

# Notice of Meeting

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# Executive

**Thursday 16 February 2017 at 5.00pm**

**in the Council Chamber, Council Offices,  
Market Street, Newbury**

Date of despatch of Agenda: Wednesday 8 February 2017

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Democratic Services Team on (01635) 519462

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## Agenda - Executive to be held on Thursday, 16 February 2017 (continued)

To:	Councillors Dominic Boeck, Anthony Chadley, Jeanette Clifford, Hilary Cole, Roger Croft, Lynne Doherty, Marcus Franks, James Fredrickson, Graham Jones and Rick Jones
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# Agenda

## Part I

Pages

1. **Apologies for Absence**  
To receive apologies for inability to attend the meeting (if any).
2. **Minutes** 7 - 12  
To approve as a correct record the Minutes of the meeting of the Committee held on 19 January 2017.
3. **Declarations of Interest**  
To remind Members of the need to record the existence and nature of any personal, disclosable pecuniary or other registrable interests in items on the agenda, in accordance with the Members' [Code of Conduct](#).
4. **Public Questions**  
Members of the Executive to answer questions submitted by members of the public in accordance with the Executive Procedure Rules contained in the Council's Constitution.
  - (a) **Question submitted by Miss Sarah Lowes to the Leader of the Council**  
*"Now that the Government's plans in relation to Brexit are being made public, what safeguards are the Council putting in place to protect the interests of businesses within West Berkshire who rely on trade with the EU?"*

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  - (b) **Question submitted by Mrs Martha Vickers to the Portfolio Holder for Planning and Housing**  
*"You will be aware that the Homelessness Reduction Bill has had a safe passage through the House of Commons. This Bill will attempt to ensure that anyone threatened with homelessness receives help and advice from the Local Authority and assistance with finding alternative accommodation. How is this Local Authority preparing to implement these measures assuming the Bill passes the remaining stages and becomes law?"*
5. **Petitions**  
Councillors or Members of the public may present any petition which they have received. These will normally be referred to the appropriate Committee without discussion.



Items as timetabled in the Forward Plan

	<b>Pages</b>
<b>6. Investment and Borrowing Strategy 2017/18 (C3118)</b> (CSP: MEC, MEC1) Purpose: In compliance with The Local Government Act 2003, this report summarises the Council's borrowing limits as set out by CIPFA's Prudential Code, and recommends the Annual Investment and Borrowing Strategy for 2017/18.	13 - 16
<b>7. Medium Term Financial Strategy (MTFS): 2017-2018 to 2019-20 (C3119)</b> (CSP: MEC, MEC1) Purpose: To agree the medium term financial planning and strategy for the organisation.	17 - 22
<b>8. Capital Strategy and Programme 2017/18 to 2021/22 (C3120)</b> (CSP: BEC & BEC1, SLE and SLE2, P&S and P&S1, HQL and HQL1, MEC and MEC1) Purpose: To outline the five year Capital Strategy for 2017 to 2022, including the Minimum Revenue Provision (MRP) Statement and the Asset Management Plans for Property and Highways, and to set out the funding framework for the Council's five year Capital Programme for 2017/18 to 2021/22.	23 - 26
<b>9. Revenue Budget 2017/18 (C3121)</b> (CSP: BEC, BEC1, BEC2, SLE, SLE1, SLE2, P&S, P&S1, HQL, HQL1, MEC, MEC1) Purpose: To consider and recommend to Council the 2017-18 Revenue Budget, which proposes a Council Tax requirement of £88.4m requiring a Council Tax increase of 1.99% in 2017/18 with a 3% precept ring-fenced for Adult Social Care. The Council Tax increase and Adult Social Care precept will raise £4.2m, leaving a gap of £4.7m to be met from savings and income in 2017/18. The report also proposes the Fees and Charges for 2017/18 as set out in Appendix H and the Special Expenses as set out in Appendix I, and recommends the level of General Reserves as set out in Appendix F and Appendix G.	27 - 32
<b>10. Financial Performance Report 2016/17 - Quarter Three (EX3137)</b> (CSP: MEC, MEC1) Purpose: To inform Members of the latest financial performance of the Council.	33 - 36
<b>11. A Proposed Shared Emergency Planning Service (EX3232)</b> Purpose: To set out a proposal for a Shared Emergency Planning Service across Berkshire.	37 - 40



**Agenda - Executive to be held on Thursday, 16 February 2017 (continued)**

12. **Homelessness Services (EX3202)** 41 - 44  
(CSP: P&S, P&S1)  
Purpose: To inform the Executive of the tender process and to obtain delegated authority to award and enter into a contract with the successful tenderer.
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13. **Public Health Nursing Services - 0-19 (25 SEND) Healthy Child Programme (HCP) (EX3169)** 45 - 50  
(CSP: BEC, BEC1, BEC2, P&S, P&S1, HQL, HQL1, MEC and MEC1)  
Purpose: To seek delegated authority from the Executive to award the integrated Healthy Child Programme (HCP), Public Health Nursing Services contract to the successful bidder following a competitive tender process.
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14. **Berkshire Community Equipment Service Contract Award (EX3229)** 51 - 54  
(CSP: P&S, P&S1, MEC, MEC1 and HQL1)  
Purpose: To inform the Executive of the tender process and to obtain delegated authority to award and enter into a contract with the successful tenderer.
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15. **Contract Award - Complex Needs Service for Clients with a Learning Disability (EX3230)** 55 - 58  
(CSP: P&S, P&S1)  
Purpose: To seek approval from the Executive to award a contract for the complex needs learning disability service at Blagden Close, Newbury
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16. **Members' Questions**  
Members of the Executive to answer questions submitted by Councillors in accordance with the Executive Procedure Rules contained in the Council's Constitution.
- (a) **Question to be answered by the Portfolio Holder for Planning and Housing submitted by Councillor Lee Dillon**  
*"What impact does the Council believe that either the passing or the refusal of the Sandleford application will have on the local plan?"*
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- (b) **Question to be answered by the Leader of the Council submitted by Councillor Lee Dillon**  
*"Can we have an update on the progress being made between West Berkshire Council and Greenham Common Trust with regards to property investments to generate income?"*
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- (c) **Question to be answered by the Portfolio Holder for Culture and Environment submitted by Councillor Mollie Lock**  
*"Can the Council confirm when it will be able to re submit an application for the Padworth waste site?"*
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17. **Exclusion of Press and Public**

RECOMMENDATION: That members of the press and public be excluded from the meeting during consideration of the following items as it is likely that there would be disclosure of exempt information of the description contained in the paragraphs of Schedule 12A of the Local Government Act 1972 specified in brackets in the heading of each item. [Rule 8.10.4 of the Constitution refers.](#)

## Part II

18. **Public Health Nursing Services - 0-19 (25 SEND) Healthy Child Programme (HCP) (EX3169)** 59 - 64  
*(Paragraph 3 – information relating to financial/business affairs of particular person)*  
*(Paragraph 5 – information relating to legal privilege)*  
*(Paragraph 6 – information relating to proposed action to be taken by the Local Authority)*  
(CSP: BEC, BEC1, BEC2, P&S, P&S1, HQL, HQL1, MEC, MEC1)  
Purpose: To seek delegated authority from the Executive to award the integrated Healthy Child Programme (HCP), Public Health Nursing Services contract to the successful bidder following a competitive tender process.
19. **Berkshire Community Equipment Service Contract Award (EX3229)** 65 - 68  
*(Paragraph 3 - information relating to financial/business affairs of particular person)*  
(CSP: P&S, P&S1, MEC, MEC1, HQL1)  
Purpose: To inform the Executive of the tender process and to obtain delegated authority to award and enter into a contract with the successful tenderer.
20. **Contract Award - Complex Needs Service for Clients with a Learning Disability (EX3230)** 69 - 72  
*(Paragraph 3 - information relating to financial/business affairs of particular person)*  
(CSP: P&S, P&S1)  
Purpose: To seek approval from the Executive to award a contract for the complex needs learning disability service at Blagden Close, Newbury.
21. **Staffing implications associated with savings put forward to deliver the 2017/18 Revenue Budget: approval to pay redundancy payments (Strand 3) (EX3195)** 73 - 80  
*(Paragraph 1 - information relating to an individual) (Paragraph 2 - information identifying an individual)*  
Purpose: To seek approval to make the “Strand Three” redundancy payments set out in this report associated with savings to deliver the 2017/18 Revenue Budget.



## Agenda - Executive to be held on Thursday, 16 February 2017 (continued)

Andy Day  
Head of Strategic Support

### West Berkshire Council Strategy Aims and Priorities

#### Council Strategy Aims:

- BEC** – Better educated communities
- SLE** – A stronger local economy
- P&S** – Protect and support those who need it
- HQL** – Maintain a high quality of life within our communities
- MEC** – Become an even more effective Council

#### Council Strategy Priorities:

- BEC1** – Improve educational attainment
- BEC2** – Close the educational attainment gap
- SLE1** – Enable the completion of more affordable housing
- SLE2** – Deliver or enable key infrastructure improvements in relation to roads, rail, flood prevention, regeneration and the digital economy
- P&S1** – Good at safeguarding children and vulnerable adults
- HQL1** – Support communities to do more to help themselves
- MEC1** – Become an even more effective Council

If you require this information in a different format or translation, please contact Moira Fraser on telephone (01635) 519045.



## DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

## EXECUTIVE

### MINUTES OF THE MEETING HELD ON THURSDAY, 19 JANUARY 2017

**Councillors Present:** Dominic Boeck, Anthony Chadley, Jeanette Clifford, Hilary Cole, Roger Croft, Lynne Doherty, Marcus Franks, James Fredrickson, Graham Jones and Rick Jones

**Also Present:** John Ashworth (Corporate Director - Environment), Sarah Clarke (Acting Head of Legal Services), Martin Dunscombe (Communications Manager), Andy Walker (Head of Finance), Rachael Wardell (Corporate Director - Communities), Claire White (Finance Manager (Schools)), Councillor Lee Dillon, Councillor Billy Drummond, Moira Fraser (Democratic and Electoral Services Manager), Councillor Mollie Lock and Councillor Quentin Webb

**Apologies for inability to attend the meeting:** Nick Carter (Chief Executive)

#### PART I

#### 88. Minutes

The Minutes of the meetings held on 13 October 2016 and 22 December 2016 were approved as a true and correct record and signed by the Leader.

