m of General Fund receipts before budget funding measures have been completed. £1.5m of this has then been used to repay (internal) debt with a consequent adjustment to the revenue provision in line with the agreed policy. Therefore £6.7m of receipts are carried forward, though £3.5m of these are being held for equal pay purposes (as set out below) for use in 2017/18.

£5.5m HRA Receipts (which can generally be used) and £6.8m HRA 1-1 Receipts (which must be used on replacement housing) were also carried forward into 2017/18.



### 3.15 Use of Reserves & Funding Measures

The table above shows that when the budget was set £6.8m of reserves were needed to finance the budget, and with overspends as described above the final projected use of reserves is £15.6m. Council in February provided a delegation to the Interim Director of Finance to determine the best way of financing this, in the context of the 2 year approach explained in the report to Council.

In summary the overall resources available as at 31/3/17 in comparison to the earlier forecast are as follows

£'000	February Forecast	Projected Outturn before Financing	Use of £15.6m to Finance the Budget	Projected Outturn after Financing
General Fund Balance	5,621	5,621	585	5,036
General Fund Reserves (usable)	11,100	12,165	10,015	2,150
GF Capital Receipts	7,600	8,200	5,000	3,200
GF Capital Receipts held for Equal Pay			-3,500	3,500
Equal Pay Provision (cash backed)	11,350	11,350	3,500	7,850
	35,671	37,336	15,600	21,736

This will preserve the General Fund Minimum balance of £5m, and in addition carry forward £2.15m of other revenue reserves, though they will be needed, on current forecasts, over the period 2017 - 2019. The Equal Pay cash backed provision, taking account of the £3.5m of receipts held for that purpose remains at £11.35m, and other GF capital receipts carried forward are £3.2m. As envisaged in February the Council is reliant on receipts expected during 2017/8 to balance that year's budget with very limited room for adverse change.

### 3.9 Borrowing Outstanding

In line with the requirements of the CIPFA Prudential Code there will be a treasury outturn report to Audit and Governance Committee as part of the final accounts package setting out in full the outturn Prudential Indicators. Table 3 shows the summary position of capital debt outstanding as measured by the adjusted capital finance requirement

Table 3: Capital Debt Outstanding

(Adjusted CFR)	February Projection	Outturn
	£m	£m
General Fund	251.8	226.2
HRA	190.2	190.0
Total	442.0	416.2

Actual borrowing at 31 March 2017 was £353.4m and £327m net of investments. (The investments the Council had were the £15m in the CCLA Long Term Property Fund, and the remainder between a bank and two instant access money market funds).

### 3.10 General Fund Balance

Based on the provisional outturn the General Fund Balance as at 31<sup>st</sup> March 2017 is as follows:

**Table 4: General Fund Balances**

	Approved Budget £'000	Forecast (February) £'000	Actual £'000
1 April 2016	5,033	5,621	5,621
Use of Balances	(26)	(600)	(585)
Transfer to balances	0	0	0
31 March 2017	5,007	5,021	5,036

### 3.11 Housing Revenue Account

The outturn position for the Housing Revenue Account is set out in table 5

**Table 5 Preliminary Outturn - Housing Revenue Account**

	Budget 2016/17 £'000	Projected Outturn 2016/17 £'000	Draft Outturn 2016/17 £'000	Variance to Budget £'000	Variance to Projected £'000
Repairs	14,961	14,361	13,497	-1,464	-864
Management	16,654	16,102	15,615	-1,039	-487
Capital	10,600	10,377	10,035	-565	-342
<b>Total Expenditure</b>	<b>42,215</b>	<b>40,840</b>	<b>39,147</b>	<b>-3,068</b>	<b>-1,693</b>
Rents	35,450	36,355	36,552	-1,102	-197
PFI Allowance/Grant	3,997	3,997	3,997	0	0
Other Income	728	1,177	1,250	-522	-73
<b>Total Income</b>	<b>40,175</b>	<b>41,529</b>	<b>41,799</b>	<b>-1,624</b>	<b>-270</b>
<b>Net Income</b>	<b>2,040</b>	<b>-689</b>	<b>-3,436</b>	<b>-4,692</b>	<b>-1,963</b>

HRA Balance b/f	22,101	22,101	22,101		
Use of b/f balances	1,200				
HRA Balance c/f	21,261	22,790	25,537		

### 3.12 Final Accounts Process

Appendix B explains the final requirements for Local Authority Accounts and in particular the formal approval process at the end of June & September. The draft accounts which must be prepared in a prescribed format will be “signed off” by the Director of Finance by the end of June prior to audit before being presented to the Audit & Governance (A+G) Committee before the end of September for approval. The external auditor (EY) is expected to review the draft accounts during July and August, prior to issuing an opinion on them at the A+G Committee at the end of September. The accounts will be published on the Council’s website as signed off initially (with a “subject to audit” cover) and with the audit opinion at the end of September. At the time of preparing this report, not all the figures set out above had been checked in detail, and therefore may vary in the final accounts. Any significant variations, if not apparent from a full reading of the accounts will be explained in the cover report to the Audit & Governance Committee.

### 3.13 Debt Outstanding

The accounts include various streams of income where money was owed to the Council at the year end, and the remaining sections of this report include a commentary on those debtor streams.

### 3.14 Council Tax

Table 6 shows the Council Tax Collection Rate over the last 4 years:

	2013/14	2014/15	2015/16	2016/17
Collection Rate	96.93%	96.61%	96.84%	96.68%

In 2016/17 collection performance slightly reduced following changes to the working age Council Tax Support Scheme which required an increased contribution from non pensioner households. In addition to in year collection, previous year’s arrears to the value of almost £1.7m (2015/16 £1.2m) were also collected, leaving gross arrears (for all years since 1997/98) at 31 March 2017 of £12.4m (31/3/16 £11.3m). We anticipate collecting around £2.0m of this in due course (based on our historic arrears collection performance; we would expect to collect at least £1.7m of this arrears in 2107/18, and the remainder in later years).

