

Notice of Meeting



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Executive

**Thursday, 6th September, 2018 at
5.00 pm**

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

Note: The Council broadcasts some of its meetings on the internet, known as webcasting. If this meeting is webcasted, please note that any speakers addressing this meeting could be filmed. If you are speaking at a meeting and do not wish to be filmed, please notify the Chairman before the meeting takes place. Please note however that you will be audio-recorded.

Date of despatch of Agenda: Thursday, 30 August 2018

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



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

Part I

Page(s)

1. **Apologies for Absence**
To receive apologies for inability to attend the meeting (if any).
2. **Minutes** 7 - 12
To approve as a correct record the Minutes of the meeting of the Committee held on 26 July 2018.
3. **Declarations of Interest**
To remind Members of the need to record the existence and nature of any personal, disclosable pecuniary or other registrable interests in items on the agenda, in accordance with the Members' [Code of Conduct](#).
4. **Public Questions**
Members of the Executive to answer questions submitted by members of the public in accordance with the Executive Procedure Rules contained in the Council's Constitution.
 - (a) **Question submitted by Ms Julie Wintrup to the Leader of the Council**
"In what ways have you responded to the 21 recommendations made by the Communities and Local Government Select Committee Report, December 2017, 'Effectiveness of local authority overview and scrutiny committees'?"

 - (b) **Question submitted by Ms Julie Wintrup to the Leader of the Council**
"In light of recommendation 18 of the Communities and Local Government Select Committee Report, December 2017, "Effectiveness of local authority overview and scrutiny committees", how are you specifically promoting the role of the public in scrutiny?"

 - (c) **Question submitted by Mr Chris Turner to the Portfolio Holder for Children, Education and Young People**
"What is the Council doing to support Kintbury Pre-School to ensure improvements following their OFSTED report so that early years provision can still be provided in the village?"

 - (d) **Question submitted by Ms Carolyn Culver to the Portfolio Holder for Planning, Housing and Waste**
"What proportion of households in West Berkshire have signed up for the £50 garden waste collection scheme?"



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- (e) **Question submitted by Ms Carolyn Culver to the Portfolio Holder for Highways and Transport, Environment and Countryside**
“What representations has the Council’s Executive made to Richard Benyon MP calling for more funding from central government to support people living in rural areas with transportation?”
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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. Key Accountable Performance 2018/19: Quarter One (EX3420) (CSP: BEC, SLE, P&S, HQL, MEC, BEC1, BEC2, SLE1, SLE2, P&S1, HQL1, MEC1) Purpose: To report quarter one outturns for the Key Accountable Measures (KAMs) which monitor performance against the 2018/19 Council Performance Framework; to provide assurance that the objectives set out in the Council Strategy 2015-2019 and other areas of significant activity are being managed effectively; to present, by exception, those measures which are predicted to be ‘amber’ (behind schedule) or ‘red’ (not achievable) at year end, and provide information on any remedial action taken and the impact of that action; to recommend changes to measures/targets, as requested by services.	13 - 58
7. Revenue Financial Performance Report - Quarter 1 of 2018/19 (EX3561) (CSP: MEC) Purpose: To inform Members of the latest revenue financial performance for 2018/19.	59 - 88
8. Capital Financial Performance Report - Q1 of 2018/19 (EX3591) (CSP: MEC) Purpose: To inform Members of the progress with major capital schemes and forecast spend against the 2018/19 approved capital budget.	89 - 98
9. Treasury Management Annual Report 2017/18 (EX3630) (CSP: MEC) Purpose: To inform Members of the treasury management activity and performance of the Council’s investments for the financial year 2017/18.	99 - 112



10. **Members' Questions**

Members of the Executive to answer questions submitted by Councillors in accordance with the Executive Procedure Rules contained in the Council's Constitution. (Note: There were no questions submitted relating to items not included on this Agenda.)

11. **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

12. **Insurance Tender Award (EX3634)**

113 - 124

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

(CSP: MEC)

Purpose: To inform the outcome of the tender process and to seek delegated authority to award the contract.

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.



Agenda Item 2.

DRAFT

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

EXECUTIVE

MINUTES OF THE MEETING HELD ON THURSDAY, 26 JULY 2018

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

Also Present: John Ashworth (Corporate Director - Environment), Nick Carter (Chief Executive), Karen Felgate (Contracts and Commissioning Manager), June Graves (Head of Care Commissioning, Housing & Safeguarding) and Ian Pearson (Head of Education Service), Councillor Alan Law (Council Member), Councillor Mollie Lock (Shadow Executive Portfolio: Education, Children's Services, Adult Social Care, Health & Wellbeing), Councillor Alan Macro (Shadow Executive Portfolio: Planning, Housing, Countryside, Waste, Strategic Support, Culture, Eastern Area Vision, ICT & Corporate Support, Emergency Planning, Environmental Health, Trading Standards, Legal, Customer Services, Community Safety) and Linda Pye (Policy Officer)

Apologies for inability to attend the meeting: Councillor Jeff Brooks and Councillor Lee Dillon

PART I

26. Minutes

The Minutes of the meetings held on 14th and 21st June 2018 were approved as a true and correct record and signed by the Leader.

27. Declarations of Interest

Councillor Marcus Franks declared an interest in Agenda Items 8 and 12, but reported that, as his interest was a personal or an other registrable interest, but not a disclosable pecuniary interest, he determined to remain to take part in the debate but did not vote on the matter.

28. Public Questions

There were no public questions submitted.

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 submitted by Mrs Deborah Bartley-Brown to the Portfolio Holder for Planning, Housing and Waste

A question standing in the name of Deborah Bartley-Brown on the subject of whether the West Berkshire Council website had a tab to report Road Traffic Accidents, would receive a written response from the Executive Member for Planning, Housing and Waste.

29. Petitions

There were no petitions presented to the Executive.

30. Local Lottery (EX3602)

The Executive considered a report (Agenda Item 6) to agree actions set out in this report to progress a Council Lottery Scheme.

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Councillor Anthony Chadley confirmed that transformational funding would be used to cover one-off set up costs of £13k and that the benefits of running the scheme would only be realised in the long term. Income in excess of £100k was anticipated which would be used to support local discretionary services and good causes. This was a new, exciting and innovative idea which had been brought forward by a member of staff.

Councillor Alan Macro advised that the idea of a lottery had first been raised in 2016 by the Resources Select Committee and he stated that it was a shame that it had not been implemented earlier. He queried how much the prizes would be, how the prizes would be funded in the first stage and how the Management Company had been selected. Councillor Anthony Chadley responded that the External Licensed Manager formed part of the contract with Aylesbury Vale and was a standard system used for other Councils who operated a lottery. There was an indemnity in place to ensure that there were sufficient funds to cover off the prizes in the early stages. 20 pence of the £1 ticket price would go into the prize fund and the top prize would be £25k.

Councillor Chadley stated that it was proposed that the Community Solutions Panel should have its terms of reference expanded to include the award of lottery funding against a set of criteria to be agreed as part of the implementation plan. Marketing would be an essential part of the success of the lottery and any suggestions were welcome as to how this could be promoted across the whole community of West Berkshire.

RESOLVED that the proposed actions be agreed.

Other options considered: None

31. **Options Paper Agency and Temporary Spend (EX3573)**

The Executive considered a report (Agenda Item 7) which set out the options available for the supply and provision of agency and temporary workers following consideration of all of the options, and their relative benefits and risks. The proposals were based upon an analysis of spend and category data that was available to review the options for purchasing.

Councillor Anthony Chadley in introducing the report advised that agency spend was a necessity. Many of the roles were diverse and varied and some were specialised. The Council currently spent around £4m per annum on agency and temporary staff and therefore it was hoped that savings in the region of £150k per annum could be achieved. He thanked Councillor Alan Law for his continued encouragement to look at reducing the amount spent on agency staff.

Councillor Alan Macro explained that Councillor Jeff Brooks had been in the business of agency staffing for around 35 years and he believed that a £4m spend was comparatively low and that the Council would have difficulty in achieving savings. He would be keen to meet with Councillor Chadley to offer advice and discuss this issue. Councillor Chadley assured the Executive that the £4m figure quoted was correct and the saving was a safe estimate. Areas had been identified where it was thought that there had been an overspend and he was confident that the savings would be achieved. He would, however, be happy to meet with Councillor Brooks to discuss the issue.

Councillor Alan Macro asked how managers would be made aware that there was a framework in place. Councillor Alan Law advised that managers would only be able to procure temporary or agency staff through the framework and therefore they would have to use it.

RESOLVED that:

- (a) the ESPO framework be used; and

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- (b) authority be delegated to the Head of Commissioning (in consultation with the Head of Finance and Head of Legal) to enter into a call off contract to the successful managed service provider via mini competition.

Other options considered: n/a

32. **Extra Care Schemes (EX3603)**

(Councillor Marcus Franks declared an interest in Agenda Item 8 by virtue of the fact that he was employed by Sovereign Housing Association. As his interest was personal or an other registrable interest, but not a disclosable pecuniary interest, he determined to remain to take part in the debate but did not vote on the matter.)

The Executive considered a report (Agenda Item 8) which set out the outcome of the tender process and sought delegated authority to award the contract. The existing arrangements were commercially unsustainable for the provider. The tender was running on an 'accelerated open procedure' which would give the Council the ability to conclude a tender process, and allow sufficient time for the provider to resource the schemes, in line with a start date of 1 October 2018.

Councillor Graham Bridgman stated that the report set out the options and sought approval of a way forward.

Councillor Alan Macro asked how this situation had arisen and how the decision to procure had been taken. June Graves responded that current service provision was at risk due to bid errors by the incumbent provider and this had been causing quality issues. There had been some misunderstandings about what was required in the contract. The current contract would terminate at the end of September and therefore a re-tender of the current contract was required as quickly as possible. Councillor Bridgman confirmed that Allied was in financial difficulty and June Graves had come to a decision with them that they could not continue to provide the service and therefore the process of accelerating the procurement of a new contract had commenced in order to provide a safe transition.

RESOLVED that delegation be granted to Head of Adult Social Care in consultation with Head of Finance and Head of Legal Services to enter into a contract with the successful bidder following conclusion of the evaluation.

Other options considered:

- Tender with restricted budget (not likely to encourage quality provision).
- Do nothing (would likely result in legal challenge and put service user safety at risk).
- Tender with guide budget standard procedure (would cause undue delay in securing a new supplier).
- Tender with guide budget on an 'accelerated procedure' – to ensure shortest possible timeframe for new supplier contract award and start date. This was the recommended approach.

33. **Contract for Preventative Day Services known as Link Up, Growing for All and Friendship Skills (EX3575)**

The Executive considered a report (Agenda Item 9) which sought approval to award a contract to West Berkshire Mencap for preventative day services known as Link Up, Growing for All and Friendship Skills.

Councillor Graham Bridgman stated that Councillor Rick Jones had been more involved with this in his time as Portfolio Holder and he applauded him for that.

Councillor Alan Macro asked how the Council could avoid getting into the same situation again. Councillor Bridgman responded that the provider market was often limited. The

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service took care around the contractual process but sometimes things happened whereby it was necessary to react. Councillor Rick Jones confirmed that there was a limited provider market which meant that they could dictate timescales.

RESOLVED to award the contract for preventative day services known as Link Up, Growing for All and Friendship Skills to West Berkshire Mencap as set out in this report.

Other options considered: Terminate services – Adult Social Care relied on these essential services to deliver on their Care Act prevention agenda.

34. Members' Questions

There were no Member questions submitted.

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 Highways and Transport, Environment and Countryside submitted by Councillor Alan Macro**

A question standing in the name of Councillor Alan Macro on the subject of what the Council was doing to reduce pollution and emissions from vehicles queueing for the Thatcham level crossing, which was answered by the Executive Member for Highways and Transport, Environment and Countryside.

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

A question standing in the name of Councillor Lee Dillon on the subject of why the Council would not enter into a short term lease with the Newbury Community Football Group for use of the Faraday Road site, which was answered by the Executive Member for Planning, Housing and Waste.

(c) **Question to be answered by the Portfolio Holder for Planning, Housing and Waste submitted by Councillor Alan Macro**

A question standing in the name of Councillor Alan Macro on the subject of what plans did the Council have to accept more types of materials in kerbside recycling boxes, which was answered by the Executive Member for Planning, Housing and Waste.

(d) **Question to be answered by the Portfolio Holder for Children, Education and Young People submitted by Councillor Mollie Lock**

A question standing in the name of Councillor Mollie Lock on the subject of, what plans the Council had for school provision in the Theale area if the new primary school was not delivered for September 2019, was answered by the Executive Member for Children, Education and Young People.

(e) **Question to be answered by the Portfolio Holder for Planning, Housing and Waste submitted by Councillor Alan Macro**

A question standing in the name of Councillor Alan Macro on the subject of whether the Portfolio Holder for Waste could provide an update on when residents would have to start paying for their green waste collections, was answered by the Executive Member for Planning, Housing and Waste.

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35. Exclusion of Press and Public

RESOLVED that members of the press and public be excluded from the meeting for the under-mentioned items of business on the grounds that they involve the likely disclosure of exempt information as contained in Paragraphs 3 and 5 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.

36. Extra Care Schemes (EX3603)

(Councillor Marcus Franks declared an interest in Agenda Item 8 by virtue of the fact that he was employed by Sovereign Housing Association. As his interest was personal or an other registrable interest, but not a disclosable pecuniary interest, he determined to remain to take part in the debate but did not vote on the matter.)

The Executive considered a report (Agenda Item 12) which sought to inform the Executive on the outcome of the tender process and sought delegated authority to award the contract. The existing arrangements were commercially unsustainable for the provider. The tender was running on an 'accelerated open procedure' which would give the Council the ability to conclude a tender process, and allowed sufficient time for the provider to resource the schemes, in line with a start date of 1 October 2018.

RESOLVED that the recommendations in the exempt report be agreed.

Other options considered: as outlined in the exempt report.