The Leader explained that items 8 and 11 on the originally published agenda (Public Health Nursing Services – 0-19 (25 SEND) HCP) were withdrawn from this agenda to allow further time to resolve issues identified within the reports. The items would return at the next Executive on 16 February 2017.

#### 89. Declarations of Interest

Councillor Jeanette Clifford declared an interest in Agenda Items 6 and 7 by virtue of the fact that she was a school governor. As her interest was a personal interest, but not a disclosable pecuniary interest nor an other registrable interest, she determined to remain to take part in the debate and vote on the matter.

Councillor Roger Croft declared an interest in Agenda Item 7 by virtue of the fact that he was an ex-trustee of Thatcham Pre-School who made use of the Moorside Centre. As his interest was a personal interest, but not a disclosable pecuniary interest nor an other registrable interest, he determined to remain to take part in the debate and vote on the matter.

Councillors Billy Drummond and Mollie Lock declared an interest in Agenda Items 6 and 7 by virtue of the fact that they were school governors. As their interest was a personal interest, but not a disclosable pecuniary interest nor an other registrable interest, they determined to remain to take part in the debate.

#### 90. Public Questions

There were no public questions submitted.

#### 91. Petitions

There were no petitions presented to the Executive.

92. **School Funding Formula (EX3053)**

The Executive considered a report (Agenda Item 6) concerning the proposal for the primary and secondary school funding formula for the 2017/18 financial year.

Councillor Lynne Doherty in introducing the report noted that the School Finance Regulations required the local authority to review the school funding formula on an annual basis, consult with all schools on its proposals and gain political approval. This report set out the proposal for the primary and secondary school funding formula for the 2017/18 financial year. The proposed move to a national funding formula had been delayed by a year, and therefore there were minimal changes for 2017/18, none of which effected West Berkshire schools.

The proposal agreed by the Schools' Forum (after discussing the options with head teachers) was that if there was a reduction in resources that there would be a deduction in the per pupil basic entitlement rate, as this would have a proportional impact on every school in accordance with their size. If there were additional resources available, for the first £848k, 55% would be added to the per pupil basic entitlement and 45% added back to the lump sum.

Councillor Rick Jones asked for clarification about the impact the delay to changes to the national funding formula had had. Councillor Doherty noted that the consultation had only been announced just before Christmas. The Council was therefore currently working through the numbers in order to input into the consultation and as a consequence had not proposed changes for 2017/18.

Councillor Mollie Lock was concerned about the impact the formula could have on the District's small schools possibly resulting in them going into deficit. Councillor Doherty explained that the financial position of schools at risk of going into deficit was reviewed on a six monthly basis. Where appropriate an action plan would be put in place, each being developed on a case by case basis.

Councillor Lee Dillon commented that it was disappointing that West Berkshire Council's funding was below the national average. He queried whether it would be possible to submit a cross party response to the consultation. Councillor Roger Croft stated that he would consider whether or not to submit a joint response once he had seen what the Liberal Democrats proposed to say. Councillor Croft stated that it was disappointing that the Council's funding was slightly lower than the national average and that he did not welcome being penalised for West Berkshire being an economically viable and sustainable district.

**RESOLVED that:** the formula factors for 2017/18 were to remain the same as those in 2016/17.

55% be added to the basic entitlement (per pupil funding) which equates to £8 per pupil, and 45% be added back to the lump sum which equates to £1,400. This is the same proportion to the deduction that was made to school budgets in 2016/17 to transfer funding to the high needs block.

**Reason for the decision:** The School Finance Regulations require the local authority on an annual basis to review the school funding formula, consult with all schools on its proposals and gain political approval.

**Other options considered:** No other options were considered for the formula factors to be used or the amount of current funding that is put into each factor, mainly due to the fact that a national funding formula was due in 2018/19 and to make changes for one year only would cause unnecessary turbulence to school budgets.



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There are various options available in distributing additional funding or reducing funding should this be required – through one factor only or a combination of factors. The proposal being recommended was following a discussion with head teachers on what they felt was fair, and this was agreed by Schools' Forum.

### 93. **Alternative Provision for Young People with Additional Needs - Education Plan (EX3164)**

The Executive considered a report (Agenda Item 7) concerning the restructuring of the Pupil Referral Units from two services, Reintegration Service and Alternative Curriculum, into a single service providing Alternative Education Provision.

Councillor Lynne Doherty commented that bringing the services together would result in a more cohesive and robust service and would also generate savings.

Councillor Anthony Chadley welcomed the efficiencies that would be generated and queried what would happen to the affected buildings. Councillor Dominic Boeck stated that both the Riverside and Moorside buildings were community assets. Both had been funded by s106 monies and there were agreements in place in respect of retaining them as community assets. The Property Team were currently appraising the options available to the Council which included transferring the assets to the Clay Hill Residents' Association and Thatcham Youth, leasing them to other organisations or leasing them to a commercial organisation whilst still adhering to s106 requirements.

Councillor Lee Dillon noted that in section 47 (page 57) it stated that in determining the level of provision consideration had been given to the alternative provision that schools might establish and the potential for a range of interventions and approaches. Later on in point 50 it stated that the Council would develop a delivery method more able to meet the requirements of schools. He felt that the statements seemed to be the wrong way round. He was concerned whether the Council had adequately considered alternative provision that the schools might establish if the Council had not yet worked with schools to identify the strengths and assets. He queried when this work would take place given that the Council had 78 schools to cover.

Councillor Doherty explained that in 2014 a group had been set up which comprised Members, providers and a number of head teachers. A consultation document had also been issued to schools and so they had been very involved in the process. The West Berkshire Local Safeguarding Children Board had also been involved and the exclusion figures and the needs of those pupils had also been taken into consideration.

Councillor Dillon queried what oversight the Council would have in order to ensure that the pupils that stayed with their schools were achieving the same outcomes as they would have done under the current arrangements. Councillor Doherty noted that outcomes would be measured across the board and any needs would be highlighted. Head teachers and governors would also be involved with scrutinising arrangements.

Councillor Dillon noted that section 83 on page 63 stated that the line management of the Home Education Service currently sat with the Pupil Referral Units (PRUs). In future it was proposed that the Home Education Service would be managed by the Council. On page 71 it stated however that as a result of the consultation the Home Education Service would remain as part of the Alternative Education Provision Service for 2017/18 but that this would be reviewed again to ensure efficient use of resources and best outcomes for young people. Councillor Doherty commented that this demonstrated that the Council listened to comments made during consultations but that this situation would be kept under review.

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Councillor Dillon stated that he was pleased to see that The Riverside and The Moorside Community Centres were recognised as community buildings and that their future would be discussed with the relevant communities. He noted the comments about alternative education providers and queried what these providers would charge for a day rate when compared with the Council's charge of £90 per day. Councillor Doherty agreed to provide him with a written response to this query.

**RESOLVED that:** the 2 current services, Reintegration Service and Alternative Curriculum, should merge to become a single Alternative Education Provision. The number of sites be reduced from 6 to 4, thus reducing duplication of management, building and administrative costs. A single unified service be provided which can offer consistent support and provision for pupils and schools.

To approve the savings that were to be delivered by scaling down the size of the Service from 84 to 66 pupil places thus delivering efficiencies in costs across budget lines, including staffing reductions; and by removing the Council contribution (centrally retained DSG) to the cost of pupil places. All savings will be within the DSG.

The Council has traditionally funded places at the PRUs but over time funding had shifted to the schools. The proposal means that the Council would no longer contribute to placements commissioned directly by schools, thus making a saving to the High Needs Block, which would help reduce the pressure in this block.

**Reason for the decision:** The Council could no longer afford to deliver Alternative Provision in the same way. The proposed Alternative Education Provision would provide a budget saving to the DSG High Needs Block which would help to reduce pressure on this block.

**Other options considered:** We have previously considered leaving the service, which was seen by OFSTED as good, unchanged but this is not financially sustainable in the current climate.

The Management Committee of the two services discussed the possibility of establishing an Academy but voted not to proceed down that route at this stage.

We considered passing all of the funding to schools to deliver Alternative Provision themselves, which would have removed the Council-maintained PRUs, and rely on the use of alternative provision providers from a range of sources. However, it was felt this would not provide the best arrangement for West Berkshire students and would not guarantee meeting the Council's statutory duties. This was also the view expressed during the pre-consultation exercise with secondary headteachers in Summer 2015.

### 94. **Members' Questions**

A full transcription of the Member question and answer session is available from the following link: [Transcription of Q&As](#).

(a) **Question to be answered by the Portfolio Member for Planning and Housing submitted by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon on the subject of how much S106 money the Council had in its accounts for affordable housing was answered by the Portfolio Member for Planning and Housing.

(b) **Question to be answered by the Portfolio Member for Planning and Housing submitted by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon on the subject of whether the 13 affordable housing units within the Market Street Development represented value for

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money for local taxpayers was answered by the Portfolio Member for Planning and Housing.

**(c) Question to be answered by the Portfolio Member for Highways and Transport submitted by Councillor Billy Drummond**

A question standing in the name of Councillor Billy Drummond on the subject of what support the Council is offering local businesses during the 9 weeks of roadworks on the A339 was answered by the Portfolio Member for Highways and Transport.

**(d) Question to be answered by the Portfolio Member for Planning and Housing submitted by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon on the subject of whether the Council had changed its policy in terms of wanting a joint application for the Sandleford development was answered by the Portfolio Member for Planning and Housing.

**95. Exclusion of Press and Public**

**RESOLVED that** members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that it involves the likely disclosure of exempt information as contained in Paragraphs 1 and 2 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the [Local Government \(Access to Information\)\(Variation\) Order 2006](#). [Rule 8.10.4 of the Constitution also refers](#).

**96. Staffing Implications Associated with Savings put forward to deliver the 2017/18 Revenue Budget: Approval to Pay Redundancy Payments – Strand Two (EX3194)**

*(Paragraph 1 – information relating to an individual)*

*(Paragraph 2 – information identifying an individual)*

The Executive considered an exempt report (Agenda Item 10) concerning redundancy payments and staffing implications associated with savings to deliver the 2017/18 revenue budget.

