

Notice of Meeting

Executive

Thursday 8 September 2016 at 5.00pm

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

Date of despatch of Agenda: Wednesday, 31 August 2016

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

e-mail: executivecycle@westberks.gov.uk

Further information and Minutes are also available on the Council's website at www.westberks.gov.uk



Agenda - Executive to be held on Thursday, 8 September 2016 (continued)

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

Agenda

Part I

	Page(s)
1. Apologies for Absence To receive apologies for inability to attend the meeting (if any).	
2. Minutes To approve as a correct record the Minutes of the meetings of the Committee held on 28 July 2016.	7 - 16
3. Declarations of Interest To remind Members of the need to record the existence and nature of any Personal, Disclosable Pecuniary or other 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. <i>(Note: There were no questions submitted relating to items not included on this Agenda.)</i>	
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

	Page(s)
6. Council Performance Report 2016/17: Q1 (Key Accountable Measures and Activities) (EX3109) (CSP: MEC) Purpose: To present the basket of key accountable measures and activities for 2016/17.	17 - 48
7. Financial Performance Report 2016/17 - Quarter One (EX3135) (CSP: MEC) Purpose: To inform Members of the latest financial performance of the Council.	49 - 66



8. **Treasury Management Annual Report 2015/16 (EX3160)** 67 - 78
(CSP: MEC)

Purpose: To inform Members of the treasury management activity and performance of the Council's investments for the financial year 2015/16.

9. **Members' Question(s)**

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 Highways and Transport submitted by Councillor Alan Macro**
"Could I please have a breakdown of the legal and professional fees incurred to date on the project to redevelop the London Road Industrial Estate"
- (b) **Question to be answered by the Portfolio Holder for Highways and Transport by Councillor Alan Macro**
"How often has the number plate recognition camera monitoring the Parkway bridge not been working during the last year and how much revenue is estimated to have been lost as a result?"
- (c) **Question to be answered by the Portfolio Holder for Planning and Housing by Councillor Lee Dillon**
"Can we please have an update on the anticipated percentage of affordable housing units proposed within the Market Street Development?"
- (d) **Question to be answered by the Portfolio Holder for Planning and Housing by Councillor Lee Dillon**
"What does the Council consider to be an acceptable percentage level of profit for developers when considering viability assessments which seem to be a major obstacle in providing affordable housing?"
- (e) **Question to be answered by the Portfolio Holder for Planning and Housing by Councillor Lee Dillon**
"Have the Council now secured sites to provide additional temporary accommodation units?"
- (f) **Question to be answered by the Leader of Council by Councillor Lee Dillon**
"Newbury has been described by a former Executive member as a '21st-century market town' what plans do the Council have to provide support to the smaller towns in the District such as Hungerford, Thatcham and Theale?"



10. **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

11. **Approved Provider List (APL) Intention to Award Contract**

79 - 94

(Paragraph 3 - information relating to financial/business affairs of a particular person)

(CSP: SLE, P&S, HQL)

Purpose: To inform the Executive of the intention to award a contract for the Domiciliary Care Approved Provider Framework.

To commence the contract in Autumn 2016 and agree a term of three years with the option to extend for a further one year.

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.

(a)



Agenda - Executive to be held on Thursday, 8 September 2016 (continued)

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

EXECUTIVE

MINUTES OF THE MEETING HELD ON THURSDAY, 28 JULY 2016

Councillors Present: Anthony Chadley, Hilary Cole, Roger Croft, Lynne Doherty, Marcus Franks, James Fredrickson, Graham Jones, Alan Law and Garth Simpson

Also Present: John Ashworth (Corporate Director - Environment), Gabrielle Esplin (Finance Manager (Capital and Treasury Management)), June Graves (Head of Care Commissioning, Housing & Safeguarding), David Holling (Head of Legal Services), Peta Stoddart-Crompton (Public Relations Officer), Andy Walker (Head of Finance), Rachael Wardell (Corporate Director - Communities), Robert Alexander (Group Executive (Conservatives)), Stephen Chard (Policy Officer), Councillor Lee Dillon and Councillor Alan Macro

Apologies for inability to attend the meeting: Councillor Dominic Boeck

PART I

19. Minutes

The Minutes of the meeting held on 30 June 2016 were approved as a true and correct record and signed by the Deputy Leader.

20. Declarations of Interest

There were no declarations of interest received.

21. Public Questions

There were no public questions submitted.

22. Petitions

There were no petitions presented to the Executive.

23. Council Performance Report 2015/16: Year End (Key Accountable Measures and Activities) (EX2964)

The Executive considered a report (Agenda Item 6) which outlined year end outturns against the Key Accountable Measures (KAMs) contained in the 2015/16 Council Performance Framework and any additional performance intelligence; provided assurance to Members that the objectives laid out in the Council Strategy and other areas of significance/importance across the Council were being delivered; and which presented, by exception, those measures/milestones behind schedule or not achieved and the remedial action taken/its impact.

Councillor Roger Croft explained that this report marked the end of the first year of the four year Council Strategy and reported that progress was being made in all priority areas. This was despite the financial pressures faced by the Council and increases in demand in some areas of activity. Councillor Croft added that a near to balanced budget had been achieved for 2015/16.

A key area of activity over the past year had been within Children and Family Services with significant effort being made to move from the 'inadequate' Ofsted judgement to 'Good'. It was also the case that the outcome of the recently undertaken LGA Peer

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Review would soon be published and it was hoped that this would also show that the service was moving towards 'Good'.

Councillor Croft also highlighted that an action plan would be developed to enable the Council to focus on enabling the delivery of 1000 affordable homes by 2020.

81% of the reported KAMs had been achieved for 2015/16 and were therefore 'Green', this compared to 78% achieved for 2014/15.

Five KAMS had been reported as 'Red' and Councillor Croft explained that plans were in place at service area level to address these.

Councillor Alan Law made reference to the Measures of Volume section of the report which highlighted that Business Rate growth was at an all time high and that the number of Jobseekers Allowance claimants in West Berkshire amounted to the second lowest unemployment rate in southern England.

Continuing with Measures of Volume, Councillor Hilary Cole pointed out the significant rise in the number of transactions made through the Council's website. This demonstrated that a high number of transactions could be easily accessed and achieved online by residents. Councillor James Fredrickson added to this point by advising that the Council's website received an overhaul around two months ago and this helped to enable the achievement of tasks online.

Councillor Marcus Franks advised that the number of crimes reported to Thames Valley Police (for West Berkshire) continued to reduce and the figure for Quarter Four 2015/16 was at the lowest point of the last three years.

Councillor Alan Macro noted that 158 affordable housing units had been completed during 2015/16, this was down from a figure of over 200 in 2014/15 and Councillor Macro queried whether the target of delivering 1000 affordable homes by 2020 was in jeopardy. This was particularly concerning when considering that the viability of affordable housing was reported as an issue for housing developers. In response, Councillor Croft reiterated his earlier point that an action plan would be developed to help enable the achievement of this target. He did however acknowledge the changing environment in terms of viability challenges for developers.

Councillor Macro then turned to the core business measure of the proportion of older people who were still at home 91 days after discharge from hospital. Year end performance of 79% was achieved against the target of 92% and Councillor Macro queried the reasons for this. Councillor Cole explained that this concerned a small cohort of people. Therefore, this measure not being achieved for one individual could alter the percentage achieved quite significantly.

Councillor Macro referred to the 'Red' measure to reduce the attainment gap at GCSE between disadvantaged and other pupils. For the 2014/15 Academic Year, this gap was at 34.7 percentage points and this was significantly higher than the national average. Councillor Macro sought assurance that efforts would be made to achieve improvement in this area. Councillor Croft advised that Councillor Dominic Boeck, Portfolio Holder for Education, would provide a written response on that point.

Councillor Lee Dillon commented that there were multiple cases where Quarter Four data was not included within graphs, where exception reports were not up to date and where reference was made to actions to be completed when in fact they had been undertaken, i.e. the Peer Review within Children and Family Services. Councillor Dillon highlighted the importance of ensuring this report was up to date to enable effective scrutiny to take place. If it was the case that data was awaited from an external source then this should be explained in the report.

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Councillor Fredrickson responded to these comments by firstly stating that the content of the report was as up to date as possible at the time of issue and Officers worked hard to produce this report within a tight timeframe. He added that it was published in advance of the meeting and there was therefore scope to rectify any inaccuracies prior to the meeting if they were made known and were of significance. Councillor Dillon stated that in some cases points of inaccuracy etc had already been raised and he would therefore have expected these to be rectified.

Councillor Lynne Doherty commented on the specific reference made to the Children and Family Services Peer Review and explained that this took place within 2016/17. It was therefore not referenced in this 2015/16 Year End report.

Councillor Dillon then returned Members to performance against Priority B – Enable the Completion of more Affordable Housing. This noted that the Sandford Planning Application had been received and this development had the potential to provide 40% affordable housing units from the up to 2000 home development. However, Councillor Dillon queried whether there was confidence that this would be achieved when considering concerns of viability. Councillor Law confirmed that there was no threat to 40% of the Sandford application being for affordable housing. This was part of the Sandford Master Plan against which all planning applications for the site would be judged.

Councillor Law also took the opportunity to comment on the concerns raised regarding viability. The Government criteria for viability rules had changed and this recommended the inclusion of starter homes as affordable. These homes were not as yet included in West Berkshire's affordable housing figures and doing so could improve the Council's performance in this area.

Mention was also made in this section of the report to the activity of Strategy Board in relation to affordable housing and Councillor Dillon questioned whether this reference should be amended to the work of Executive Members. Councillor Croft acknowledged this point and explained that Strategy Board was indeed a private meeting. He did however clarify that Strategy Board was not a decision making body.

Finally, in terms of affordable housing, Councillor Dillon noted from the report that due to the Council's difficult financial position the service responsible for bringing empty property back into use would cease. This could have a further negative impact on the ability to achieve the affordable housing target with empty homes not being returned to use. June Graves explained that work to bring empty properties back into use had achieved varied degrees of success. Support had been given to landlords to help achieve this, but properties brought back into use did not necessarily become new homes and did not necessarily contribute towards the affordable housing target.

Councillor Dillon welcomed the work undertaken to date to improve Children and Family Services to 'Good' performance. He also commended the excellent Member briefing received on this subject recently. Councillor Dillon looked forward to a new Inspection of the service. Councillor Croft gave thanks for these comments and added that social work teams worked tirelessly in helping to achieve this crucial priority.

Councillor Dillon then turned to the priority to 'Become a more effective Council'. He questioned the Council's effectiveness when considering issues which had arisen as part of/following recent decisions. Councillor Dillon specifically named the mistakes made surrounding the London Road Industrial Estate (LRIE) report and the loss of the Judicial Review (JR) of Short Breaks on a technicality following the Council's decision on this matter.

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Councillor Fredrickson responded to these points. In terms of the JR, this was indeed lost on a procedural matter. The Judge had commented on the significant efforts made by Officers to inform Members in advance of this decision, but the overview given of relevant regulations was not considered sufficient and this was needed in full. This was the technicality on which the case was lost. The Judge had acknowledged the difficult financial position faced by the Council and the associated reasons for the decision. The Council's process had also been accepted.

Plans for the LRIE would help to achieve the Council's affordable housing commitment and it was important that projects of this type were proceeded with to aid the delivery of this target. The potential for legal challenge had to be accepted when considering the number of parties affected by the plans for the LRIE.

Councillor Dillon then turned to the Measure of Volume which captured the number of alcohol related admissions to hospital. This showed a rising trend and Councillor Dillon queried plans to address this. Councillor Graham Jones noted that the trend was moving upwards, but pointed out that alcohol related admissions for West Berkshire was well below the national average. He did however offer a fuller answer in writing to explain the rising trend, alternatively Councillor Dillon could query this point directly with the Public Health and Wellbeing Service.

Councillor Dillon noted that the number of bus passenger journeys commencing in West Berkshire was increasing year on year and queried whether this was expected to continue. Councillor Garth Simpson explained that as part of the necessity to reduce bus subsidies in response to the Council's financial challenges, the volume was projected to reduce, but by no more than 15%. However, should the economy continue to grow then the number of bus journeys commencing in West Berkshire could see an increase.

Councillor Dillon returned to the point made earlier on the number of transactions made through the Council's website and queried whether the number and the 'most requested tasks' themselves changed as a result of Council consultations. He also queried the particularly high increase at Quarter Four. Councillor Fredrickson agreed to confirm these points after liaising with Councillor Dominic Boeck, Portfolio Holder for ICT.

RESOLVED that:

- (1) the progress made against the Council Strategy priorities for improvement would be noted.
- (2) those areas reporting as 'red' were reviewed to ensure that appropriate action was in place.

Reason for the decision: to note the year end performance of the Council against the Key Accountable Measures.

Other options considered: None.

24. Superfast Berkshire Phase 3 (EX3159)

The Executive considered a report (Agenda Item 7) which outlined the progress made by the Superfast Berkshire project and which made a recommendation for a new phase of the project (Intervention Phase 3).

Councillor Roger Croft explained that this pan-Berkshire project, which commenced in 2011, was designed to fill the gaps in superfast broadband coverage across Berkshire. At the start of the project superfast coverage in West Berkshire was 65%. However, the Superfast Berkshire Project, under West Berkshire Council's stewardship, would achieve 95.6% of superfast broadband coverage across Berkshire by 2017 and close to 100% in West Berkshire (Phase 2).

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Investment funds available for Phase 3 improvements amounted to £2.5m. This comprised Gainshare funding of £816k, project underspend of £1m and unused basic broadband funding of £623k. It was proposed that West Berkshire Council would continue to oversee Phase 3 of the project and this expenditure.

Councillor Croft concluded his introduction by remarking that this project was a good example of the Berkshire unitary authorities and the Thames Valley Berkshire Local Enterprise Partnership (LEP) working together to the benefit of residents across Berkshire.

Councillor Alan Macro noted that the LEP had offered to provide this project with an interest free loan of up to £1.8m which would allow the project to be funded in advance of British Telecom (BT) repaying the Gainshare and project underspend. He queried whether this was necessary if the tender for Phase 3 was awarded to BT. Councillor Croft responded that the view had been taken by the Superfast Berkshire Project Board that it would be preferable to engage in a competitive tender process with a view to achieving the best outcome for Berkshire residents.

Councillor Macro commended the work of the Council's Officers on this project and suggested that the Council's expertise/service could be sold to other local authorities. Councillor Croft added his praise for the efforts of Officers and explained that while the delivery of Phase 2 and the proposed Phase 3 were the first priority, the potential to sell the Council's capability in this area/its service could then be considered. This was a valuable skill set held by West Berkshire Council.

RESOLVED that:

(1) The circa £2.5m of underspend and gainshare funding from intervention phase 1 of the Superfast Berkshire project and the unspent phase 2 funds from Reading and Wokingham (including LEP contribution) be invested into a procurement for a Superfast Berkshire Phase 3.

The objective of this new phase is to get all Berkshire unitary districts to as close to 100% superfast broadband coverage as possible by the end of 2018. At the very least we should assist all districts in getting to 97% superfast broadband coverage.

(2) West Berkshire Council continues to act as the lead authority for this successful project, both for this new procurement and for overseeing delivery of the existing and new phases of the project.

(3) The governance arrangements, which were set up for phase 1 of the project, continue to be used. (Subject to the proposed updates to the Collaboration Agreement being completed).

(4) Project resource costs be divided equally across all 7 project participants.

Reason for the decision: To outline the progress made by the Superfast Berkshire project and to make a recommendation for a new phase of the project (Intervention Phase 3).

Other options considered: To accept an "Accelerated Gainshare" offer from BT whereby the £2.5m project underspend and gainshare is reinvested with BT under project change control. The Superfast Berkshire Project Board believes that procuring phase 3 in the open market will provide better technical solutions and better value-for-money than accepting BT's offer (Of course BT is free to bid competitively for this work).

That West Berkshire Council hand over responsibility to another Berkshire authority after completion of phase 2 of the project since it does not benefit directly in terms of increased broadband coverage from phase 3. However this project is an excellent

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example of how the 6 Berkshire authorities can work together and it is considered that West Berkshire Council should continue to use the knowledge and expertise it has built up to lead this project to its conclusion. The collaborative working and the infrastructure improvements brought by this project will continue to bring benefit to all project participants.

25. **Approval to Consult on the Draft Temporary Accommodation Policy (EX3165)**

The Executive considered a report (Agenda Item 8) which sought approval to proceed with a consultation on the draft Temporary Accommodation Policy.

Councillor Hilary Cole explained that this draft Policy had been developed to order to meet the requirements set out by the Court of Appeal. The Policy sought to provide a strategy for procuring new temporary accommodation to meet demand, as part of meeting the Council's statutory housing duties.

Subject to approval, the draft Temporary Accommodation Policy would be published for a six week period of consultation. A consultation process was necessary as the introduced Policy would have a likely impact on service users. All residents currently in temporary accommodation would be contacted asking them for their views, as would all statutory and voluntary stakeholders who had an interest in, or worked with households affected by, homelessness.

Councillor Alan Macro referred to the prioritisation given to housing homeless households outlined in the report. He queried whether this prioritisation would include families with very young children or with more than two children as these families were less suitable for bed and breakfast accommodation. Councillor Roger Croft suggested that this was a comment to make in response to the consultation (subject to its approval).

RESOLVED that the publication of the draft Temporary Accommodation Policy be approved for consultation.

Reason for the decision: to proceed with a consultation on the draft Temporary Accommodation Policy.

Other options considered: The Council could decide not to implement a Temporary Accommodation Policy. This could give rise to legal challenge if households are not allocated suitable accommodation under statutory homelessness duties.

26. **Approval to Consult on the Draft Decant Policy (EX3167)**

The Executive considered a report (Agenda Item 9) which sought approval to proceed with a consultation on the draft Decant Policy.

Councillor Hilary Cole explained that the Council had a small number of secure tenants who were afforded security of tenure. This Policy had been drafted to set out how the Council would manage decant of these tenants or licensees on a temporary basis in the event that major works or refurbishment works were required to the properties.

Subject to approval, the draft Decant Policy would be published for a six week period of consultation.