We have accounted accordingly, and now anticipate a year end council tax surplus on the collection fund of around £0.8m, of which RBC’s share is £0.7m, slightly lower than the £0.9m share of the forecast £1.05m surplus.

Recovery activity of recent years has resulted in irrecoverable debt written off being very low. Only £12k was written off in 2016/17. However, of the total £12.3m historic debt, £2.5m is more than 10 years old and can be regarded as almost wholly irrecoverable. During 2017/18 we will consider formally writing this off.

### 3.15 Business Rates

Arrears of Business Rates total £6.1m in 2016/17 (£4.9m in 2015/16). For 2016/17 the in year Collection Rate was 97.9% (almost 97.9% in 2015/16).

The Committee will recall that in January we estimated that there would be an NNDR collection fund surplus of £1.8m. During the final quarter several appeals were resolved in a way that has led to a reduction in the appeals provision without significant loss of rate income. We have also completed an analytical review of the overall position since (50% localisation started in 2013/14) and concluded that the NNDR closing balance should be £11.2m, £9.4m higher than forecast. Of the increase, 50% goes straight to the Government and the Council has to pay a 44% levy on its 49% share, so the net gain (that will benefit the 2018/19 budget in due course) is about £2m.

### 3.16 Housing Rents

Arrears of rents from Council Housing and Temporary Accommodation totalled just below £0.9m broken down as follows:

2016-17	Current Tenants		Former Tenants	
	£'000	% of rent	£'000	% of rent
Council Housing	456	1.2%	321	0.9%
Temporary Accommodation	35		69	
	<b>491</b>		<b>390</b>	

A bad debt provision of £0.6m has been made to cover the risk of non-recovery. In comparison at 31 March 2016, current tenants rent arrears were £488k and former tenants rent arrears were £399k.

### 3.17 General Debtors

Most other money owed to the Council is collected through the General Debtors System. The amounts outstanding can vary significantly from month to month depending upon levels of invoicing, and the extent to which people pay on time. We also allow a month for "normal" payment before recognising the debt as outstanding and overdue. In particular at any point in time we are usually owed large amounts of money by other public sector bodies; notably in the health sector linked to the close working between health and social care.

The table at Appendix C summarises the level of general debtors outstanding of £11.5m greater than 30 days old, beyond the normal payment terms process.

The most significant areas of debt relate to Housing Benefit Overpayment and Community Care. In the latter case, the majority of debt relates to domiciliary care and older peoples residential accommodation awaiting administration of clients' estates. A large proportion of the debt is being paid by instalments or awaiting legal action.

Where Housing Benefit overpayments occur in most cases 40% is claimable through subsidy and the Council seeks to recover the overpayment from the claimant by either deductions from on-going benefit or by raising an invoice. In many cases arrangements to pay are agreed with claimants linked to ability to pay hence the age of the debt.

### **3.17 Write Offs**

Financial regulations require that Committee approval is given for write offs above £20,000. Your approval is therefore requested for the following write offs for the reasons stated.

NDR - Company Dissolved	£22,421.26
NDR - Liquidation	£63,374.03
Gen Debtor - Liquidation	£80,081.50
General Debtor - Lease Ended - Unable to pay	£37,625.00

## **4 Contribution to Strategic Aims**

- 4.1 The production of accounts does not in itself contribute to the Council's strategic aims, however maintaining a "healthy" financial position is a key element underpinning sound Corporate Governance of the organization.

## **5 Community Engagement and Information and Legal Implications**

- 5.1 None directly from this report.

## **6 Financial Implications**

- 6.1 As set out above.

## **7 Background Papers**

- 7.1 Budget Report to Full Council - February 2016  
7.2 Budget Report to Full Council - February 2017

## Appendix A - S106 Receipts to be applied 2016/17

### S106 Receipts to be applied 2016-17

Scheme	Contribution fettered to:	Total Applied
<b><u>Whitley Wood Community Art Project</u></b>		
3106 - Former Berkshire Brewery, Imperial way	- Public Art	<u>3,000.00</u>
<b>Whitley Wood Community Art Project total:</b>		<u><u>3,000.00</u></u>
<b><u>Bugs Bottom Environmental Improvements</u></b>		
647 - Phase 8, Shipnell's Farm	Leisure	<u>800.00</u>
<b>Bugs Bottom Environmental Improvements total:</b>		<u><u>800.00</u></u>
<b><u>Kennet Towpath Improvements</u></b>		
629 -Unit 3, 4a and 5 Rose Kiln Lane	Leisure	<u>7,626.15</u>
<b>Kennet Towpath Improvements total:</b>		<u><u>7,626.15</u></u>
<b><u>Tree Replacement Works</u></b>		
1175 - 3/3A Parkside Road & 74B Bath Road	Environment	4,000.00
1480 - 17 Lawrence Road	Environment	<u>158.73</u>
<b>Tree Replacement Works total:</b>		<u><u>4,158.73</u></u>
<b><u>Arthur Newbery Park</u></b>		
1916 - 18 Weald Rise	Leisure	2,393.63
2100 - 83-89 School Road	Leisure	10,977.86
3112 - The Bird in Hand, 14 Lower Armour Road	Leisure	4,132.83
3300 - 98-100 School Road	Leisure	2,554.36
3332 - Land r/o 54a-66 Norcot Road	Leisure	12,276.30
4025 - Highlands School, Wardale Avenue	Leisure	28,251.86
3189 - 46a and 46b Armour Road	Leisure	<u>2,686.42</u>
<b>Arthur Newbery Park total:</b>		<u><u>63,273.26</u></u>
<b><u>Forbury Gardens</u></b>		
1440 - Princes Court, 20-24 Vachel Road	Leisure	3,792.79
3174 - 27 Castle Street	Leisure	<u>557.21</u>
<b>Forbury Gardens total:</b>		<u><u>4,350.00</u></u>
<b><u>Robert Hewitt Recreation Ground</u></b>		
3015 - 23 Russell Street	Leisure	<u>4,181.17</u>
<b>Robert Hewitt Recreation Ground total:</b>		<u><u>4,181.17</u></u>
<b><u>Prospect Park</u></b>		