**RESOLVED that** the recommendations in the exempt report be agreed.

**Reason for the decision:** as outlined in the exempt report.

**Other options considered:** as outlined in the exempt report.

*(The meeting commenced at 5.00pm and closed at 5.40pm)*

**CHAIRMAN** .....

**Date of Signature** .....

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## Investment and Borrowing Strategy 2017/18

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<b>Committee considering report:</b>	Executive on 16 February 2017 Council on 2 March 2017
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	26 January 2017
<b>Report Author:</b>	Gabrielle Esplin
<b>Forward Plan Ref:</b>	C3118

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### 1. Purpose of the Report

- 1.1 In compliance with The Local Government Act 2003, this report summarises the Council's borrowing limits as set out by CIPFA's Prudential Code, and recommends the Annual Investment and Borrowing Strategy for 2017/18

### 2. Recommendations

- 2.1 To recommend to the Council to adopt the 2017/18 Investment and Borrowing Strategy.
- 2.2 Formulation of Treasury Management Policy in compliance with the Local Government Act 2003 and the CIPFA's Prudential Code and Code of Practice for Treasury Management.

### 3. Implications

- 3.1 **Financial:** Investment Income and Debt Charges form part of the Council's Medium Term Financial Strategy (MTFS).  
  
The proposed borrowing limit for 2017/18 has been increased by an additional £50 million over and above the level of increase needed to fund the proposed capital programme. This is to allow for additional borrowing which is expected to be needed in order to implement the new strategy currently being developed for investment in commercial property. The additional borrowing is planned to be financed from rental income.  
  
However the additional borrowing capacity will not be used unless or until the Executive has approved the new property investment strategy and a corresponding increase to the capital programme.
- 3.2 **Policy:** The Treasury Management Strategy for the new financial year is in accordance with the Local Government Act 2003 and CIPFA's Prudential Code and Code of Practice for Treasury Management.
- 3.3 **Personnel:** None

3.4 **Legal:** None

3.5 **Risk Management:** The policy is intended to ensure that all borrowing and investment is undertaken with a view to minimising risk and exposure to financial loss

3.6 **Property:** None

3.7 **Other:** None

#### 4. **Other options considered**

4.1 Not applicable

## 5. Executive Summary

### 5.1 Introduction.

This report sets out the framework within which the Treasury Management Team will conduct the council's investments and borrowing for the forthcoming financial year. It recommends prudential limits for investments in 2017/18 and borrowing limits for the next three years.

### 5.2 Proposals.

The report recommends prudential limits for exposure to borrowing at fixed and variable rates of interest, the maturity structure of borrowing and parameters for the types and minimum credit ratings for institutions with which the Council will invest its funds. No changes are proposed to the main limits and parameters for 2017/18.

It is also proposed to increase the Council's maximum borrowing limits by £53 million (to £226 million) in 2017/18 by a further £7 million (to £233 million) in 2018/19 and by £2 million (to £235 million) in 2019/20. The increase in 2017/18 allows for £8 million new borrowing to fund the proposed 2017/18 capital programme less £5m repayments of existing loans planned to be made in 2017/18 plus £50 million which may be required to be borrowed for investment in commercial property, in line with the proposed new property investment strategy. The increases in 2018/19 and 2019/20 are to allow for the planned level of borrowing to fund the proposed capital programme less the planned level of debt repayment.

### 5.3 Equalities Impact Assessment Outcomes.

This item is not relevant to equality.

## 6. Conclusion

6.1 The strategy sets the underlying principles by which the Council's annual investment and borrowing activity will be managed for the 2017/18 financial year. The implementation of this strategy will be reviewed during the coming financial year by the cross party Treasury Management Group.

6.2 A report on the actual performance of the Treasury Team in managing the Council's loans and investments for the whole of 2016/17 will be brought to Executive after the end of the financial year.

## 7. Appendices

7.1 Appendix A - Detailed Investment and Borrowing Strategy 2017/18

7.2 Appendix B – Equalities Impact Assessment

7.3 Appendix C – Forecast Level of Debt and Debt Repayments 2016/17 to 2041/42

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## Medium Term Financial Strategy 2017-18 to 2019-20

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<b>Committee considering report:</b>	Executive on 16 February 2017 Council on 2 March 2017
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	8 February 2017
<b>Report Author:</b>	Andy Walker
<b>Forward Plan Ref:</b>	C3119

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### 1. Purpose of the Report

- 1.1 The Medium Term Financial Strategy (MTFS) is a rolling three year strategy which is built to ensure that the financial resources, both revenue and capital, are available to deliver the Council Strategy. The MTFS should be read in conjunction with the Revenue Budget 2017-18, Capital Strategy and Investment and Borrowing Strategy reports.
- 1.2 The aim of the MTFS is to:
- (1) Allocate our available resources focussing on those determined as most critical in supporting our priorities and statutory responsibilities
  - (2) Determine the level of service we will realistically be able to provide
  - (3) Ensure that capital investment is affordable; and
  - (4) Ensure that the Council has sufficient levels of reserves.

### 2. Recommendation

- 2.1 To recommend the Medium Term Financial Strategy 2017-18 to 2019-20 for approval by Full Council.

### 3. Implications

- 3.1 **Financial:** The MTFS allocates £341 million of Council revenue resources over the next three years and allocates £39.4 million of Council capital resources over the next five years. The revenue funding gap is forecast to reach £23.3m by 2019-20 before any savings plans or increases in income.
- 3.2 **Policy:** The MTFS is aligned directly to the Council Strategy and the Capital Strategy.
- 3.3 **Personnel:** The Council's establishment is funded from the Revenue Budget and Capital Programme. Any reductions in budget could impact on personnel.

- 3.4 **Legal:** None
- 3.5 **Risk Management:** The MTFS is designed to minimise the financial risks to the delivery of the Council Strategy by providing a clear picture of the resources available and allowing the Council to focus on its priorities.
- 3.6 **Property:** The proposed Capital Programme will provide for maintenance and improvements to a number of existing Council buildings. The level of funding available for the proposed programme is partly dependent on final decisions still to be made about the disposal of some Council land and buildings.
- 3.7 **Other:** None

#### 4. Other options considered

- 4.1 None

## 5. Executive Summary

- 5.1 In October 2016, West Berkshire Council accepted a four year financial settlement offered by Government. Whilst this settlement commits the Council to a continued reduction in Government funding, it provides financial stability from 2016-17 to 2019-20 on which the Council can plan ahead and build other sources of income. The four year funding offer is based on the Government assumption that local authorities will increase their Band D council tax by 1.75% (CPI forecast) each year to 2019-20 and that all eligible local authorities will take up the adult social care precept each year. Revenue Support Grant (RSG) funding has been reduced accordingly. In 2017-18 we will receive 61% less RSG than in 2016-17 and by 2019-20 we will no longer receive any RSG. New Homes Bonus and Education Services Grant are also being cut.
- 5.2 The Local Government Settlement announced the move to 100% retention of business rates by local authorities by 2019-20 but it is not yet clear how this will benefit local authorities. West Berkshire Council collects £85m in business rates, of which we retain £19m. Business rates collected are forecast to increase by £2m over the next three years, however, our retained business rates will decrease by nearly £1m over the same period as a result of increased tariffs. In effect, our retained business rates will reduce from 22.7% retention to 21.1% over the period.

	2017/18	2018/19	2019/20
Business Rates Collected	85.41	86.44	87.47
Business Rates sent to Central Government	66.03	66.74	69.03
Business Rates retained	19.38	19.70	18.44
Retention Rate	22.7%	22.8%	21.1%

- 5.3 The Council's costs grow each year as a result of inflation, salary increases, changes to National Insurance and pension contributions, and service pressures arising from increased demand and new responsibilities, particularly in adult social care. The forecast levels of funding available over the medium term, together with provision for budgetary increases, means that West Berkshire Council is facing a funding gap of £23.3m over the next three years. Council Tax will be increased by 1.99% in 2017-18 raising £1.7m, with an additional 3% precept ring-fenced for adult social care raising £2.5m, leaving £4.7m to be met from savings or income generation. If there are no Council Tax increases in 2018-19 and 2019-20, a further £14m of savings or income will need to be generated in those two years. If Council Tax was increased by the maximum allowed and the full adult social care precept applied, it would raise £6m over the two years, reducing the savings target to £8m.
- 5.4 Capital funding is covered in detail in the Capital Strategy. The annual increase in the Council's revenue budget to accommodate borrowing to fund the Capital Programme is £500k per year.
- 5.5 The level of usable reserves the Council holds is reviewed as part of the medium term financial planning. Consideration is given to the current financial standing of the Council, the funding outlook into the medium term and the financial risk environment we are operating in. The use of reserves is a one off solution and must be used prudently to ensure it does not undermine longer term budget sustainability. During 2016-17, usable reserves are expected to reduce by £2.75m and the Council is proposing in the 2017-18 budget to put £1.98m back into

reserves, to mitigate against service specific risks and to ensure that the Council has the resources to pursue transformation plans outlined in the MTFS and to invest in strategies that will bring future benefits to the organisation.

5.6 The key financial strategy to close the funding gap over the medium term will focus on innovation around service transformation and income generation. To drive this change, the Council has created a Corporate Programme containing a number of projects which will identify opportunities to transform services and implement changes that will deliver new income streams. Alongside this, Directors are looking at a range of solutions which will be presented to a Budget Board every six weeks. The areas of focus include digitisation, benchmarking, workforce redesign, demand management, exploring a range of alternative models for delivering services and working with partners and communities to deliver services in a different way. We are investing in commercial and residential property to generate new income streams and meet our statutory housing duties in a more cost effective way. Resources and staffing have been allocated in order to move this forward.