Councillor Alan Macro queried whether a six week consultation was sufficient when considering that this would take place over the school summer holidays. Councillor Cole explained that very few households would be effected by this Policy. All residents currently in accommodation to which the Decant Policy would apply would be contacted asking for their views, this included face to face meetings, and there was therefore felt to be no need to extend the consultation period.

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RESOLVED that the publication of the draft Decant Policy be approved for consultation.

Reason for the decision: to proceed with a consultation on the draft Decant Policy.

Other options considered: None.

27. **Members' Questions**

A full transcription of the public and Member question and answer sessions are available from the following link: [Transcription of Q&As](#). *(right click on link and 'Edit Hyperlink'. Insert URL to pdf on website in 'address' field)*

(a) **Question to be answered by the Portfolio Holder for Communities and Public Protection submitted by Councillor Alan Macro**

A question standing in the name of Councillor Alan Macro on the subject of the number of vehicles which had been turned away from the Smallmead waste site in Reading since the re3 consortium stopped West Berkshire residents from using it was answered by the Portfolio Holder for Communities and Public Protection.

(b) **Question to be answered by the Portfolio Holder for Adults, Care and Culture submitted by Councillor Alan Macro**

A question standing in the name of Councillor Alan Macro on the subject of the number of people who had attended the Library Needs Assessment drop-in sessions was answered by the Portfolio Holder for Adults, Care and Culture.

(c) **Question to be answered by the Portfolio Holder for Education and Corporate Infrastructure submitted by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon on the subject of the number of primary and secondary schools who were forecasting deficit budgets was answered by the Leader of the Council in the absence of the Portfolio Holder for Education and Corporate Infrastructure.

(d) **Question to be answered by the Portfolio Holder for Education and Corporate Infrastructure submitted by Councillor Lee Dillon**

A question standing in the name of Councillor Lee Dillon on the subject of the support and resources the Council would provide to improve the overall effectiveness rating of Thatcham Park Church of England Primary School following its recent inspection was answered by the Leader of the Council in the absence of the Portfolio Holder for Education and Corporate Infrastructure.

(e) **Question to be answered by the Portfolio Holder for Education and Corporate Infrastructure submitted by Councillor Mollie Lock**

A question standing in the name of Councillor Mollie Lock, asked by Councillor Alan Macro, on the subject of the percentage and number of children, by school, who were offered their first choice of secondary school for this September's intake was answered by the Leader of the Council in the absence of the Portfolio Holder for Education and Corporate Infrastructure.

(The meeting commenced at 5.00pm and closed at 5.45pm)

CHAIRMAN

Date of Signature

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

SPECIAL EXECUTIVE MINUTES OF THE MEETING HELD ON THURSDAY, 28 JULY 2016

Councillors Present: Anthony Chadley, Hilary Cole, Roger Croft, Lynne Doherty, Marcus Franks, James Fredrickson, Graham Jones, Alan Law and Garth Simpson

Also Present: John Ashworth (Corporate Director - Environment), Gabrielle Esplin (Finance Manager (Capital and Treasury Management)), June Graves (Head of Care Commissioning, Housing & Safeguarding), David Holling (Head of Legal Services), Peta Stoddart-Crompton (Public Relations Officer), Andy Walker (Head of Finance), Rachael Wardell (Corporate Director - Communities), Robert Alexander (Group Executive (Conservatives)), Stephen Chard (Policy Officer), Councillor Lee Dillon and Councillor Alan Macro

Apologies for inability to attend the meeting: Councillor Dominic Boeck

PART I

28. Declarations of Interest

Councillor Roger Croft opened the special meeting by making an apology for the need to call it urgently. It was however required in order to consider proposals for the purchase of additional temporary accommodation to assist in meeting the Council's statutory housing duties.

Councillors Marcus Franks and Lee Dillon declared an interest in Agenda Item 4 by virtue of the fact that they worked for Sovereign Housing Association, but reported that, as their interest was personal and not prejudicial or a disclosable pecuniary interest, they determined to remain to take part in the debate and vote on the matter.

Councillor Dillon questioned the reasoning for considering this item in private and whether it was in the public interest to hold this debate in Part I. Councillor Croft explained that it was for Part II as the detail of the accommodation to be purchased could only be considered privately as it referred to financial transactions that would have to be made (if the report's recommendations were approved).

29. 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 Paragraph 3 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.

30. Purchase of Additional Temporary Accommodation

(Paragraph 3 - information relating to financial/business affairs of particular person)

The Executive considered an exempt report (Agenda Item 4) which outlined proposals for the purchase of additional temporary accommodation to assist in meeting the Council's statutory housing duties.

RESOLVED that the recommendations in the exempt report be agreed.

Reason for the decision: as set out in the exempt report.

Other options considered: as set out in the exempt report.

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(The meeting commenced at 5.45pm and closed at 5.55pm)

CHAIRMAN

Date of Signature

Key Accountable Performance 2016/17: Quarter One

Committee considering report:	Executive
Date of Committee:	8 September 2016
Portfolio Member:	Councillor Roger Croft
Date Portfolio Member agreed report:	15 August 2016
Report Author:	Catalin Bogos
Forward Plan Ref:	EX3109

1. Purpose of the Report

- 1.1 To report quarter one outturns against the Key Accountable Measures contained in the 2016/17 Council Performance Framework and any additional performance intelligence.
- 1.2 To provide assurance to Members that the Strategic Priorities laid out in the Council Strategy and other areas of significance / importance across the council (core business) are being delivered.
- 1.3 To present, by exception, those measures/milestones behind schedule or not achieved and cite any remedial action taken and the impact, if it has, to allow the scrutiny and approval of the corrective or remedial action put in place.
- 1.4 To recommend changes to measures / targets, as requested by services.

2. Recommendation(s)

- 2.1 To note progress against the Council Strategy Priorities for improvement and celebrate achievements.
- 2.2 To review those areas reporting as 'amber' to ensure that appropriate action is in place.

See exception report for details.

3. Implications

- 3.1 **Financial:** Any implications will be highlighted in the individual exception reports.
- 3.2 **Policy:** Any implications will be highlighted in the individual exception reports.
- 3.3 **Personnel:** Any implications will be highlighted in the individual exception reports.
- 3.4 **Legal:** Any implications will be highlighted in the individual exception reports.

3.5 **Risk Management:** Any implications will be highlighted in the individual exception reports.

3.6 **Property:** Any implications will be highlighted in the individual exception reports.

3.7 **Other:** None

4. Other options considered

4.1 None

5. Executive Summary

5.1 This report presents qualitative and quantitative information to assess the performance levels achieved against measures from all the services provided by the council, identified for reporting at Executive level. It includes results against the measures of volume and key accountable measures combined with service performance intelligence.

6. Performance by Council Strategy Priorities for Improvement:

(A) Priorities for Improvement: Improve Educational Attainment and Close the Educational Attainment Gap

6.1 **Demand - Number of Pupils:** Between 2013 and 2016, the overall number of pupils has increased by 614 (2.13% WB, 3.74% SE region, 3.75% Eng). This includes the increase by 845 of primary state funded schools' pupils and a decrease of 456 of secondary schools' population.

6.2 Performance: Attainment

6.3 The latest annual results (2015) for the educational attainment measures have been reported in detail as part of the Quarter 4 2015/16 Performance Report. West Berkshire maintained or improved attainment for all the key measures (at all key stages) reaching a position in top 20% compared to the other authorities in England. The exception was the combined attainment measure for level 2+ in the three subjects (RWM - Reading, Writing and Maths) that declined to be in the top 30% nationally, following the improvement of the previous year (2014). This was due primarily to a decline in results in Mathematics – an exception report was included in the Q4 report.

6.4 Updated results are expected in January 2017 together with the confirmation of the new performance measures' definitions.

6.5 Performance: Attainment Gap Reduction

6.6 Similarly, the latest attainment gap information (2015) was detailed as part of the Q4 Performance Report and the next set of results are expected in January 2017 against new performance measures. Both cohorts (the disadvantaged pupils and their peers) have improved their educational attainment at Year 6 and in the secondary phase. The gap reduced at KS2 but has slightly increased at KS4 (as the non disadvantaged cohort has improved even more compared to previous year).

6.7 Additional intelligence:

6.8 The % of schools being good or better has increased significantly, because a number of the ones previously judged as requiring improvement have been re-inspected in the last 4 months, and, as a result their OfSTED reports have moved to good or outstanding. This has had an impact on the % of LAC young people in good or better schools increasing to 90% at the end of Q1. A robust approach is used when finding new schools for pupils when they need to move due to their placement changing outside of the LA. The default position is always to look at good or outstanding schools first to ascertain if they can meet an individual's needs.

- 6.9 **The latest available results (2015) suggest that further progress is required to achieve the priority by 2020. Additional intelligence is evidence that efforts continue to support this progress.**

(B) Priority for Improvement: Enable the Completion of More Affordable Housing

- 6.10 **Demand** - The number of new housing applications received during quarter 1 (592) is similar to the number received for the first three months of 2015/16.
- 6.11 Re-registration of the Common Housing Register applicants in the autumn has led to an overall drop in numbers and a reduction in the number of qualifying applicants from 1110 at the end of 14/15 to 850 at 15/16 year end. This number has further reduced to 777 at the end of quarter 1. However, this number may increase during the course of the year as those who have had their applications removed re-register.
- 6.12 Over the last 12 months Land Registry data shows that the average price for properties in West Berkshire has increased by 29% from £263k (Jun 2015) to £338k (Jun 2016) continuing the trend from 2013.
- 6.13 **Performance**
- 6.14 158 affordable housing have been completed during 2015/16 and an additional 21 during the first quarter of this financial year (compared to an average of 40 per quarter last year) reaching a total of 179 since Apr 2015.
- 6.15 ***Actual completion data is below an average annual or quarterly level required to deliver the priority to support the 1000 affordable homes completions. Further solutions are being explored by Strategy Board.***

(C) Priority for Improvement: Deliver or enable key infrastructure projects in relation to roads, rail, flood prevention, regeneration and the digital economy

- 6.16 **Demand** – The number of Highways and Transport Service requests received through the Contact Centre has increased by 26% compared to quarter 1 last year but the longer term trend is only slightly increasing (equivalent to only 4% increase over the last 9 quarters). The highway related third party claims increased from 21 in Q1 2015/16 to 35 last quarter and was above the levels for each of the last 6 quarters.
- 6.17 **Performance**
- 6.18 Activity is 'on track' for the submission of the detailed planning application to WBC Planning Committee regarding the Market Street Redevelopment.
- 6.19 A three months delay in the work required to achieve 94% of West Berkshire households having access to superfast broadband has now been addressed and plans are in place to achieve the end of year outcome.
- 6.20 Work is on track to complete the flood prevention and drainage improvement schemes listed in the capital programme.
- 6.21 **The delivery of this priority is broadly moving forward as expected.**

(D) Priority for Improvement: Good at Safeguarding Children and Vulnerable Adults

- 6.22 **Demand** - In comparison to Q4 there has been a 29% reduction in the number of adult safeguarding concerns raised in Q1 and a 9% reduction in the number that progressed to a full S42 enquiry, indicating that the number of concerns not meeting the safeguarding threshold has dropped more significantly than those concerns that do. Factors that impacted on the reduction relate primarily to the work with the ambulance service to improve understanding of the criteria for a concern and a combination of staff sickness, vacancies and annual leave in the team.
- 6.23 The reduction of concerns however, has been offset in terms of workload by 25% increase in DOLS (Deprivation of Liberty Safeguards) applications from Q1 last year. The level for Q1 (184) has reversed the downwards trend seen for 2015/16 and is the highest quarterly number to date due probably to increasing awareness of the Cheshire West judgement amongst care providers and hospitals. Current DOLS activity levels are forecast to result in 700 by year end, a 32% increase on 15/16, due to increased provision of dementia care in West Berkshire.
- 6.24 **Performance**
- Children and Family Service has prepared for a Safeguarding Peer review for the week 11 – 15 July. This included conducting ‘deep dive’ audits on the selected cases, completing a number of actions to evidence the progress made over the last year, producing the Ofsted Annex A lists etc.
- 6.25 Performance measures have been reported in service and for partnership purposes on a monthly basis, the service and the key decision makers being aware of performance levels and using the information in the service management and improvement processes. However, due to the need to focus on supporting the peer review, quarter one performance information was not signed off for reporting at corporate level before the production of this report and will be included retrospectively as part of quarter 2 report.
- 6.26 Four out of the five Adult Social Care Services inspected (three care homes, Shared Lives and the Reablement Service) are rated by the Care Quality Commission (CQC) ‘Good’ or better in the area of safe.
- 6.27 **Additional intelligence**
- During quarter one, the focus of the Adult Social Care (ASC) service has been on rolling out New Ways of Working across the entire service. The first phase of implementation started on 24 May 2016 and the three locality teams are now established and fully focused on making the ‘focus on strengths’ business as usual.
- 6.28 A Local Government Association (LGA) Safeguarding Peer Review took place within Q2 this year and considered data and practice from previous quarters and the progress against the Ofsted Improvement Plan. The review concluded that there is evidence of improvement in the safeguarding work with many strengths identified. It recommended as areas of development to ensure a shared understanding of what ‘good’ is in children’s services and maintain a priority and focus on doing the basics well rather than try and deliver everything at the same time.

- 6.29 Positive results have been achieved in Children and Family Service regarding the appointment to a full complement of Service and Team Manager roles and reduced staff turnover in the social work workforce.
- 6.30 **Local intelligence and feedback received from DfE and peer review suggest good progress is being made to deliver this priority.**

(E) Priority for Improvement: Support Communities to do More to Help Themselves

- 6.31 **Demand** - Following two phases of public consultations at the end of 2015/16, solutions have been implemented to manage the financial challenges resulting from the reductions in the Central Government funding for local authorities. Additional solutions are required to manage further financial pressures over the next three years and it will therefore be imperative that discussions are held with our Parishes and communities about how they can help themselves in the delivery of some of the key services that they value going forward.
- 6.32 **Performance**
- 6.33 There are several streams of activity currently underway in terms of 'Getting communities to do more for themselves'. These are:
- **Building Communities Together/BWB** - Five out of the six communities that are part of the programme are actively having community conversations; Greenham is instead having a sports/physical activity led community engagement strategy (led by Public Health), in response to feedback from local residents. During quarter one, an additional 287 staff, volunteers, children and young people have received restorative practice training (aiming to join up different organisations and people, and to build, maintain and repair relationships between different parts of our communities).
 - **Devolution of responsibilities to Parish Councils** – the Chief Executive and Head of Strategic Support are continuing to meet with Town and Parish Councils with a view to looking at opportunities to transfer assets and services, share and encourage greater community engagement. Discussions are underway with Hungerford, Thatcham and Burghfield. A prospectus is being developed for discussion at the October District Parish Conference.
 - **More detailed discussions continue** with Parish Councils and community groups regarding the provision of Libraries and public conveniences. In the case of the former the Needs Assessment is awaited.
 - **Neighbourhood Development Plans and Parish Plans** - Work is underway with 4 communities (Purley, Hamstead Marshall, Enborne and Brightwalton) to refresh their Parish Plans. These plans give local people the opportunity to engage with other residents, community groups, and service providers to set out a vision for their community.
- 6.34 **The Chief Executive is currently reviewing how this area is currently being resourced. This will form part of the forthcoming Senior Management Review and will link with the current governance review regarding the Health and**

Wellbeing Board. There is a desire to bring greater coherence and integration to this area of work.

(F) Overarching aim: Become a More effective council

6.35 **Demand** - During the first quarter, the Medium Term Financial Strategy 2017/18 to 2019/20 has been approved by Council. A funding gap of between £11m and £22m (depending on the Council Tax levels) for the next three years has been identified, which is to be covered by savings or other income. Directors have been asked to find savings to match the challenging targets that need to be found.

6.36 **Performance**

Arrangements are being made to report, starting with quarter two, a summary progress update from the Corporate Programme Board. The areas covered will include the following work streams: better supply for temporary accommodation, New ways of working in Adult Social Care and also in Children and Family Service, Digital transformation etc.

6.37 **Additional intelligence**

Good progress is being made to deliver a new shared service agreement for the combined Trading Standards and Environmental Health and Licensing (Public Protection) services. Building on the current successful arrangement with Wokingham Council, the new agreement is expected to include Bracknell Forest Council from January. Alongside this discussions are taking place with other Berkshire Councils to consider a potential widening of the arrangement

6.38 The Building Control shared service commenced on the 1 July and is hosted by Wokingham District Council. West Berkshire staff transferred to Wokingham under TUPE provisions providing a joint agreement with Wokingham and RBWM.

6.39 The basket of key strategic measures used to monitor the delivery of the Council Strategy 2015-2019, indicates that 80% (16 / 20) of the reported measures are expected to achieve or exceed their end of year targets and the remaining 20% are reported Amber (behind schedule but still expected to achieve the targets). This level of performance across the council is better than the one achieved for quarter 1 2015/16, when 74% (14 / 19) of measures were RAG rated Green and 26% (5 / 19) Amber. (see exception reports for further details).

6.40 ***Arrangements are being made to strengthen the level of intelligence reported to assess the delivery of this overarching aim.***

7. Core Business Measures

7.1 Core business: **Protecting our children**

Performance data was used on a continuous basis for monitoring progress and supporting decision making at service, corporate and partnership levels. Weekly and monthly reports have been produced and used during the quarter. However, the end of quarter one results have not been signed off for reporting corporately before the production of this report, due to the need of the Children and Family Service to focus on the Safeguarding Peer Review.

This is an area that will be reviewed next quarter - quarter one information will be included as part of the quarter two performance report.

7.2 Core business: **Bin collection and street cleaning**

The estimated result for the proportion of household waste recycled, composted, reused or recovered (76.3%) is below the year end target (80%) due to the Energy from Waste closure in April. However, it is expected that the end of year target will still be achieved.

There are no issues to highlight regarding this core business area.

7.3 Core business: **Providing benefits**

The average number of day to make a full decision on new benefit claims and to make a full decision on changes in a benefit claimant's circumstances have increased respectively to 22.8 days (target 18.5) and 13.3 days (target under 8 days).