37. Contract for Preventative Day Services known as Link Up, Growing for All and Friendship Skills (EX3575)

The Executive considered a report (Agenda Item 13) which sought approval to award a contract to West Berkshire Mencap for preventative day services known as Link Up, Growing for All and Friendship Skills.

RESOLVED that the recommendations in the exempt report be agreed.

Other options considered: as outlined in the exempt report.

(The meeting commenced at 5.00 pm and closed at 5.46 pm)

CHAIRMAN

Date of Signature

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Key Accountable Performance 2018/19: Quarter One - Summary Report

Committee considering report:	Executive
Date of Committee:	06 September 2018
Portfolio Member:	Councillor Dominic Boeck
Date Portfolio Member agreed report:	16 August 2018
Report Author:	Catalin Bogos
Forward Plan Ref:	

1. Purpose of the Report

- 1.1 To report quarter one outturns for the Key Accountable Measures (KAMs) which monitor performance against the 2018/19 Council Performance Framework.
- 1.2 To provide assurance that the objectives set out in the [Council Strategy 2015-2019](#) and other areas of significant activity are being managed effectively.
- 1.3 To present, by exception, those measures which are predicted to be 'amber' (behind schedule) or 'red' (not achievable) at year end, and provide information on any remedial action taken and the impact of that action.
- 1.4 To recommend changes to measures/targets, as requested by services.

2. Recommendation(s)

- 2.1 To note progress against the KAMs and key achievements in all services.
- 2.2 To review those areas reported as 'amber' and 'red' to ensure that appropriate actions are in place:

Amber:

- 1) (LRIER) London Road Industrial Estate redevelopment 2018/19 milestone: Create and gain approval for the business plan
- 2) Average number of days taken to make a full decision on new Benefits claims
- 3) % of clients with Long Term Service (LTS) receiving a review in the past 12 months
- 4) % of 'major' planning applications determined within 13 weeks or the agreed extended time
- 5) % of 'minor' planning applications determined within 8 weeks or the agreed extended time

- 6) % of 'other' planning applications determined within 8 weeks or the agreed extended time

Red

- 1) % of WBC provider services inspected by Care Quality Commission (CQC) that are rated good or better by CQC in the area of "safe"
- 2.3 To note and approve additions and amendments made to KAMs, following Corporate Board's requests for further information during the target setting process.
- (a) Delayed Transfer of Care (DToC) target will be set nationally during Q2
- 2.4 To agree to remove the KPI "% of high priority Disabled Facilities Grants approved within 9 weeks of receipt of full grant applications" and investigate a more meaningful alternative.
- 2.5 To agree to report the number of people aged 16-24 and 16-64 who claim Claimant Count as a measure of volume, instead of those just claiming Jobseekers Allowance to reflect the move towards Universal Credit.

3. Implications

- 3.1 **Financial:** To be highlighted and managed by individual services.
- 3.2 **Policy:** To be highlighted and managed by individual services.
- 3.3 **Personnel:** To be highlighted and managed by individual services.
- 3.4 **Legal:** To be highlighted and managed by individual services.
- 3.5 **Risk Management:** To be highlighted and managed by individual services.
- 3.6 **Property:** To be highlighted and managed by individual services.
- 3.7 **Other:** There are no other know direct implications.

4. Other options considered

- 4.1 None

Council Strategy 2015-19: Key Accountable Performance Scorecard

Summary of Performance for 2018/19: Quarter 1

Council Strategy

Priorities for Improvement

*RAG status

Core Business

Educational Attainment **available Q2**

Close the Attainment Gap **available Q2**

More Affordable Housing **available Q4**

Key Infrastructure Improvements **G/A**

Safeguarding Children & Adults **G/R**

Communities Help Themselves **G**

More Effective Council **G/A**

G Protecting our Children

G Bin Collection & Street Cleaning

G/A Providing Benefits

G Council Tax & Business rates collection

G/A Older & Vulnerable Adults Wellbeing

G/A Planning and Housing



Corporate Programme

New Legislation Preparation **G**

Strategic Transformation **G/A**

G Strategy Development

G Service Transformation

Corporate Health

Net budget for 2018/19: **£125.4m**

Staff turnover (of 1,555 FTE)
rolling 12 months

2018/19 Q1 forecast overspend **dna**

14.5% 2018/19 Q1 staff turnover

*dna = data not available at time of publication



*Red, Amber, Green (RAG). For Strategic Priorities, this is measured over the life of the Council strategy (2015-2019). For Core Business and the Corporate Programme, the RAG relates to year end targets



Executive Summary

5. Introduction / Background

- This report provides the Executive with a summary of the Council performance during quarter one 2018/19. Performance is shown against the priorities for improvement (Council Strategy 2015-19), core business activity, the Corporate Programme and Corporate Health Indicators. The overall position is summarised in the Key Accountable Performance Scorecard.

6. Synopsis

- In terms of priorities for improvement, most areas are performing well. The measure for the six Adult Social Care (ASC) provider services inspection's outcomes, shows that one nursing home recently transferred under the Council's responsibility, was rated by the Care Quality Commission (CQC) as "inadequate". An improvement plan has been put in place and it is expected that an improved rating will be given at the next inspection.

Under the 'More effective council' aim, a minority of measures/milestones have not achieved their targets (see exception reports Appendix F).

Good performance continued this quarter for the measures relating to children's social care core business. However, performance in a number of the measures from the wider set of KPIs for children's social care, are of concern and whilst the service believe that under-performance may be impacted by recording and reporting this matter needs further investigation.

The measure relating to waste recycling is estimated 10% better than the target likely due to seasonal variations. DTOC (delayed transfers of care) and reablement/rehabilitation (still at home 91 days after hospital discharge) measures have also shown improvement since Q4. In planning, local target setting towards the end of Q1 has meant that adjustments to how applications are processed have only recently been made and performance is expected to improve in later quarters.

- Corporate Programme: The Corporate Programme shows a mixed picture with good progress being made in relation to a number of flood alleviation improvement projects. However, projects such as the roll out of Superfast Broadband and London Road Industrial Estate Regeneration are behind schedule and in the case of Broadband the completion date has had to be re-profiled.
- Corporate Health: Since Q4 2017/18 Staff turnover has increased by 1% to 14.5%.

7. Conclusion

- 7.1 The Council continues to perform well in most areas. Improvements have been achieved in some activity domains (e.g. waste recycling, some ASC). The Corporate Programme is reporting good progress across most areas of work.

7.2 Most of the measures RAG rated Amber or Red have achieved results only slightly below targets, and are not of significant concern at this stage. Corporate Board is investigating the performance results for a number of additional measures relating to children's safeguarding which is believe to be impacted by data recording issues. Based on the analysis of the available information at Corporate Board, there are no measures proposed at this stage for more in depth considered by the Executive or for further scrutiny.

8. Appendices

- 8.1 Appendix A – Data Protection Impact Assessment
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Supporting Information
- 8.4 Appendix D – District Wide Health Check Dashboard
- 8.5 Appendix E – Key Accountable Measures of Volume (Dashboard and by Service)
- 8.6 Appendix F – Key Accountable Measures by Strategic Priority
- 8.7 Appendix G - Exception Reports
- 8.8 Appendix H – Quarterly Service Requests
- 8.9 Appendix I – Technical Background and Conventions

Corporate Board's recommendation:

*(add text)

To be completed after the Corporate Board meeting.

Appendix A

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	Resources
Service:	Strategic Support
Team:	Performance, Research and Consultation
Lead Officer:	Catalin Bogos
Title of Project/System:	n/a
Date of Assessment:	n/a

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will you be personal processing data on a large scale?</p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will your project or system have a “social media” dimension?</p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will any decisions be automated?</p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will your project/system involve CCTV or monitoring of an area accessible to the public?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will you be using the personal data you collect to match or cross-reference against another existing set of data?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will you be using any novel, or technologically advanced systems or processes?</p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

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 as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

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

What is the proposed decision that you are asking the Executive to make:	To note performance outturns and to review any remedial actions proposed.
Summary of relevant legislation:	n/a
Does the proposed decision conflict with any of the Council's key strategy priorities?	No
Name of assessor:	Catalin Bogos
Date of assessment:	24/07/2018

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

1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	To report on progress on delivering the Council Strategy Priorities and Core Business objectives.
Objectives:	To ensure decision making bodies are informed of the progress made with delivering the Council Strategy Priorities and Core Business objectives.
Outcomes:	Corporate Board and the Executive Committee are informed of performance levels and have reviewed any actions proposed to improve performance.
Benefits:	All beneficiaries of the council's services should benefit, either directly or indirectly, from the delivery of better outcomes.

2 Note which groups may be affected by the proposed decision. 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

Age		
Disability		
Gender Reassignment		
Marriage and Civil Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Further Comments relating to the item:		

3 Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	No
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	No

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 Two 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 required	No
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name: Catalin Bogos

Date: 24/07/2018

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

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Key Accountable Performance 2018/19: Quarter One – Supporting Information

1. Introduction/Background

- 1.1 This report provides the Executive Board with an update on the Council's performance at quarter one, as described in the Council's Performance Management Framework (refer to Appendix H: technical background and conventions). Information is provided on the following:
- (a) Notable trends in the measures of volume (MoV)
 - (b) Performance against the Strategic Priorities and core business
 - (c) Progress of the Corporate Programme
 - (d) Overview of the Corporate Health Measures

2. Supporting Information

- 2.1 District Wide Health Check Dashboard (non-targeted and contextual measures). Although, not all the contextual measures are within our control, they can provide useful information about the health of the district (refer to Appendix D)
- (1) Compared to June 2017 the net number of properties subject to business rates and not empty has increased by 4.5%. The number of properties subject to business rates has increased by 346 (5,359 to 5,705) since Q1 last year and the number of empty properties has increased by 111 (from 145 to 256) over the same period. Compared to March 2018 (Q4), the number of properties subject to rates has risen by 159 and the number of empty properties has only increased by 15.
 - (2) Looking at data since 2015/16, Q1 has traditionally seen a higher number of people claiming Jobseekers allowance (JSA) for both age cohorts (16-64 and 16-24). However, Q1 2018/19 has seen a reduction in both groups since the same quarter last year (-47.9% and -57.1% respectively). The cohorts are relatively small (250 and 15 respectively), so this result may be anomalous, however it is more likely to be due to the introduction of Universal Credit (UC). UC replaces benefits including JSA, Housing Benefit, and Child Tax Credits. It may be more relevant to report on the Claimant Count, which measures the number of people claiming benefit principally for the reason of being unemployed and includes UC and JSA.
 - (3) The number of planning applications has reduced by 24.6% since the same period last year, however this percentage does not reflect the complexity of the application and therefore the demand on officer time for processing. *Please note this data is estimated and will be updated in Q2.*

- (4) The number of new enquiries for support from Adult Social Care has increased by 17.3% since Q1 2017/18. This increase may be due to work to ensure more robust recording across the locality teams and the consequently more accurate records. The majority of requests have been at Tier 1 (information and advice).
- (5) Although the quarterly increase in the number of children subject to a Child Protection plan is small (4.6%), there is a steady upward trend in the number of children affected over the last 3 years.
- (6) There has been a sharp increase in the number of adult safeguarding enquiries opened (77.6%). The service is exploring the reason for this.

2.2 **Key Accountable Measures by Strategic Priority for Improvement** (refer to Appendix F)

- (1) Q1 returns have not been completed for the Education Service (attainment data is reported during Q3/4) or for Public Health and Wellbeing, but will be available at Q2.
- (2) **Enable the completion of more affordable homes**
 - (a) The number of homes completed this year will not be reported until Q4.
- (3) **Deliver or enable key infrastructure projects in relation to roads, rail, flood prevention, regeneration and the digital economy** (RAG: Green/Amber)
 - (a) The annual highway improvement programme commencing in Q1 will see 77 roads being completely resurfaced this year. There has been major resurfacing of the A340 at Theale between the A4 and Tidmarsh during Q1. In addition, preparatory works for the annual surface dressing programme, funded largely by our successful bid to the Department for Transport, has begun.

The adverse winter weather has taken its toll on the local road network, with a number of road surfaces breaking up and requiring urgent attention. Volker Highways Services completed 83 gritting runs; the highest number for years. The winter reserve was fully utilised to fund this work.
 - (b) As part of the Market Street development, good progress has been made on the construction of the bus station on the Wharf. Work commenced on site in April and the scheme should be completed later in the summer.
 - (c) Recommencement of decontamination of the Sterling Cables site was scheduled to begin at the end of July 2018.
 - (d) The London Road Industrial Estate redevelopment is still delayed by its dependence on the conclusion of court proceedings. (See Appendix G – Exception reports)

- (e) Two schemes managed by our Projects Team were shortlisted for industry awards from the Institution of Civil Engineers. These were the Tull Way Flood Alleviation Scheme and the A339/London Road Industrial Estate junction improvement in Newbury.
- (4) **Good at Safeguarding Children and Vulnerable Adults** (RAG: Green/Red)
- (a) It was previously reported that Children and Family services achieved a rating of 'Good' at the latest Ofsted inspection and that five ASC provide services are rated at least good by the Care Quality Commission in the inspection domain of safe.
 - (b) Birchwood Nursing has come under WBC control and, immediately after this, was inspected and rated "Inadequate". It has recently been inspected and the Care Quality Commission have confirmed that based on the current rating, they would not raise the rating beyond "Requires Improvement". Activities scheduled as part of the improvement plan, continue to be delivered to ensure improvements in all domains and especially in safeguarding.
- (5) **Support Communities to do More to Help Themselves** (RAG: Green)
- (a) Devolution discussions are progressing with Thatcham Town Council with regards to the transfer of three open spaces/playgrounds. Proposals are being finalised with Lambourn Parish Council which could see them assuming responsibility for some Public Rights of Way, Traffic Islands and the Market Square.
 - (b) The number of community engagement events has gained momentum. The Building Communities Team have held workshops, a homeless conference, conversations with parish councils and peer mentor co-ordinators and Royal Berkshire Fire and Rescue have engaged with schools.