1726 - 137 Honey End Lane	Leisure	631.26
<b>Prospect Park total:</b>		<u>631.26</u>

**Thames Parks Plan**

1442 - Land adj to Lyefield Court	Leisure	9,974.57
3141 - Abbotsmead Place/School Lane	Leisure	8,688.23
<b>Thames Parks Plan total:</b>		<u>18,662.80</u>

**Beresford Road Recreation Ground**

1445 - Land at Battle Hospital site (Kingsoak S106)	General	3,950.51
<b>Beresford Road Recreation Ground total:</b>		<u>3,950.51</u>

**Kensington Road Recreation Ground**

1445 - Land at Battle Hospital site (Kingsoak S106)	General	13,809.49
<b>Kensington Road Recreation Ground total:</b>		<u>13,809.49</u>

**Cintra Park Infrastructure**

1695 - 16a Alpine Street	Leisure	1,887.00
<b>Cintra Park Infrastructure total:</b>		<u>1,887.00</u>

**Emmer Green Recreation Ground**

1603 - Field View, Derby Road	Leisure	544.50
3982 - North side of Evesham Road	Leisure	11,724.85
<b>Emmer Green Recreation Ground total:</b>		<u>12,269.35</u>

**Tree Works at Fobney**

3254 - Kennet Island Phase 3	Leisure	16,667.00
<b>Kennet Island Phase 3 total:</b>		<u>16,667.00</u>

**Edenham Project Works**

324 - Courage Sports Ground	Leisure	16,537.00
<b>Edenham Project Works total:</b>		<u>16,537.00</u>

**Palmer Park**

1611 - Land at Green Road Reading	Leisure	704.53
3127 - 318a Kings Road	Leisure	22,268.96
4011 - 42 Kenavon Drive	Leisure	161,245.43
3293 - 276 Wokingham Road	Leisure	4,110.85
4079 - Wells Hall, Upper Redlands Rd	Leisure	54,531.06
<b>Palmer Park total:</b>		<u>242,860.83</u>

**Abbey Quarter**

1905 - 128 Oxford Road	Leisure	3,832.46
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1910 - 73 Edinburgh Road	Leisure	4,767.85
1921/3315 - Mansfield Hall	Leisure	157,604.76
<b>Abbey Quarter total:</b>		<u>166,205.07</u>
<b>Arts and Leisure Total:</b>		<u>580,869.62</u>
<b><u>Oxford Road Academy</u></b>		
1445 - Land at Battle Hospital site (Kingsoak S106)	General	300,000.00
1910 - 73 Edinburgh Road	Education	18,360.88
2093 - 116-118 Chatham Street	Education	35,992.73
3045 - 32 Brunswick Street	Education	11,334.32
3273 - Land rear of Baker Street and Waylen Street	Education	5,597.20
3248 - Chatham Place (Phase 2)	Education	62,227.35
<b>Oxford Road Academy total:</b>		<u>433,512.48</u>
<b><u>Caversham Primary</u></b>		
3022 - 326 Hemdean Road	Education	1,550.96
<b>Caversham Primary total:</b>		<u>1,550.96</u>
<b><u>Churchend Primary</u></b>		
3988 - Land at 77 St Michaels Road	Education	10,610.10
<b>Churchend Primary total:</b>		<u>10,610.10</u>
<b><u>E P Collier Primary</u></b>		
3116-120 Oxford Road	Education	13,717.89
<b>E P Collier Primary total:</b>		<u>13,717.89</u>
<b><u>Geoffrey Field Infant School</u></b>		
3254 - Kennet Island Phase 3	Education	11,556.93
3995 - 103 Basingstoke Road (3995)	Education	2,419.13
<b>Geoffrey Field Infant School total:</b>		<u>13,976.06</u>
<b><u>Katesgrove Primary School</u></b>		
1695 - 16a Alpine Street	Education	57,488.50
<b>Katesgrove Primary School total:</b>		<u>57,488.50</u>
<b><u>Moorlands Primary</u></b>		
1564 - Sadina Pierces Hill	Education	9,500.00
1062 - 2 Kentwood Hill	Education	1,543.48
1039 - 50 St Michaels Road, Tilehurst	Education	315.00
3224 - Bird in Hand, 14 Lower Armour Road	Education	5,678.39
3277 - 93 Chapel Hill	Education	16,403.72
3332 - Land r/o 54a-66 Norcot Road	Education	23,201.42
<b>Moorlands Primary total:</b>		<u>56,642.01</u>
<b><u>New Town Primary</u></b>		