This is an area that requires consideration of available resources and re-assessment of targets during quarter 2. See exception reports for further details.

7.4 Core business: **Collecting Council Tax and Business rates**

Quarter one results show that the activity is on track to achieve the end of year targets for the 'in year' collection of Council Tax and also the Business Rates.

There are no issues to highlight regarding this core business area.

7.5 Core business: **Ensuring the wellbeing of older people and vulnerable adults**

A number of measures exceeded or are on track to achieve the end of year targets. Results are well above the targets regarding the timeliness of reviews for adult social care clients with a long term service (93.7% vs target 75%) and timeliness of financial assessments referred to the Financial Assessment & Charging team (99.5% vs. target 90%).

Data was not available for this report regarding the levels of Delayed Transfers of Care (DTC) measure. DTC is one of our areas of challenge, last year we were not able to maintain the significant improvement in performance we experienced in 14/15. The main problem is capacity in the care market and the Adult Social Care teams are working with their colleagues in commissioning to explore ways this can be addressed.

Our Better Care Fund (BCF) plans were fully assured and we are working with Health to deliver on the agreed work streams.

Good performance to be noted relating to many of the measures for this core business area. Missing DTC and BCF data to be reviewed at quarter 2.

7.6 Core business: **Planning and housing**

Quarter one results are above the end of year targets. The majority of them are above the level of last year, including for the timeliness of different types of planning applications (major, minor and other), prevention of homelessness and timeliness of

the Disabled Facilities Grant's approval. Plans are on track for the submission of the Minerals & Waste Local Plan and the adoption of the Site Allocation Development Plan Document as per agreed deadlines.

The timeliness to determine the claims for Discretionary Housing Payments at 58% is RAG rated Amber against the end of year target of 70% (see exception report for further details).

Housing Operations has received confirmation they have been awarded Silver Standard in the second step towards achieving the Gold Challenge set by the National Practitioner Support Service. There are currently 2 Gold Standard authorities, 12 Silver Standard authorities and 29 Bronze Standard authorities and the service will continue the process of service improvement and evidence gathering to submit for the Gold Standard early in 2017.

Excellent performance for the majority of the measures should be noted in relation to this core business area. The only area requiring scrutiny is the timeliness of determining the claims for Discretionary Housing Payments (see exception report).

7.7 Other Core Business areas

- **Planning Policy** – the Housing Site Development Plan Document (DPD) is currently (August 2016) being examined in public by a Government appointed Planning Inspector. The inspector has asked for 50 pieces of 'homework'. This additional work, the anticipated modifications and the public consultation will delay the adoption of the DPD by approximately six months.
This may result in a delay in the new Local Plan, potential problems with the five years land supply which in turn may expose the District to planning by appeal.
- **Legal Service** – recent recruitment difficulties have led to resourcing problems in the Legal Service. Progress is being made in appointing locums and now with permanent employment but work is having to be prioritised.
Proposals regarding demand management are currently being considered.

8. Conclusions

- (i) The results achieved by the end of Quarter 1 2016/17 show that progress continues in all priority areas of the Council Strategy 2015-2019.
- (ii) Further work is being progressed to better evidence the delivery of the 'Supporting Communities' priority and the 'More Effective Council' overarching aim.
- (iii) An action plan will be developed to enable the Council to focus on enabling the delivery of 1000 affordable homes by 2020.
- (iv) Performance results evidence good progress for the delivery of the majority of the core business areas.
- (v) Quarter one performance 2016/17 (80% of reported measures rated Green) is better than the Quarter one in 2015/16 (74% of measures rated Green).

9. Appendices

9.1 Appendix A - Supporting Information



West Berkshire Council Performance Report

Key Accountable Measures 2016/17

Update: Quarter One

compiled by:

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August 2016

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1. Purpose of this report

To provide an update on progress against the council's Key Accountable Measures (KAMs) for 2016/17.

The key measures within this report have been distilled from those routinely monitored and managed through individual service delivery plans to focus more singularly on those which are of particular importance / significance key in delivering the strategic priorities in the Council Strategy and to the core business of the council as a whole. This report therefore:

- provides assurance to the Executive that the objectives laid out in the Council Strategy are being delivered;
- provides assurance to the Executive that areas of significance / particular importance are performing;
- acts as an early warning system, flagging up areas of significance / particular importance which are not performing - or are not expected to perform - as hoped;
 - and therefore ensures that adequate remedial action is put in place to mitigate the impact of any issues that may arise.

2. Conventions used in this report

Throughout the report we have used a RAG 'traffic light' system to report progress:

- ★ means we have either achieved / exceeded, or expect to achieve what we set out to do;
- ◆ means we are behind schedule, but still expect to achieve or complete the measure / activity by year end;
- indicates that we have not achieved, or do not expect to achieve, the activity or target within the year;
- ⊙ indicates that data can only be reported at a single point of the year and progress cannot be tracked – e.g. GCSE results or the road condition survey, whilst;
- ⌚ indicates that quarterly data is unavailable when this report was published
- ⋯ indicates that a measure is not targeted and results are being recorded as a baseline for future monitoring.

(E) (P) indicates that an outturn is an estimate/provisional and will be confirmed during the year.

Where measures are reported as 'red' or 'amber', an exception report provides (a) a description of why the measure / activity will not be achieved / completed, (b) the impact of not achieving, (c) the remedial action being taken to mitigate the impact of this as well as (d) the revised anticipated year end position (e) if any actions is required from Strategy Board.

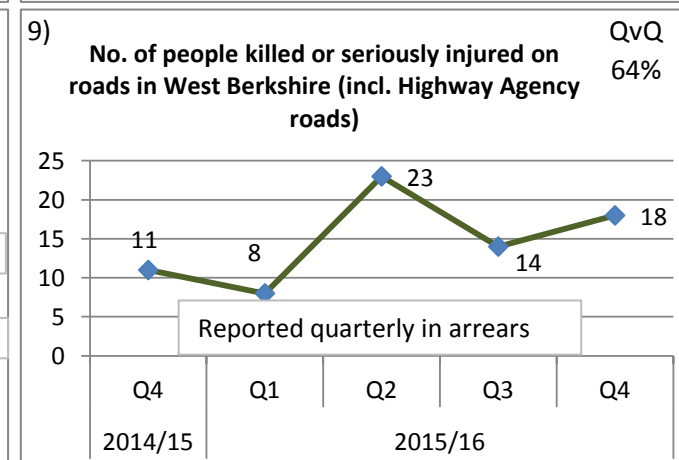
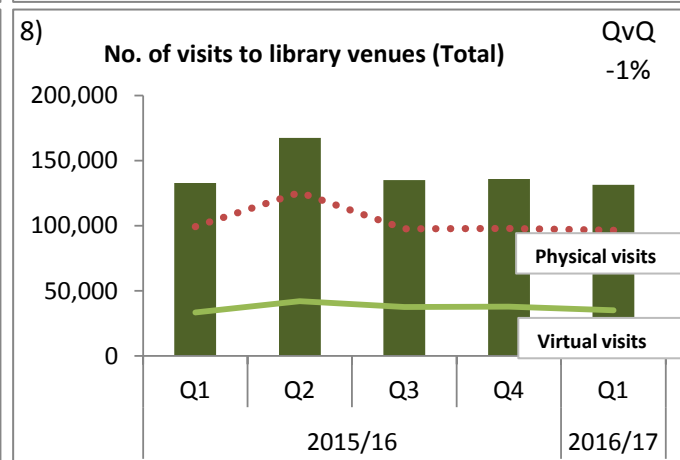
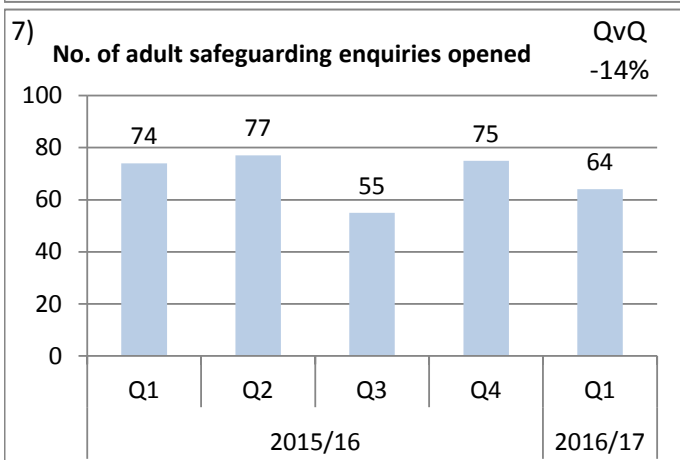
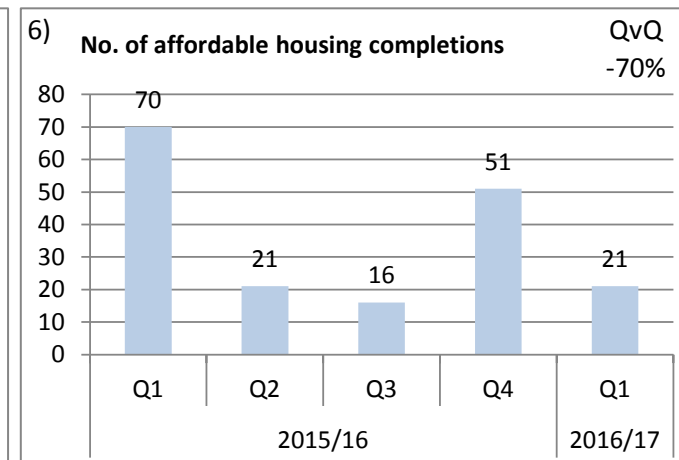
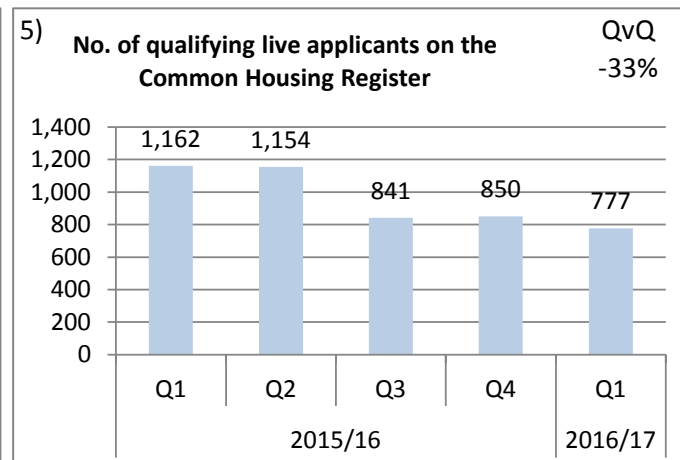
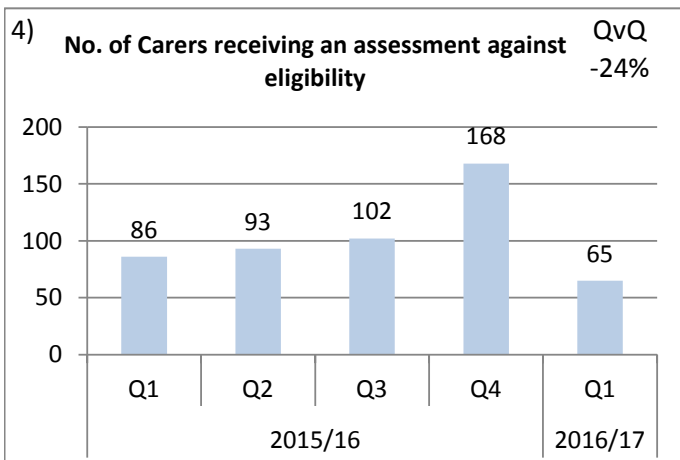
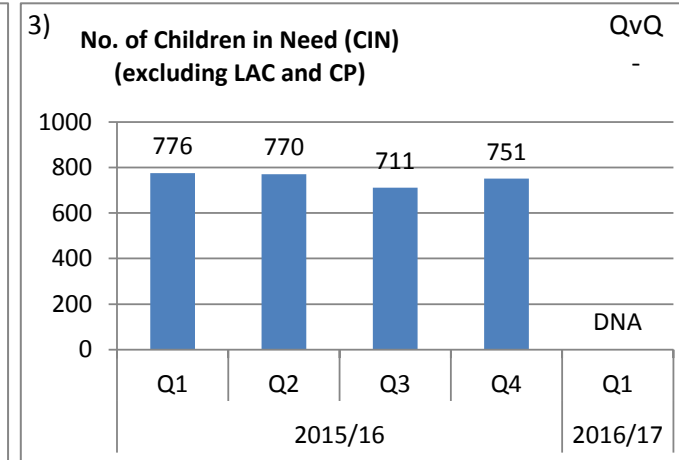
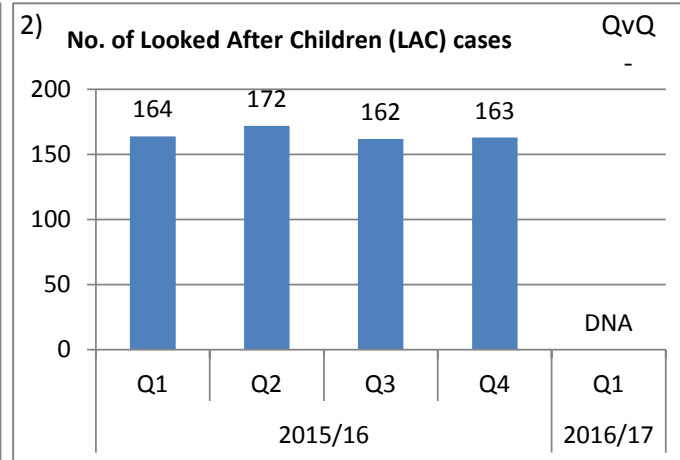
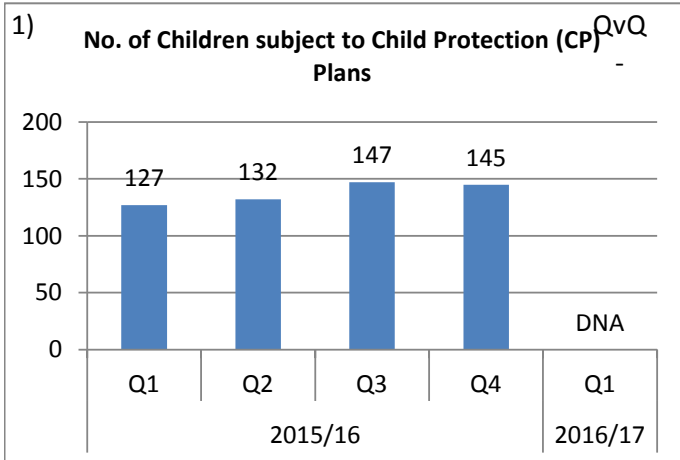
3. Comparative outturns