5.7 The three year Medium Term Financial Plan (MTFP) is shown in the following table:

2016/17	Line ref	Medium Term Financial Plan	2017/18	2018/19	2019/20
£m			£m	£m	£m
		<b>Council Tax/ASC Precept Increase</b>	<b>4.99%</b>	<b>0%</b>	<b>0%</b>
82.28	1	Council Tax income	88.40	89.46	90.53
9.53	2a	Revenue Support Grant	3.70	0.12	0.00
1.39	2b	Transitional Grant Funding	1.37	0.00	0.00
0.00	2c	Adult Social Care Support Grant	0.50	0.00	0.00
0.07	2d	Other Non-Ringfenced Grants	0.06	0.05	0.04
87.41	3a	<i>Business Rates Collected</i>	85.41	86.44	87.47
-69.76	3b	<i>Business Rates sent to Central Government</i>	-66.03	-66.74	-69.03
17.65	3c	Retained Business Rates	19.38	19.69	18.44
1.84	4	Education Services Grant (ESG)	0.51	0.00	0.00
3.95	5	New Homes Bonus	3.63	2.88	2.78
-1.01	6	Council Tax Collection Fund deficit (-)/ surplus	-0.11	0.00	0.00
1.17	7	Use of Capital Receipt	0.00	0.00	0.00
<b>116.88</b>	<b>8</b>	<b>Funds available</b>	<b>117.44</b>	<b>112.20</b>	<b>111.79</b>
111.96	9a	Opening Directorate Budget	105.78	105.23	101.85
-0.01	9b	Opening budget adjustments	-2.10	0.00	-0.44
2.30	10	Base budget growth	1.67	1.51	1.49
0.38	11	Contract inflation	0.61	0.53	0.50
3.89	12	Service pressures	3.70	3.48	2.44
1.17	13	Provision for other risks	0.28	0.44	0.00
-13.90	14	Requirement for savings or other income	-4.71	-9.34	-4.90
105.78	15	Directorate budget requirement	105.23	101.85	100.94
9.16	16	Capital Financing	9.86	10.35	10.85
1.39	17	Transitional funding	1.37	0.00	0.00
0.50	18	Increase in Service Specific Reserves	0.98	0.00	0.00
0.05	19	CTSS support for Parishes	0.00	0.00	0.00
<b>116.88</b>	<b>20</b>	<b>Budget requirement</b>	<b>117.44</b>	<b>112.20</b>	<b>111.79</b>

## 6. Conclusion

6.1 The forecast levels of funding available over the medium term, together with provision for budgetary increases and growing pressures, mean that over the next

three years we are faced with funding gap of £23.3m. We have accepted the offer of a multi year financial settlement to provide financial stability on which the Council can plan ahead. In 2017-18, a 1.99% Council Tax increase generates £1.7m, a 3% adult social care precept generates £2.5m and our savings and income generation plans save £4.7m. For the following two years, the Council will focus on innovation in service transformation and income generation in order to bring financial stability for the future. Capital investment will continue to ensure that core assets are maintained and protected. Reserves have been reviewed to ensure they are sufficient for the Council to deliver services and take appropriate risks in amending service delivery models without impacting on the financial viability of the organisation.

- 6.2 The Council has a track record of strong financial management. Historically budgets have been delivered without significant over or under spends. The Council's ability to manage within significant financial challenge is vital to its continuing success in delivering the Council Strategy.

## 7. Appendices

- 7.1 Appendix A - Supporting Information
- 7.2 Appendix B – Equalities Impact Assessment
- 7.3 Appendix C – Medium Term Financial Plan – Assumptions

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## Capital Strategy and Programme 2017/18 to 2021/22

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<b>Committee considering report:</b>	Executive on 16 February 2017 Council on 2 March 2017
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	19 January 2017
<b>Report Author:</b>	Gabrielle Esplin
<b>Forward Plan Ref:</b>	C3120

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### 1. Purpose of the Report

- 1.1 To outline the five year Capital Strategy for 2017 to 2022, including the minimum revenue provision (MRP) statement and the asset management plans for property and highways, and to set out the funding framework for Council's five year capital programme for 2017/18 to 2021/22.

### 2. Recommendations

- 2.1 To recommend the capital strategy and programme for approval by the Full Council.
- 2.2 To request the Council to delegate authority to the Executive to increase the Capital Programme by up to £50 million in 2017/18 in line with the proposed property investment strategy which is still to be finalised.

### 3. Implications

- 3.1 **Financial:** The draft programme allocates £41.6 million of Council capital resources over five years to be funded from prudential borrowing. This level of investment is expected to require an annual increase in the revenue budget for capital financing of £500k per year from 2017/18 to 2021/22. These increases are reflected in the Revenue Budget and the Medium Term Financial Strategy.

Some proposed capital spending will be financed from external funding, including government capital grants, S106 and CIL. Some of this external funding onwards has still to be confirmed. The level of spend in future years may need to be reviewed depending on the actual level of capital receipts and government grants. The future level of CIL funding is particularly uncertain at this stage and will need to be kept under close review.

The proposed programme does not include spending and borrowing for the planned property investment strategy. The capital programme will need to be amended to reflect this when the property investment strategy is finalised. The

revenue implications of this change will also be set out in the strategy which will be presented to a later meeting of the Executive.

- 3.2 **Policy:** The Capital Strategy is closely aligned to the Council Strategy 2015-2019.
- The policy implications arising from the Prudential Framework are set out within the report.
- 3.3 **Personnel:** A proportion of the Council's establishment is funded directly by the Capital Programme where it can be demonstrated that staff directly support and help to deliver the capital programme
- 3.4 **Legal:** The Capital Strategy contains Prudential Indicators that are mandatory under the Capital Finance Act 2003.
- When the programme has been approved by Council, the budget managers will have the authority to let contracts for the schemes included in the 2016/17 programme in accordance with the Council's Contract Rules of Procedure.
- 3.5 **Risk Management:** Strategic risks relating to the Capital Programme are set out in the Council's Strategic Risk Register. Individual programmes/projects will have their own Risk Management Plans
- 3.6 **Property:** The proposed Capital Programme will provide for maintenance and improvements to a number of existing Council buildings. The level of funding available for the proposed programme is partly dependant on final decisions still to be made about the disposal of some Council land and buildings.

#### 4. Other options considered

- 4.1 Not applicable



## 5. Executive Summary

### 5.1 Introduction.

This report sets out the draft Capital Strategy and Programme covering the five year period 2017/18 to 2021/22. Despite ongoing pressure on the revenue budget, the Council continues to make significant investment in the future of West Berkshire through its capital programme.

### 5.2 Proposals.

The Capital Programme helps deliver the key priorities set out in the Council Strategy 2015-2019 by proposing investment over the next five years in the following key areas:

- **Improving Educational Attainment and Closing the Educational Attainment Gap:** £66.7 million for new school places and improvements to school buildings;
- **Key Infrastructure Improvements in Relation to Roads:** £50.0 million for maintenance and improvement of highways
- **Enabling the Completion of More Affordable Housing:** £2.1m to replenish and maintain the Council's supply of temporary accommodation and
- **Regeneration and The Digital Economy:** £1.5 million to facilitate the delivery of superfast broadband across West Berkshire;
- **Safeguarding Children and Vulnerable Adults:** £11.8 million for occupational health equipment, home adaptations and supported living for vulnerable adults and looked after children and £1.9m to improve the supply of temporary accommodation for people at risk of becoming homeless;
- **Supporting Communities to do More to Help Themselves:** £3.8 million for maintenance and improvement of parks, open spaces sporting and cultural facilities and £0.5m for grants to support community projects.

Officers are also in the process of developing a strategy for investment in commercial property with a view to generating additional revenue income for the Council. The implementation of this strategy is expected to involve additional borrowing and capital expenditure of up to £50 million in 2017/18 over and above the amount included in the current proposed Capital Programme. The proposed programme may therefore need to be amended at a later date to reflect these additional spending and borrowing requirements associated when the Property Investment Strategy is finalised.

### 5.3 Equalities Impact Assessment Outcomes.

The capital strategy itself does not have any direct equalities impact, but more detailed equalities assessments will be carried out for any new schemes within the capital programme, or potential asset transfers, prior to implementation.

## 6. Conclusion

The proposed programme allows for all the most urgent capital investment priorities identified by services to help implement the Council Strategy over the next five years. However the proposed programme relies on some sources of external funding which have not yet been confirmed for the later years of the programme - the future level of CIL receipts is particularly uncertain at this stage. Programme priorities and the availability of funding will therefore need to be kept under review, and changes may need to be made to the programme in future years.

## 7. Appendices

- 7.1 Appendix A – Capital Strategy and Programme 2017/18 to 2021/22
- 7.2 Appendix B – Equalities Impact Assessment
- 7.3 Appendix C – Summary of Capital Programme 2017/18 to 2021/22
- 7.4 Appendix D – Detailed Breakdown of Capital Programme 2017/18 to 2021/22
- 7.5 Appendix E – Overview of Property Asset Management Strategy
- 7.6 Appendix F – Highways Asset Management Strategy

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## Revenue Budget 2017-18

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<b>Committee considering report:</b>	Executive on 16 February 2017 Council on 2 March 2017
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	8 February 2017
<b>Report Author:</b>	Andy Walker
<b>Forward Plan Ref:</b>	C3121

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### 1. Purpose of the Report

- 1.1 To consider and recommend to Council the 2017-18 Revenue Budget, which proposes a Council Tax requirement of £88.4m requiring a Council Tax increase of 1.99% in 2017-18 with a 3% precept ring-fenced for adult social care. The Council Tax increase and adult social care precept will raise £4.2m, leaving a gap of £4.7m to be met from savings and income in 2017-18.
- 1.2 This report also proposes the Fees and Charges for 2017-18 as set out in Appendix H and the Special Expenses as set out in Appendix I and recommends the level of General Reserves as set out in Appendix F and Appendix G.

### 2. Recommendations

- 2.1 That the Executive recommends to Council:
  - (1) That Council approve the 2017-18 Council Tax requirement of £88.4 million requiring a Council Tax increase of 1.99% with a 3% precept ring-fenced for adult social care.
  - (2) That the Fees and Charges are approved as set out in Appendix H and the appropriate statutory notices be placed where required.
  - (3) That the Special Expenses are approved as set out in Appendix I.
  - (4) That the responses received to each of the public facing savings proposals in the public consultation exercise undertaken on the 2017-18 budget be acknowledged and noted, and that the Transition Grant of £1.37m be allocated as follows:
    - (a) £140k to Short Breaks
    - (b) £30k to Citizens Advice Bureau
    - (c) £200k to Libraries
    - (d) £1m to be put into a Transformation Fund, to assist West Berkshire Council to transform and improve the way it delivers its services.

### 3. Implications

- 3.1 **Financial:** These are contained in further detail within the report. The key implication is the proposed 1.99% Council Tax increase with a 3% precept ring-fenced for adult social care, which leads to a savings programme of £4.7m in 2017-18. The Council has a good track record of delivering past savings programmes and monitors and reports on progress on a monthly basis.
- 3.2 **Policy:** None.
- 3.3 **Personnel:** There will be significant implications for staff which are detailed in a separate report. The trade unions have been consulted and the reductions in staffing will be handled in accordance with the Organisational Change Procedure.
- 3.4 **Legal:** Requirement to produce a Revenue Budget under the various Local Government Finance Acts. The savings proposals have been out to public consultation in order to meet the Council's Public Sector Equality Duty and responses considered in setting the budget. Challenges may be made to certain proposals by means of judicial review as well as under employment legislation in respect of staffing reductions. All cases have been assessed in order to reduce risk of challenge regarding the lawfulness of proposals.
- The Public Sector Equality Duty (149 (1) requires a Local Authority in exercise of its functions to have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- The essential duty is that decision makers must keep the welfare of service users at the forefront of their mind, but also families, and especially their families who are most disadvantaged.
- 3.5 **Risk Management:** As part of the 2017-18 financial monitoring, savings proposals will be kept under monthly review to ensure they are deliverable. Appendices F and G set out how the impact

of increased volatility in Local Government finance will be managed and considers the impact on levels of reserves.