2.3 **Key Strategic Measures by Core Business** (refer to Appendix F)

- (1) **Protecting our Children** (RAG: Green)
- (a) Timeliness to complete single assessments and placement stability of Looked After Children continued good performance from last year.
- (2) **Bin collection and street cleaning** (RAG: Green)
- (a) We're on track to achieve our year end target of 80%. There were seasonally high levels of waste in Q1 and therefore an inflated figure has been reported. This seasonality will probably average out during the year. It is not yet known whether this will be impacted by the introduction of the new Garden Waste subscription service.
- (3) **Providing benefits** (RAG: Green/Amber)

- (a) The time taken to process a new benefit claim is slightly above target but lower than at this time last year. Recruitment to vacancies has been progressed.
 - (b) The processing time to make changes to an existing claim is on target and shorter than last year. However, it has not returned to the quicker turnaround times in 2015/16.
- (4) **Collecting council tax and business rates** (RAG: Green)
- (a) In year council tax and business income is similar to previous years and on target, with business rates being 2.9 percentage points higher than this time last year.
- (5) **Ensuring the wellbeing of older people and vulnerable adults** (RAG: Green/Amber)
- (a) The percentage of long term clients receiving an annual review is one percent below target, due to a number of vacancies within the team. These posts have been recruited to and new staff are due to start in Q2.
 - (b) The target for number of bed days due to delayed transfer of care (DToC) has not yet been set nationally, however the provisional Q1 return is low.
 - (c) The percentage of older people still at home 91 days after discharge from hospital has improved compared to last quarter and is now better than the target.
- (6) **Planning and housing** (RAG: Green/Amber)
- (a) The targets for planning application determination have been increased compared to last year's, to reflect the national average for processing time. Changes to procedures will be implemented and it is expected that the new targets will be achieved in the coming quarters.
 - (b) Changes have been implemented to increase the accuracy of reporting regarding homelessness prevention & alleviation. This was triggered by the Homelessness Reduction Act (HRA) coming into force (April 2018). The new methodology means that a new target needs to be agreed once benchmarking data becomes available during Q2.

2.4 Corporate Programme

- (1) The structure and content of the programme continues to evolve and it now allows for the tracking of more than 100 significant projects currently in progress within the authority, a large proportion of which have their own monitoring arrangements. Highlights for the remainder are shown below.
- (2) New legislation preparation: The authority was fully prepared to meet the requirements of the General Data Protection Regulation when it came into force on 25 May and the event passed without incident.

- (3) Strategy development: Work is being undertaken to develop the vision for the district to 2036, the Council strategy 2019 – 2023, a workforce strategy, economic development strategy, the district's Local Plan to 2036 and the Local Transport Plan.
- (4) Strategic transformation: The development of the governance arrangements for the Joint Venture with Sovereign Housing is continuing and a 'Commercial Group' has been established to oversee and co-ordinate the expansion of the Council's trading activities. Some delays relating to the Digitisation projects are being managed and are due to competing demands and lack of capacity in the relevant services.
- (5) Service transformation: Work continues on both Financial Challenge and New Ways of Working activity.

2.5 **Under the aim of 'A more effective council'**, an analysis of the basket of the Key Accountable Measures used to monitor the delivery of the Council Strategy 2015-2019, that from the reported measures 70% (16/23) of them are RAG rated Green, 26% (6/23) Amber and 4% (1/23) Red, compared to 76% (28/37) Green, 22% (8/37) Amber and 3% (1/37) Red for quarter one 2017/18.

3. Amendments to targets or measures

3.1 The measure regarding the timeliness of approving the high priority Disabled Facilities Grants is proposed for removal from the corporate performance framework. This is not deemed to be a useful measure given the processes taking place in the service.

4. Options for Consideration

None

5. Conclusion

5.1 Quarter one results show that performance levels are mixed.

5.2 Improvements or maintaining high performance was achieved in the following areas:

- Local infrastructure enhancement – Market Street redevelopment and Sterling Cables – are on track against the milestones agreed for this year.
- New Community Engagements facilitated – eight community engagements facilitated during the quarter is better than the trajectory required to achieve the annual target of more than 10.
- Protecting our children – high performance was maintained for the timeliness of single assessments and placement stability;
- Collecting Council Tax and Business Rates – results are following the expected trajectory to achieve the end of year targets.
- Older people and vulnerable adults' wellbeing – very good timeliness of financial assessments (100% completed within 3 weeks). The number of bed days due to delayed transfer of care improved/reduced. Reablement (people still at home 91

days after discharge from hospital) measure has improved from last quarter and it is now better than the target.

5.3 An analysis of the measures RAG rated Amber or Red, shows that actions have been implemented to improve performance, which in many of the cases were just below the targets/thresholds set:

- New Benefits claims – average timeliness of decisions is 0.83 days higher than maximum target.
- Planning applications determined within timescales – the service has made changes to their approach and is expecting to achieve more challenging targets set for this year.

5.4 The following measures are impacted by factors outside direct Local Authority control:

- London Road Industrial Estate – delayed by ongoing court action.
- Inspection of care home - improvements are being implemented but CQC confirmed that at a new inspection the maximum rating that can be achieved is 'Requires Improvement'.

5.5 Based on the data available it is not proposed at this stage, to ask the Executive or OSMC to look further into any of the 'amber' or 'red' measures.

6. Consultation and Engagement

6.1 The Council's performance management framework includes requirements that the information provided for the inclusion in this report is signed off by the relevant Heads of Service and Portfolio Holders.

Background Papers: [Council Strategy 2015-2019](#)

Subject to Call-In:

Yes: No:

Wards affected: All

Strategic Aims and Priorities Supported:

The proposals will help achieve the following 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**

The proposals contained in this report will help to achieve the following 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**

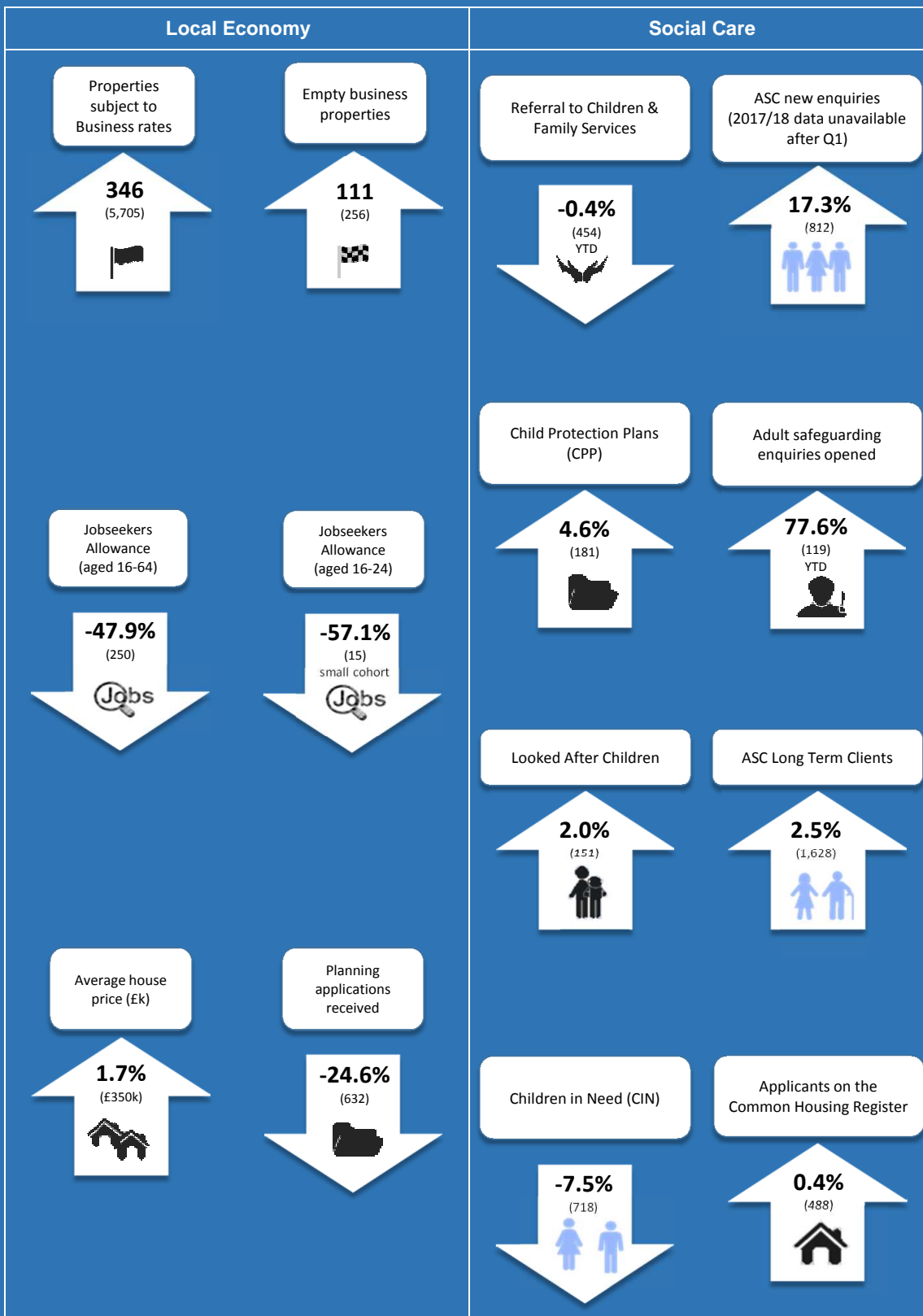
-
- P&S1 – Good at safeguarding children and vulnerable adults**
 - HQL1 – Support communities to do more to help themselves**
 - MEC1 – Become an even more effective Council**
-

Officer details:

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Job Title: Performance, Research and Consultation Manager
Tel No: (01635) 519102
E-mail Address: Catalin.bogos@westberks.gov.uk

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District Wide Health Check 2018/19: Quarter 1

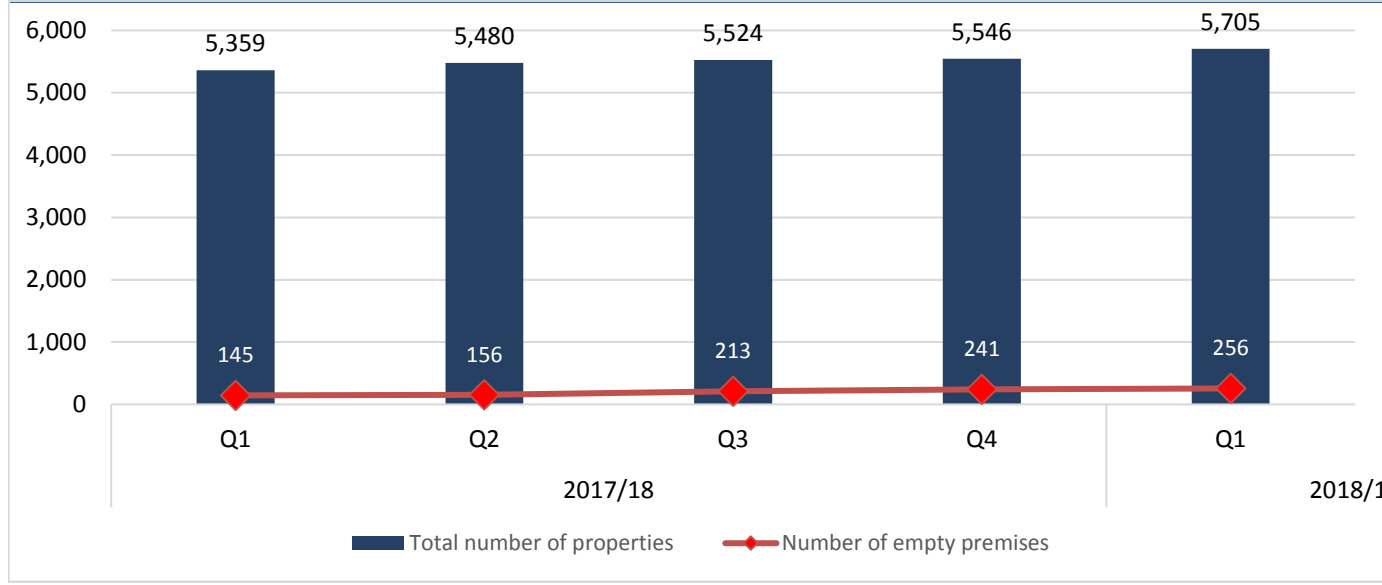


Unless otherwise stated, arrows indicate direction of travel for the latest quarter versus the same period last year. Bracketed figures are the actual values for the current quarter. Figures in bold show actual or percentage change since same period last year.