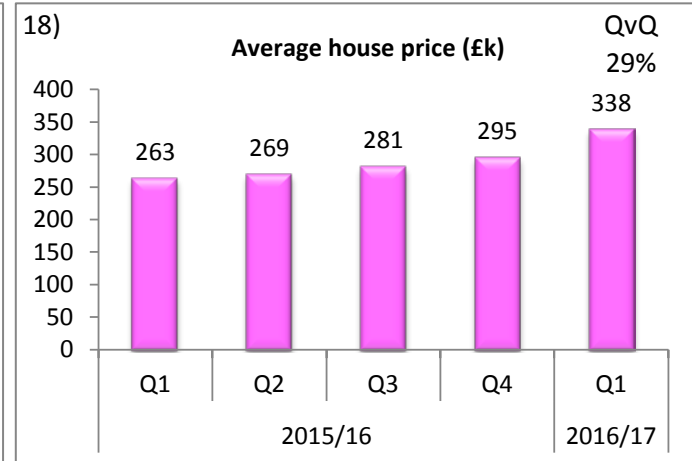
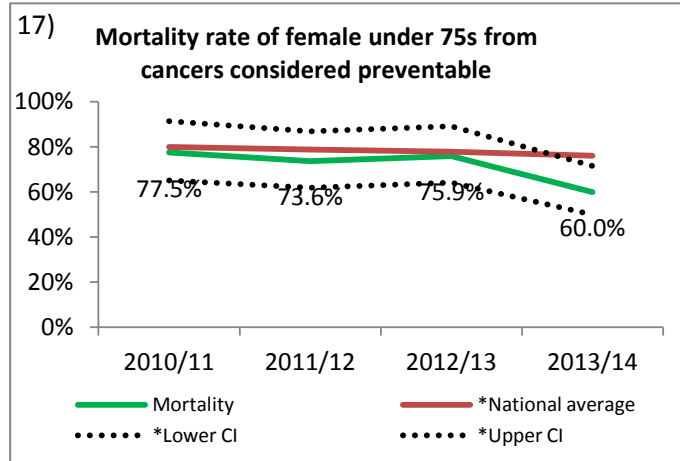
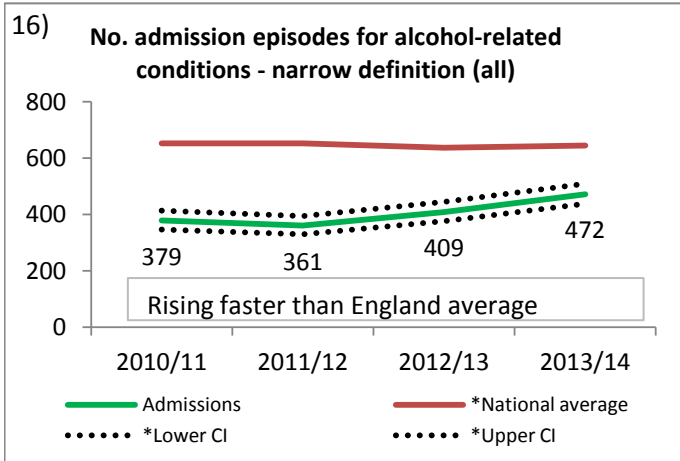
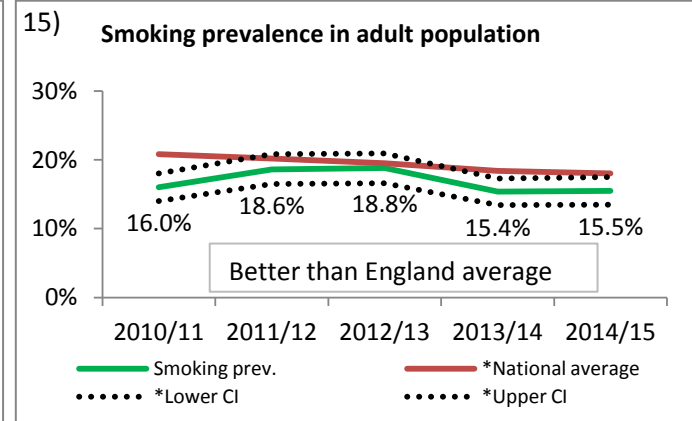
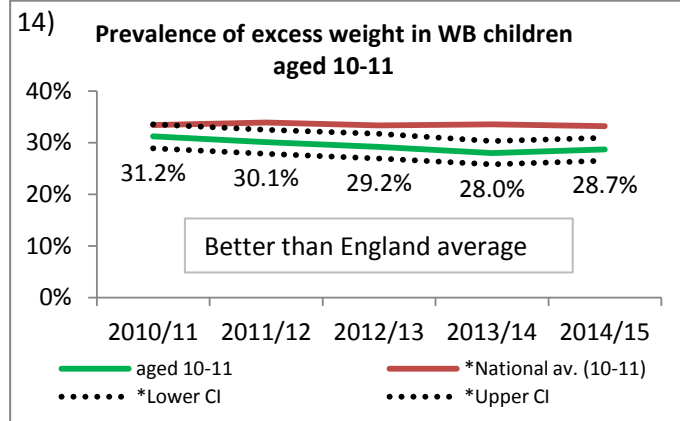
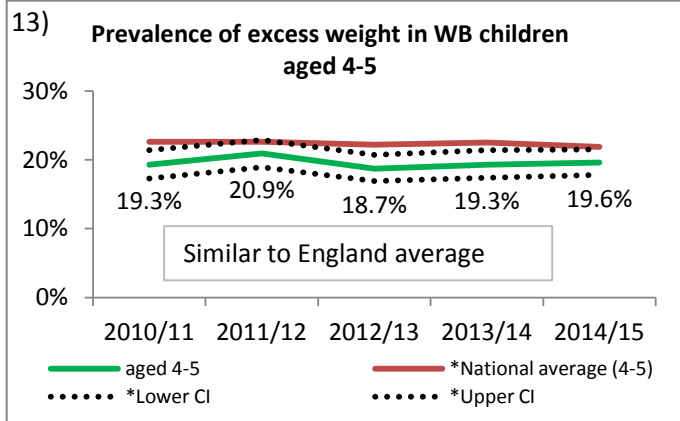
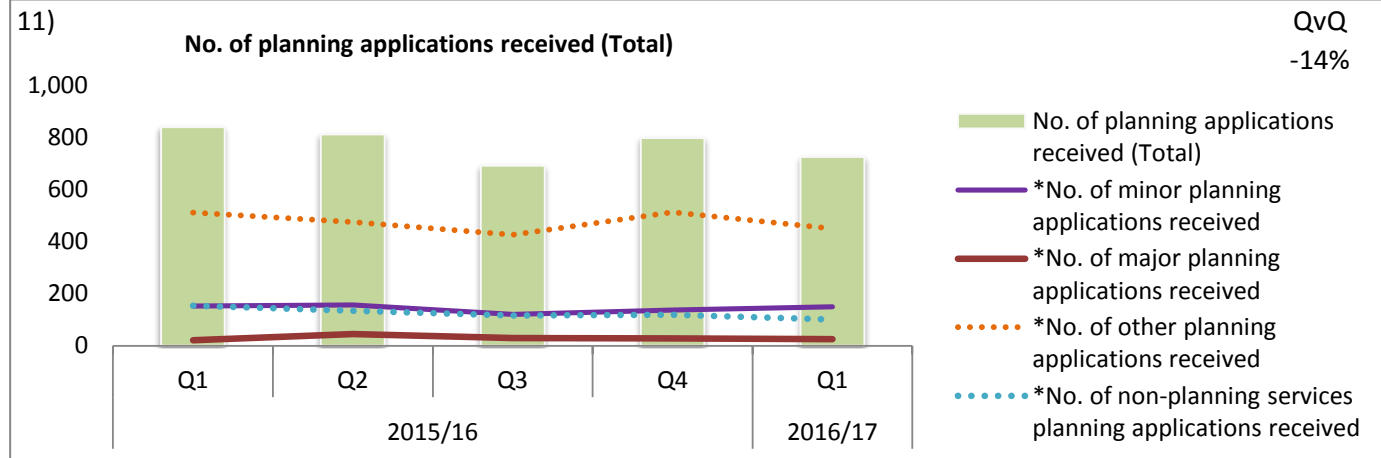
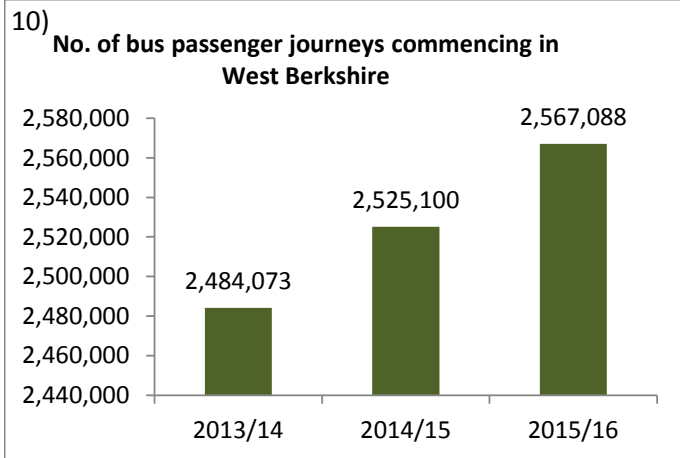
This will only relate to standardised, nationally reported measures. By default the data is compared to England as a whole. Our relative standing is presented as quartiles (i.e. 4th quartile up to 1st quartile). Where available, this is included against the previous year's

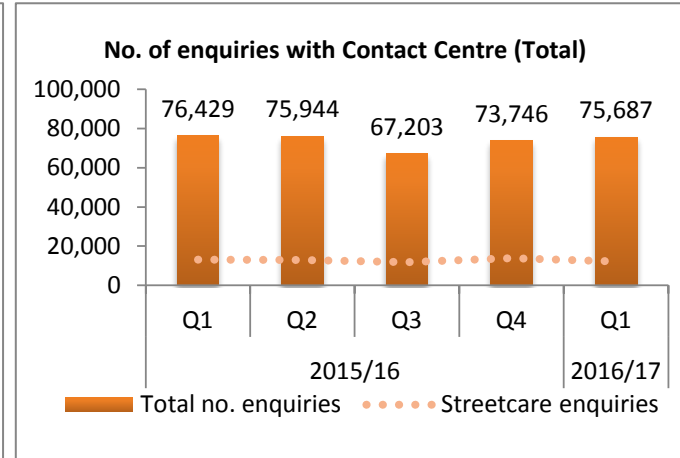
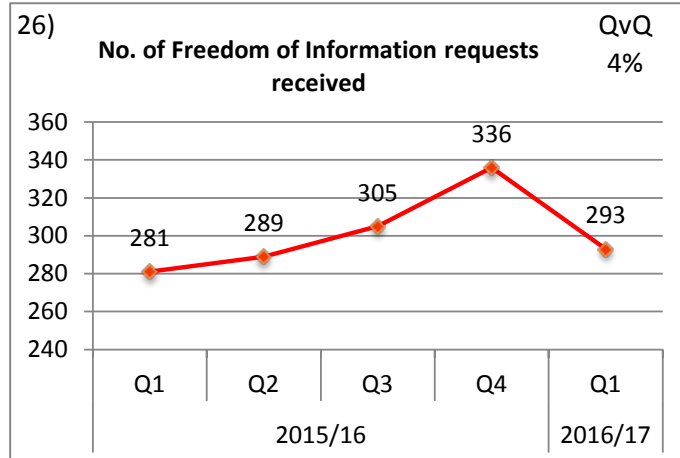
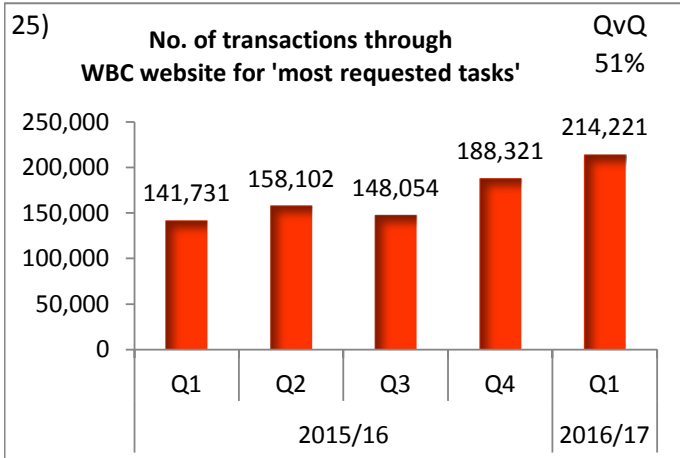
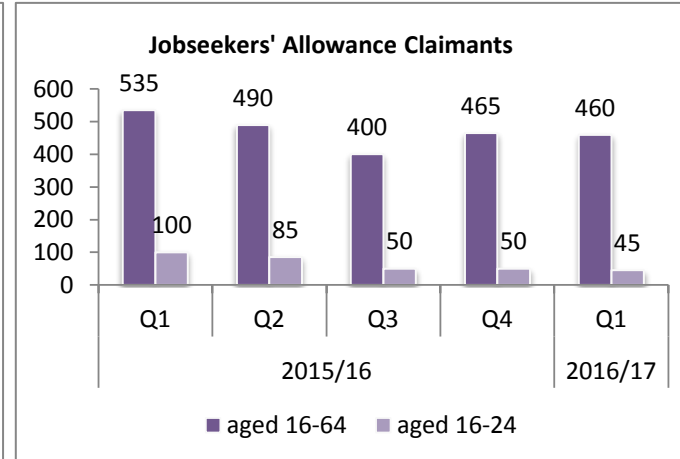
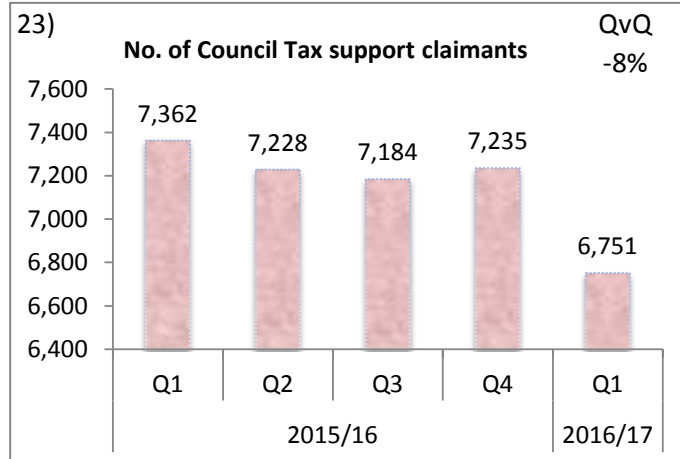
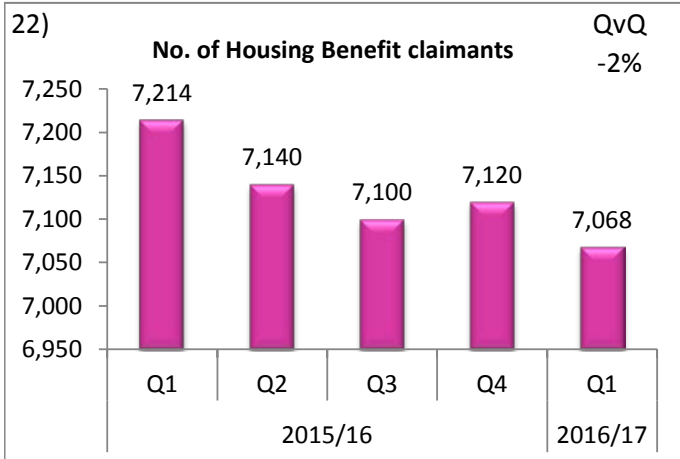
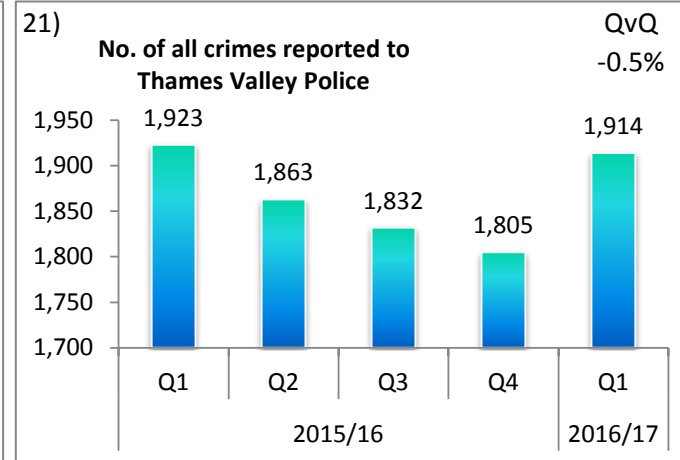
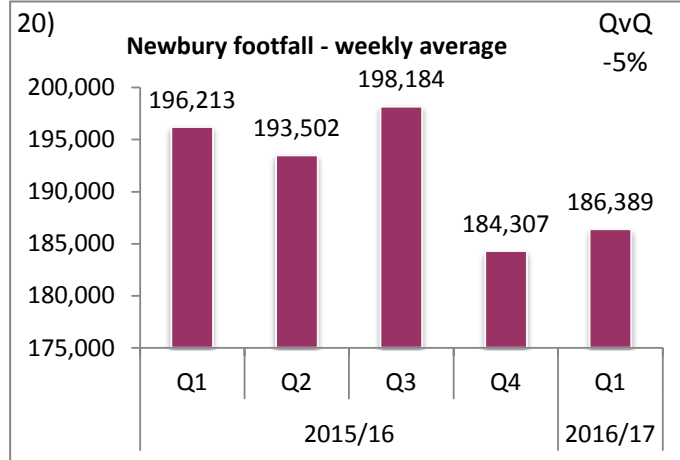
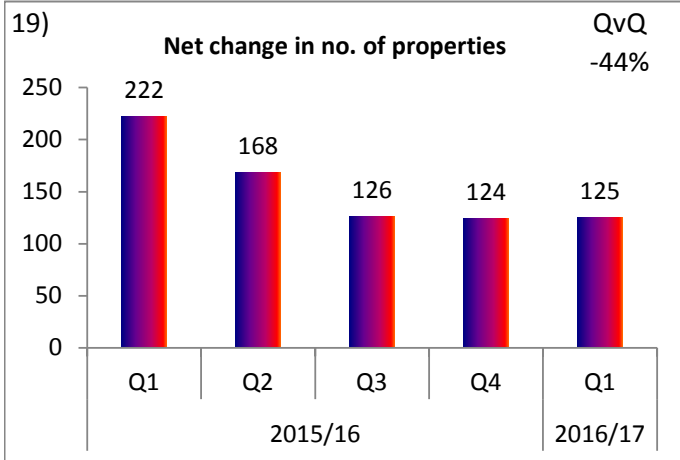
outturn. Where a direct, national comparison is not available, this is labelled as 'local'. Because of the timescales involved in central government, compiling, validating and publishing relative statistics, these are only published 6-12 months in arrears, sometimes longer.

4. Measures of Volume

In addition to the key accountable measures, a number of contextual measures are recorded. These are non-targeted measures, which serve to illustrate the workload in a service, as well as how this may have changed from the previous quarter, or on a like-for like basis, to the same period last year. These are presented in a dashboard below.







5. Overview of Performance

Across this reporting framework as a whole, 44 KAMs are captured, which are appraised by the Executive through this reporting mechanism. In the report, these are aligned to the strategic priorities laid out in the Council Strategy.

Education operates on an academic year. Therefore, attainment results refer to the 2015/16 academic year, where exams were taken in September 2016.

Of the 44 reported measures, outturns are available for 20.

Therefore, of the measures reported:

- 16 (80%) are reported as 'green' – or are on track to be delivered / achieved by year end.
- 4 (20%) is reported as 'amber' - not achieved, or do not expect to achieve, the activity or target within the year

No measures have been reported as 'red'. Chart 1 below shows outturns by Strategic Priority.

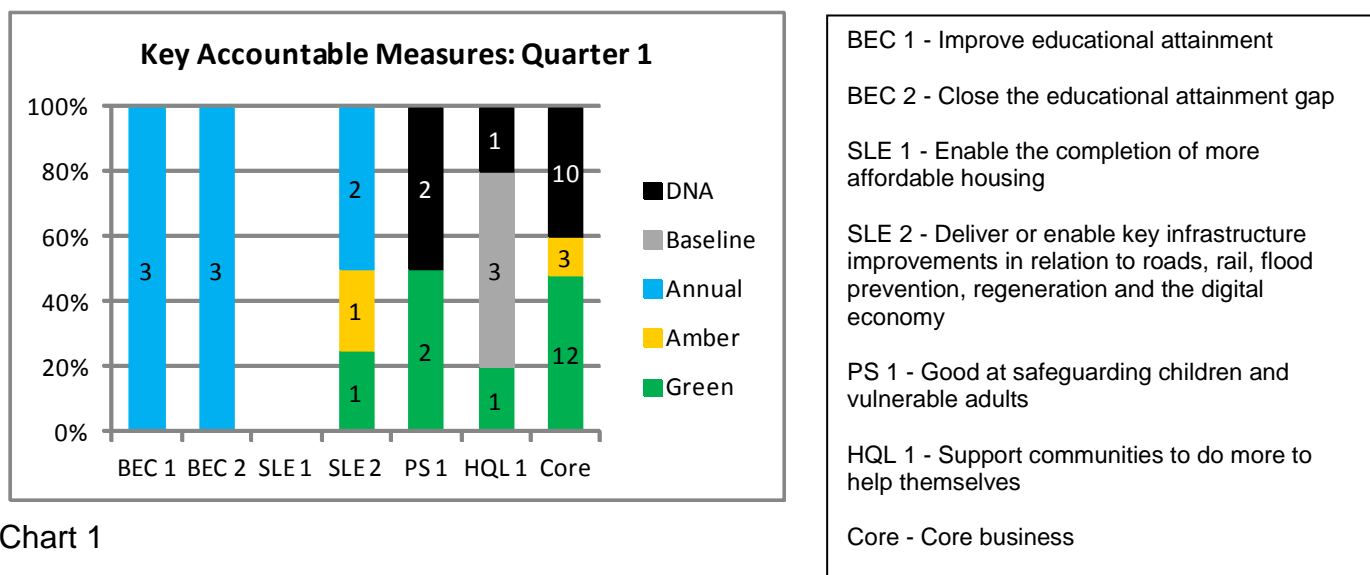


Chart 1

For those measures reported as 'amber' (behind schedule, but achievable by year end) details of the assessment, any remedial action taken and any strategic action required are included in the following Exception Reports.