- 3.6 **Property:** The full property implications will need to be determined and a strategy developed for dealing with the impact where the Council retracts from the whole or part of a property. There could be a number of options to be investigated when the decision on the revenue budget has been agreed from; sale of the site, re-development, shared use, and/or change of use or re-letting for another purpose.
- 3.7 **Other:** In the light of the scale of the funding reductions required for 2017-18 the options available to the Council for making savings were very limited and it is acknowledged that in some cases the Council will be providing the minimum level of service for some of its Statutory Services.

#### 4. Other options considered

- 4.1 We are proposing to increase Council Tax by 1.99% with a 3% precept ring-fenced for adult social care. If these options were not taken, the savings requirement would be £4.2m higher. We have considered all options available to us in order to keep the savings requirement to the level it is.

## 5. Executive Summary

- 5.1 The 2016-17 budget was built with the largest savings programme we have ever faced at £13.9m. Transitional grant funding has helped services transition to a new model of operation, but despite this, at Quarter Three of 2016-17, we are forecasting an over spend of £765k. The over spend has arisen in part due to savings programmes taking longer than anticipated to realise the savings. Other factors affecting the over spend are largely in the Communities Directorate. Adult Social Care is seeing increased complexity of client needs and upward cost pressures in commissioning services for nursing and residential care. The Education Service is facing pressures on Home to School Transport budgets and the Disabled Children's placement budget. During 2016-17, usable reserves are expected to reduce by £2.75m as a result of the forecast revenue over spend, funding exit costs arising from savings plans and facilitating the transfer of John O'Gaunt School to an Academy.
- 5.2 In October 2016, West Berkshire Council accepted a four year financial settlement offered by Government. Whilst this settlement commits the Council to a continued reduction in Government funding, it provides financial stability from 2016-17 to 2019-20 on which the Council can plan ahead and build other sources of income. The provisional settlement figures were issued in December 2016, but the final settlement has yet to be announced.
- 5.3 Councils receive a Revenue Support Grant (RSG) from Government to support the services provided. West Berkshire Council will receive RSG of £3.7m in 2017-18, which is a reduction of 61% or £5.8m reduction from 2016-17
- 5.4 Councils keep a proportion of the income they receive from business rates raised in their area. Of the £85m collected locally the vast majority is paid over to central government leaving the Council with £19.4m. The Government intends to move to local authority retention of 100% of business rates by 2020, but it is not yet clear how this will benefit local authorities.
- 5.5 The New Homes Bonus (NHB) funding for 2017-18 is £330k below previous expectations, as the number of years for which payments are made has been reduced from six years to five years in 2017-18, and then to four years from 2018-19. This NHB reset will be redirected into an Adult Social Care Support Grant of which West Berkshire will receive £503k one off funding.
- 5.6 The Education Services Grant (ESG) is being withdrawn and it is estimated that there will be a negative impact on our revenue budget in 2017-18 in the region of £373k. Schools can choose to buy back the services that were previously funded from this grant from the local authority or to buy from private providers, but they will not receive additional funding to do so. The transfer of Education Support Grant functions to schools and to the DSG was agreed at the Schools Forum meeting of 23<sup>rd</sup> January 2017.
- 5.7 West Berkshire Council's main source of funding is from Council Tax. The recommendation included within this report is a Council Tax increase of 1.99% for 2017-18 with a 3% precept ring-fenced for adult social care. This will raise a total of £4.2m, of which £2.5m will be ring-fenced for adult social care. Adult social care makes up over a third of the Council's net revenue budget. Whilst efficiencies are being made in the way the Council operates this Service, the precept will go

towards funding the mounting pressures faced in the areas of learning disability, demographic increases, increased costs, additional staffing requirements.

- 5.8 In order to set the budget for 2017-18, £4.7m of savings and income proposals have been recommended, including reductions in highways and drainage maintenance and road safety, restructure of youth support, family resource, help for families and young carers service and increasing highways fees and charges including parking. In 2017-18, West Berkshire Council will receive transitional grant funding of £1.37m and after considering the responses to the consultation on savings it is proposed that the Executive recommend to Council the allocation of funding as outlined in the recommendations.
- 5.9 The Council has made provision in the 2017-18 budget to put £1.98m back into reserves. £0.98m will go into the Adult Social Care Risk Fund to mitigate against risks in this area and if the Executive are minded to approve the use of Transition Grant after considering the consultation responses, then £1m will be allocated to a Transformation Fund, in order to ensure that the Council has the resources to pursue transformation plans outlined in the MTFs and to invest in strategies that will bring future benefits to the organisation.

## 6. Conclusion

- 6.1 The Council is forecasting an over spend in 2016-17 which will reduce our level of reserves. The ongoing effect of these budget pressures and the impact on reserves has been factored into the 2017-18 budget, and together with the reductions in government funding, we have had to close a funding gap of £8.9m. This has been achieved by £4.7m of savings proposals and increased income and a Council Tax increase of 1.99% raising £1.7m, and a 3% precept ring-fenced for adult social care raising £2.5m. The precept will help to fund the increased demand, complexity of care and cost pressures we are facing in this area.
- 6.2 West Berkshire Council has an excellent track record of delivering on its savings proposals and of reacting to ongoing pressures in order to minimise the budgetary impact.

## 7. Appendices

- Appendix A - Supporting Information
- Appendix B – Equalities Impact Assessment
- Appendix C – Contract inflation
- Appendix D – Service pressures
- Appendix E – Savings proposals 2017-18
- Appendix F – Reserves statements
- Appendix G – Adequacy of reserves and robustness of budget estimates
- Appendix H – Fees and Charges
- Appendix I – Special Expenses
- Appendix J – Council Tax Collection Fund
- Appendix K – Unison comments (to follow)
- Appendix L – Minutes of the Business Panel information meeting held on 15<sup>th</sup> February 2017 (to follow)
- Appendix M – Council Tax Resolution (to follow)
- Appendix N – Consultation Papers

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## Financial Performance Report 2016-17 - Quarter Three

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<b>Committee considering report:</b>	Executive on 16 February 2017
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	25 January 2017
<b>Report Author:</b>	Shannon Coleman-Slaughter
<b>Forward Plan Ref:</b>	EX3137

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### 1. Purpose of the Report

- 1.1 To inform Members of the latest financial performance of the Council.

### 2. Recommendation

- 2.1 To ensure that Members are fully aware of the latest financial position of the Council.

### 3. Implications

#### 3.1 Financial:

The current financial forecast is an over spend of £765k against a net revenue budget of £116.8million. The forecast over spend has increased by £67k compared to the forecast position at Quarter Two. The forecast will have an impact on the level of the Council's reserves at year end if savings cannot be made to offset the over spend. Forecast capital spend in the year is currently £38.4million against a revised budget of £46million with £9.2million expected to be re-profiled into 2017-18.

#### 3.2 Policy: n/a

#### 3.3 Personnel: n/a

#### 3.4 Legal: n/a

#### 3.5 Risk Management: n/a

#### 3.6 Property: n/a

#### 3.7 Other: n/a

### 4. Other options considered

- 4.1 Not applicable – factual report for information

## 5. Executive Summary

- 5.1 At Quarter Three, the forecast revenue position is an over spend of £765k against a net budget of £116.8m. This is an increased over spend position of £67k from the Quarter Two forecast over spend.
- 5.2 The Communities Directorate is forecasting an over spend of £1.025million, against a net revenue budget of £66million, which is an increase of £391k since Quarter Two. Adult Social Care is forecasting an over spend of £793k against a net revenue budget of £37.3million, an increase of £342k compared to the forecast at Quarter Two. The over spend is the result of increased complexity of client needs and upward cost pressures in commissioning services for nursing and residential care, together with savings plans for 2016-17 from the Transforming Lives Programme taking longer to deliver than originally anticipated. Overall client numbers have not increased significantly which is in part attributable to the success of our preventative and demand management strategies. However, this is not enough to offset the complexity and cost pressures. The Education Service is forecasting a £234k over spend against a net revenue budget of £9.3million, which is an increase of £51k from Quarter Two. The over spend has been generated from pressure on Home to School Transport budgets (£176k) and the Disabled Children's placement budget (£122k) and the service has been unable to realise the full extent of the 2016-17 savings in year. Small levels of in year savings have been generated against supplies and services and through holding posts vacant where possible, to partially offset the pressures identified. Children & Family Services have generated a £28k forecast over spend against a £15.2million net budget as a result of joint arrangement pressures. Care Commissioning, Housing & Safeguarding has generated a £30k forecast under spend against a £3.9million net budget. The Prevention and Developing Community Resilience Service is forecasting an on line position which is consistent with Quarter Two.
- 5.3 There are two service specific risk reserves for the Communities Directorate; £1.1m for Adult Social Care and £500k for Children and Family Services. The Quarter Three forecasts are before any potential use of one off funding from these reserves.
- 5.4 The Environment Directorate is forecasting an under spend of £230k against a net budget of £31million. The directorate position has improved by £100k compared to Quarter Two. The Highways and Transport Service is forecasting an under spend of £169k which is due to increased parking income. The Planning and Countryside Service is forecasting £232k under spend. There is a pressure of £50k in the Local Development Framework due to the additional costs of carrying out the Housing Site Allocation Development Planned Document examination. Development Control income is above target and income carried forward from 2015 for 2016 work has brought the Service in under budget. In the Culture & Environmental Protection Service there is a forecast pressure of £171k largely as a result of income pressures within Activity Team West Berkshire and the Environmental Health Shared Service.
- 5.5 The Resources Directorate is forecasting an over spend of £20k against a net revenue budget of £12.4million. The directorate position has improved by £124k compared to Quarter Two. Legal Services is forecasting an over spend of £249k against a net revenue budget of £952k. The pressure relates to costs arising from the London Road Industrial Estate procurement challenge and fee income pressures within the Service. Some of this pressure may be offset if the Council is

successful in reclaiming these costs through the judicial review process. The forecast pressure against Legal Services is being partially offset through forecast under spends against Strategic Support of £101k, Customer Services £91k and minor under spends in other services.