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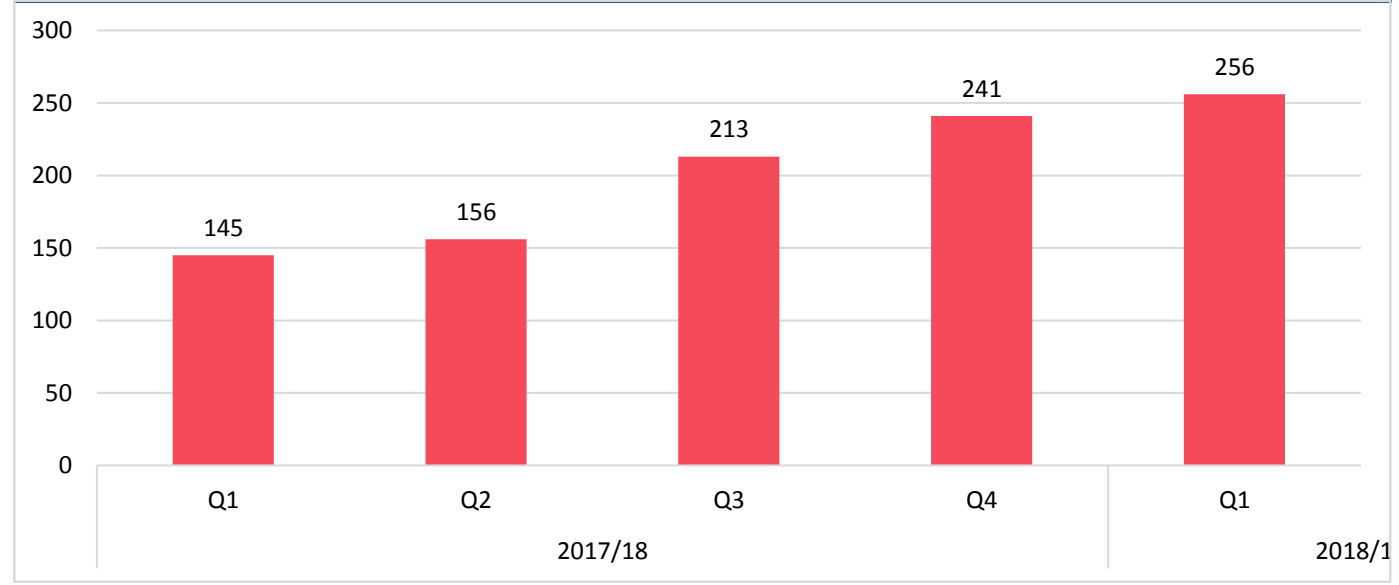
Local Economy

Number of properties which are subject to Business Rates QvQ: 346
 Number of empty properties which are subject to Business Rates QvQ: 111



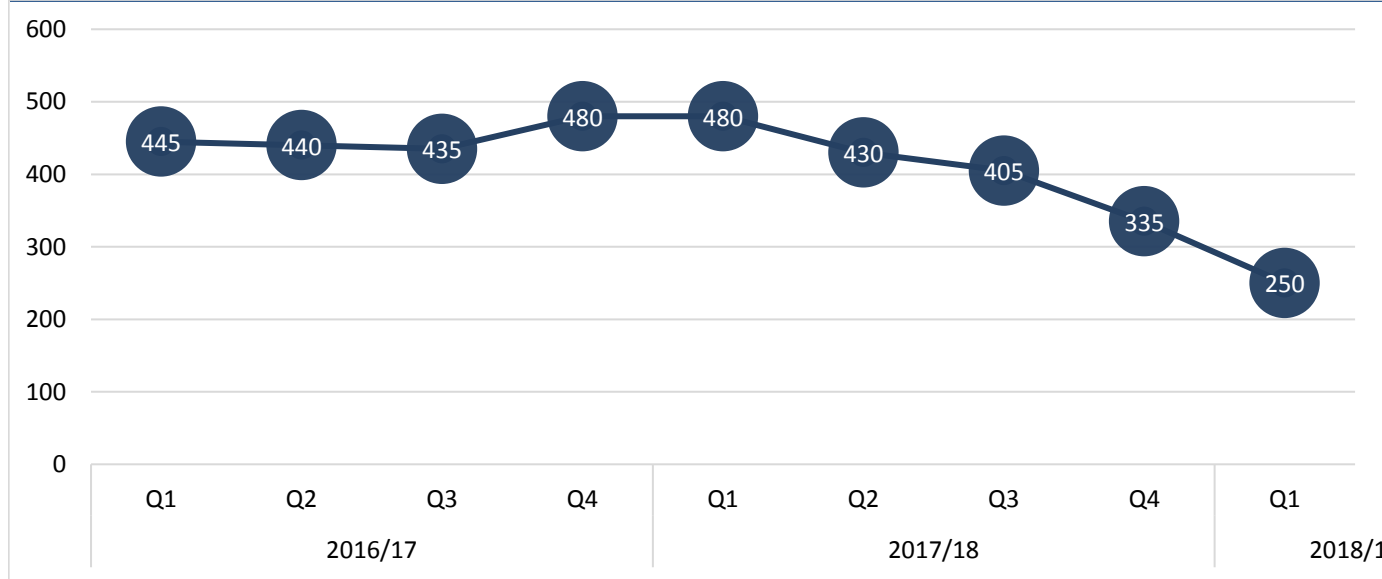
Service comment: Business rates are charged on most non-domestic properties e.g. Shops, offices, pubs

Number of empty properties which are subject to Business Rates QvQ: 111



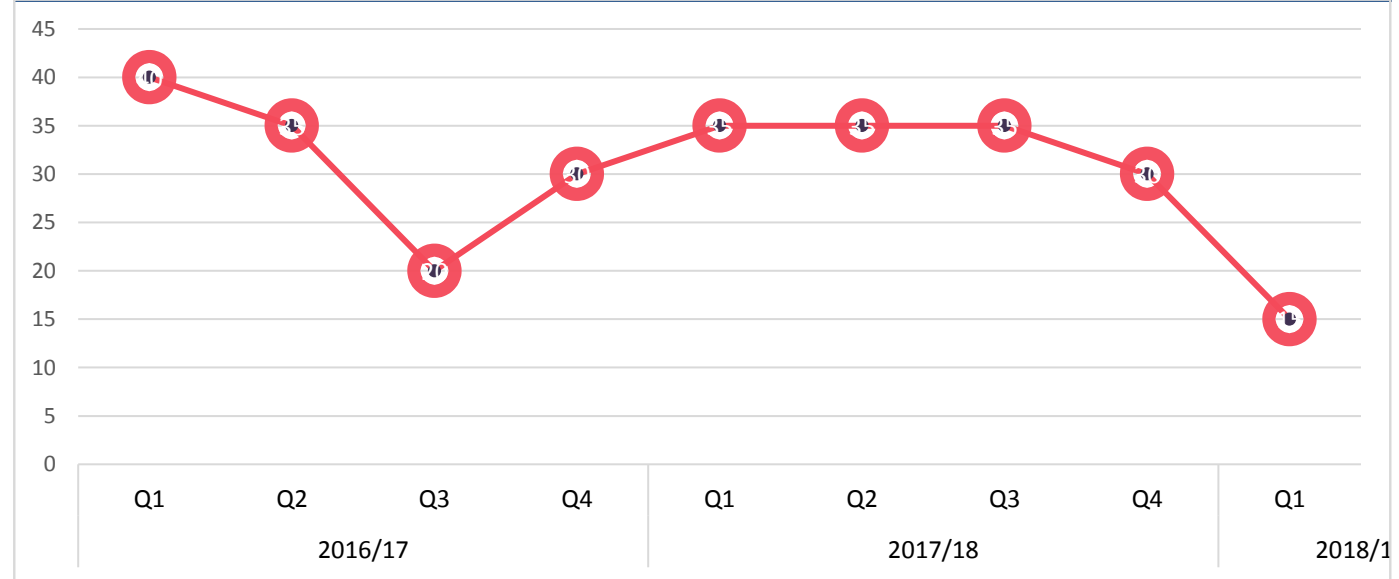
Service comment: Business rates are charged on most non-domestic properties e.g. Shops, offices, pubs

Jobseeker's Allowance count (aged 16-64) QvQ: -47.9%

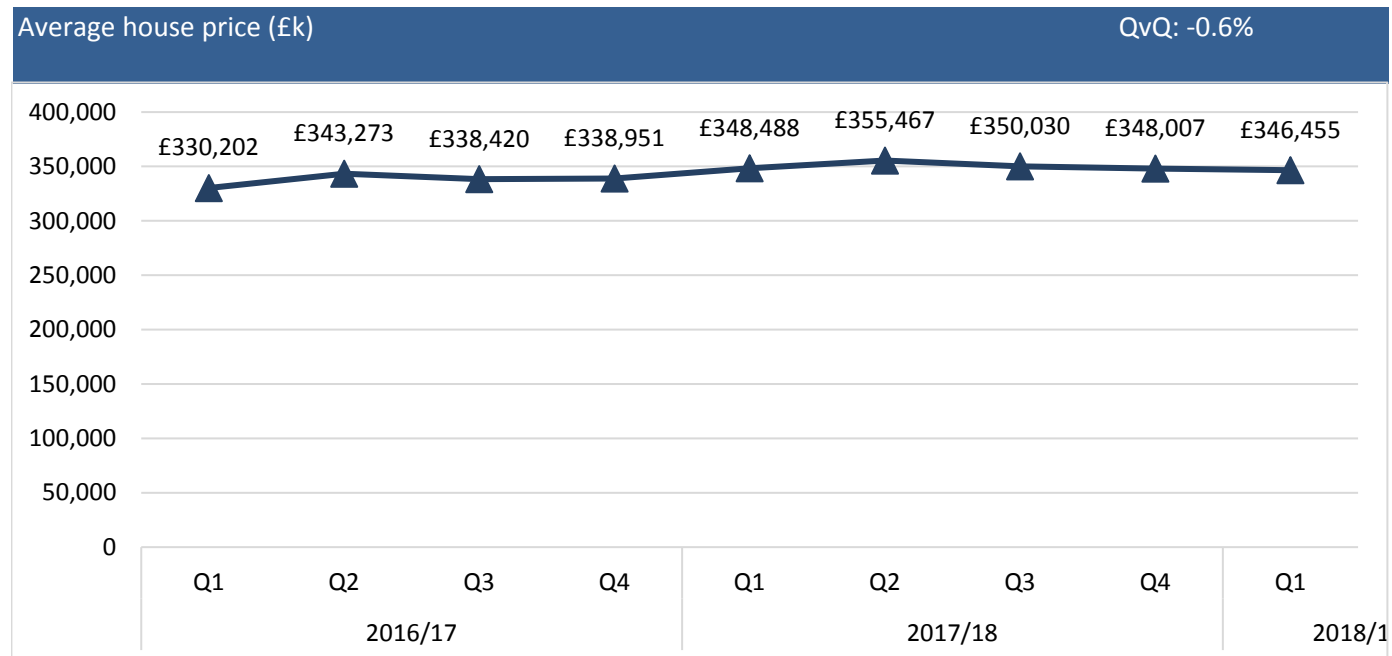


Comment: Reported for last month of the quarter.
 Q4 updated with March 2017/18 figure.
 Reported for last month in the quarter. Number of people aged between 16 and 64 who are claiming Jobseeker's Allowance (JSA). This is paid to help people who are unemployed or on a low income that are out there looking for a job.

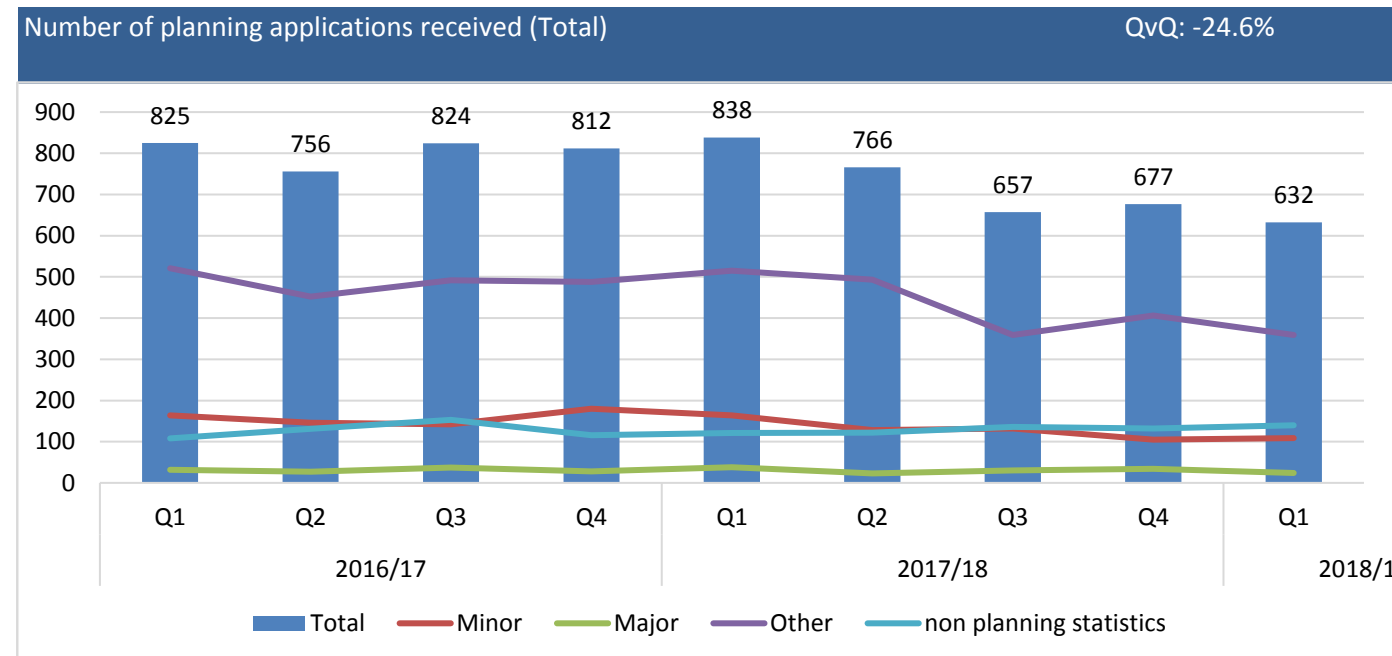
Jobseeker's Allowance count (aged 16-24) QvQ: -57.1%