3152 - 102 Kings Road	Education	1,886.41
3127 - 318a Kings Road	Education	15,276.90
3210 - 17 Eldon Square	Education	2,255.00
3323 - 32-36 Kings Road	Education	2,073.59
4011 - 42 Kenavon Drive	Education	905,435.84
<b>New Town Primary total:</b>		<u><u>926,927.74</u></u>
<b><u>Oxford Road Primary</u></b>		
3211 - 10 Prospect Street	Education	4,214.55
<b>Oxford Road Primary total:</b>		<u><u>4,214.55</u></u>
<b><u>The Ridgeway Primary</u></b>		
1967 - 4-8 Winchester Road	Education	12,290.77
2006 - 89 Cressingham Road	Education	6,408.74
4020 - 17 Newcastle Road	Education	8,421.04
<b>The Ridgeway Primary total:</b>		<u><u>27,120.55</u></u>
<b><u>Southcote Primary</u></b>		
3303 - The Roundhead PH, Wensley Road	Education	2,376.15
3989 - 242 Gainsborough Road	Education	3,716.44
<b>Southcote Primary total:</b>		<u><u>6,092.59</u></u>
<b><u>St Michaels Primary</u></b>		
2065 - 644 Oxford Road	Education	10,505.95
<b>St Michaels Primary total:</b>		<u><u>10,505.95</u></u>
<b><u>Thameside Primary</u></b>		
1931 - Plot 2 Vallpineda, The Warren	Education	10,557.37
3975 - Land at Caversham House, 13-17 Church Road	Education	10,553.46
<b>Thameside Primary total:</b>		<u><u>21,110.83</u></u>
<b>Education total:</b>		<u><u>1,583,470.21</u></u>
<b><u>Battle Community Hub</u></b>		
1445 - Land at Battle Hospital site (Kingsoak S106)	General	7,500.00
<b>Battle Community Hub total:</b>		<u><u>7,500.00</u></u>
<b>Corporate total:</b>		<u><u>7,500.00</u></u>
<b><u>Town Centre CCTV Schemes</u></b>		
1266/1354 - Signal House, Letcombe Street	General	2,455.50

1371 - 108 Friar Street	General	5,277.48
1305 - Chatham Street Car Park Complex	General	6,780.49
775 - 126-127 Friar Street	General	18,000.00
718 - 20 Hosier Street	Environment	8,588.30
767 - 73-74 Broad Street	Environment	18,000.00
803 - 59-60 St Mary's Butts	Environment	1,592.21
<b>Town Centre CCTV Schemes total:</b>		<u><u>60,693.98</u></u>

**Traffic Management near EP Collier School**

4092 - EP Collier School	Transport	<u>33,559.31</u>
<b>Traffic Management near EP Collier School total:</b>		<u><u>33,559.31</u></u>

<b>Transport total:</b>		<u><u>94,253.29</u></u>
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<b>Capital total to fund using S106 receipts:</b>		<b>2,266,093.12</b>
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## Appendix B

### Final Accounts Process

The final audited accounts for years prior to 2016/17 can be accessed on the Council's website. A cursory glance at these documents will show that the presentation therein is somewhat different to that used for the Council's budget, and indeed in the above explanation of year end variances. This is because the accounts must be prepared in accordance with the Code of Practice for Local Authority Accounting (the "Accounts Code").

Amongst other things, the code requires that the Council's accounts are presented in in with International Financial Reporting Standards (IFRS). Furthermore, the Accounts Code requires many adjustments to the day to day accounts by which the Council manages its budget including capital charges for all services, the apportionment of support services across front line services.

However, there have been some changes to the code this year that enable and require some information to be presented on a similar (directorate basis) to that which we use for internal budget monitoring, intended to strengthen the links between budget reports throughout the year and the final accounts.

We are however also required, along with all other local authorities to prepare some financial information for government in line with the same accounting guidance, so comparative information drawn between authorities that is reasonably accurate, and fairly represents the relative total cost of services. In addition the Account Code requires the council to produce group accounts that include the activities of companies we own; principally Reading Transport.

The Accounts Code is published by CIPFA and each year they consult about amendments to the Code to keep local authority accounting practice up to date. CIPFA's Local Authority Accounting Panel (which the Head of Finance attends) produces guidance notes to explain how to prepare most aspects of the accounts.

The Accounts & Audit Regulations currently require the Director of Finance to signs the accounts off by the end of June. They are then audited and must be approved by Councillors (hopefully with their audit opinion) by the end of September. Audit & Governance Committee formally do this approval on behalf of the Council. Next year the approval date will move forward to 31 May (for CFO sign off) and July (Audit & Governance Committee approval). Given the proximity of the May date to the election date and timing of meetings, we will need to revise our approval process and timetable through committee to meet the new requirements.

As in previous years the accounts both pre audit, after the end of June, and following audit at the end of September will be published on the website.

## Appendix C

### General Debtor Arrears (accounts over 30 days old)

The table sets out the arrears by service @ 31 March 2017  
By Age of debt (days)

	TOTAL	31-60	61-90	91-120	120+
Community Care	2,474	306	261	52	1,855
Culture & Sport	309	177	8	12	112
Education & Early Help	145	1	58	2	84
Environment	181	21	31	8	121
Housing	517	20	19	18	459
Valuation	280	34	21	39	186
Corporate Support	376	66	53	3	254
Housing Benefit Overpayments	7,264	144	211	167	6,742
Total	11,544	769	663	300	9,813

As at 31 March 2016, debt totalled £9.989m.