- 5.6 There is one service specific risk reserve allocated to the Resources Directorate: £50k for Legal Services. The Quarter Three forecast is before any potential use of one off funding from this risk reserve.
- 5.7 Income on interest on investments is currently forecast to be £50k below target. because of the low level of interest rates currently available in the market and a lower cash fund balance in the current year because of use of balances in 2015/16. Offsetting this is a £100k positive variance forecast to be generated from the claw back of accruals made in 2015-16 over and above what was required.
- 5.8 The Council set a revenue budget of £116.8million for 2016-17. In-year budget changes may be approved and the approval limits are set out in the Council's Financial Regulations.
- 5.9 Forecast capital spend in the year is currently £38.4million against a revised budget of £46million with £9.2million expected to be re-profiled into 2017-18, £6m of which is as a result of delays to schemes at Theale Primary School and Highwood Copse. 68.6% of the 2016-17 capital programme is committed as at the end of Quarter Three. The amount committed by each directorate at the end of Quarter Three is as follows:
- (1) Communities – 48.6%
  - (2) Environment – 85.3%
  - (3) Resources – 88.7%
- 5.10 A breakdown of capital spend and commitments to date is shown in Appendix A (3). The appendix also explains the changes from the original capital programme which was approved by the Council in March 2016.
- 5.11 The forecast over spend on DSG grant income is partly (£697k) as per the decision made by the Schools' Forum when the budget was set in March 2016 to allocate out more grant than that expected to enable the continuation of some key high needs services. This decision was taken after consideration of the two year position. The remaining £303k variance on grant income is due to the January 2016 early years PVI census returning a lower number than that estimated in the budget. The final DSG grant position for the financial year won't be known until after the January 2017 census, when the early years block DSG can be forecast based on the census count.

## 6. Conclusion

- 6.1 The Council is faced with delivering a savings programme of £13.9m in 2016-17 as well as addressing in year pressures as they arise which are currently forecast to be £765k against a net revenue budget of £116.8 million. Transitional funding is being used to help with the savings plans but some will not be fully implemented until 2017-18, which is putting pressure on the 2016-17 budget. The Council is taking steps to maintain financial discipline, to ensure that the agreed savings programme

is monitored and to find additional savings to offset the revenue over spend currently forecast. The Council has an excellent track record of managing the savings programme and minimising budget over spends, but if the forecast over spend of £765k remains at year end, it will impact on our reserves.

## 7. Appendices

Appendix A (1) – Supporting Information

Appendix A (2) – Summary Revenue Forecast Quarter Three 2016-17

Appendix A (3) – Summary Capital Forecast Quarter Three 2016-17

Appendix B – Equalities Impact Assessment

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## A Proposed Shared Emergency Planning Service

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<b>Committee considering report:</b>	Executive on 16 February 2017
<b>Portfolio Member:</b>	Councillor Marcus Franks
<b>Date Portfolio Member agreed report:</b>	2 February 2017
<b>Report Author:</b>	Nick Carter
<b>Forward Plan Ref:</b>	EX3232

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### 1. Purpose of the Report

- 1.1 To set out a proposal for a Shared Emergency Planning Service across Berkshire.

### 2. Recommendations

- 2.1 The six unitary authorities in Berkshire set up a shared Emergency Planning Service through delegation to West Berkshire Council to act as a lead authority. A collaboration agreement between the six unitary authorities will set out what will be provided by the lead authority to others. It is intended that the governance under the agreement would be through the Berkshire Chief Executives' Group.
- 2.2 The Shared Service will provide Emergency Planning, Business Continuity Planning and Out of Hours Coordination (where appropriate), to all six unitary authorities.
- 2.3 A Joint Team of 5 fte is established. The Team Manager will be based in the Lead Authority. 2 teams of 2 fte will be based in Berkshire West and Berkshire East. It is proposed that no fixed base is established. The Team Manager will be responsible for deciding on work locations in liaison with the six unitary authorities.
- 2.4 The budget for the service is set in the first year at £371k and apportioned to each unitary authority as an annual payment as follows;
- |                    |      |
|--------------------|------|
| Bracknell Forest - | £45k |
| Reading -          | £65k |
| RBWM -             | £71k |
| Slough -           | £48k |
| West Berkshire -   | £82k |
| Wokingham -        | £60k |
- 2.5 Permanent staff would TUPE to the Lead Authority on their existing terms and conditions and will be slotted into the staffing structure set out in this report where appropriate. Vacancies will be filled through internal/external recruitment where required. Subject to Executive approval in all six unitary authorities, the Service will commence on 1<sup>st</sup> October 2017.

## Implications

- 2.6 **Financial:** The proposal is largely based on improved resilience and on creating a function which it is felt is better managed at a County level. Savings have therefore not been the driver, although the proposal set out in this Paper will deliver an annual saving of £7k to West Berkshire Council (8% of the budget).
- 2.7 **Policy:** There are no policy implications for the Council. It should be noted that the proposal is for West Berkshire Council to act as the lead authority.
- 2.8 **Personnel:** If approved, up to three staff may be transferred under TUPE to West Berkshire Council.
- 2.9 **Legal:** The powers to share services arise from Sections 101 and 102 Local Government Act 1972 and Sections 9EA and 9EB Local Government Act 2000 (as amended) for executive functions. The legislation is supplemented by the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012/1019. These Regulations specify who is authorised to agree the shared services arrangements.
- Inter authority collaboration agreement will need to be put in place and agreed between the six authorities prior to the new shared service starting to set out what will be provided by the lead authority to others. Please note that the Councils may have to consider procurement rules if the arrangements look like a contract for services or where there is a subsequent assignment/sub-contracting of the service.
- 2.10 **Risk Management:** The new Shared Service will operate at a lower cost and with fewer staff. The new model will bring greater resilience, improved efficiency and should provide stronger leadership at a County level. There will however no longer be a dedicated emergency planning resource to each Authority. Resources will be deployed to where they are needed.
- 2.11 **Property:** None.
- 2.12 **Other:** None.

## 3. Other options considered

- 3.1 Retention of the status quo. This has been used as the basis for testing the Business Case which has been developed by BGG Associates.

## 4. Executive Summary

### Introduction

- 4.1 This Paper sets out a proposed Shared Service for Emergency Planning across Berkshire. It builds on a detailed business case that was prepared by BGG Associates in 2015 which at the time found favour with only 4 of the 6 authorities. Since then significant resilience issues have emerged and the business case has been revisited. The new proposal is being put forward with a 8% cost reduction on that produced originally by BGG (over the entire County). The underlying framework for the Shared Service is little changed.

### Background

- 4.2 The Emergency Planning arrangements in Berkshire have remained largely unchanged since they were established in 1998. Each unitary authority has its own dedicated resource with informal joint working being established through a Memorandum of Understanding (MOU) which is reviewed annually. Over time the staffing resources devoted to the function have diminished. This has created resilience issues and undermined the MOU. This has led to renewed interest in a potential Shared Service.
- 4.3 The business case, prepared by BGG Associates, highlighted the following concerns with the current arrangement;
- (1) over reliance on one or two individuals with some authorities relying on others to do jointly agreed work;
  - (2) no managerial resource to drive change and improvement;
  - (3) no career structure;
  - (4) multiple points of contact with key partners leading to inefficiency.

### Proposal

- 5.4 The proposed Shared Service would be based on the Lead Authority model, comprising of 5 FTE with a team in Berkshire East and one in Berkshire West. The manager would be based in the Lead Authority which is proposed to be West Berkshire. Under this proposal the Lead Authority would be responsible for the shared services i.e. Emergency Planning, Business Continuity and Out of Hours Coordination. An agreement would take form of a collaboration agreement and Governance would be through the Berkshire Chief Executives' Group.
- 5.5 The budget for the Shared Service would be around 7-10% less than the current cost. The contribution to be made by each unitary authority would be based on a combination of population share and inherent risk. These are detailed in the report. If approved by all six unitary authorities, a tentative start date of 1<sup>st</sup> October 2017 has been proposed.

## 5. Conclusion

- 5.1 The proposal for a Shared Service for Emergency Planning across Berkshire has been put forward on two occasions and rejected. Resilience issues have prompted a third attempt and it is this proposal which is put forward in this Paper. Significant

savings have never been a realistic prospect although this Paper proposes an 8% reduction in the current costs. The main driver behind this proposal is improved effectiveness through being able to allocate resources more effectively to where they are needed, reducing duplication of effort and providing more effective leadership across the county.

### 6. Appendices

- 6.1 Appendix A - Supporting Information
- 6.2 Appendix B – Equalities Impact Assessment



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## Homelessness Services

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<b>Committee considering report:</b>	Executive on 16 February 2017
<b>Portfolio Member:</b>	Councillor Hilary Cole
<b>Date Portfolio Member agreed report:</b>	15 November 2016
<b>Report Author:</b>	Robert Bradfield
<b>Forward Plan Ref:</b>	EX3202

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### 1. Purpose of the Report

- 1.1 Through the corporate savings programme, the funding within Supporting People has reduced to 500k for the provision of youth and adult homelessness services and it is our intention to procure homelessness services at a reduced cost to West Berkshire Council.
- 1.2 The purpose of this report is to inform the Executive of the tender process and to obtain delegated authority to award and enter into a contract with the successful tenderer.

### 2. Recommendation

- 2.1 The Executive delegates authority to the Head of Contracts, Commissioning and Housing in consultation with Head of Legal Services and Head of Finance to enter into the Homelessness Services contracts with the successful tenderer.

### 3. Implications

- 3.1 **Financial:** In line with Corporate Savings Programme the budget has been reduced from £849k to £500k per annum.
- 3.2 **Policy:** Potential reduction in provision of homelessness units for clients.
- 3.3 **Personnel:** TUPE will apply for those employed by existing services, and the appointed provider will follow due process in relation to new arrangements for staff.
- 3.4 **Legal:** The procurement exercise should be in accordance with Public Contracts Regulations 2015 and a written contract would need to be in place before the commencement of services.
- 3.5 **Risk Management:** Potential reduction in homelessness provision may increase street homelessness, Housing Team are aware of plans. It is anticipated that the number of units will reduce from 108 to around 63.
- 3.6 **Property:** Providers are to deploy property for this service as per service specification. Two Saints & A2 Dominion have suitable local property for this service, however all bids will be equally considered.