Nick Carter / Kevin Griffin		ICT & Support Services				July 2016	AMBER	
Indicator Ref: SLE2ict02		Increase number of West Berkshire premises able to receive Superfast Broadband services 24Mb/s or above						
Executive	2014/15 Year End	2015/16 Year End	2016/17				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	★	★	◆				94%	Higher is better
Qrtly outturn								
YTD outturn	83%	83%	84%					
REASON FOR AMBER:								
Gigaclear have struggled with some technical challenges and the submission highways paperwork.								
REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN:								
Issues resolved but currently running 3 months behind schedule with plan in place to catch up.								
STRATEGIC ACTIONS REQUIRED								
None								

Nick Carter / Sean Anderson		Customer Services				22 July 2016	AMBER	
Indicator Ref: CBdcus01		The average number of days taken to make a full decision on new Benefit claims						
Executive	2014/15 Year End	2015/16 Year End	2016/17				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	★	■	◆				<18.5 days	Lower is better
Qrtly outturn								
YTD outturn	17.86 days	19.04 days	22.8 days					
REASON FOR AMBER:								
This was anticipated as a result of ending agency cover for peak workloads as part of the budget saving for 2016/17 and was compounded by the sickness absence and subsequent resignation of a benefit assessor.								
REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN:								
None other than monitoring performance weekly								
STRATEGIC ACTIONS REQUIRED:								
Ideally, the employment of additional assessor resource but, in the current budget climate this is not being proposed. Corporate Board will work with Customer Services to evaluate the request from the Service to review the targets, and if required, to propose an alternative target as part of Q2 performance reporting for the approval of the Executive Committee.								

Nick Carter / Sean Anderson		Customer Services				12 July 2016	AMBER	
Indicator Ref: CBdcus01		The average number of days taken to make a full decision on changes in a Benefit claimants circumstances						
Executive	2014/15 Year End	2015/16 Year End	2016/17				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	★	★	◆				<8 days	Lower is better
Qrtly outturn	-	-	-					
YTD outturn	6.18 days	5.85 days	13.31 days					
REASON FOR AMBER:								
This was anticipated as a result of ending agency cover for peak workloads as part of the budget saving for 2016/17 and was compounded by the sickness absence and subsequent resignation of a benefit assessor.								
REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN:								
None other than monitoring performance weekly								
STRATEGIC ACTIONS REQUIRED:								
Ideally, the employment of additional assessor resource but, in the current budget climate this is not being proposed. Corporate Board will work with Customer Services to evaluate the request from the Service to review the targets, and if required, to propose an alternative target as part of Q2 performance reporting for the approval of the Executive Committee.								

Rachael Wardell / June Graves		Care Commissioning, Housing & Safeguarding				July 2016	AMBER	
Indicator Ref: CBgcchs09		Maintain % of claims for Discretionary Housing Payment (DHP), determined within 28 days following receipt of all relevant information						
Executive	2014/15 Year End	2015/16 Year End	2016/17				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	★	★	◆				70%	Higher is better
Qrtly outturn	82 / 95	66 / 68	-					
YTD outturn	86.3%	97.1%	29 / 50 58.0%					
REASON FOR AMBER:								
Resources have been reduced - 1FTE post has been reduced to 0.5FTE, post currently vacant.								
We have had no DHP officer since beginning of April 2016. Other staff have therefore been picking up assessments on top of their own current workloads. We have been out to recruitment and have appointed but are currently awaiting pre-employment checks before we can agree a start date.								
REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN:								
We have had no DHP officer since beginning of April 2016. Other staff have therefore been picking up assessments on top of their own current workloads. We have been out to recruitment and have appointed but are currently awaiting pre-employment checks before we can agree a start date.								
STRATEGIC ACTIONS REQUIRED:								
None								

6. Quarterly service requests for amendments to measures / targets are noted in the comments column below.

In 2015/16, a new performance framework was introduced that gave Heads of Service the option to amend their service plans on a quarterly basis in order to ensure they reflect the reality of the service. This would for example include, which measures were still relevant, where they are reported to and any agreed targets. As part of the quarterly reporting, approval for any amendments is sought from the appropriate decision maker e.g. changes to Key Accountable Measures will need to be approved by Corporate Board and Executive Committee.

Core Business – d. Providing benefits

Customer Services have requested that the target for the following be revised, due to reduction in use of agency cover, staff sickness absence and vacant post:

CBdcus01 - The average number of days taken to make a full decision on changes in a Benefit claimants circumstances

CBdcus01 - The average number of days taken to make a full decision on new Benefit claims

Corporate Board is working with the Service to assess this measure and, if applicable, a recommendation will be made as part of the report at quarter two.




(Please refer to the Exception Reports above for full details.)

7. Performance Outturns by Strategic Priority and Core Business




The main body of the report presents performance outturns by Strategic Priority in detail. Along with a description of the measure, the table also provides:

- *Column 1:* a reference code
- *Column 2:* the title of the measures
- *Column 3-6* previous years' outturns and comparative performance
- *Column 7:* the current year's target
- *Columns 8:* quarterly outturn and RAG (red, amber, green) rating
- *Column 9:* supporting commentary or volume data.

Key Strategic Measures by Priority 2016/17

Summary of Outturns: Strategic Priority		2016/17
Green 		4
Amber 		1
Red 		0
<i>Total reported</i>		<i>5</i>
Annual (not yet reported) 		8
Baseline (not targeted) 		3
Data not available 		3
<i>Total unreported</i>		<i>14</i>

BEC 1 - Improve educational attainment

ACADEMIC Year								
Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	Target AY 2015/16	Q1 RAG / Outturn	Q1 Comment
BEC1edAY 06	Yr1 Phonics: Proportion of pupils achieving expected level in Phonics decoding	55%	4th	Due in Jan-17	dna	78%	 Annual	Reports at Q4
BEC1edAY 08	Measure to be confirmed: At KS4, the average attainment 8 score is in the top 25% of English Local Authorities	-	-	Due in Jan-17	dna	Baseline	 Annual	Reports at Q4
BEC1edAY 09	Measure to be confirmed: At KS2, the percentage achieving the national standard is in the top 25% in England for reading, writing and maths combined	-	-	Due in Jan-17	dna	Baseline	 Annual	Reports at Q4

BEC 2 - Close the educational attainment gap

Academic Year								
Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	Target AY 2015/16	Q1 RAG / Outturn	Q1 Comment
BEC2edAY1	Yr1 Phonics: Proportion of pupils eligible for Free School Meals (FSM) achieving expected level in Phonics decoding	55%	4th	Due in Jan-17	dna	59%	🎯 Annual	Reports at Q4
BEC2edAY1	Measure to be confirmed: To improve on 2015 rankings for disadvantaged pupils in KS2 for 2016	-	-	Due in Jan-17	dna	Baseline	🎯 Annual	Reports at Q4
BEC2edAY1	Measure to be confirmed: To improve on 2015 rankings for disadvantaged pupils in KS4 for 2016	-	-	Due in Jan-17	dna	Baseline	🎯 Annual	Reports at Q4

SLE 1 - Enable the completion of more affordable housing

*NB. No targeted measures have been assigned. Actions are currently being assigned by Strategy Board. See Measures of Volume for 'No. of affordable housing completions'

SLE 2 - Deliver or enable key infrastructure improvements in relation to roads, rail, flood prevention, regeneration and the digital economy

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
SLE2ht03	Ensure that no more than 5% of the principal road network (A roads) is in need of repair	3%	47/147 2nd	2%	dna	5%	🎯 Annual	Reports at Q4
SLE2ict02	Increase number of West Berkshire premises able to receive Superfast Broadband services 24Mb/s or above	83%	local	57,340 (82.8%)	local	65,287 (94.2%)	🔴 57,859 (83.5%)	See exception report for details.

SLE 2 - Deliver or enable key infrastructure improvements in relation to roads, rail, flood prevention, regeneration and the digital economy

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
CEO1	Milestone - Market Street Redevelopment: Submit detailed planning application to WBC Planning Committee	-	-	Complete	local	Sep-16	★ On track	
CEO3	Milestone 1 - London Road Industrial Estate Redevelopment (LRIER) with St. Modwen Plc. Dependent on determination on JR (Aug/Sept 16) - St Modwen to create a business plan and present to the Project Steering Group for approval during Q1 2017	-	-	Complete	local	Apr-17	🎯 Annual	Potential start date April 2017



PS 1 - Good at safeguarding children and vulnerable adults

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
PS1asc03	Maintain % of safeguarding concerns responded to within 24 hours.	91%	local	94%	local	92%	★ 92%	
PS1asc04	% of WBC provider services inspected by Care Quality Commission (CQC) that are rated good or better by CQC in the area of "safe"	-	-	75%	dna	100%	★ 80.0%	Q1: 4 / 5 Relates to three homes, Shared Lives, and Re-ablement service.




PS 1 - Good at safeguarding children and vulnerable adults







Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
PS1c&f01	Improved Ofsted rating for Children and Families Service	-	-	-	-	> previous	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.
PS1c&f02	Positive endorsement of progression from Peer Review of Children and Families Service	-	-	-	-	> previous	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.

HQL 1 - Support communities to do more to help themselves





Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
HQL1pdcrC	All 6 communities involved in the Building Community Together have developed their community plan	-	-	6	-	-	 5	5 communities are actively having community conversations; Greenham is not having a traditional community conversation and is instead having a sports/physical activity led community engagement strategy, in response to feedback from local residents. This will be led by Public Health
HQL1pdcrC	No of staff and volunteers that received Restorative Practice Training	-	-	859	local	-	 137 (P)	996 in total since June 15; some training records are incomplete from Q1 so this will be an under-estimate

HQL 1 - Support communities to do more to help themselves





Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
HQL1pdcr0	No of children and young people that have received Restorative Practice Training	-	-	452	local	-	 150	150 children - new pilot schools Q1 - 402 children and young people trained in total since September 16
HQL1phwb	Tackle loneliness and social isolation by increasing the number of people who have connected with a service through the village agents volunteer scheme.	-	-	dna	local	120 per Quarter	 dna	Meeting with provider scheduled for 4 August 2016
HQL1ss03	Provide a range of support and advice to community groups on the development of parish plans, engaging with partners and the community	Achieved	local	Complete	local	Complete	 On track	Currently working with 4 communities (Purley, Hamstead Marshall, Enborne and Brightwalton) to refresh their Parish Plans.

Summary of Outturns: Core Business		2016/17
Green 		12
Amber 		3
Red 		0
<i>Total reported</i>		<i>15</i>
Annual (not yet reported) 		0
Baseline (not targeted) 		0
Data not available 		10
<i>Total unreported</i>		<i>10</i>

Core Business - a. Protecting our children

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
CBac&f05	To maintain a high percentage of (single) assessments being completed within 45 working days	70%	local	83%	local	90%	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.
CBac&f10	The number of weeks taken to conclude care proceedings (children social care)	31	local	tbc	local	<=26 weeks	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.
CBac&f12	Percentage of Looked After Children with Health Assessments on time	63%	local	98%	local	>90%	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.
CBac&f13	Percentage of Looked After Children with Dental Checks completed on time	68%	local	88%	local	>90%	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.

Core Business - a. Protecting our children

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
CBac&f14	Placement moves - stability of placement of Looked After Children - number of moves (3 or more in a year)	5%	local	5%	local	<=10%	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.
CBac&f15	% of Leaving Care Clients with Pathway Plans	100%	local	97%	local	>=95%	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.
CBapdcr06	Child Protection Reviews - held on time	-	-	-	-	95%	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.
CBapdcr07	Looked after children cases which were reviewed within required timescales	-	-	-	-	95%	 dna	Director sign off for Q1 data, beyond that used at service/partnership level, is delayed and (by agreement) will be completed after the Peer Review process.

Core Business - c. Bin collection and street cleaning

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
CBccep11	Maintain the proportion of household waste recycled/composted/reused/recovered (Local Indicator)	82%	local	80.3% (E)	local	80%	★ 76.3% (E)	Q1: 16,864 / 22,100 This quarters result is an estimate based on partial availability of data and will not be finalised until the next quarter. This result is also subject to change once figures are validated and confirmed by DEFRA after quarter 4. This is below the year end target due to Energy from Waste (EFW) closure in April. This will average out and increase during the year.
CBccep14	Maintain an acceptable level of litter, detritus and graffiti (as outlined in the Keep Britain Tidy local environmental indicators).	Satisfactory	-	Good	dna	Satisfactory	⌚ dna	Reports at Q2

Core Business - d. Providing benefits

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
CBdcus01	The average number of days taken to make a full decision on new Benefit claims	17.86 days	local	19.04 days	local	<18.5 days	◆ 22.8 days	2015/16 Q1 return was 19.18 days. See exception report for details
CBdcus02	The average number of days taken to make a full decision on changes in a Benefit claimants circumstances	6.18 days	dna	5.85 days	dna	<8 days	◆ 13.31 days	See exception report for details.

Core Business - e. Collecting Council Tax and Business rates

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
CBecus04	The 'in-year' collection rate for Council Tax	98%	dna	99%	dna	99%	★ 30%	For comparison: 2015/16 Q1 return = 29%
CBecus05	The 'in-year' collection rate for Business Rates	99%	dna	99%	dna	99%	★ 34%	For comparison: 2015/16 Q1 return = 36%

Core Business - f. Ensuring the wellbeing of older people and vulnerable adults

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
CBfasc06	Proportion of clients with Long Term Service (LTS) receiving a review in the past 12 months	62%	local	95%	local	75%	★ 93.7%	Q1: 1,121 / 1,196
CBfasc07	Decrease the level of delayed transfers of care (DTC) from hospital and those attributable to social care from acute and non-acute settings (ASCOF 2C Part 2)	4.5	dna	7.5	dna	4	⌚ dna	Not available until mid-August
CBfasc10	Proportion of older people (65+) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services	93%	local	79%	local	82%	★ 81.5%	Q1: 88 / 108
CBfchs07	Maintain percentage of financial assessments within 3 weeks of referral to the Financial Assessment & Charging Team	99%	local	100%	local	90%	★ 99.5%	Q1: 405 / 407

Core Business - g. Planning and housing

Ref	Title	Year end 2014/15	National Rank/Quartile 2014/15	Year end 2015/16	National Rank/Quartile 2015/16	YE target 2016/17	Q1 RAG / Outturn	Q1 Comment
CBgcchs08	Maintain % of people presenting as homeless where the homelessness has been relieved or prevented	78%	local	79%	local	75%	★ 80.8%	Q1: 97 / 120
CBgcchs09	Maintain % of claims for Discretionary Housing Payment, determined within 28 days following receipt of all relevant information	86%	local	97%	local	70%	◆ 58.%	Q1: 29 / 50
CBgcchs10	Approve 95% of high priority Disabled Facilities Grants within 9 weeks of receipt of full grant application	100%	local	97%	local	80%	★ 100%	
CBgpc11	Subject to examination, adopt the Site Allocations Development Plan Document (DPD) by December 2016	-	-	Behind schedule	local	Dec-16	★ On track	
CBgpc12	60% of 'major' planning applications determined within 13 weeks or the agreed extended time.	(56/76) 74%	88/125 3rd	(56/70) 80%	72/125 3rd	60%	★ 86.4% (E)	Q1: 19 / 22. Estimate
CBgpc13	65% of 'minor' planning applications determined within 8 weeks or the agreed extended time.	(320/446) 72%	73/125 3rd	(298/411) 73%	78/125 3rd	65%	★ 65.3% (E)	Q1: 79 / 121. Estimate
CBgpc14	75% of 'other' planning applications determined within 8 weeks or the agreed extended time.	(1146/1427) 80%	29/125 2nd	(1,127/1,274) 89%	32/125 2nd	75%	★ 96.2% (E)	Q1: 331 / 344. Estimate

Financial Performance Report 2016/17

Quarter One

Committee considering report:	Executive
Date of Committee:	08 September 2016
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	18 August 2016
Report Author:	Gabrielle Esplin
Forward Plan Ref:	EX3135

1. Purpose of the Report

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

2. Recommendation(s)

- 2.1 That the Executive approve the transfer of £657k budget from Care Commissioning, Housing and Safeguarding to Adult Social Care, as detailed in paragraph 5.8 below and in line with Financial Regulations.

3. Implications

3.1 **Financial:**

A revenue over spend of £1.28m is forecast at Quarter 1. If additional savings cannot be found to offset the forecast over spend, it may be necessary to draw down a large proportion of the risk reserves of £1.65m, which were set aside at the start of the financial year, to allow for any emerging pressures in Adult Social Care, Children & Family Services and Legal Services.