## READING BOROUGH COUNCIL

### REPORT BY INTERIM DIRECTOR OF ADULT CARE AND HEALTH SERVICES

TO:	POLICY COMMITTEE		
DATE:	12 JUNE 2017	AGENDA ITEM:	9
TITLE:	SUPPORTED LIVING RENT AND TRANSFER TO HOUSING REVENUE ACCOUNT		
LEAD COUNCILLOR:	RACHEL EDEN	PORTFOLIO:	ADULT SOCIAL CARE
SERVICE:	ADULT SOCIAL CARE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	KARLA VICKERS	TEL:	0118 9374695
JOB TITLE:	PROJECT MANAGER	E-MAIL:	karla.vickers@reading.gov.uk

#### 1. PURPOSE OF REPORT

- 1.1 For Policy Committee to consider a proposal to increase rents in 11 Adult Social Care Supported Living properties in line with other similar Supported Living provision.
- 1.2 For Members to note that for all but one of the 33 tenancies affected, the cost of the rent increase would be covered in full by Housing Benefit allowance, meaning tenants' personal finances would not be affected. A discussion with the one tenant affected by the rent increase will take place to discuss the potential for a transitional arrangement to help them manage the payment.
- 1.3 To recommend that one quarter of the existing funding pot for planned / unplanned maintenance of the properties is utilised as a saving for the next 3 year period to aid current financial pressures. This is proposed in the context that the pot is consistently underspent and always carries forward as a surplus.
- 1.4 To seek Member agreement to transfer 6 x 1 bed flats from the General Fund to the Housing Revenue Account, due to the tenancy arrangements of the units.

#### 2. RECOMMENDED ACTION

2.1 That Policy Committee agree:

- a) The proposal to increase the rents in 11 Supported Living properties so that they are in line with other similar Supported Living provision.
- b) For the next 3 year period, to use £40,000 of the existing £160,000 'sink fund' as a saving.
- c) The transfer of 6 x 1 bed flats from the General Fund to the Housing Revenue Account, and the associated financial realignment between the two accounts.

### 3. THE PROPOSAL

#### Current Position:

3.1 Reading Borough Council Adult Social Care (ASC) own 12 properties which are let to tenants as shared houses to provide supported living. There are 40 separate tenancies for individual rooms. Individuals are nominated to these properties by ASC, via the ASC Housing Panel, and the budget for these properties sits within ASC costs centres. The Housing Service is the agent and they act as landlord on behalf of ASC.

3.2 For historic reasons the rents for the shared houses are low in comparison to the private sector market for the same type of property.

3.3 At present the properties provide a net income to the ASC service. The exact amount depends on the level of rent loss during a void period and repairs expenditure during that year and this is normally less than budgeted for.

3.4 ASC also own 6 x 1 bed flats which are managed in the same way as the shared houses but are classed as individual properties and not shared houses. The properties sit within the General Fund and the tenants are on secure tenancies.

3.5 The Council hold a 'sink fund' to the value of £160,000 which is used for planned and unplanned maintenance to the properties.

3.6 As of April 2017, as part of standard practice, an annual rental increase of 5% has been implemented which will increase the gross rental income by £7,368 for the year.

#### Options Proposed:

##### Increase rents

3.7 The proposal applies to 11 shared supported living properties. This equates to 33 tenancies within the ASC portfolio.

3.8 It is proposed that as these rents are well below what is expected to be paid for these types of supported living properties, the rents are increased so that they are in line with similar supported living provision. Typically between £120 and £130 per week would be expected to be paid. It is therefore proposed that the rents for the shared houses without an en-suite are increased to £120 per week and for those with en-suite to £125 per week.

3.9 For the purposes of this proposal the supported living properties at Castle Crescent, which come under the umbrella of the Focus House Consultation project, have been excluded. The 6 x 1 bed flats are also excluded from the proposal to increase the rents as they are included in the transfer proposal to the Housing Revenue Account.

3.10 The rents being proposed are above the local housing allowance for the shared

room rate for most claimants, but there is an exemption that allows people to claim up to the 1 bed rate even if they are in a shared house. This is achieved by having the Severe Disability Premium (SDP) included in their Housing Benefit. The SDP would apply to people who meet all the following criteria;

- They must receive DLA Care Middle or Higher OR
- Daily Living component of Personal Independence Payment OR
- Attendance Allowance OR
- An Armed forces independence payment AND
- Must have no non-dependents living with them AND
- No one must be receiving Carers Allowance for them.

3.11 This exemption applies to all the tenants currently living at these properties which mean that they are therefore also exempt from the benefit cap. With the exception of one tenant they are all also on Housing Benefit. For the tenants on Housing Benefit this would mean that Housing Benefit would continue to cover the full cost of the rent and this change would not have any impact on the tenant's personal finances.

3.12 For the one tenant who is not eligible for Housing Benefit their rent will increase by £27.38 per week. When their funds reach the threshold for Housing Benefit they can make an application to cover the rent. The potential for transitional arrangements to manage the increase in rent will be discussed with the tenant affected.

3.13 The proposal to increase the rents would result in an increase in rent for the tenants, ranging from £21.64 a week to £34.80 a week for most tenants and an increase of £54.46 for 4 tenants that currently have very low rents.

3.14 For future tenants, they need to be in receipt of Severe Disability Premium to ensure that they receive the maximum Housing Benefit to cover the total rent being proposed. It is anticipated that they would be in receipt of Severe Disability Premium, as this type of accommodation would warrant placing an individual with needs that would meet the criteria for Severe Disability Premium.

#### Transfer of 6 x 1 bed flats from General Fund to Housing Revenue Account

3.15 It is proposed that the 6 x 1 bed flats are appropriated to the Housing Revenue Account (HRA). As these properties are let on secure tenancies, housing legislation dictates that properties on these tenancy arrangements owned by a Local Authority should be accounted for in the authorities HRA. Rent levels for the tenants will remain the same as a result of the transfer.

3.16 As the asset will be transferred from the General Fund to the HRA, it will be necessary to realign the two budgets accordingly. The tenanted value of the units is assessed to be c.£670,000, a final valuation will be completed at the point of transfer. This process will reduce the general fund debt by this value, but there will also be a loss of gross rental income from these units of C.£40,000 a year (before management and maintenance costs). This will be cost neutral to the General Fund.