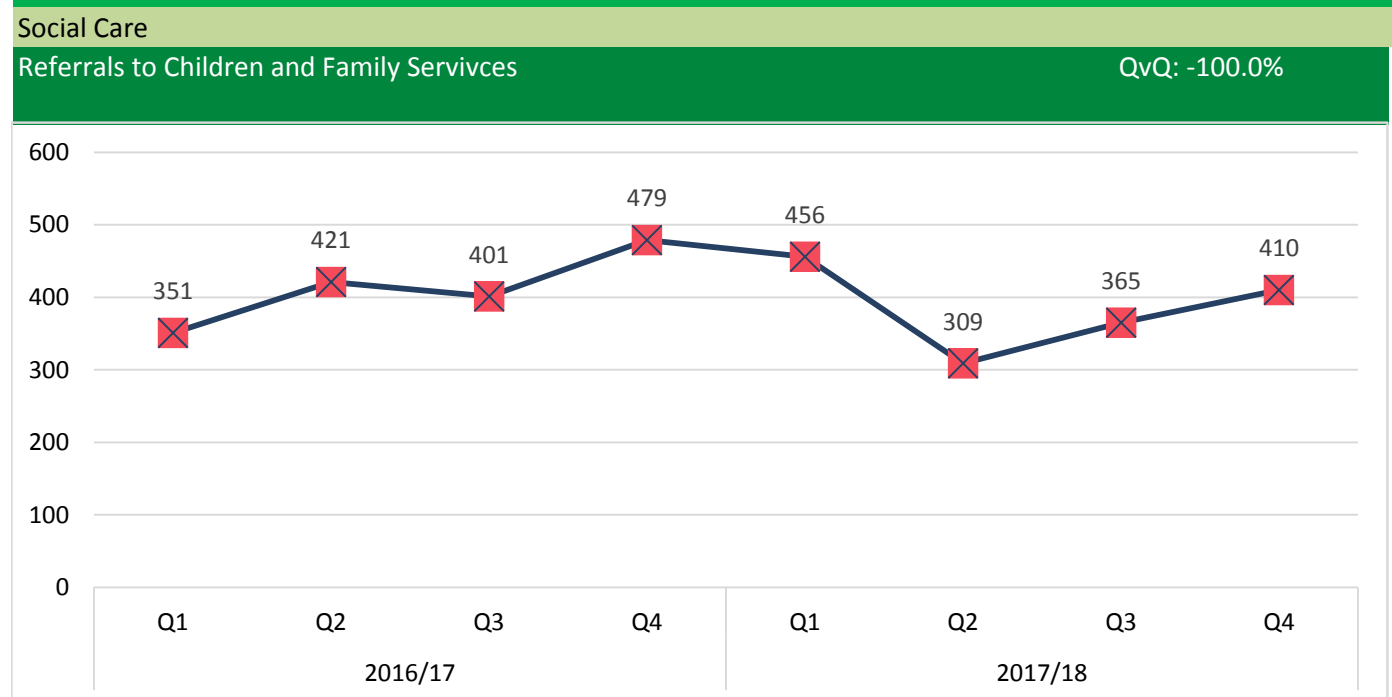
Comment: Reported for last month in the quarter. Number of young people aged between 16 and 24 who are claiming Jobseeker's Allowance (JSA). This is paid to help people who are unemployed or on a low income that are out there looking for a job.



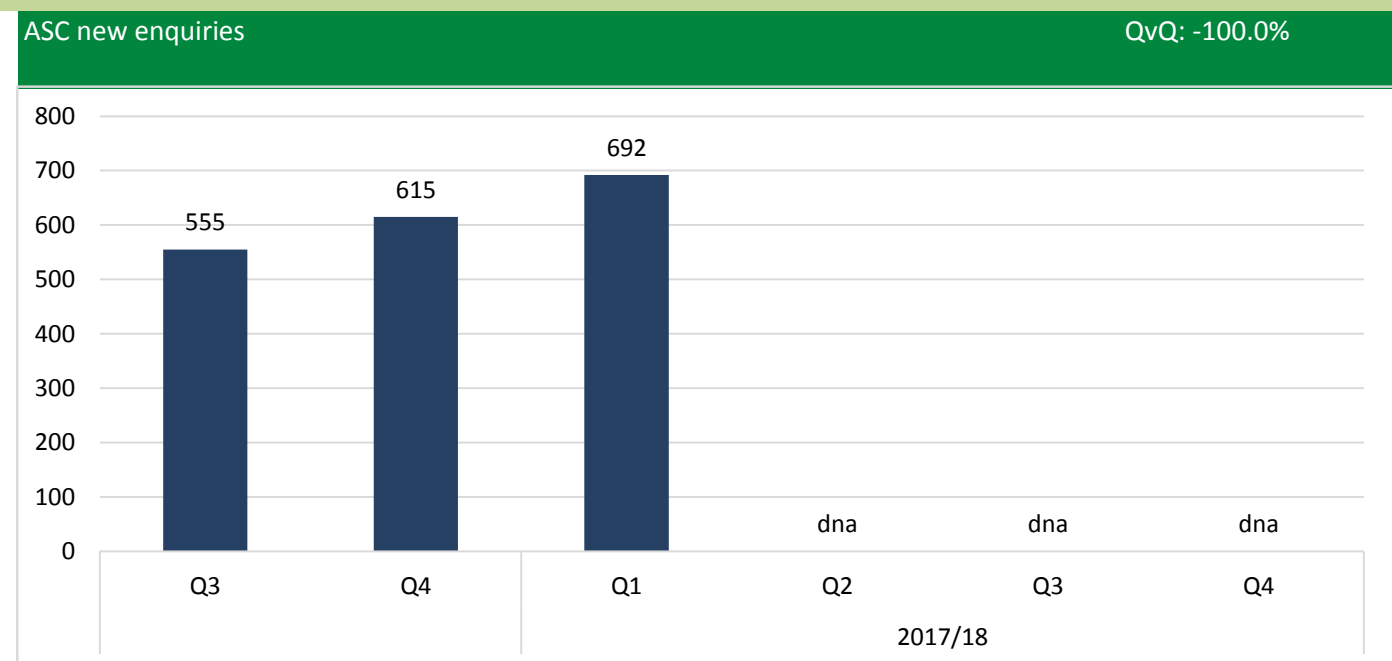
Comment: Reported for the last month in the quarter
 Historic data updated by the land registry
 (Source: Land Registry) Average price (All property types)



Service comment: Q1 2018/19 data is an estimate and will be updated at Q2

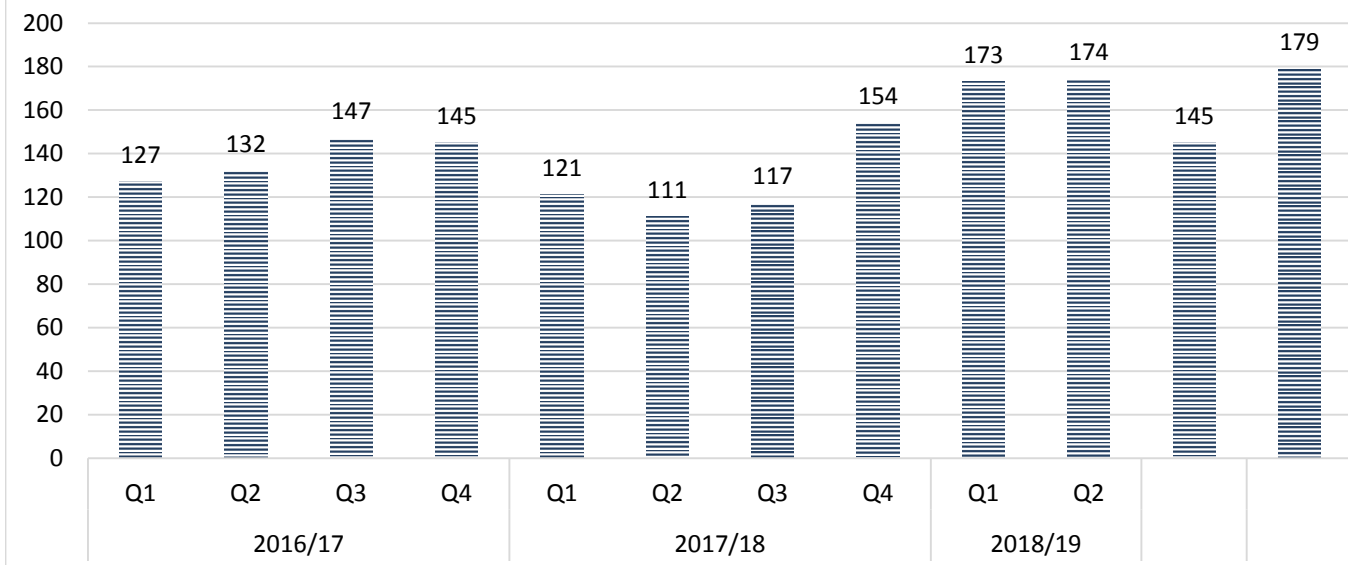


Service comment:



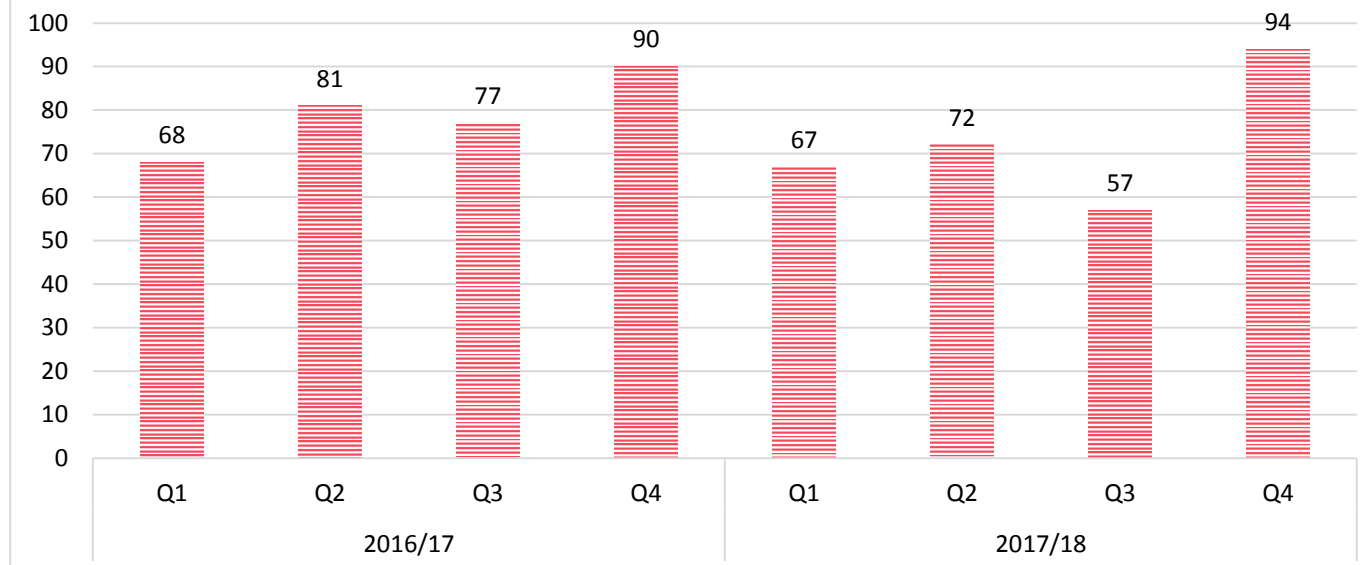
Service comment: In 2017/18, the recording of Information/Advice/Signposting (IAS) was identified as an area of improvement due to transition to Care Director. Work was conducted in the latter part of 2017/18 to ensure recording practices were robust across locality teams. The increase in Q1 may be due to more accurate reporting of IAS.
 (Unable to provide data due to transition to CareDirector. No comparison can be made with data prior to Q3 2016/17 due to changes in working practices).

Number of children subject to Child Protection (CP) Plans QvQ: -100.0%



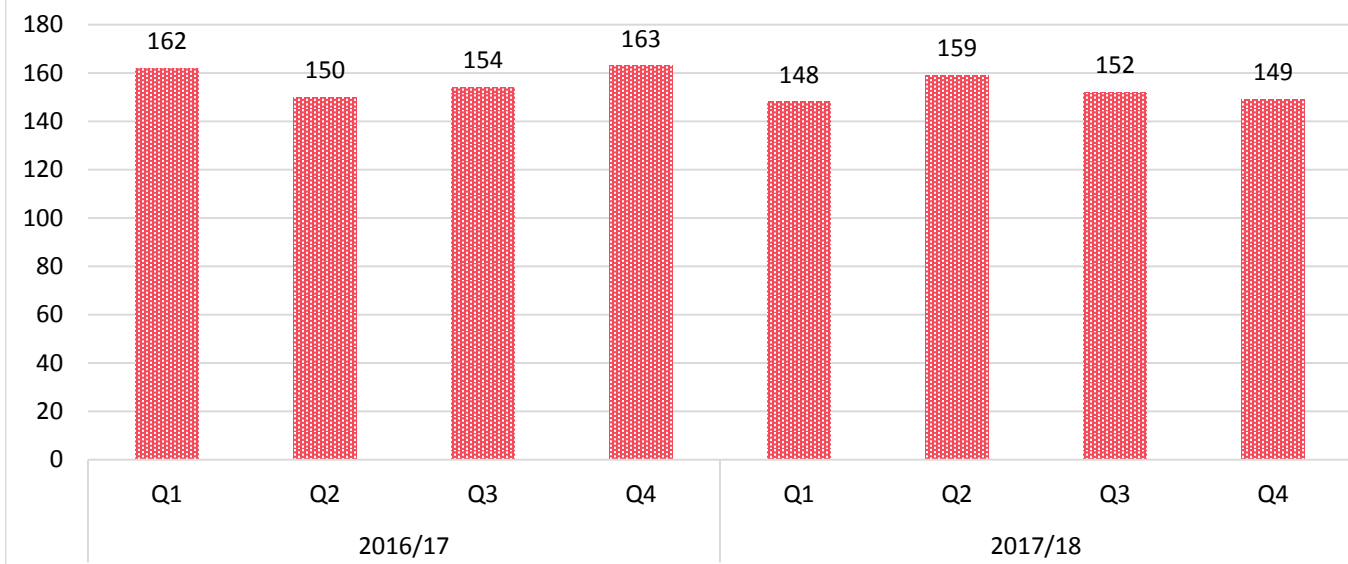
Service comment:

Number of adult safeguarding enquiries opened QvQ: -100.0%



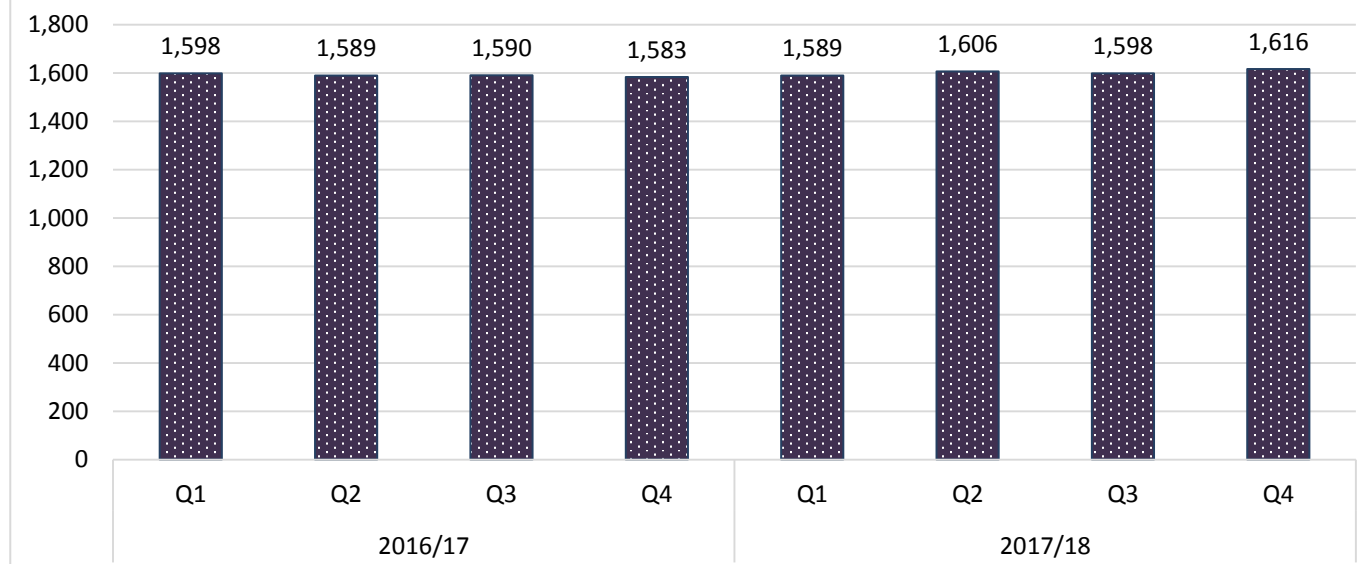
Service comment: As safeguarding concerns have increased, this is reflected in the increase in the number of s42 enquiries opened. The service is exploring the reason for this increase.

Looked After Children (LAC) QvQ: -100.0%



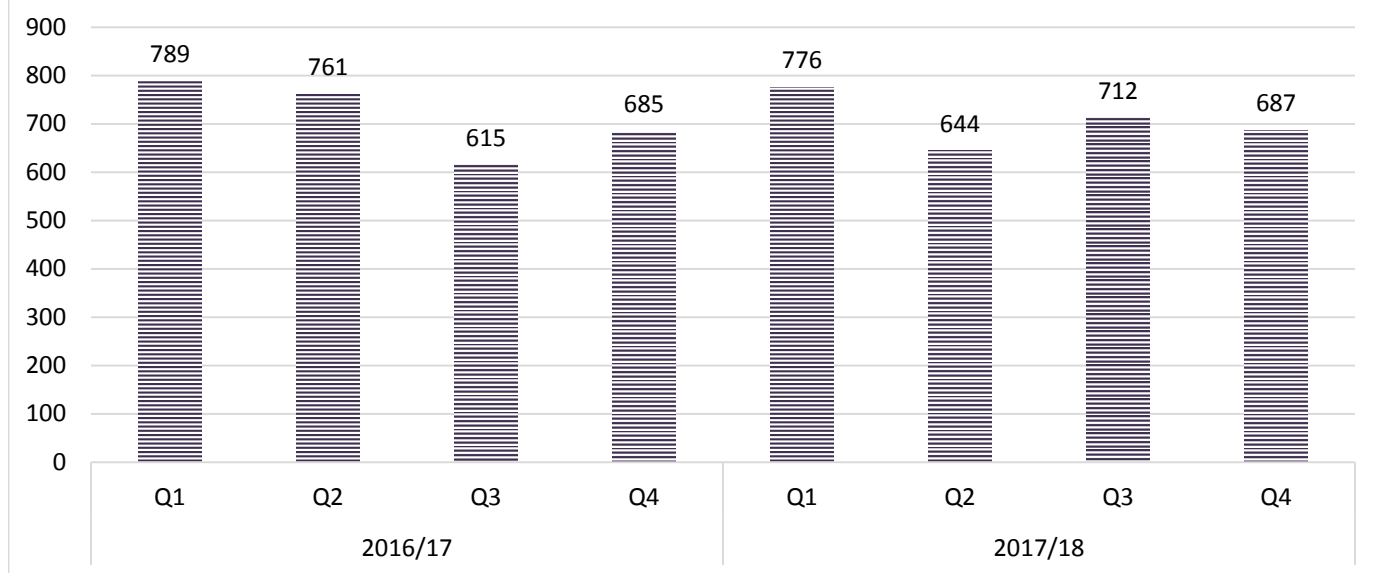
Service comment:

Current LTS client (All Ages) (incl. community, residential & nursing care) QvQ: -100.0%

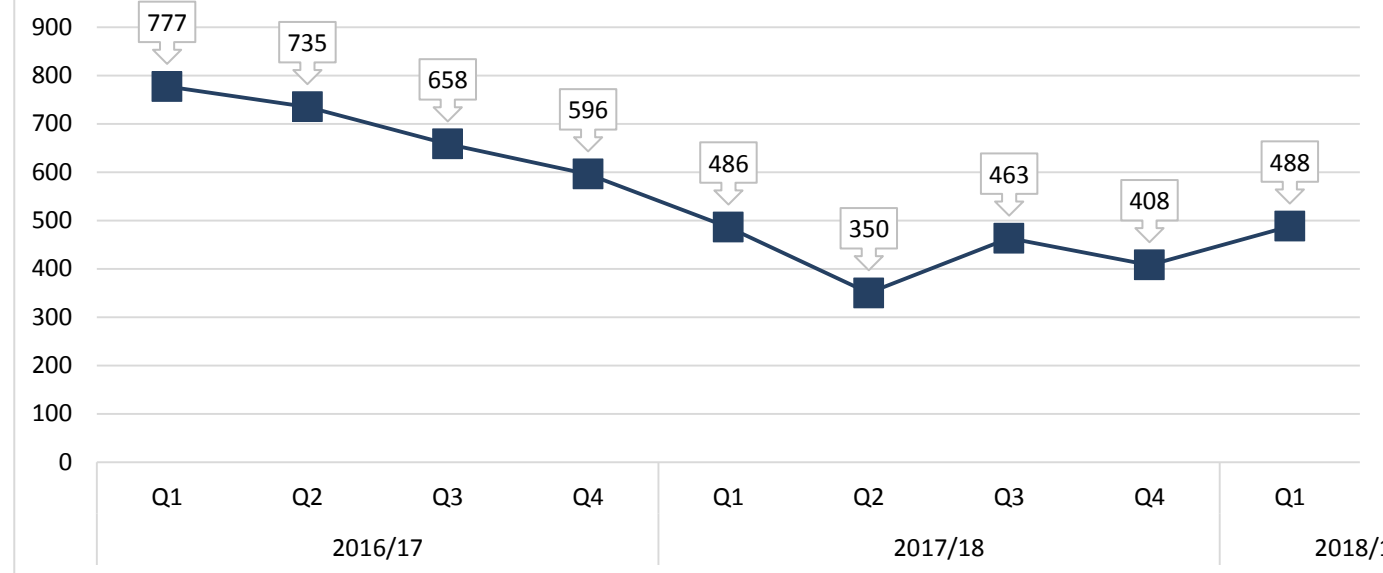


Service comment: Reported as snapshot, not year to date.

Number of Children in Need (CIN) (excluding LAC and CP) QvQ: -100.0%

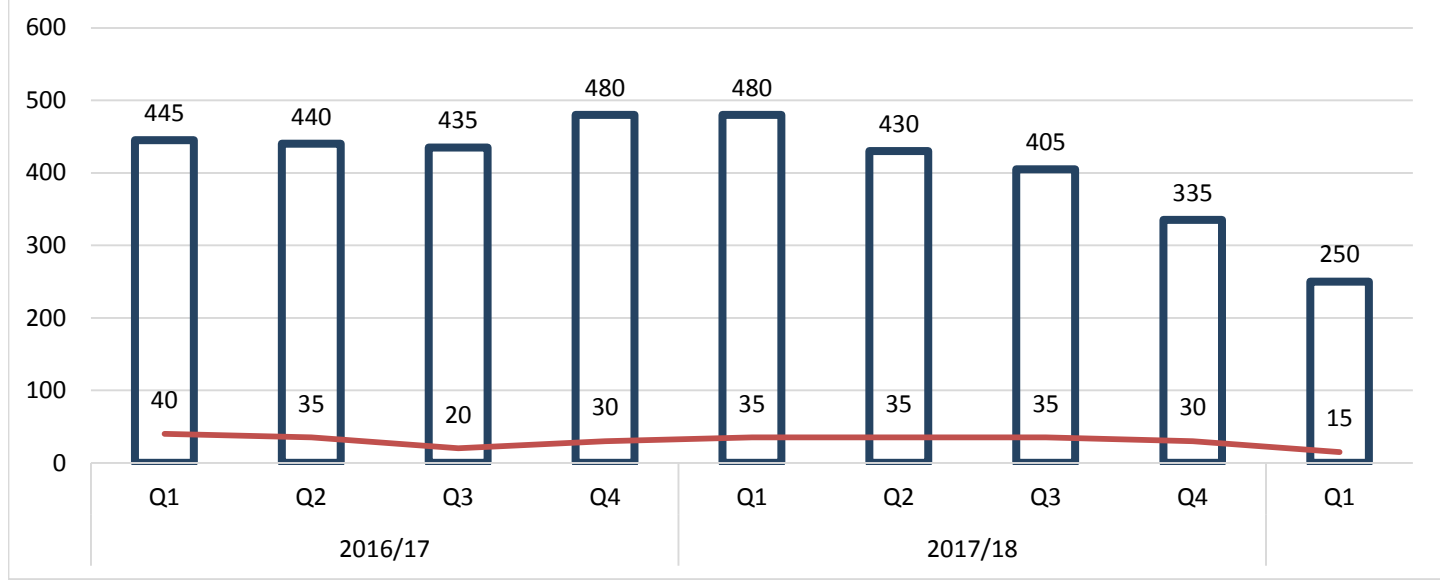


Qualifying live applicants on the Common Housing Register QvQ: 0.4%



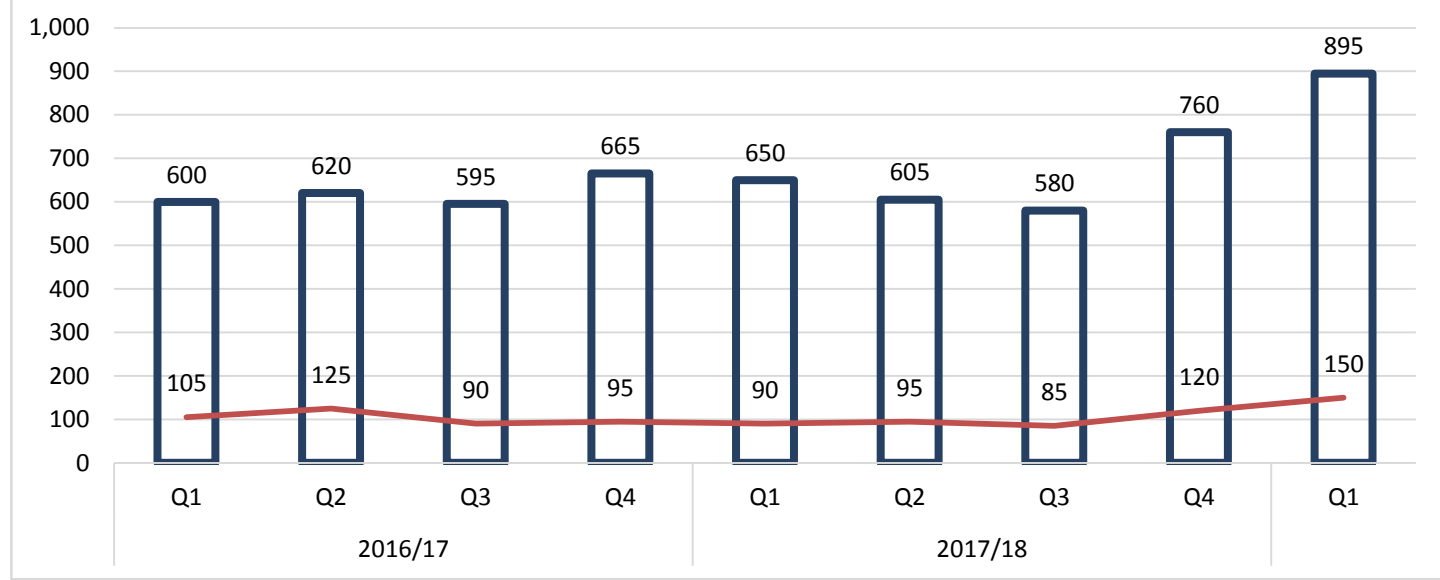
Executive Committee Key Strategic Measures of Volume 2018/19 by Directorate and Service (current qrt v same qrt last year)