3.7 **Other:** n/a

**4. Other options considered**

4.1 Termination of all homelessness provision.

## 5. Executive Summary

- 5.1 Through the corporate savings programme, the funding within Supporting People has reduced to 500k for the provision of youth and adult homelessness services.
- 5.2 Existing contracts are funded through Supporting People budget at a total of £849,545. Homelessness services comprise of two distinct services.
- 5.3 Current adults homeless provision is provided by Two Saints Ltd, and current youth provision by Nacro
- 5.4 The new service will provide homeless accommodation and support services for homelessness clients, both youth and adult.
- 5.5 There will be two distinct contracts as follows: -
- (1) Lot1 – youth will be allocated £160k per annum;
  - (2) Lot 2 – adults will be allocated £340k per annum.
- Bidders will be able to apply for either/both lots.
- 5.6 The intention is to award a 5 year contract with a 3 year extension period to make the opportunity more attractive to potential bidders; market consultation also highlighted that a longer contract period would be preferable to the limited pool of capable providers.
- 5.7 Bidders will be invited to supply a fixed price for the duration of the contract(s), and will be evaluated on how many units they can offer, but is anticipated that approximately 63 units will be offered.
- 5.8 The contract(s) would be awarded to the most economically advantageous tender following a full procurement exercise.
- 5.9 TUPE may be applicable to any new contract.
- 5.10 A contract term of 5+3 years will potentially help with VFM as contractor will be able to spread the costs over the whole life of the contract. The total estimated contract value (including the term and extensions) based on available budgets for both lots is £4m (over 8 years).
- 5.11 A consultation exercise has been completed with residents/families. A market research engagement has been completed with potential providers.

## 6. Conclusion

- 6.1 Due to a reduction in available funding through the corporate savings programme, homelessness services are being tendered with a reduced budget of £500k. This report also informs the approach of the market.
- 6.2 The Executive is asked to approve the Recommendation.

**7. Appendices**

7.1 Appendix A - Supporting Information

7.2 Appendix B – Equalities Impact Assessment

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## Public Health Nursing Services – 0-19(25 SEND) HCP

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<b>Committee considering report:</b>	Executive on 16 February 2017
<b>Portfolio Member:</b>	Councillor Graham Jones
<b>Date Portfolio Member agreed report:</b>	29 November 2016
<b>Report Author:</b>	Lesley Wyman & Peter Dawson
<b>Forward Plan Ref:</b>	EX3169

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### 1. Purpose of the Report

- 1.1 To seek delegated authority from the Executive relating to the award of the integrated Healthy Child Programme (HCP), Public Health Nursing Services contract to successful bidder following a competitive tender process.

### 2. Recommendations

- 2.1 The Executive resolves to delegate authority to the Corporate Director (Communities), Head of Public Health and Wellbeing, Portfolio Holder for Children & Young People, Portfolio Holder for Health & Wellbeing in consultation with the Head of Finance and Head of Legal Services, to award the contract to the successful bidder following a competitive tender process as outlined in this report.
- 2.2 Following the tender evaluation, the contract can be awarded subject to the provider implementing any necessary and appropriate changes within agreed timescales.

### 3. Implications

- 3.1 **Financial:**  
Funding for the service is allocated from the Public Health grant, which is currently ring fenced.

The current provider delivers services to a value of £2,190,000 per annum

The estimated value of the combined services is capped approximately at £1,795,000 per annum. Potential tenderers have been informed that the Council is looking to achieve a high quality evidence based service and obtaining value for money by combining the services into a single contract.

The Council proposes to enter into one Contract for a period of TWO years with the successful tenderer.

The service commencement date will 1<sup>st</sup> April 2017.

- 3.2 **Personnel:**  
No human resource implications for the Council have been identified relating to

the commissioning process. However TUPE would apply to staff transferring from the current provider to a new provider if applicable.

3.3 **Legal:**

The contract would need to be procured in accordance with the Public Contracts Regulations 2015.

3.4 **Risk Management:**

No tenders are received or the tenders received do not meet the minimum standards in terms of budget and quality. We will not know whether these risks occur until after the tender period closes on the 16<sup>th</sup> December 2016.

3.5 **Property:**

No corporate landlord implications have been identified relating to the commissioning process.

## 4. Executive Summary

- 4.1 The 0-19(25) - up to 25 years for young people with special educational needs and disabilities - Healthy Child Programme (HCP) sets out a recommended framework of services for Children and Young People to promote health and wellbeing, prevent ill health and provide early intervention when required. Through the programme, families in need of additional support and children at risk of poor outcomes are identified and the appropriate support provided; a key aim of the HCP is to reduce health inequalities.
- 4.2 The 0-19(25) HCP is delivered by Health Visitors (HV) and School Nurses (SN). Health Visitors and School Nurses have a valuable contribution to reducing the number of children who enter the safeguarding system through preventative and early help work as part of their Community, Universal and Universal Plus role (See appendix C).
- 4.3 On 1 October 2015 responsibility for commissioning the 0-5 public health (Health Visiting and Family Nurse Partnership) services transferred from NHS England to Local Authorities completing the final transfer of statutory responsibilities under the Health and Social Care Act 2012 for public health functions.
- 4.4 Previously, the HCP was delivered via two separate contracts; 1) The Health Visiting Service to provide for 0-5 year olds, and the School Nursing Service for 5-19(25) year olds.
- 4.5 National guidance recommends joining up both services for an integrated 0-19(25) HCP. The aim of this approach is to improve access to services, improve transition into school, improve the experience of children and families, health and wellbeing outcomes for the whole family by using a whole family approach, and to reduce health inequalities.
- 4.6 Below is outlined the minimum requirements to fulfil the Council's statutory 0-19 (25) HCP responsibility.

### Health Visiting

The 5 mandated elements of the Health Visiting Service are the 5 Core Visits:

- Ante-natal check
- New birth visit
- 6-8 weeks review
- 9-12 months review
- 2-2.5 years review

As an overview, core elements of the 0-5 HCP include:

- **Health and development** reviews – Assessment of family strengths, needs and risks; providing parents with the opportunity to discuss their concerns and aspirations; assess child growth and development, communication and language, social and emotional development; and detect abnormalities. HV use evidence-based assessment tools – such as the Ages and Stages Questionnaire (ASQ 3) for these reviews.

- **Screening and immunisations** – HV conduct vision and hearing screening in line with the National Screening Committee recommendations. HV teams provide parents and young people with tailored information and support and an opportunity to discuss any concerns. HV check children and young people's immunisation status during health appointments and refer to their GP if unvaccinated.
- **Children with additional needs** – HV offer early identification, assessment and help for children with additional needs. HV teams provide care planning and on-going support for babies and children up to school entry with disabilities, long term conditions, sleep or behavioural concerns, other health or developmental issues.
- **Well Baby Clinics** – HV lead drop-in clinics to check the weight of babies and very young children on a regular basis. If a child is found to have lost a significant amount of weight they will be referred to their GP or will be given an emergency hospital admission, depending on the severity of the weight loss. Failure to address the weight loss in very young children could result in child death. Well Baby Clinics offer consultation on issues such as breastfeeding, healthy eating and weaning, sleeping problems, home safety concerns and domestic abuse. Health Visitors are also able to identify mental health issues such as anxiety and depression in parents, or substance misuse issues which they can refer on for specialist help if required.

### **School Nursing**

The mandated elements of the School Nursing Service are as follows:

- The National Child Measurement Programme (NCMP). Weight and height measurements offered to all state funded primary school children who are in Reception Year (age 5) and Year 6 (aged 10,11).
- Information, advice and guidance on healthy weight management for parents with a child identified as overweight from the NCMP.
- Audiology screening in Reception year, and immunisations in line with agreed Department of Health schedule for all schools
- In addition to the above, SN provide a highly targeted 1:1 consultation service where the young person has an identified concern such as sexual health and STIs, substance misuse, mental health, etc.

### **Safeguarding and Child Protection**

- The SN service is responsible for ensuring that all children and young people are protected from poor health and harm. In all Berkshire LAs safeguarding activity for SN teams continues to take up a considerable proportion of the specialist school nurse's (Band 6/7) capacity.
- Each school nurse is expected to attend all initial child protection conferences where there may be a possible health need, and undertake a full health assessment for every child. Further to this initial health assessment, a decision will be made regarding future involvement of the school nurse depending on the health needs identified for the child/young person.



## 5. Procurement Process

- 5.1 The Council has conducted the procurement using the open procedure in accordance with the requirements of the Public Contracts Regulations 2015 for the purpose of procuring the service.
- 5.2 The Council is seeking to procure a Public Health Nursing Services to improve the health outcomes for the population of 0 – 19 (25) year old children & young people and their families and to reduce health inequalities.
- 5.3 The Public Health Nursing Services will be a combined skill mix service of Health Visitors, School Nurses and other appropriate skill mix teams, who can provide expert information, assessment and interventions, working in partnership with a range of different agencies.
- 5.4 The contract duration will be 2 years with no extension option.
- 5.5 The option of going for a 1 year contract as proposed at the September Operations Board was considered, but following further market engagement it was established that putting such a large contract out for less than two years is unappealing for potential providers as well as being very time consuming for the council and thus not cost effective when taking into account officers time, requiring the whole process to be repeated within 6 months of the new contract start date. This decision was reached following discussion and agreement with the Portfolio Holder for Health and Wellbeing and the Chief Executive.
- 5.6 The following key dates for this procurement helps to demonstrate that the process is on track to follow a clear, structured and transparent timeframe to ensure a fair and level playing field is maintained at all times, and that all Tenderers are treated equally.

Event	Date
Issue ITT	14 <sup>th</sup> November 2016
Deadline for receipt of clarifications	2 <sup>nd</sup> December 2016 12:00 hours
Target date for responses to clarifications	5 <sup>th</sup> December 2016
Deadline for receipt of Tenders	15 <sup>th</sup> December 2016
Evaluation of Tenders	19 <sup>th</sup> December 2016 – 13 <sup>th</sup> January 2017
Notification of contract award decision	3 <sup>rd</sup> February 2017
"Standstill" period	From 4 <sup>th</sup> February to 13 <sup>th</sup> February 2017
Confirm contract award	14 <sup>th</sup> February 2017

Start of mobilisation period	15 <sup>th</sup> February 2017
Target service contract commencement date	April 1 <sup>st</sup> 2017

## 6. Conclusion

6.1 The Executive resolves to delegate authority to the Corporate Director (Communities), Head of Public Health and Wellbeing, Portfolio Holder for Children & Young People, Portfolio Holder for Health & Wellbeing in consultation with the Head of Finance and Head of Legal Services, to award the contract to the successful bidder following a competitive tender process as outlined in this report.