### Sink fund

3.17 Following review of the sink fund which is used to cover planned and unplanned maintenance on the properties, it is consistently underspent and carries forward an annual surplus. It is therefore proposed that £40,000 of this fund for the next 3 years is utilised as savings, this can be achieved without detriment to the buildings.

## **4. CONTRIBUTION TO STRATEGIC AIMS**

4.1 The proposal relates to the following Corporate Plan priority:

- Remaining financially sustainable to deliver these service priorities

4.2 The proposal contributes to the following Council's strategic aim:

- To promote equality, social inclusion and a safe and healthy environment for all

## **5. COMMUNITY ENGAGEMENT AND INFORMATION**

5.1 The agreed proposal will be shared with those affected via a robust communications plan, which will include the tenants being given the opportunity to meet with officers for a discussion to understand the proposal.

## **6. EQUALITY IMPACT ASSESSMENT**

6.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.2 Consideration has been given to whether an Equality Impact Assessment is required and it has been assessed that an assessment is not required as the implementation of this proposal will not have a differential impact on any specific groups of people.

## **7. LEGAL IMPLICATIONS**

7.1 Housing legislation dictates that individual Council properties with secure tenancies should sit within the Housing Revenue Account.

7.2 There is a legislative anomaly for the tenants in the shared supported living properties (excludes the 6 x 1 bed flats). As they are in shared houses they cannot be offered secure tenancies and are on Licence which has different tenancy rights and are part of the General Fund.



## 8. FINANCIAL IMPLICATIONS

8.1 If the rents were increased to the level outlined in the proposal, this would increase the rental income to ASC by £54,567.97 full year effect.

8.2 The rental increase can be implemented from 01/08/2017. This will generate an increase in income in 17/18 of £36,378.

8.3 As an illustration, if the proposal was not adopted, the income generated from rent is outlined in the table below.

Rental income without proposal	
16/17	£147,363
17/18	£154,732
18/19	£154,732
19/20	£154,732

8.4 If the proposal is adopted, the financial impact for the next 3 years is outlined in the table below.

Income generation if proposal adopted				
Year	Total Rental Income	Additional income from proposal	Saving from sink fund	Income generation/saving
16/17	£147,363			
17/18	£191,109*	£36,378	£40,000	£76,378**
18/19	£209,300	£18,190	£40,000	£58,190
19/20	£209,300		£40,000	£40,000

\*Includes 5% rental increase already applied.

\*\*In addition to the income generation from the proposal of £76,378 for 17/18, there is an additional rental income of £7,368 achieved by the 5% rental increase already applied.

8.5 The appropriation value of the 6 x 1 bed flats would be c.£670,000 and there will be a reduction in gross rental income to the General Fund from these units of c.£40,000 per year (before management and maintenance costs). The change would be cost neutral to the General Fund.

### Financial risks

8.6 This proposal is based on the premise that individuals can apply for Severe Disability Premium (SDP) based on the current eligibility which allows an exemption, meaning they can apply for the 1 bed rate even though they are in shared house. There is no evidence to suggest that the exemption for SDP will change and there is no reference to SDP exemption in the Housing White Paper. However, if it were to change, the risk is that the rents will become unaffordable which could be mitigated by the Council reverting back to the current position. This would mean that the saving would not be achieved or would be reduced.

**9. BACKGROUND PAPERS**

None

## READING BOROUGH COUNCIL

### REPORT BY DIRECTOR OF ENVIRONMENT & NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	12 JUNE 2017	AGENDA ITEM:	10
TITLE:	CONTRACT AWARD - MEASURED TERM CONTRACTS FOR ELECTRICAL TESTING ELECTRICAL REPAIRS & REWIRES		
LEAD COUNCILLOR:	JOHN ENNIS	PORTFOLIO:	HOUSING
SERVICE:	HOUSING AND NEIGHBOURHOODS	WARDS:	BOROUGHWIDE
LEAD OFFICER:	JAMES CURNOW	TEL:	0118 9373967 / 73967
JOB TITLE:	SENIOR ELECTRICAL ENGINEER	E-MAIL:	<a href="mailto:James.curnow@reading.gov.uk">James.curnow@reading.gov.uk</a>

#### 1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

- 1.1 The report seeks approval for the award of 'measured term' contracts (MTC's) for the provision of electrical testing and electrical repairs & rewiring. These contracts relate to the repair and maintenance of the Council's Housing Stock.
- 1.2 No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be sub-contracted during the course of the year. However, based on expenditure records, typically the total expenditure on each contract is estimated to be circa £110,000 and £440,000 per annum respectively.

#### 2. RECOMMENDED ACTION

- 2.1 That Policy Committee provide delegated authority to the Director of Environment and Neighbourhood Services in consultation with the Lead Councillor for Housing, the Head of Finance and the Head of Legal Services, to award a Measured Term Contract for Electrical Testing and a measured term contract for Electrical Repairs and Rewiring both for a period of 3 years with an option to extend for two further consecutive periods each of 1 year.

### **3. MEASURED TERM CONTRACTS FOR WORKS TO COUNCIL HOUSING STOCK**

- 3.1 Housing Property Services proposes to invite tenders for 1 'measured term' contract (MTC) covering Electrical Testing and 1 'measured term' contract (MTC) covering Electrical Repairs & Rewiring.
- 3.2 These MTC's are to be tendered against Housing Property Services Schedules of Rates. Tenderers will be invited to submit their price in the form of a percentage increase or decrease against the published rates for work items. One contractor for each MTC will be awarded the contract.
- 3.3 Reading Borough Council's Housing Property Services manage the day to day repairs, planned maintenance and voids repair works to approximately 5,600 Council properties which are let throughout the borough. Elements of this work are sometimes sub-contracted out through the use of MTC's which are put in place to manage peaks in workload at times when there is not enough capacity within the in-house teams or to provide specialist services.
- 3.4 In each case the ability to carry out the work covered in the MTC using existing resources or direct employment of operatives to carry out the work has been examined and found to be either uneconomic due to the level of spend or the capacity/specialist skills are not available internally. Therefore it is more efficient and cost effective for the service to sub contract work in this way rather than employing additional staff who would be surplus to requirements outside of peak times.
- 3.5 Where it is feasible to do so, work is allocated to other RBC internal teams. Internal teams will always be offered relevant work before approaching specialist framework contractors.
- 3.6 MTC's are normally put in place for a 4 year period. The current arrangements with contractors have now expired or are about to expire shortly.