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 One, the forecast revenue position is an over spend of £1.28mk against a net budget of £116.8m.
- 5.2 The Communities Directorate is forecasting an over spend of £1,033k. £996k of this relates to Adult Social Care as a result of an increase in client numbers and the complexity of their needs, together with an upward trend in the cost of commissioning nursing and residential care services. However a risk reserve of £1.1m was set aside at the start of the financial year to allow for unforeseen pressures such as these on the Adult Social Care budget. It may therefore be necessary to draw down a large proportion of this reserve to cover this overspend.
- 5.3 Children and Family Services are also forecasting an over spend of £37k due to pressure on the Adoption Panel joint arrangement. It may also be necessary to draw down £37k of the £500k risk reserve which was set aside for unforeseen costs in Children and Family Services. All other Communities services are forecasting to budget.
- 5.4 The Environment Directorate is forecasting to budget overall, although there is a £44k pressure in Culture and Environmental Protection which is offset by increased income from development control in the Planning and Countryside Service.
- 5.5 The Resources Directorate is forecasting an over spend of £214k. This includes an over spend of £259k in Legal Services, where there are cost pressures as a result of the London Road Industrial Estate procurement challenge and also pressure on fee income. A risk reserve of £50k has been set aside for unforeseen costs in Legal Services, and it may now be necessary to utilise this reserve in full. However, this may not be required if the Council is successful in reclaiming its costs on the procurement challenge through the judicial review. Strategic Support is forecasting an under spend of £45k and all other Resources services are forecasting to budget.
- 5.6 There is a £30k pressure on Levies and Interest because of the current low level of interest rates affecting the interest earned on the Council's investments.
- 5.7 In order to meet the funding available, the 2016/17 revenue budget was built with a £13.9m savings programme. Transitional grant funding of £1.4m and part year funding of £576k has been allocated to the 2016/17 budget, resulting in a net savings programme of £11.9m.
- 5.8 During the course of the year changes may be made to the approved Council budget, mainly by moving funds from one service to another. Corporate Directors and/or Portfolio holders may approve budget transfers up to certain limits, which are set out in the Council's Financial Regulations. At Quarter One, one revenue budget transfer requires Executive approval: £657k is to be transferred from Care Commissioning, Housing & Safeguarding to Adult Social Care, to provide ongoing services for former Supporting People clients who are now eligible for Adult Social Care.

- 5.9 The 2016/17 capital programme is 55.2% committed as at the end of Quarter One. Forecast capital spend is currently £37.5m against a revised budget of £44.1m, with £6.6m expected to be re-profiled into 2017/18. This is mainly due to delays to two school schemes, because of land acquisition issues. Two highways schemes are also to be postponed because of bad weather and delays caused by a private developer.
- 5.10 No variance is forecast on expenditure funded from the ring-fenced Dedicated Schools Grant (DSG).

6. Conclusion

- 6.1 The Council remains in a challenging financial environment, and is faced with delivering savings of £13.9m as well as addressing in year pressures as they arise. The Council is taking steps to maintain financial discipline, ensure that the agreed savings programme is deliverable and to find additional savings to offset the revenue over spend currently forecast.

7. Appendices

Appendix A (1) – Supporting Information

Appendix A (2) – Summary of Revenue Budget Monitoring Returns Quarter One 2016/17

Appendix A (3) – Capital Summary Quarter One 2016/17

Appendix B – Equalities Impact Assessment

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Appendix A (1)

Financial Performance Report 2016/17 Quarter One Supporting Information

Introduction

- 1.1 The financial performance reports provided to Members throughout the financial year are concerned with the under or over spend against the Council's approved budget. At Quarter One the forecast revenue position is an over spend of £1.28m against a net budget of £116.8m.
- 1.2 Forecast capital spend is currently £37.5m against a revised budget of £44.1m, with £6.6m expected to be re-profiled into 2017/18.

Background to the 2016/17 Revenue Budget

- 1.3 In order to meet the funding available, the 2016/17 revenue budget was built with a £13.9m savings programme. Transitional grant funding totalling £1.4m and part year funding of £576k has been allocated to the 2016/17 budget, resulting in a net savings programme of £11.9m.

Changes to the Original Revenue Budget

- 1.4 The Council set a revenue budget of £116.8m for 2016/17. During the year budget changes may be approved for a number of reasons and the approval limits are set out in the Council's Financial Regulations. Budget increases will be seen when budgets are brought forwards from 2015/16 as a result of requests that are approved at year end, after the original budget has been set in early March. These budget changes are submitted to the Finance and Governance Group (FAGG) and must meet certain criteria to be approved. Other reasons for in year budget changes include drawing from reserves to support specific projects or to cover risks that have arisen and have previously been provided for.
- 1.5 At Quarter One, one virement requires Executive approval: £657k is to be transferred from Care Commissioning, Housing & safeguarding Service to Adult Social Care, to provide ongoing services for former Supporting People clients transferred into and eligible for Adult Social Care.

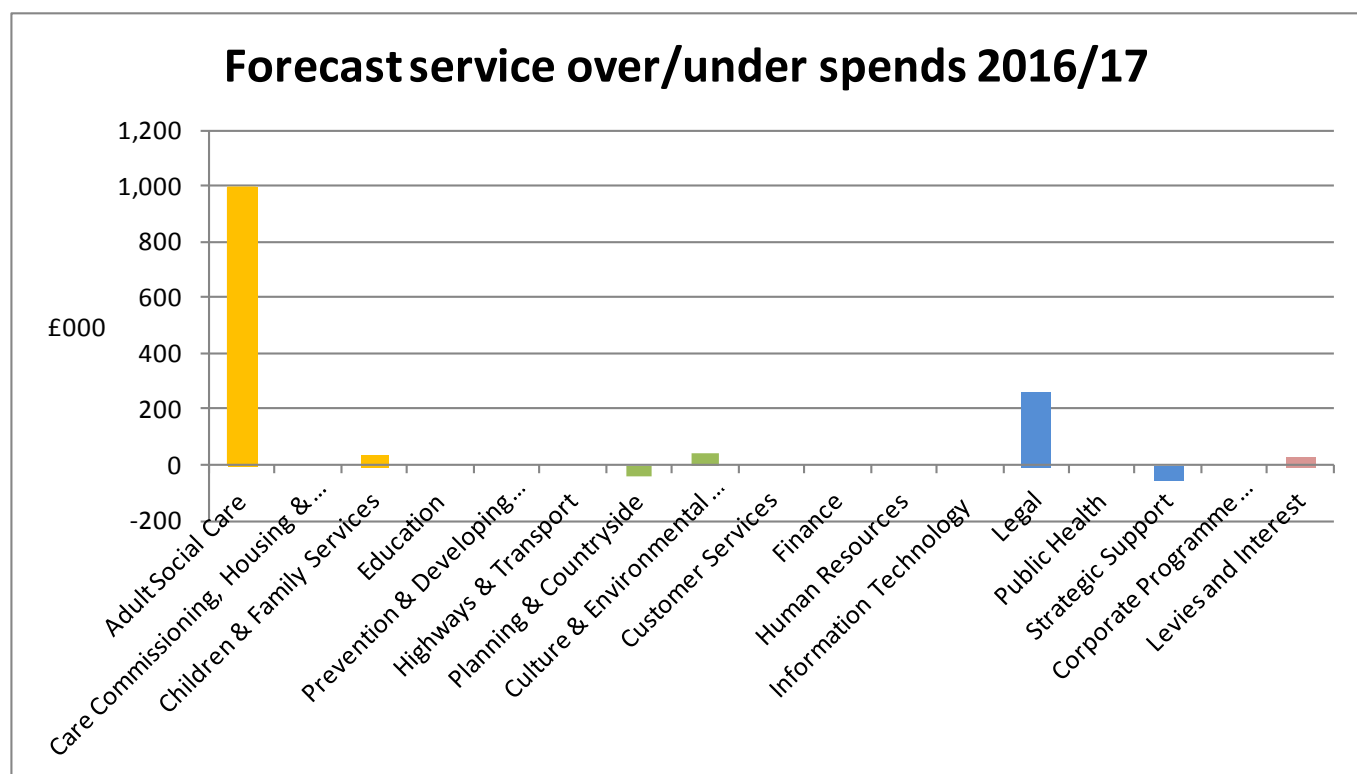
Summary Revenue Forecast

1.6 Directorate forecasts tracked by Quarter:

Directorate	Current Net Budget	Annual Net Forecast	Forecast (under)/over spend			Change from Last Quarter
			Quarter One	Quarter Two	Quarter Three	
	£000	£000	£000	£000	£000	£000
Communities	65,713	66,746	1,033	0	0	0
Environment	31,240	31,240	0	0	0	0
Resources	12,352	12,566	214	0	0	0
Levies and Interest	7,511	7,541	30	0	0	0
Total	116,816	118,093	1,277	0	0	0

NB. Rounding differences may apply to nearest £k

1.7 Forecast Service over/under spends at Quarter One:



Communities Directorate – Quarter One Review

1.8 2016/17 Savings Programme

The revenue budget for the Communities Directorate 2016/17 has been built with a gross savings programme of £7.5m.

1.9 Forecast Revenue Position at Quarter One

Communities	Net Budget	Forecast (under)/over spend				Change from last Quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
DSG	(721)	0				0
Corporate Director	196	0				0
Adult Social Care	37,250	996				0
Care Commissioning, Housing & Safeguarding	3,749	0				0
Children & Family Services	15,114	37				0
Education	9,256	0				0
Prevention and Developing Community Resilience	869	0				0
Total	65,713	1,033	0	0	0	0

1.10 The forecast revenue over spend for the Communities Directorate is £1.03m against the budget of £65.7m.

- (1) Adult Social Care is forecasting a year end over spend position of £996k. During the first quarter of 2016/17 the service has experienced a combination of increasing numbers of clients presenting with eligible needs, alongside an increase in the complexity of need. There has also been an upward trend in the cost of commissioning services from providers in respect of nursing and residential care.
- (2) Children & Family Services is forecasting a year end over spend of £37k as a result of pressure on the Adoption Panel joint arrangement.
- (3) All other Communities services are forecasting a year end position of online at Quarter One.

Environment Directorate - Quarter One Review

1.11 2016/17 Savings Programme

The Environment Directorate 2016/17 revenue budget was built with a savings programme of £4.47m

1.12 Forecast Revenue Position at Quarter One

Environment	Net Budget	Forecast (under)/over spend			
		Quarter One	Quarter Two	Quarter Three	Year End
	£000	£000	£000	£000	£000
Corporate Director	171	0	0	0	
Highways & Transport	5,970	0	0	0	
Planning & Countryside	3,893	(44)	0	0	
Culture & Environmental Protection	21,206	44	0	0	
Total	31,240	0	0	0	0

The Directorate as a whole is forecasting to budget at Quarter One.

- (1) Highways & Transport is forecasting to budget.
- (2) The Planning and Countryside Service is forecasting a £44k 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. Income in Developmental Control, which remains buoyant, has mitigated this pressure.
- (3) Currently Culture and Environmental Protection is forecasting an over spend of £44k. This is due to a payment from Kennet School which has not yet been agreed.

Resources Directorate – Quarter One Review

1.13 2016/17 Savings Programme

The Resources Directorate 2016/17 revenue budget was built with a savings programme of £1.96m.

1.14 Forecast Revenue Position at Quarter One

Resources	Net Budget	Forecast (under)/over spend				Change from last Quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
Chief Executive	521	0				0
Customer Services	1,942	0				0
Finance	2,062	0				0
Human Resources	977	0				0
ICT and Corporate Support	2,597	0				0
Legal	946	259				0
Public Health	192	0				0
Strategic Support	2,984	(45)				0
Corporate Programme Management	131	0				0
	12,352	214	0	0	0	0

The forecast Revenue position for the Resources Directorate is an over spend of £214k.

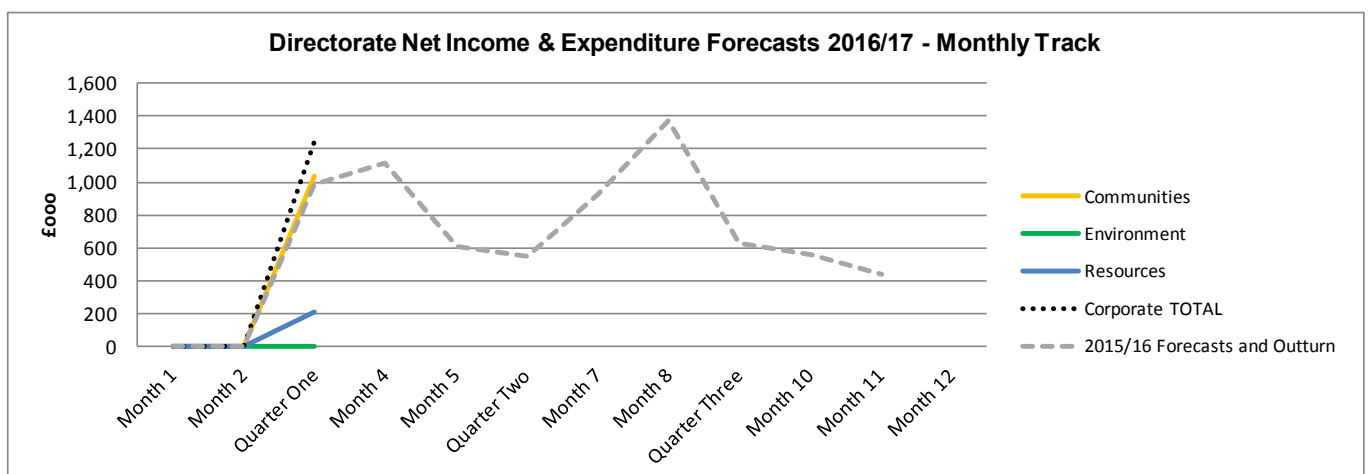
- (1) Legal Services is reporting a forecast of £259k over spend at Quarter One. This is primarily due to the following:
 - The cost of the London Road Industrial Estate procurement challenge is estimated to be in the region of £190k in 2016. This additional cost is expected to result in an over spend of £163k on the budget for disbursements. Some or all of this pressure may be offset if the Council is successful in reclaiming these costs through the judicial review process, but even if successful the full recovery of costs may be delayed beyond the end of this financial year.
 - Fee income is currently down against the same period in 2015 and the forecast is therefore a £60k pressure against budget.
- (2) Public Health is forecasting to the budget funded by the Public Health ring fenced grant, any under spend will be transferred to the Public Health Reserve in accordance with the grant conditions.
- (3) Strategic Support is forecasting an under spend of £45k at Quarter One. This is mainly due to ICT maintenance savings within the Performance Team as a result of cancellation of modules which are either no longer required together with a one off saving due to a contribution from Education Services.
- (4) All other Resources services are forecasting to budget.

Levies and Interest – Quarter One Review

1.15 Income on interest on investments is currently forecast to be £30k 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.

Analysis of Directorate Forecasts

1.16 The following chart shows the forecasts per Directorate together with a corporate total and a comparison to last year:



Capital – Quarter One Review

Directorate	2016/17 Original Capital Programme	2016/17 Revised Capital Programme	Amount spent/ committed to 30/6/15	Forecast spend in year	Forecast (under) over spend in year
	£000	£000	£000	£000	£000
Communities	18,325	20,158	5,549	14,368	(5,790)
Environment	17,555	20,959	13,275	20,109	(850)
Resources	2,485	3,014	965	3,014	0
Total all services	38,365	44,131	19,789	37,491	(6,640)

- 1.17 Forecast capital spend in the year is currently £37.5m against a revised budget of £44.1m with £6.6m expected to be re-profiled into 2017/18. 55.2% of the 2016/17 capital programme is committed as at the end of Quarter One.
- 1.18 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. The changes mainly consist of:
- budgets which were unspent at the end of 2015/16 which have been brought forward to 2016/17 to enable the continuation/completion of schemes already underway
 - additional external funding (mainly government grants and S106 contributions) which have been allocated since March 2016
 - budgets which have been reprofiled to 2016/17.
- 1.19 Communities Directorate –27.5% of the programme is committed at the end of Quarter One.
- (1) In Adult Social Care work is underway to provide the locality teams with the means to deliver the New Ways of Working, and to improve co-working with our NHS colleagues. Priorities for improvements to facilities at two of our Care Homes are also being reviewed, and funds may be transferred from other projects to enable these improvements to be implemented.
 - (2) In Care Commissioning, Housing and Safeguarding (CCHS), improvements are being made to the way Disabled facilities grants are delivered, including employing additional occupational therapists funded from the grant budget, to help speed up the processing of claims. Hardware for the new CareDirector system (the replacement for RAISE) is in place and the software is now being installed. The project is expected to be completed on time and on budget.

- (3) In Children and Family Services construction of the Multi Agency Service Hub (MASH) is underway at West Street House and expected to be completed on budget. The TriX system to provide complete, up to date and centralised information policies and procedures to all staff is now fully implemented.
- (4) In Education Services there have been delays to two of the major schools schemes in the 2016/17 programme:
 - Theale Green Primary school – Theale Parish Council have not agreed to surrender their lease on the site earmarked for the new school, so it may now be necessary to pursue a compulsory purchase order which could delay the project by 12-18 months.
 - Highwood Copse – negotiations with Newbury College over the purchase of land for access to the site have been protracted and the College is now expecting to obtain “best value” for the land rather than a notional sum as previously indicated. This is likely to affect the affordability of the project and cause considerable delay.

These issues together with smaller forecast variances on a number of other schemes are likely to mean that £5.8m spend of the total Education programme of £15.1m will be delayed until 2017/18.

1.20 Environment Directorate – 63.3% of the programme is committed at the end of Quarter One.

- (1) In Highways & Transport, the majority of schemes are progressing well, but the start of works on the Tull Way Attenuation Pond has been delayed due to the recent wet weather, and work on the Kings Road Link is dependent on the redevelopment of the Sterling Cables site, which has yet to commence. Total spend of £850k on these two schemes is therefore expected to be delayed until 2017/18.
- (2) In Planning and Countryside the main focus of the programme for this year is the management of the Ridgeway trail. The open spaces team are also working to spend S106 funds on improvements to open spaces.
- (3) In Culture and Environmental Protection, maintenance of culture and leisure buildings (including leisure centres and Shaw House) is progressing as planned.

1.21 Resources Directorate – 32% of the programme is committed at the end of Quarter One.

- (1) Progress of the London Road Industrial Estate redevelopment has been delayed because of a legal challenge to the scheme, but work is expected to restart later in the year.
- (2) In ICT, progress with phase 2 of the superfast broadband project was slow initially but has now speeded up.
- (3) The new IKEN system has been successfully implemented in Legal Services.