1	Jobseeker's Allowance count (aged 16-64)	QvQ: -47.9%
	Jobseeker's Allowance count (aged 16-24)	QvQ: -57.1%



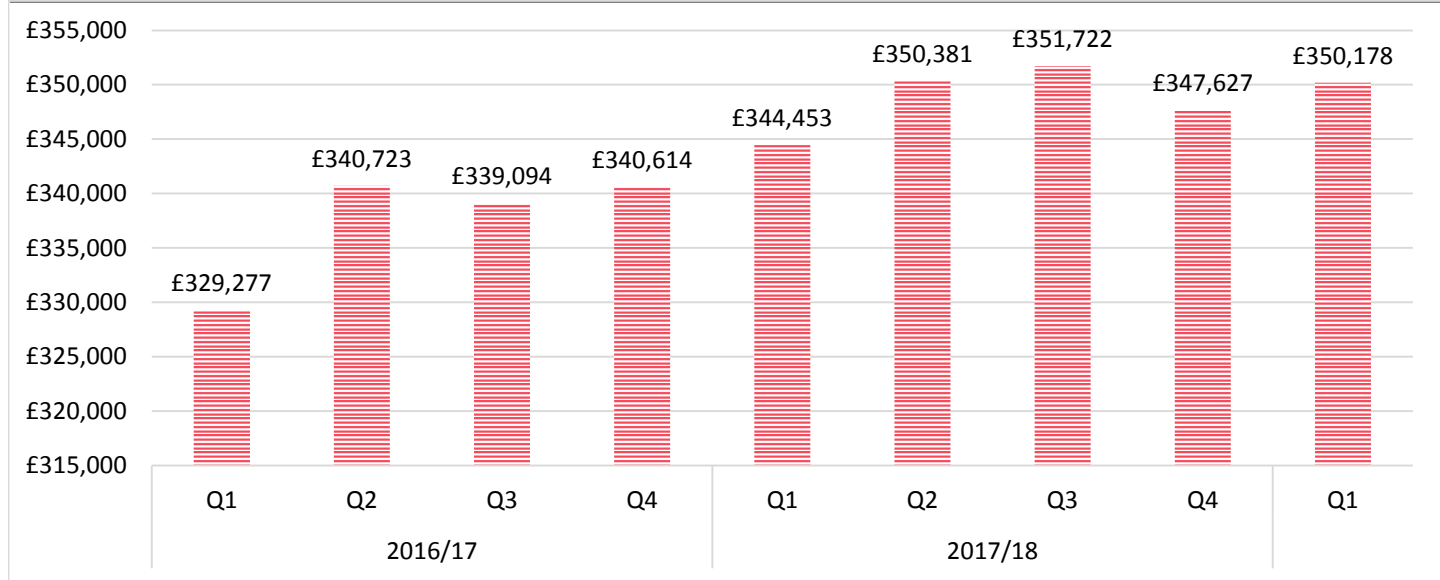
Service Comment: Reported for last month of the quarter.
 Q4 updated with March 2017/18 figure.
 Reported for last month in the quarter. Number of people aged between 16 and 64 who are claiming Jobseeker's Allowance (JSA). This is paid to help people who are unemployed or on a low income that are out there looking for a job.

2	Total claimant count (aged 16+) - JSA & Universal Credit	37.7%
	Total claimant count (aged 16-24) - JSA & Universal Credit	QvQ: 66.7%



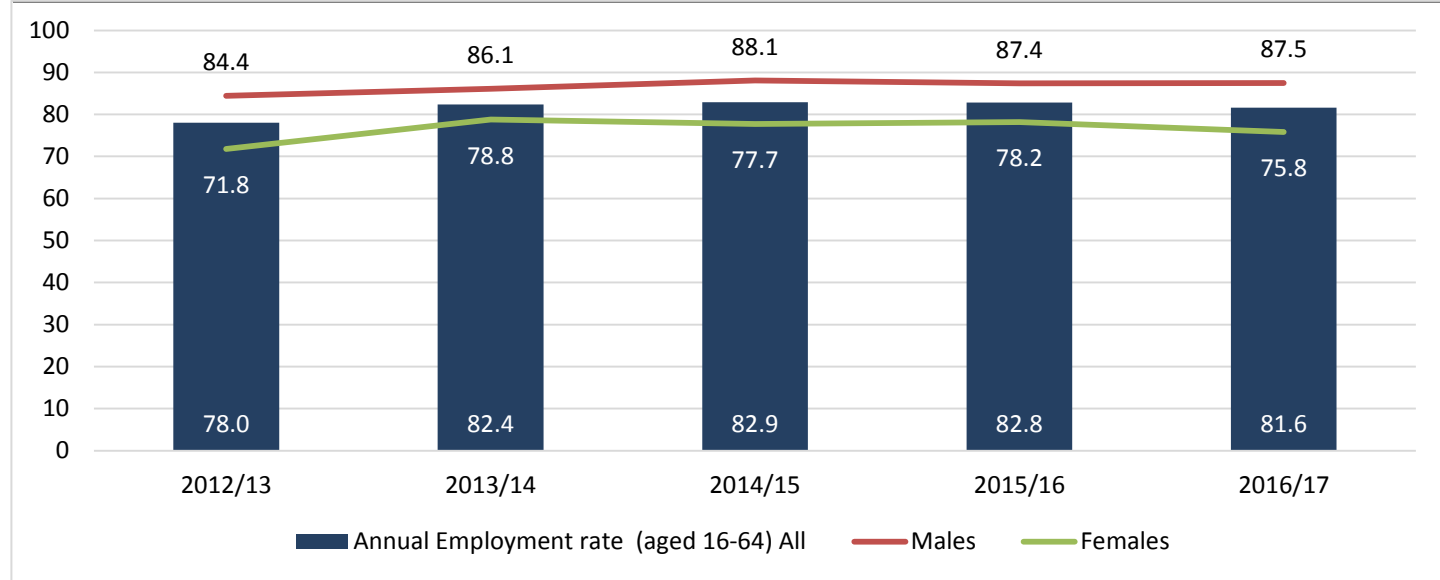
Service Comment: Reported for last month in the quarter.
 Q4 2017/18 updated
 Reported for last month in the quarter. Under Universal Credit a broader span of claimants are required to look for work than under Jobseeker's Allowance. As Universal Credit Full Service is rolled out in particular areas, the number of people recorded as being on the Claimant Count is therefore likely to rise.

3	Average house price (£k)	QvQ: 1.7%
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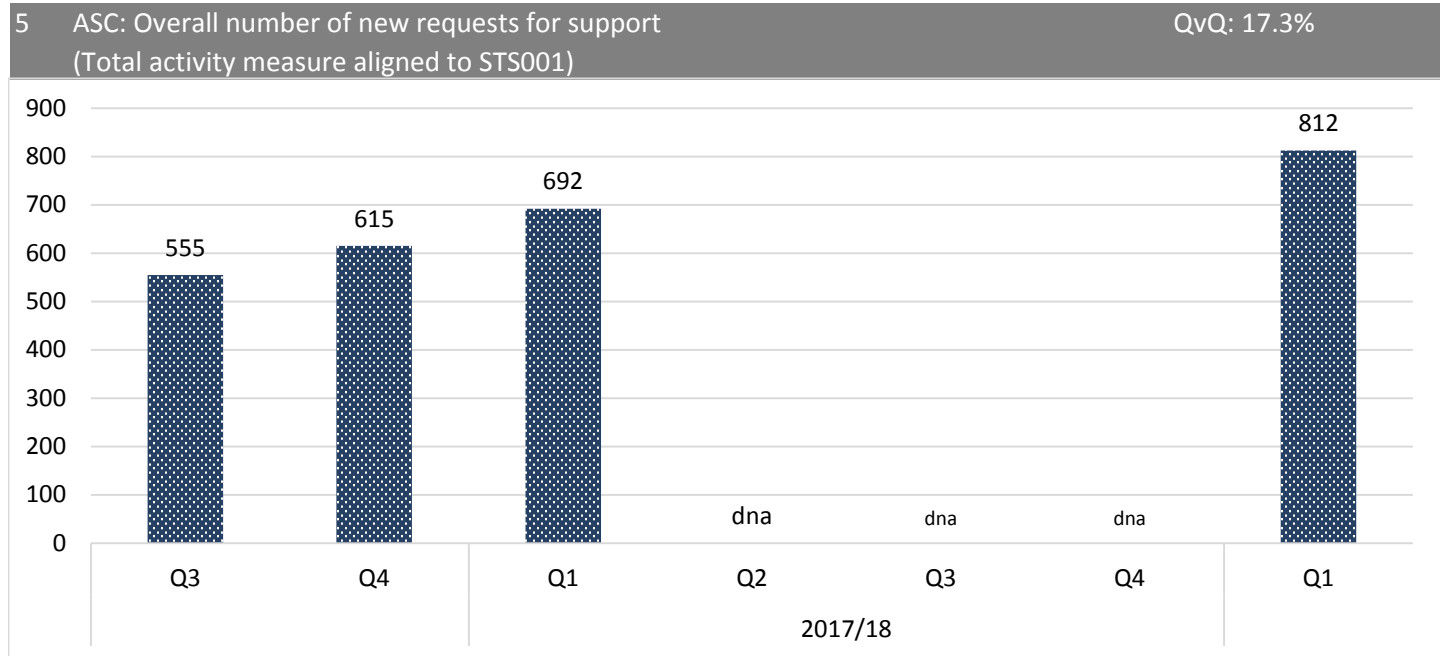


Service Comment: Only April and May data is available for Q1 at time of publication
 Figures from October 2016 onwards have been updated by the land registry and the changes have been reflected here.
 (Source: Land Registry) Quarterly average for all property types

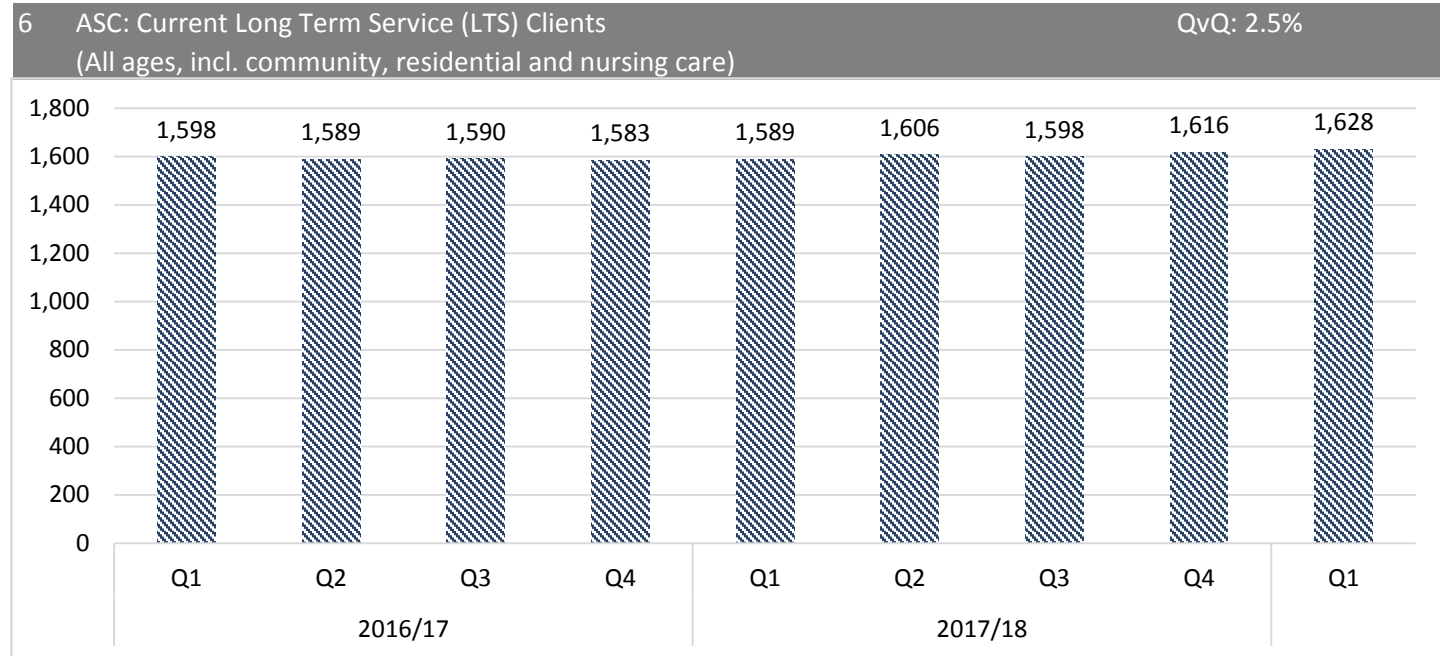
4	Annual employment rate
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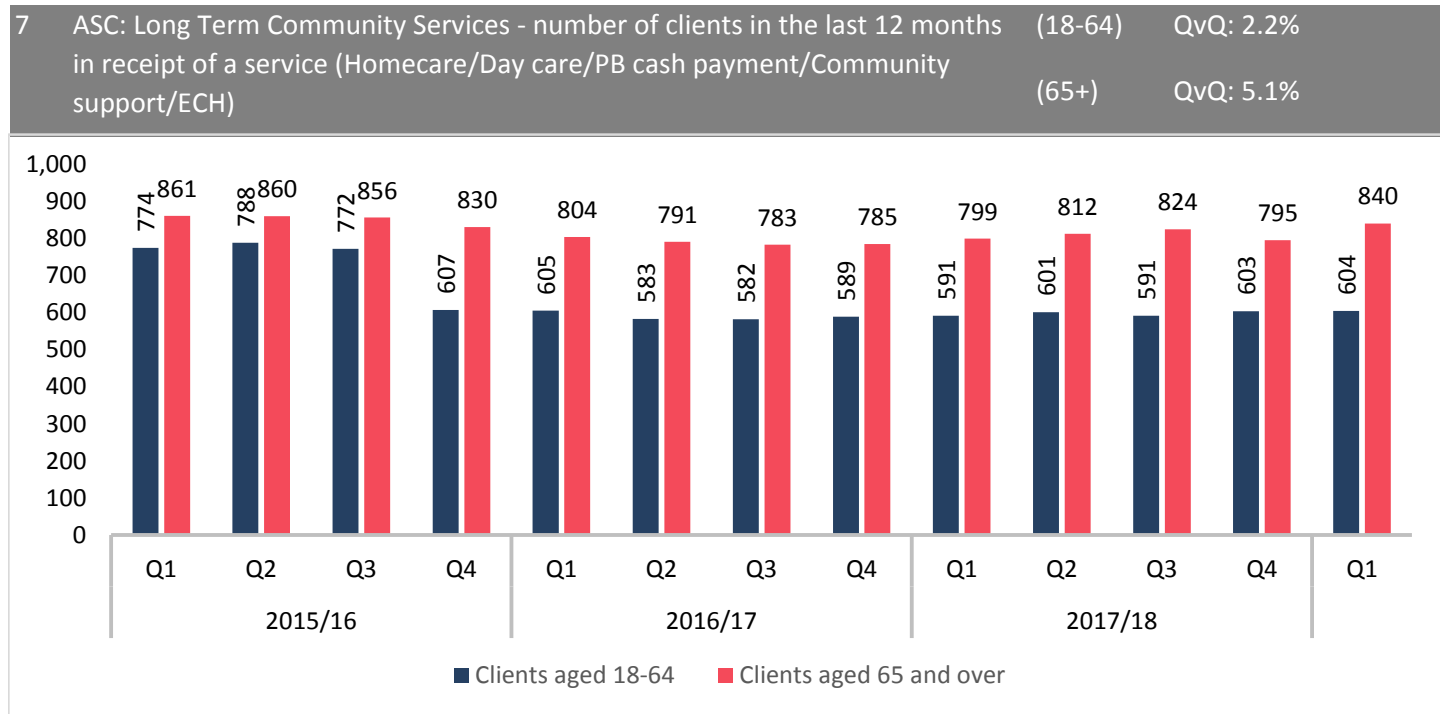
Service Comment: Source: Nomis. Annual covering Apr-Mar
 Defined as the number of people in employment expressed as a percentage of all people aged 16-64