## 7. Appendices

7.1 Appendix A - Supporting Information

7.2 Appendix B – Equalities Impact Assessment

7.3 Appendix C – Minimum requirements to fulfil our HCP statutory responsibility

7.4 Appendix D – Model of the transformed health visiting service

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## Berkshire Community Equipment Service Contract Award

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<b>Committee considering report:</b>	Executive on 16 February 2017
<b>Portfolio Member:</b>	Councillor Rick Jones
<b>Date Portfolio Member agreed report:</b>	26 January 2017
<b>Report Author:</b>	Trish Guest
<b>Forward Plan Ref:</b>	EX3229

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### 1. Purpose of the Report

- 1.1 To inform the Executive of the tender process and to obtain delegated authority to award and enter into a contract with the successful tenderer. West Berkshire Council acts as Lead Authority under an existing S75 (NHS Act 2006) agreement on behalf of the 6 Berkshire Unitary Authorities and the 7 Berkshire Clinical Commissioning Groups for this contract.

### 2. Recommendation

The Executive delegates authority to the Head of Contracts Commissioning and Housing in conjunction with the Head of Legal Services and Head of Finance to enter into the contract with the successful tenderer, NRS Healthcare Ltd, for a period of 5 years from 1<sup>st</sup> April 2017 with an option to extend for a further 2 years as set out in the Report.

### 3. Implications

- 3.1 **Financial:** The funding for this contract is via a pooled fund arrangement with all of the 13 S75 partners.

This contract is paid on actual usage, ie partners are only charged for the service they actually use and there is no block funding or retainer paid to the service provider. The result is that the spend is completely in the control of each of the respective partners and how much of the service they use throughout the year.

Throughout the life of the existing 5 year contract no inflationary uplifts have been awarded to the provider in respect of service activity and it is likely this will have a small impact on the activity cost which will rise. However it is expected that the cost of items of equipment will be more competitive reflecting volume purchasing and therefore the anticipated financial impact will be balanced.

In addition drivers to increase recycling have been built into

the new contract which will help to control overall spend.

- 3.2 **Policy:** No policy changes are required as a result of this contract award. The contract provides a low cost option helping to deliver the overarching strategy to support people to live independently in their own homes.
- 3.3 **Personnel:** There are no West Berkshire personnel issues arising from the award of this contract.
- 3.4 **Legal:** The Contract has been competitively procured in accordance with the Open Procedure as defined within the Public Contracts Regulations (PCR) (2015) and a written contract would need to be in place before the commencement of the service on 1<sup>st</sup> April 2017.
- 3.5 **Risk Management:** As all the 6 Berkshire Unitaries and the 7 Clinical Commissioning Groups use this contract and provide equipment to circa 16,000 individuals each year failure to provide continuity would have a significant impact on the population of Berkshire, both for service users and their carers. It would also impact on the statutory duties for both Health & Social Care to provide equipment for those with assessed needs.
- The existing 5 year contract expires in March 2017 and preparation for the tender began in September 2015 with all the S75 partners. The award of this contract is the outcome of that tender. The intention is to ensure there is continuity of service.
- 3.6 **Property:** None
- 3.7 **Other:** The Berkshire Community Equipment Service is an established and successful partnership of the 6 Berkshire unitary authorities and the 7 Berkshire Clinical Commissioning Groups. It has been running in its current format under the S75 agreement for 5 years and the award of this contract will take it into its next 5 years of partnership.

#### 4. Other options considered

- 4.1 The previous 5 year contract expires on 31<sup>st</sup> March 2017 and procurement regulations and the value of the contract meant that a full competitive procurement process using the Open Procedure as defined within the Public Contracts Regulations (2015) was the most appropriate option for ensuring continuity of service.
- 4.2 Economies of scale, and government guidance in terms of providing an integrated community equipment service, mean that this service is most cost effectively delivered as a single shared service and therefore it is not feasible to bring it in-house. The service is shared between the 13 S75 partners in Berkshire and is centrally located at a depot in Theale, serving all areas of Berkshire.

## 5. Executive Summary

- 5.1 The current contract for Berkshire Community Equipment Service expires on 31<sup>st</sup> March 2017 concluding a 5 year term.
- 5.2 West Berkshire Council is the Lead Authority under the S75 Partnership Agreement between the 6 Berkshire Unitary Authorities and the 7 Berkshire Clinical Commissioning Groups.
- 5.3 West Berkshire Council receives a management fee from the other 12 S75 partners to carry out the Lead Authority function, which includes this tender.
- 5.4 The S75 partners agreed that they wished to continue to commit to a new 5 year contract and that the service is vital to their infrastructure, strategic objectives and meeting their statutory duties.
- 5.5 The contract covers the whole population of Berkshire and provides a wide range of community equipment for health and social care clients, preventing hospital admission, facilitating discharge and maintaining people in their own homes.
- 5.6 The S75 partners, both strategic and operational, have worked collaboratively to create the new service specification and this has included client consultation.
- 5.7 The contract operates in such a way that each partner organisation can order equipment to be installed by the service provider and is only charged for the elements of the service they use. There is no provider retaining fee or block contract payment. All costs are based on actuals. This means that expenditure is completely in the control of each of the respective S75 partner organisations and how they wish to operate their budgets.
- 5.8 West Berkshire Council monitors the contract on behalf of the partners, as well as budget forecasting and actual spend for each, reporting monthly.
- 5.9 A full competitive procurement in accordance with the Open Procedure of PCR (2015) has been carried out which has involved all the partner organisations as evaluators and has followed a rigorous evaluation process of both price and quality/technical capability.

## 6. Conclusion

- 6.1 The Executive is asked to approve the Recommendation.

## 7. Appendices

- 7.1 Appendix A - Supporting Information
- 7.2 Appendix B – Equalities Impact Assessment

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## Contract Award – Complex Needs Service for Clients with a Learning Disability

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<b>Committee considering report:</b>	Executive on 16 February 2017
<b>Portfolio Member:</b>	Councillor Rick Jones
<b>Date Portfolio Member agreed report:</b>	01 September 2016
<b>Report Author:</b>	Karen Felgate
<b>Forward Plan Ref:</b>	EX3230

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### 1. Purpose of the Report

- 1.1 To seek approval from Executive to award a contract for the complex needs learning disability service at Blagden Close Newbury.
- 1.2 The procurement strategy was originally approved by Procurement Programme Board

### 2. Recommendation

- 2.1 The Executive resolves to award and enter into the [The provision of complex needs learning disability supported living service at Blagden Close] contract to the successful tenderer, Choice Care Group for a period of 5 (+3) as set out in the Report.

### 3. Implications

- 3.1 **Financial:** A 2.5% saving has been achieved on the previous contract
- 3.2 **Policy:** N/A
- 3.3 **Personnel:** N/A
- 3.4 **Legal:** Award will be in line with contract rules of procurement
- 3.5 **Risk Management:** This service is highly specialised and caters for a cohort of clients with complex needs. Without this service there will be no provision for this client group
- 3.6 **Property:** N/A
- 3.7 **Other:** N/A

### 4. Other options considered

- 4.1 Do nothing – this is not an option due to complex nature of client group and increased pressure to ensure that services in the community are available for this complex needs group in light of the Transforming Care agenda

- 4.2 Bring service in house. However the Council does not currently have the skill set to deliver a complex needs service for clients with a learning disability Executive Summary

## 5. Introduction

- (1) The current contract supports clients deemed to have the most complex Learning Disability needs of all comparable schemes operating in the District.
- (2) This service is integral to the Transforming Lives agenda which is a government initiative to ensure that people with a complex learning disability can live fulfilling lives in the community.
- (3) WBC purchases five beds (maximum occupancy) who all have assured tenancy agreements with the Registered Social Landlord (Sovereign Housing.)
- (4) The existing contract is nearing expiry (December 2016) and cannot be extended further. A replacement service is required.
- (5) Following a previous competitive process a three year fixed price contract was let in December 2011 and subsequently extended by a further two years under the agreed terms.
- (6) The existing contract with Choice Care Group expires on 4<sup>th</sup> December 2016. Choice Care group currently have an outstanding rating with Care Quality Commission (CQC)
- (7) Contracts & Commissioning have completed a consultation exercise with clients and clients' families in order to inform the updated specification.

### 5.2 Nature of Services

- (1) The service provides 24/7 domiciliary care and support including two waking night staff for adults who have autism/complex needs and present challenging behaviours.
- (2) Bidders will be invited to supply a price per hour fixed for the duration of the contract.
- (3) The number of required hours per week will be reviewed annually by Care Managers during the lifetime of the contract. The contract is flexible which means we only pay for the hours of care delivered.

### 5.3 Performance monitoring and outcomes

- (1) The new service will be an outcome based contract and monitored by the Contracts and Commissioning Team according to agreed West Berkshire Council terms. A copy of the outcomes is attached with the supporting information



- (2) The new service will also be monitored for quality assurance by the West Berkshire Council Care Quality Team.
- (3) The new service will also be independently monitored by the Care Quality Commission (CQC)

5.4 Value for money (including bench marking and comparators)

- (1) The intention is to award the most economically advantageous contract which will also deliver quality service to clients following a full procurement exercise.
- (2) A 2.5% saving on the previous contract has been recognised over the lifetime of the new contract
- (3) Procurement Programme Board have agreed the contact award
- (4) TUPE may be applicable to any new contract
- (5) A longer contract term of five plus three years will potentially help with value for money (VFM) as contractor will be able to spread the costs over the whole life of the contract
- (6) A consultation exercise has been completed with residents/families. A market research exercise has also been completed with potential providers

**6. Conclusion**

- 6.1 The Executive resolves to award and enter into the [The provision of complex needs learning disability supported living service at Blagden Close] contract to the successful tenderer, Choice Care Group for a period of 5 (+3) as set out in the Report.

**7. Appendices**

- 7.1 Appendix A - Supporting Information
- 7.2 Appendix B – Equalities Impact Assessment

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# Agenda Item 21.

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