Dedicated Schools Grant (DSG)

1.22 No variance is forecast on expenditure funded from the ring-fenced Dedicated Schools Grant (DSG). After considering the DSG forecast for the next two years, the School's Forum decided in March 2016 to allocate £697k more grant to schools and Education Services than has been received in 2016/17, in order to continue to support some key high needs services. However the over allocation of grant in the current year is expected to be met from the 2017/18 DSG grant, assuming that overall costs do not increase significantly and that the grant remains at a similar level. This does not affect the corporate financial position.

Options for Consideration

1.23 N/a – factual report for information

Proposals

1.24 To inform Members of the latest financial performance of the Council.

1.25 To obtain Executive approval, as per the Financial Regulations, for the budget movement of £657k from Care Commissioning, Housing and Safeguarding to Adult Social Care.

Conclusion

1.26 The Council remains in a challenging financial environment, and is faced with delivering savings of £13.9m. The Council is taking steps to maintain financial discipline and ensure that savings are deliverable.

Consultation and Engagement

N/A

Background Papers:

None

NOTE: The section below does not need to be completed if your report will not progress beyond Corporate or Operations Board.

Subject to Call-In:

Yes: No:

If not subject to call-in please put a cross in the appropriate box by double-clicking on the box and selecting 'Checked':

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

Delays in implementation could compromise the Council's position

Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months

Item is Urgent Key Decision

Report is to note only

Wards affected:

*(add text)

Please put a cross in the appropriate box(es) by double-clicking on the box and selecting 'Checked':

Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim(s):

- 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**

The proposals contained in this report will help to achieve the following Council Strategy priority(ies):

- 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**

The proposals contained in this report will help to achieve the above Council Strategy aims and priorities by *(add text)

Officer details:

Name: Gabrielle Esplin
Job Title: Finance Manger – Capital, VAT and Treasury
Tel No: 01635 519836
E-mail Address: gabrielle.esplin@westberks.gov.uk

Appendix B

Equality Impact Assessment

NOTE: Strategic Support is not able to accept your report without the following section being completed and an Equality Impact Assessment (EIA) being attached where required. For advice please visit <http://intranet/EqIA> or contact the Principal Policy Officer (Equality & Diversity) on Ext. 2441 or Team Leader/Solicitor - Corporate Team on Ext. 2626.

Is this item relevant to equality?	Please tick relevant boxes	Yes	No
Does the policy affect service users, employees or the wider community and:			
• Is it likely to affect people with particular protected characteristics differently?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Is it a major policy, significantly affecting how functions are delivered?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Will the policy have a significant impact on how other organisations operate in terms of equality?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to an area with known inequalities?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality)			
Relevant to equality - Complete an EIA available at http://intranet/EqIA			<input type="checkbox"/>
Not relevant to equality			<input checked="" type="checkbox"/>

Appendix A (2)

Summary of Revenue Budget Monitoring Returns Quarter One 2016/17

	Budget		Forecasted Performance						
	Original Budget for 2016/17 £	Revised Budget for 2016/17 £	Expenditure			Income			Net Variance £
			Annual Expenditure Budget for 2016/17 £	Annual Expenditure Forecast for 2016/17 £	Expenditure Variance for 2016/17 £	Annual Income Budget for 2016/17 £	Annual Income Forecast for 2016/17 £	Income Variance for 2016/17 £	
Education (DSG Funded)	-720,891	-720,891	96,794,519	96,795,350	831	-97,515,410	-97,516,240	-830	1
Corporate Director - Communities	196,100	196,100	196,100	196,100	0	0	0	0	0
Adult Social Care	34,934,088	37,250,118	49,398,568	50,538,920	1,140,352	-12,148,450	-12,292,800	-144,350	996,002
Care Commissioning, Housing & Safeguarding	4,325,449	3,748,729	7,634,499	10,879,070	3,244,571	-3,885,770	-7,130,340	-3,244,570	1
Childrens Services	15,045,769	15,113,799	15,789,609	16,155,280	365,671	-675,810	-1,004,480	-328,670	37,001
Education	9,085,998	9,256,118	12,419,097	12,154,900	-264,197	-3,162,980	-2,898,780	264,200	2
ASC Efficiency Programme	0	0	0	0	0	0	0	0	0
Prevention and Developing Community Resilience	719,910	869,240	1,237,620	1,348,190	110,570	-368,380	-478,950	-110,570	0
Communities	63,586,423	65,713,213	183,470,012	188,067,810	4,597,798	-117,756,799	-121,321,590	-3,564,791	1,033,007
Corporate Director - Environment	170,930	170,930	170,930	170,930	0	0	0	0	0
Highways & Transport	5,534,539	5,969,509	11,217,729	11,277,230	59,501	-5,248,220	-5,307,720	-59,500	1
Planning & Countryside	3,675,879	3,893,339	5,410,709	5,491,710	81,001	-1,517,370	-1,642,120	-124,750	-43,749
Culture & Environmental Protection	21,256,246	21,205,906	27,659,465	27,615,200	-44,265	-6,453,559	-6,365,550	88,009	43,744
Environment	30,637,594	31,239,684	44,458,833	44,555,070	96,237	-13,219,149	-13,315,390	-96,241	-4
Chief Executive	520,920	520,920	520,920	520,920	0	0	0	0	0
Customer Services	1,892,769	1,941,589	40,868,309	40,888,550	20,241	-38,926,720	-38,946,960	-20,240	1
Finance	2,116,340	2,062,040	3,584,830	3,568,970	-15,860	-1,522,790	-1,506,930	15,860	0
Human Resources	976,980	976,980	1,314,770	1,233,780	-80,990	-337,790	-256,800	80,990	0
ICT & Corporate Support	2,547,009	2,597,009	3,490,349	3,490,350	1	-893,340	-893,340	0	1
Legal Services	946,570	946,570	1,117,100	1,316,360	199,260	-170,530	-110,530	60,000	259,260
Public Health & Wellbeing	-80,000	191,870	6,381,270	6,381,270	0	-6,189,400	-6,189,400	0	0
Strategic Support	2,959,419	2,984,419	3,325,899	3,288,900	-36,999	-341,480	-349,480	-8,000	-44,999
Corporate Programme Management	130,930	130,930	130,930	130,930	0	0	0	0	0
Resources	12,010,936	12,352,326	60,734,375	60,820,030	85,655	-48,382,050	-48,253,440	128,610	214,264
Movement Through Reserves	-117,000	-2,452,170	-2,452,170	-2,452,170	0	0	0	0	0
Capital Financing & Management	9,274,460	9,294,360	9,698,210	9,698,210	0	-403,850	-373,850	30,000	30,000
Risk Management	1,424,050	669,050	669,050	669,050	0	0	0	0	0
Capital Financing and Risk Management	10,581,510	7,511,240	7,915,090	7,915,090	0	-403,850	-373,850	30,000	30,000
Total	116,816,462	116,816,462	296,578,310	301,358,000	4,779,690	-179,761,848	-183,264,270	-3,502,422	1,277,268

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Capital Summary 2016/17

Quarter 1

Summary of Budget Changes, Spend and Commitments by Service

Service Area	Original Budget 2016/17	15/16 Slippage	Other Agreed Changes to 2016/17 Budget	Revised Budget for 2016/17 (1)	Total Expenditure 2016/17	Variance from Revised Budget		Committed (order placed, not yet paid)	Revised Budget Uncommitted
	£	£	£	£	£	£	%	£	%
RESOURCES DIRECTORATE									
Chief Exec	45,000	8,090	0	53,090	1,888	51,202	96.4%	-	96.4%
Finance	25,000	23,970	41,990	90,960	113,286	(22,326)	-24.5%	0	-24.5%
ICT and Corporate Support	2,264,090	294,300	0	2,558,390	618,684	1,939,706	75.8%	160,721	69.5%
Legal Services	0	1,925	0	1,925	2,174	(249)			
Strategic Support	151,000	155,160	3,830	309,990	68,926	241,064	77.8%	0	77.8%
Customer Services	0	(33,730)	33,730	0	0	0			
Total for Resources Directorate	2,485,090	449,715	79,550	3,014,355	804,958	2,209,397	73.3%	160,721	68.0%
COMMUNITIES DIRECTORATE									
Adult Social Care	888,360	359,650	0	1,248,010	35,474	1,212,536	97.2%	49,210	93.2%
Care Commissioning, Housing & Safeguarding	2,593,500	1,238,110	(74,550)	3,757,060	602,069	3,154,991	84.0%	47,281	82.7%
Childrens Services	20,000	35,960	(21,500)	34,460	13,750	20,710	60.1%	-	60.1%
Education Services	14,823,010	273,970	21,500	15,118,480	2,370,739	12,747,741	84.3%	2,430,084	68.2%
Total for Communities Directorate	18,324,870	1,907,690	(74,550)	20,158,010	3,022,033	17,135,977	85.0%	2,526,575	72.5%
ENVIRONMENT DIRECTORATE									
Culture & Environmental Protection (CEP)	456,450	453,370	0	909,820	68,101	841,719	92.5%	91,153	82.5%
Highways & Transport	16,735,670	1,661,070	1,111,000	19,507,740	7,366,006	12,141,734	62.2%	5,607,239	33.5%
Planning & Countryside	362,630	178,850	0	541,480	84,101	457,379	84.5%	58,836	73.6%
Total for Environment Directorate	17,554,750	2,293,290	1,111,000	20,959,040	7,518,208	13,440,833	64.1%	5,757,228	36.7%
Totals	38,364,710	4,650,695	1,116,000	44,131,405	11,345,198	32,786,207	74.3%	8,444,524	55.2%

(1) Revised budget includes additional grants and contributions received and/or allocated in 2016/17, less funds reprofiled into 2017/18 (see below for further details)

West Berkshire Capital Programme 2016/17**Quarter 1****Explanation of Other Changes Agreed to 2016/17 Budget**

	£	Approved by
RESOURCES DIRECTORATE		
Strategic Support:		
Contribution from corporate allocation to fund Newbury CCTV	13,830	CSG 24-5-16
Contribution from S106 to fund newbury CCTV	5,000	CSG 24-5-16
transfer from Parish Planning budget to Corporate Allocation to Fund corporate furniture replacement	(15,000)	CSG 24-5-16
Customer Services: Transfer from corporate allocation fo cover 2015/16 overspend on Agresso ERM project	33,730	CSG 24-5-16
Finance:		
Transfer from Corporate Allocation to fund above items	(32,560)	CSG 24-5-16
2015/16 underspend on Home Repair Assistance Grant (CCHS) transferred to corporate allocation	74,550	CSG 24-5-16
	79,550	
COMMUNITIES DIRECTORATE		
CCHS: 2015/16 underspend on Home Repair Assistance Grant transferred to corporate allocation	(74,550)	CSG 24-5-16
Childrens Services: - MASH budget transfered to property services	(21,500)	CSG 24-5-16
Education Services: MASH budget transferred from Childrens Servces	21,500	CSG 24-5-16
	(74,550)	
ENVIRONMENT DIRECTORATE		
Highways: additional budget for purchase of land for LRIE access	1,111,000	Executive 24-3-16
Totals	1,116,000	

Treasury Management Annual Report 2015/16

Committee considering report:	Executive
Date of Committee:	08 September 2016
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	28 July 2016
Report Author:	Gabrielle Esplin
Forward Plan Ref:	EX3160

1. Purpose of the Report

- 1.1 To inform Members of the treasury management activity and performance of the Council's investments for the financial year 2015/16.

2. Recommendation

- 2.1 To note the contents of the report.

3. Implications

- 3.1 **Financial:** The Treasury function is responsible for the daily cash flow management of the Council. Investment income generated from the Treasury Management contributes to the Council's annual budget.
- 3.2 **Policy:** The Council's cash flow, borrowing and investments are carried out in accordance with the Annual Investment Strategy agreed by Council and are subject to cross party scrutiny during the course of the year.
- 3.3 **Personnel:** None.
- 3.4 **Legal:** None.
- 3.5 **Risk Management:** All investments are undertaken with a view to minimising risk and exposure to loss. The Treasury Management Strategy approved by the Council sets parameters to ensure this.
- 3.6 **Property:** None.

4. Other options considered

- 4.1 Not applicable – this report is a review of past performance.

5. Executive Summary

- 5.1 The aim of the Council's Treasury Management Strategy is to manage cash flow to ensure sufficient funds are available on a day to day basis for the Council's operations. Any surplus funds are invested to generate the most interest, while minimising the exposure of investments to risk. Investment and borrowing activities in 2015/16, were once again set against an economic context of slow growth and very low inflation and interest rates. The implementation of the strategy is regularly scrutinised by the cross party Treasury Management Group.
- 5.2 The average level of funds invested by the Council in 2015/16 (net of short term borrowing) was £12.3 million. Funds were invested in instant access deposit accounts with Natwest paying 0.25%, Bank of Scotland 0.40%, Santander UK 0.40% and the Goldman Sachs Global Liquidity money market fund, which paid a variable rate of interest averaging 0.44%. Funds were also in fixed term deposits with UK Building Societies for an average period of 173 days and an average rate of 0.8%. The maximum amount invested with any one institution was £5 million. A number of short term loans were also arranged from other Local Authorities to cover our short term cashflow needs. The average length of loan was 26 days and the average rate of interest paid was 0.45%.
- 5.3 The Council earned total interest on its investments (net of interest paid on short term borrowing) of £115,000 or 0.93% of the average fund value. We also received a discount of 3.10% or £293,000 on our contributions to the Berkshire Pension Fund, by paying the contributions in advance. Taking into account this saving, the total net amount earned through cashflow management was £408,000 (compared with the budget for interest on investments of £378,000). If we include the gain on early payment of pension contributions, this would represent a return of 2.3%.
- 5.4 £14.5 million new longer term loans were also taken from the Public Works Loans Board (PWLB) to fund capital expenditure in 2015/16 and earlier years. The loans were for between 5 years at 1.26% interest and 50 years at 3.14%, with the length of loan linked to the estimated useful life of the asset funded. £4.1 million repayments were made on existing capital financing loans, bringing the Council's total long term capital financing debt with the PWLB to £126.1 million.

6. Conclusion

- 6.1 The cross party Treasury Management Group (including the Portfolio Holder and Shadow Portfolio holders for Finance) will continue to scrutinise and review the Council's investments and borrowing during 2016/17, to ensure that treasury activities continue in line with the approved Treasury Management Strategy in order to ensure the security and liquidity of and return on the Council's funds. The group will also aim to finance the Council's Capital Programme at the best available rates of interest.

7. Appendices

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

Treasury Management Annual Report 2015/16 – Supporting Information

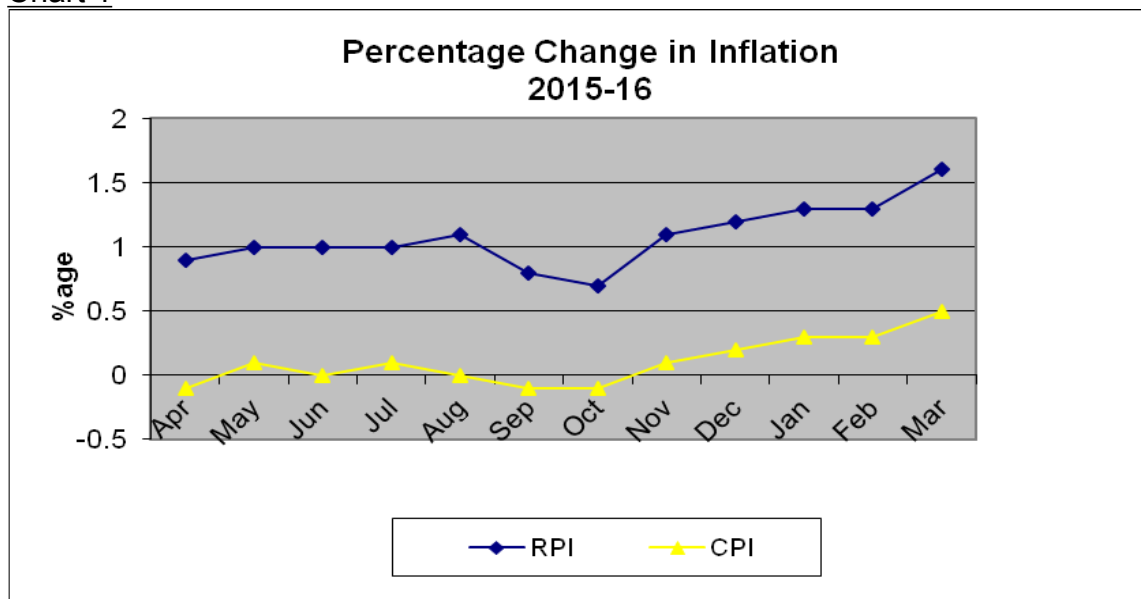
1. Introduction

- 1.1. The CIPFA Code of Practice for Treasury Management in the Public Services, revised in April 2009, requires the Section 151 Officer to report to the Executive before the start of the financial year on the treasury strategy for the coming year and, after the end of the financial year on Treasury Management activity and performance for the previous year.
- 1.2. The aim of the latest investment strategy, which was approved by the Council in March 2016, is to manage the Council's cash flow to ensure sufficient funds are available on a day to day basis for the Council's operations. Any surplus funds are invested to generate the most beneficial interest receipts, while minimising the exposure of investments to risk.
- 1.3. The cross party Treasury Management Group met during the course of 2015/16 to scrutinise and review performance and determine the detail of policy. This group consists of the Head of Finance, the Chief Accountant, the Finance Manager for Capital, VAT and Treasury, the Treasury Accountant, the Portfolio Member and Shadow Portfolio Member for Finance.