### **4. CONTRIBUTION TO STRATEGIC AIMS**

- 4.1 The contract will support the achievement of the Council's strategic aims of 'providing homes for those in most need' and 'remaining financially sustainable to deliver service priorities' by using a cost effective means of delivering improvements to the Council's Housing Stock.

### **5. COMMUNITY ENGAGEMENT AND INFORMATION**

5.1 It is intended as far as possible to ensure that the successful tenderers pay the living wage to all employees working on Reading Borough Council properties. Tenderers are advised that the Council's current Low Wage policy expects the payment of the Living Wage rate set independently by the Living Wage Foundation and updated annually in the first week of November each year. All providers appointed are expected to pay a living wage in accordance with this policy to all staff working on Reading Borough Council contracts. The UK Living Wage for employees outside of London was (as at November 2016) £8.45 per hour.

## **6. EQUALITY IMPACT ASSESSMENT**

6.1 There is no Equalities Impact Assessment required for these contracts.

## **7. LEGAL IMPLICATIONS**

7.1 The Measured Term Contracts will be awarded using the Joint Contracts Tribunal "Measured Term Contract - 2011".

## **8 FINANCIAL IMPLICATIONS**

8.1 No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be sub contracted during the course of the year. However, based on expenditure records, typically the total expenditure on each contract across its 5 year lifespan is expected to be as follows:

- Electrical Testing £550,000 (£110,000 per annum)
- Electrical Repairs and Rewiring £2,200,000 (£440,000 per annum)

8.2 The budget for these contracts is included within the existing Housing Revenue Account repairs and maintenance budgets as agreed in the Council's annual budget setting process.

## **9.0 BACKGROUND PAPERS**

None applicable.

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	12 June 2017	AGENDA ITEM:	11
TITLE:	CONTRACT AWARD - Corporate Mechanical and Electrical Term Contracts		
LEAD COUNCILLOR:	Cllr Lovelock	PORTFOLIO:	Leadership
SERVICE:	DENS	WARDS:	BOROUGHWIDE
LEAD OFFICER:	Phil Eldridge	TEL:	0118 937 3094
JOB TITLE:	Corporate Property Services Manager	E-MAIL	Phil.eldridge@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report seeks approval for the award of contracts for the delivery of mechanical and electrical service contracts to corporate buildings and schools.

2. RECOMMENDED ACTION

- 2.1 That Policy Committee provide delegated authority to the Director of Environment and Neighbourhood Services in consultation with the Leader of the Council, the Head of Finance and the Head of Legal & Democratic Services to award contracts to contractors providing the best bids for the delivery of mechanical and electrical service contracts to corporate buildings and schools for an initial period of 5 years with an option to extend for two further consecutive years in accordance with the Public Contracts Regulations 2015.

3. CORPORATE MECHANICAL AND ELECTRICAL SERVICES

- 3.1 Responsive repairs, planned maintenance and servicing for RBC corporate buildings and schools are currently delivered through a number of term contracts and agreements. A procurement programme is currently underway to rationalise the number of contracts/agreements, in order to obtain competitive rates and reduce contract administration costs. The Contracts will cover approximately 224 corporate properties / schools / assets across the borough. The services will include the provision of an emergency call-out service 365 days a year, 24 hours a day.

3.2 A tender programme to procure the services of a contractor to undertake the day-to-day responsive repairs to corporate properties and schools has now been completed and the contract is due to commence by July 2017.

3.3 OJEU procurement programmes are underway for mechanical and electrical servicing and maintenance, including statutory compliance work, working to the following dates;

- Fire and Security - tender return March 2017, evaluation April/May 2017
- Electrical Testing - tender return June 2017, evaluation June/July 2017
- HVAC (Heating, Ventilation and Air Conditioning), tender return July 2017, evaluation August/September 2017

#### **4. CONTRIBUTION TO STRATEGIC AIMS**

4.1 The contracts will support the achievement of the Council's strategic aims of 'keeping the town clean, safe, green and active' and 'remaining financially sustainable to deliver these service priorities' by;

- Providing a cost effective responsive repairs and planned maintenance service to corporate buildings and schools
- Reducing contract management costs

#### **5. COMMUNITY ENGAGEMENT AND INFORMATION**

5.1 Contractors will 'seek to maintain positive working relationships with customers through establishment of appropriate channels of communication'. Consultation with Building Managers, FM staff and Schools will take place during the mobilisation and pre contract stage.

#### **6. EQUALITY IMPACT ASSESSMENT**

6.1 There is no Equalities Impact assessment required for this contract

#### **7. LEGAL IMPLICATIONS**

7.1 The contracts will be procured in accordance with the Public Contracts Regulations 2015.

7.2 As the Council expects to procure the works at a level above the relevant OJEU thresholds a formal procurement, compliant with the Public Contracts Regulations 2015, is required to ensure that future arrangements continue to apply.

#### **8. FINANCIAL IMPLICATIONS**

8.1 The estimated annual value of work carried out under these contracts is as follows but there is no guaranteed volume of expenditure for each contract;

- Fire and Security £300K
- Electrical Testing £115K
- HVAC £170K

8.2 The tenders are based on fixed price servicing costs and Schedule of Rates for repairs. The tenders will be evaluated on a price and quality basis.

**9. BACKGROUND PAPERS**

9.1 Procurement Documentation including, invitations to tender and Procurement Project Approval Forms and tender reports by Ridge and Partners.



READING BOROUGH COUNCIL  
REPORT BY ACTING CHIEF EXECUTIVE

TO:	POLICY COMMITTEE		
DATE:	12 JUNE 2017	AGENDA ITEM:	12
TITLE:	APPOINTMENTS TO OUTSIDE BODIES		
LEAD CLLR:	COUNCILLOR LOVELOCK	PORTFOLIO:	LEADERSHIP
SERVICE:	LEGAL AND DEMOCRATIC SERVICES	WARDS:	BOROUGHWIDE
AUTHOR:	SIMON HILL	TEL:	0118 937 2303/ Internal 72303
JOB TITLE:	PRINCIPAL COMMITTEE ADMINISTRATOR	E-MAIL:	simon.a.hill@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report asks the Policy Committee to make appointments or nominations to outside bodies for the Municipal Year 2017/18, or longer where required. A schedule of outside body appointments showing the Group Leaders' recommendations will be circulated prior to the meeting.

2. RECOMMENDED ACTION

- 2.1 That the Committee make appointments or nominations to the listed outside body appointments;
- 2.2 That the appointments or nominations be made on an "or nominee" basis where the organisation in question is willing to accept this arrangement.

3. OUTSIDE BODIES

- 3.1 At this meeting appointments or nominations will be made to the following outside bodies:

Age UK Berkshire - Board observer  
Association of Public Service Excellence (APSE)  
AWE Aldermaston - Local Liaison Committee  
Berkshire Community Foundation  
Berkshire Historic Environment Forum  
Berkshire Maestros  
Berkshire Pension Fund Panel  
Caversham Consolidated Charities

Caversham Park Village Association  
Citizens' Advice Bureau Trustee Board  
Conservation Area Advisory Committee  
Earley Charity  
Girl's Trust for Educational Excellence and Enterprise (Kendrick School and Reading Girls School Joint Trust)  
Hexham Community Association Management Committee  
Kenavon Drive Management Company

Kennet and Avon Canal Trust  
Kennet Day Nursery Association  
Launchpad Reading  
Local Government Information Unit  
Members Assembly  
Mapledurham Playing Fields Management  
Committee  
Pakistani Community Association  
Readibus Board of Directors  
Reading College Business Advisory Board  
Reading Community Welfare Rights Unit  
Management Committee

Reading Deaf Centre  
Reading In Bloom Committee  
Reading Voluntary Action  
Riverside Day Nursery  
Royal Berkshire NHS Foundation Trust -  
Governor  
South East Employers  
South Reading Educational Trust  
Standing Committee On Archives  
University of Reading Court

3.2 There are a number of other appointments not listed here or in the schedule to be tabled, because they have a longer term of appointment and are therefore not becoming vacant in 2017.

3.3 Appointments to Joint Committees, Regional Bodies, Partnerships and Companies were made at the Council AGM on 24 May 2017 - see the Minutes on pages B9-B11 of the agenda for details.

#### 4. CHANGES TO THE OUTSIDE BODY REGISTER - 2016/17

4.1 One body has been added to the register in 2016/17: the Conservation Area Advisory Committee. This is an autonomous advisory body, active since May 2016, that leads on updating Conservation Area (CA) Appraisals, making proposals for the enhancement and general care of maintenance of CAs, and advising the Council on certain Planning Applications, Pre-Applications or other matters which affect the character or appearance of a Conservation Area or Heritage Site or other area of Historic import.

4.2 The following bodies are either no longer in existence or no longer require formal Council representation, and have therefore been removed from the register: Cleaner Kennet Campaign, LGA Urban Commission, Public Health Joint Advisory Board, Local Authorities - Action for Southern Africa Steering Committee, Project Alafia Management Committee, Reading Amateur Regatta Committee, Richfield Avenue Boathouse Management Committee, River Thames Alliance.

#### 5. LEGAL AND FINANCIAL IMPLICATIONS

5.1 Attendance by Councillors appointed to the above bodies will be an approved duty for the purposes of the Council's scheme made in accordance with the provisions of the Local Authorities (Members' Allowances) Regulations 1991. This means that travel and subsistence claims may be made in respect of expenses incurred in attending meetings.

5.2 Following the case of *Burgoine v Waltham LBC* 1996, it is no longer legal for the Council to provide personal liability cover for Councillors serving on outside bodies. It is the responsibility of the outside body to secure the appropriate insurance and personal liability cover for people on it. Local authorities do not have a legal power to extend their insurance policies to cover the liabilities of third parties.

5.3 All Councillors, officers and other people appointed by Reading - and any other local authority - are therefore advised of the need to check directly with the outside body about its insurance cover, and how far it protects them.

5.4 Non-Councillors who are appointed to represent the Borough on outside bodies may claim financial loss allowance and travel and subsistence, if applicable.

## **6. CONTRIBUTION TO STRATEGIC AIMS**

6.1 Representation on joint committees and outside bodies gives the Council an opportunity, through its representatives, to work with partner organisations to achieve the vision and priorities set out in the Corporate Plan.

## **7. COMMUNITY ENGAGEMENT AND INFORMATION**

7.1 Representation on outside bodies gives the Council an opportunity, through its representatives, to engage with the community on matters that affect the Borough.

## **8. BACKGROUND PAPERS**

Outside Bodies correspondence and questionnaires.