2. Economic conditions

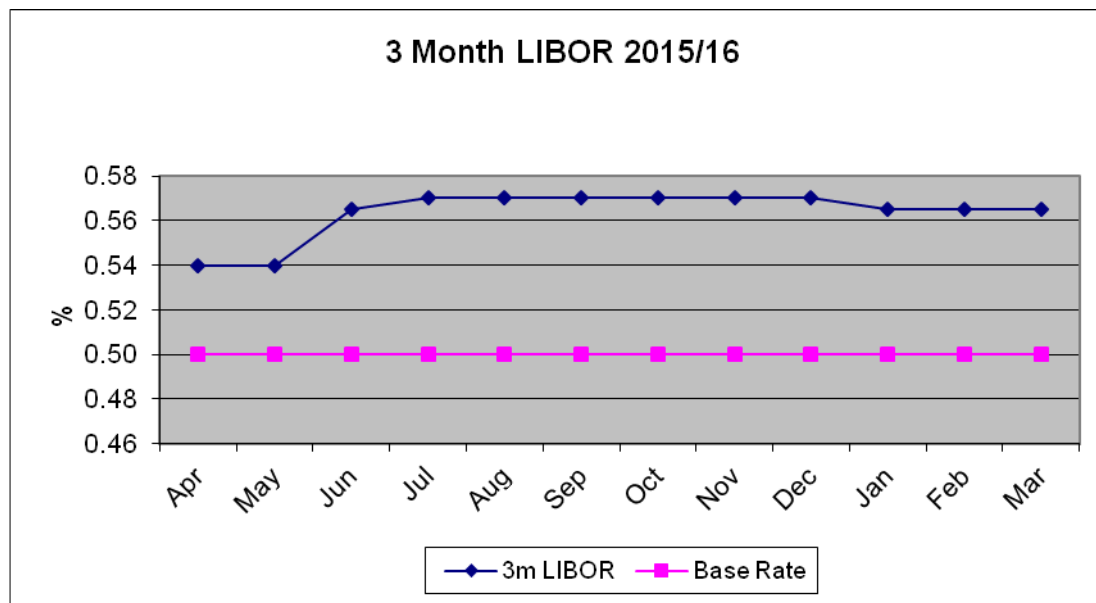
- 2.1 The government's main measure of inflation, which the Bank of England Monetary Policy Committee (MPC) uses to inform its interest rate decisions, is the Consumer Price Index (CPI). Annual CPI remained significantly below the Bank of England 2% target during 2015/16 (Chart 1) although it rose from 0% at the beginning of the year to 0.5% in March 2016. This mainly reflects the effects of past falls in energy and food prices and subdued domestic growth although the small increase shows that these past external factors are beginning to fade. Further ahead, domestic cost pressures are expected to pick up gradually. Inflation expectations are judged to remain broadly consistent with the MPC's 2% target.

Chart 1



- 2.2 The latest Bank of England inflation report (May 2016) states that GDP having been broadly stable during 2015 at around its historical average rate, quarterly GDP growth then slowed a little in 2016 Q1. While some of the slowdown may have been related to slow global growth there are some signs that the result of UK referendum on EU membership began to weigh on activity. Growth is projected to slow somewhat further in Q2 for the same reasons.
- 2.3 The MPC’s best collective judgement in May, conditioned on the path for Bank rate currently implied by market interest rates, was that growth is likely to recover next year, such that spare capacity is eroded and, as the drag from external factors fades, rising domestic cost growth returns inflation to the 2% target by the middle of 2018.
- 2.4 Official interest rates in the United Kingdom remained at historically low levels with the Bank of England base rate at 0.5% for the seventh consecutive year. A number of easing measures by the ECB (European Central Bank) have had little impact on short term interest rates.
- 2.5 The rates available to the Council reflect the three month sterling London Inter-Bank Offer Rate or LIBOR (this is the rate at which the banks are prepared to lend to each other). LIBOR (see Chart 2) has risen only slightly through 2015/16 starting year at 0.54% to stay at 0.57% from June onwards to 0.56% from Jan. The overall level is a slight improvement on 2014/15.

Chart2



2.7 Interest rates offered by banks and building societies continue to be low for Local Authorities

2.8 Despite these pressures, there was a slight improvement in the interest earned by the Council over the course of 2015/16 with reasonable returns on investments made for 3 months or more.

3 Overview of Cash Flow and Treasury Management Strategy

3.1 Guidance on Local Government Investments in England gives priority to security and liquidity. The Council’s Treasury Management Strategy therefore aims to maximise the return on its investments without compromising these principles. The Council manages all its investments and borrowing in house.

3.2 The amount of cash held by the Council fluctuates throughout the year and within each month, depending on the dates on which major government grants are received and when large payments are made - in particular, weekly creditors payments and monthly salaries. In general terms, funds are high on the first working day of the month when a large proportion of Council tax and government grant is received and low on the last working day of the month when the majority of staff salaries are paid. The Council’s overall funds are normally lower at the end of the financial year, because most Council Tax is paid over ten months from April to January. Also, the payment in advance of the council’s pension contributions is made in April to secure the discount of 3.1%.

3.3 It should be borne in mind that the amount of cash held by the Council does not equate to the total usable reserves shown on the Council’s balance sheet. This is because we have chosen to minimise the amount borrowed to fund capital expenditure, by offsetting our borrowing needs against our reserves. This is in order to minimise the revenue cost of borrowing and to avoid the risks associated with investing large balances.

4 Short Term Investments and Borrowing in 2015/16

- 4.1 In order to ensure that the Council's day to day cash flow requirements can be met, a sum of between approximately £1 million and £20 million is held in instant access accounts. Table 1 shows the institutions and interest rates for these accounts:

Table 1

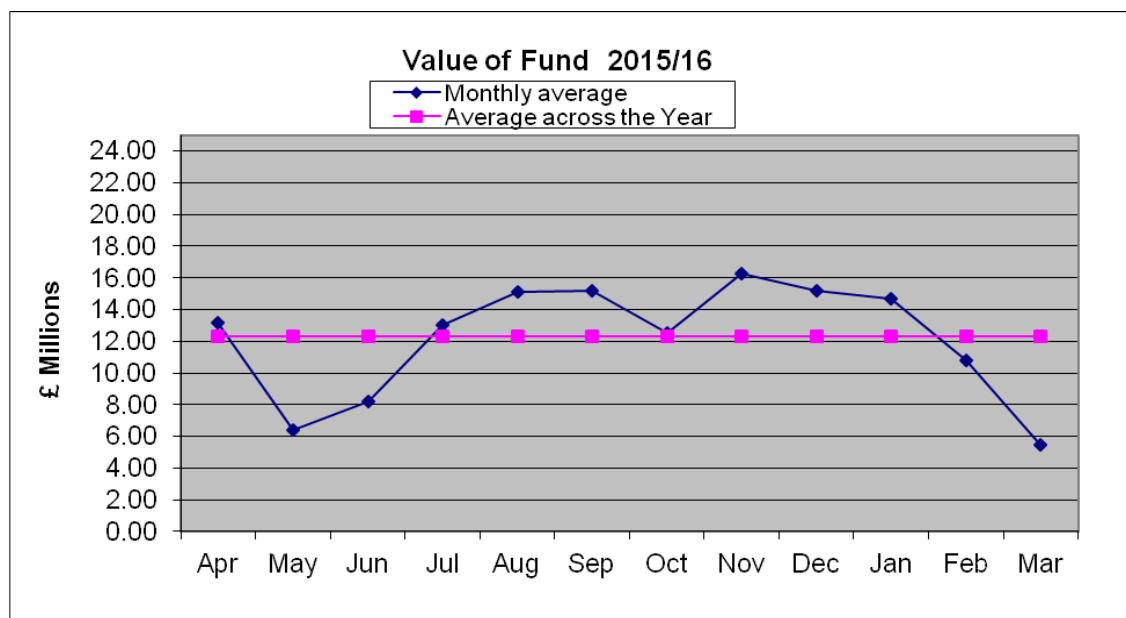
Institution:	Interest Rate:	Changes:
Bank of Scotland	0.40%	No change
NatWest	0.25%	A reduction in the overall rate, as prior to May 2015 balances > £500k earned 0.40%
Santander UK	0.40%	A reduction from 0.8% in July 2015
Goldman Sachs Money Market Fund	Variable averaging 0.44%	0.46% in July 2016

- 4.2 In accordance with the Council's Treasury Management Strategy, the deposit accounts are held with banks rated P1 and P2 by Moodys Credit Ratings Agency, while the money market fund is rated AAA (these ratings indicate a very low risk of default on investments). The maximum held in each account at any one time was £5 million (P1) and £3.5 million (P2), reviewed annually.
- 4.3 At various points in the year the Council had surplus funds which it placed in fixed term, fixed rate investments until they were needed to cover outgoings. The longer the term of the investment, the higher the rate of interest earned. During the year, 7 fixed term investments were made for periods of between 91 and 365 days. All but one of these investments were placed with the top 20 British Building Societies and one with Thatcham Town Council (£500K). The maximum invested with any one institution was £5 million, with lower limits on the amounts invested with the smaller building societies. The average length of investment was 173 days and the average interest earned on these investments was 0.80%.
- 4.4 The majority of the Council's investments are arranged through one of five firms of financial brokers, which have ready access to the most competitive interest rates on the market each day. The investment with Thatcham TC was arranged directly between the two Councils using market rates.
- 4.5 It was also necessary from time to time for the Council to take out short term loans to cover its cash flow requirements. 18 short term loans were taken out during the financial year, all from other local authorities, for periods of between 1 day and 168 days, at rates of interest between 0.28% and 0.60%. Ten of these loans were for 15 days or less. The average length of loan was 26 days and the average interest paid on these loans was 0.45%.
- 4.6 In addition, some short term borrowing was undertaken to finance capital expenditure on an interim basis, in order to take advantage of cheap short term borrowing rates. The Council had a loan of £2million from Oxford City Council for this purpose between December 2014 to September 2015 at a rate of 0.62%. This was refinanced through a longer term annuity loan from the Public Works Loans Board (PWLb) October 2015 at a rate of 3.41%.

5 Overall Performance of the Treasury Fund

- 5.1 The average value of the fund during the year (i.e. the total of temporary investments less temporary borrowing) was £12.3 million (see Chart 3). The net value of the fund at 31st March 2015 was -£7.6 million because of the need to borrow to cover payroll and other payments at the end of the financial year.

Chart 3



- 5.2 The net amount of interest earned from the Council's investment and short term borrowing activities in 201/16 was £114,900 compared with £93,000 in 2014/15. This represents a net rate of return of 0.93% as compared with the average bank base rate for the year of 0.50%.
- 5.3 In addition, the Royal Borough of Windsor and Maidenhead, who manage the Berkshire pension fund, offered West Berkshire a discount of 3.1% on its total pension contributions due for the year in exchange for paying the contributions in advance in April 2015 instead of in monthly instalments. In this way, the Council achieved a saving of £293,000, by, in effect, making a temporary investment of £11 million with the Berkshire Pension Fund at a rate of return of 3.1%. This was achieved because the Pension Fund is much bigger than the West Berkshire treasury fund and is able to invest over longer periods and therefore to earn a higher rate of return. Taking into account this saving, therefore, the total net investment income earned was £407,900. This compares favourably with the 2015/16 budget for interest on investments of £378,000.
- 5.4 If the average fund balance is adjusted to include the average level prepaid pension contributions (approximately £5.1million across the year), and if the saving achieved through this arrangement is included in our return on investments, the overall rate of return would equate to 2.3%.
- 5.5 Table 2 (below) shows that investment and borrowing activities in 2015/16 were largely in line with the Treasury Management Strategy approved by Council in March and with the more detailed Treasury Management Policies, which underpin the Strategy. There were a few exceptional circumstances when unexpected payments

were received into or paid out of the Council's main bank account. In these cases the account was returned to its approved limit on the next working day.

Table 2

Policy	Target	Actual	Explanation
Credit limit with counterparties not exceeded	100%	99.0%	Late clearing of receipts into the Council's main bank account meant that on 1 out of 252 working days the £5 million counterparty limit with Natwest was exceeded. This was corrected the next working day.
All counterparties on approved lending list	100%	100%	
All investments are approved investments	100%	100%	
Segregation of duties complied with	100%	100%	
Current account daily balance within +/- £100k of estimate	100%	99.9%	Natwest SIBA automatically ensures a credit £10K balance unless we overdraw. The normal maximum overdraft of £100,000 was exceeded on one day when a transfer from the Goldman Sachs Money Market fund to the Council's main account was delayed due to an administrative error within the Council. The error was corrected later on the same afternoon. Additional interest of approximately £120 was charged as a result of this error.
Target for short term debt of £15m not exceeded	100%	100%	There were no occasions where this target was breached

6 Long Term Borrowing in 2015/16

- 6.1 With the exception of debt embedded in the PFI contract, all the Council's long term debt is with the Public Works Loans Board (PWLB). The level of long term borrowing in 2015/16 was in line with the prudential borrowing limits set out in the Annual Investment Strategy 2015/16 and the Capital Strategy 2015-2020, which were both approved by the Council in March 2015. Borrowing needs were also reviewed during the year by the Treasury Management Group.
- 6.2 At 1 April 2015 the Council had long term PWLB loans of £115.7 million (including £20.6 million remaining from the loans inherited from the former Berkshire County Council). During 2015/16 new PWLB loans of £14.53 million were taken out as follows:

Table 3

New PWLB Loans 2016/17	Amount	Type	Rate	Start Date	Finish Date	Total Amount to be repaid
To fund capital expenditure prior to 2010 not yet funded from borrowing	£2,000,000	Annuity	3.41%	Oct 15	Oct 55	£3,679,500
Capital spend in 2015/16 on assets with 5 year life (including most ICT)	£976,000	Annuity	1.26%	Feb 16	Feb 21	£1,010,100
Capital spend in 2015/16 on assets with 10 year life (including highways maintenance)	£1,324,000	Annuity	1.64%	Feb 16	Feb 26	£1,440,900
Capital spend in 2015/16 on assets with 15 year life (regeneration and community based projects)	£184,000	Annuity	2.02%	Feb 16	Feb 31	£214,200
Capital spend in 2015/16 assets with 30 year life (mainly maintenance of buildings and highways improvements)	£5,024,000	Annuity	2.85%	Feb 16	Feb 46	£7,507,800
Capital spend in 2015/16 assets with 50 year life (mainly new buildings, including schools)	£5,023,000	Annuity	3.14%	Feb 16	Feb 66	£9,790,200

- 6.3 £4.1million loan repayments were made in 2015/16, leaving the balance of long term debt with the PWLB at 31st March 2016 at £126.1million.
- 6.4 In the current financial year (2016/17) we anticipate that the Council's total long term PWLB debt will increase by approximately £6.5 million, to £132.6 million to allow for the financing of planned capital expenditure in 2016/17 and previous years, less principal repayments due to be made this year on existing loans. Over the next seven years, the level of the Council's long term debt is expected to reach a peak of approximately £145 million. This debt level is in line with the capital strategy and MTFs approved by Council in March 2016. From 2024/25 onwards, the Council's long term debt is expected to start to decrease at a rate of about £1.2million per year.
- 6.5 These figures do not include the debt embedded in the Waste PFI contract to finance the cost of building the Padworth Waste Management facility. This debt, which is included in the total borrowing shown on the Council's balance sheet, stood at £15.5 million at the 31st March 2016. (Repayments of this debt are included in the monthly waste contract charges, which are paid from the revenue budget for waste management).
- 6.6 As explained in paragraph 3.3 (above), the Council has avoided borrowing more than is necessary in the past, by offsetting some capital expenditure against its useable reserves. This means that, if the Council wishes to spend any significant amount from its reserves, it is likely to be necessary to undertake more borrowing to refinance previous years' capital expenditure, so increasing the revenue cost of financing capital spend. However, the forecast future level of borrowing and the

cost of debt repayments included in the MTFs both allow for the amount expected to be borrowed to refinance previous year’s capital expenditure.

6.7 The council also aims to minimise borrowing by making use of capital receipts wherever possible to fund capital investment.

7 Consultation and Engagement

Internal Consultation:

Andy Walker - Head of Finance
 Anthony Chadley - Portfolio holder for finance
 Lee Dillon - Shadow portfolio holder for finance

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval
 Delays in implementation could have serious financial implications for the Council
 Delays in implementation could compromise the Council’s position
 Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months
 Item is Urgent Key Decision
 Report is to note only

Wards affected:

Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim and priority:

MEC – Become an even more effective Council

The proposals contained in this report will help to achieve the above Council Strategy aims and priorities by improving the efficiency with which the Council’s property is managed.

Officer details:

Name: Gabrielle Esplin
 Job Title: Finance Manager – Capital, VAT and Treasury
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 E-mail Address: gabrielle.esplin@westberks.gov.uk

Appendix B

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity.

Please complete the following questions to determine whether a Stage Two, Equality Impact Assessment is required.

Name of policy, strategy or function:	Treasury Management Annual Report
Version and release date of item (if applicable):	25 th July 2016
Owner of item being assessed:	Gabrielle Esplin
Name of assessor:	Gabrielle Esplin
Date of assessment:	25 th July 2016

Is this a:		Is this:	
Policy	No	New or proposed	No
Strategy	No	Already exists and is being reviewed	Yes
Function	Yes	Is changing	No
Service	No		

1. What are the main aims, objectives and intended outcomes of the policy, strategy function or service and who is likely to benefit from it?	
Aims:	To manage the Council's cash flow, investments and borrowing.
Objectives:	To ensure sufficient funds are available on a day to day basis for the Council's operations and generate income from investment of surplus funds, while minimising the exposure of investments to risk.
Outcomes:	Income is earned from the Council's short term investments and a strategy is in place to fund long term borrowing for capital investment.
Benefits:	To contribute towards the Council's revenue budget.

2. Note which groups may be affected by the policy, strategy, function or service. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.

(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
No groups of service users are directly affected by this report		
Further Comments relating to the item:		

3. Result	
Are there any aspects of the policy, strategy, function or service, including how it is delivered or accessed, that could contribute to inequality?	No
Please provide an explanation for your answer: No groups of service users or employees are directly affected by this report	
Will the policy, strategy, function or service have an adverse impact upon the lives of people, including employees and service users?	No
Please provide an explanation for your answer: No groups of service users or employees are directly affected by this report	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage 2 Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the Equality Impact Assessment guidance and Stage Two template.

4. Identify next steps as appropriate:	
Stage Two not required:	

Name: Gabrielle Esplin

Date: 25th July 2016

Please now forward this completed form to Rachel Craggs, the Principal Policy Officer (Equality and Diversity) for publication on the WBC website.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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