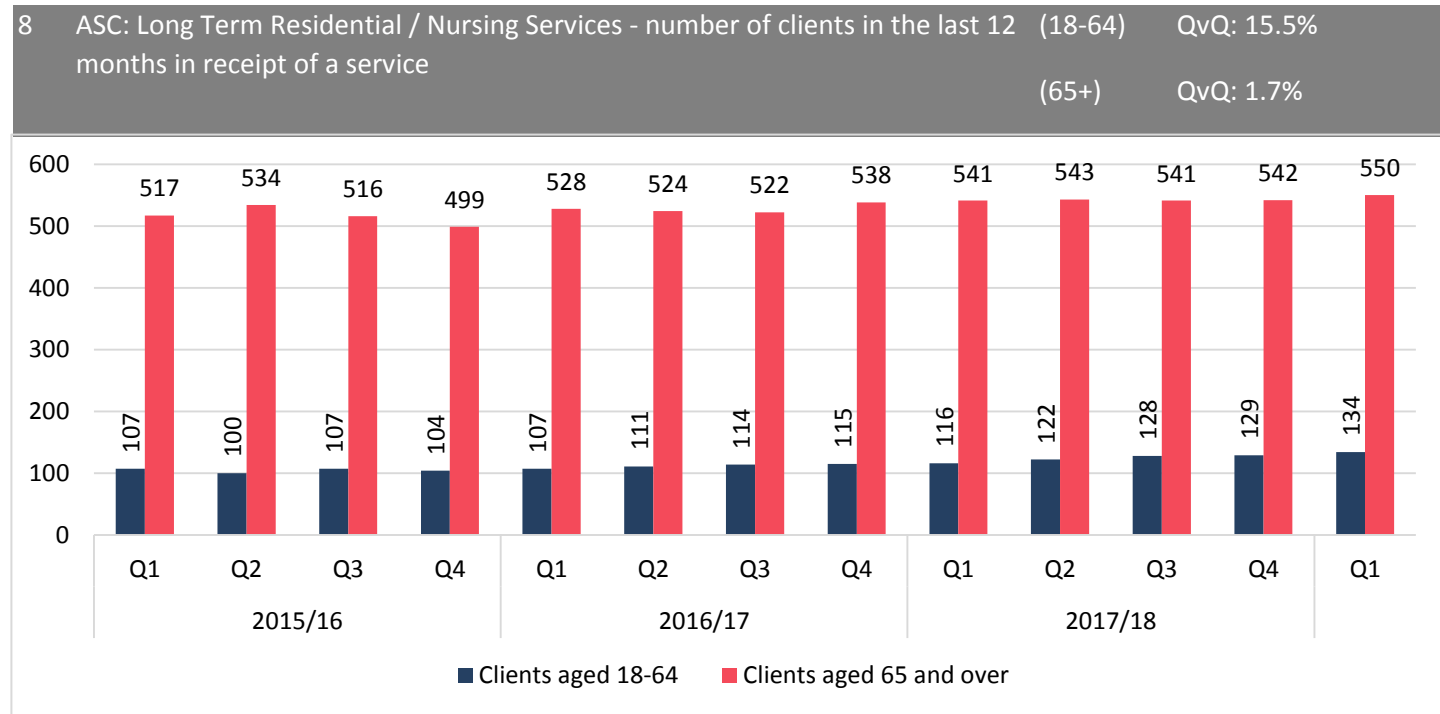
Service Comment: In 2017/18, the recording of Information/Advice/Signposting (IAS) was identified as an area of improvement due to transition to Care Director. Work was conducted in the latter part of 2017/18 to ensure recording practices were robust across locality teams. The increase in Q1 may be due to more accurate reporting of IAS.
 (Unable to provide data due to transition to CareDirector. No comparison can be made with data prior to Q3 2016/17 due to changes in working practices).



Service Comment: Reported as snapshot, not year to date.

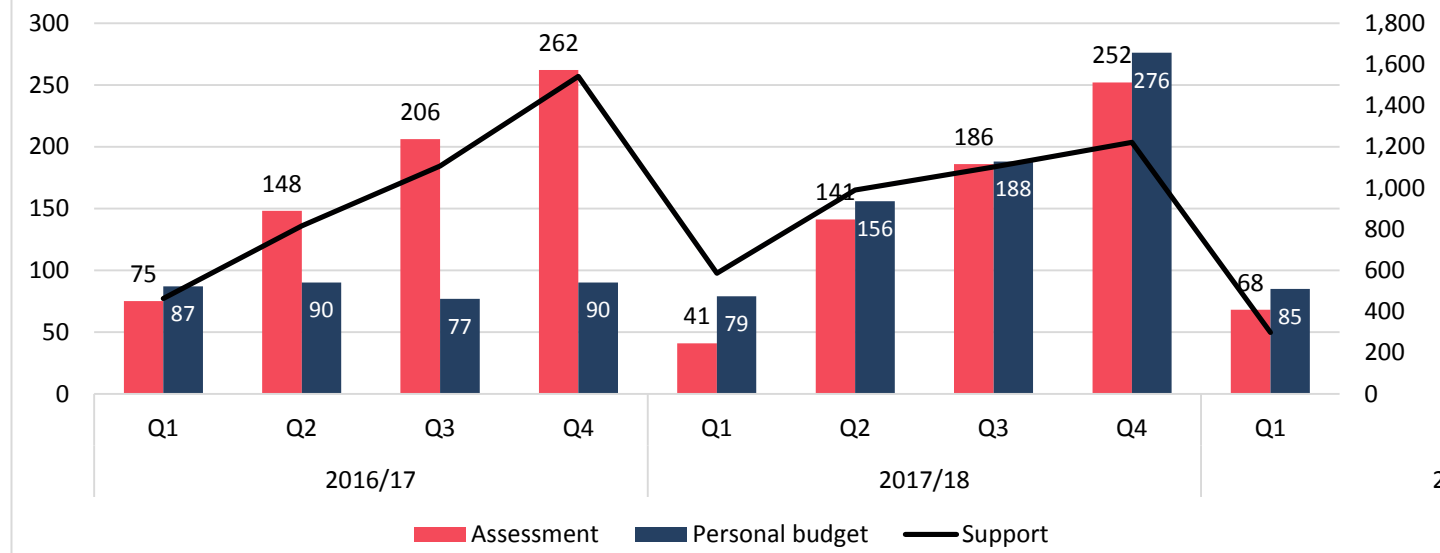


Service comment: Rolling 12 months
 Rolling 12 months



Service comment: Rolling 12 months

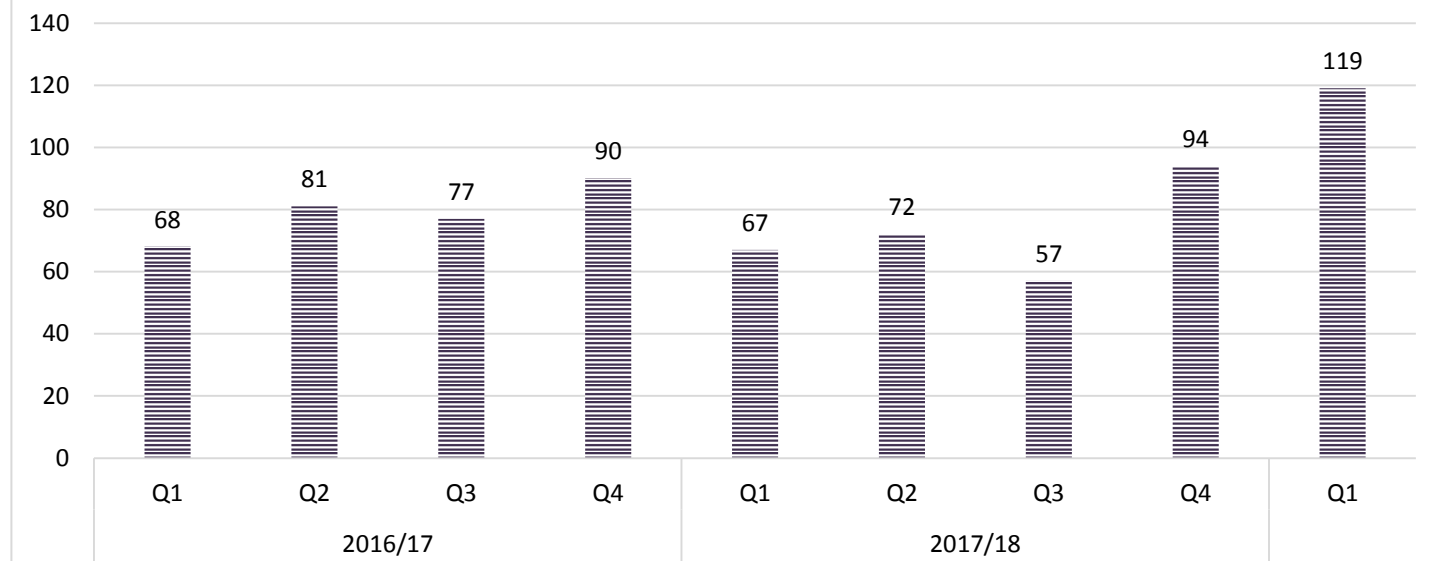
9 ASC: Support for Carers - receiving support, an assessment and/or a personal budget



Service comment: YTD figures

10 ASC: Number of adult safeguarding enquiries opened

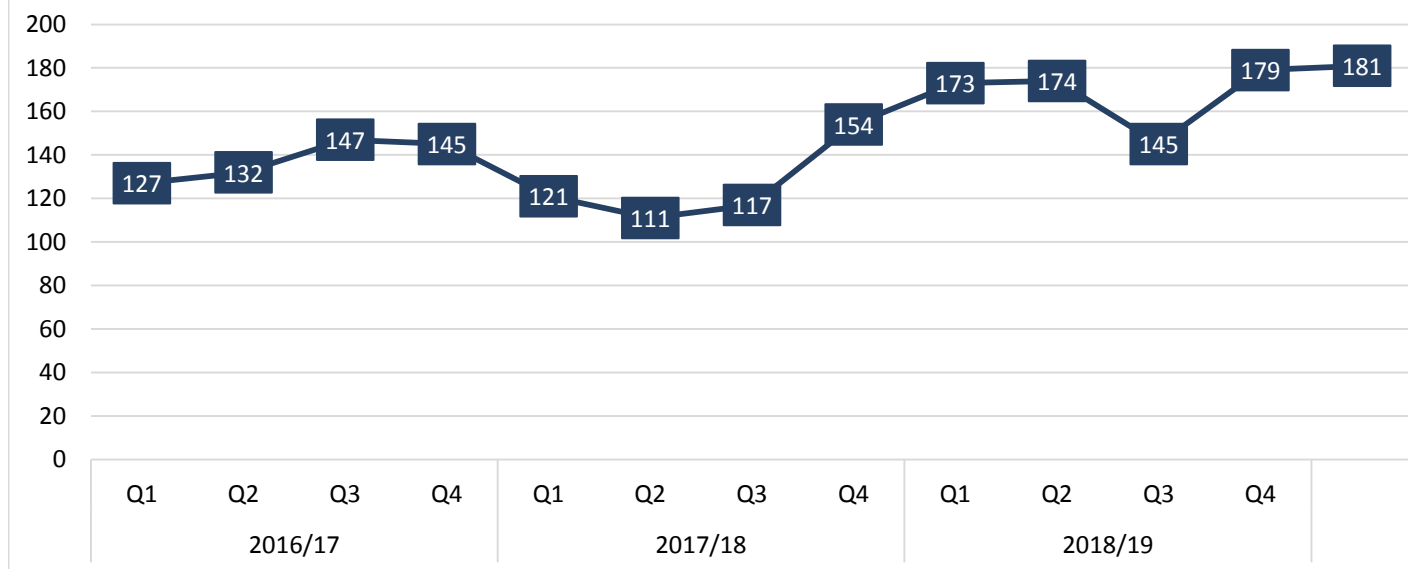
QvQ: 77.6%



Service comment: As safeguarding concerns have increased, this is reflected in the increase in the number of s42 enquiries opened. The service is exploring the reason for this increase.

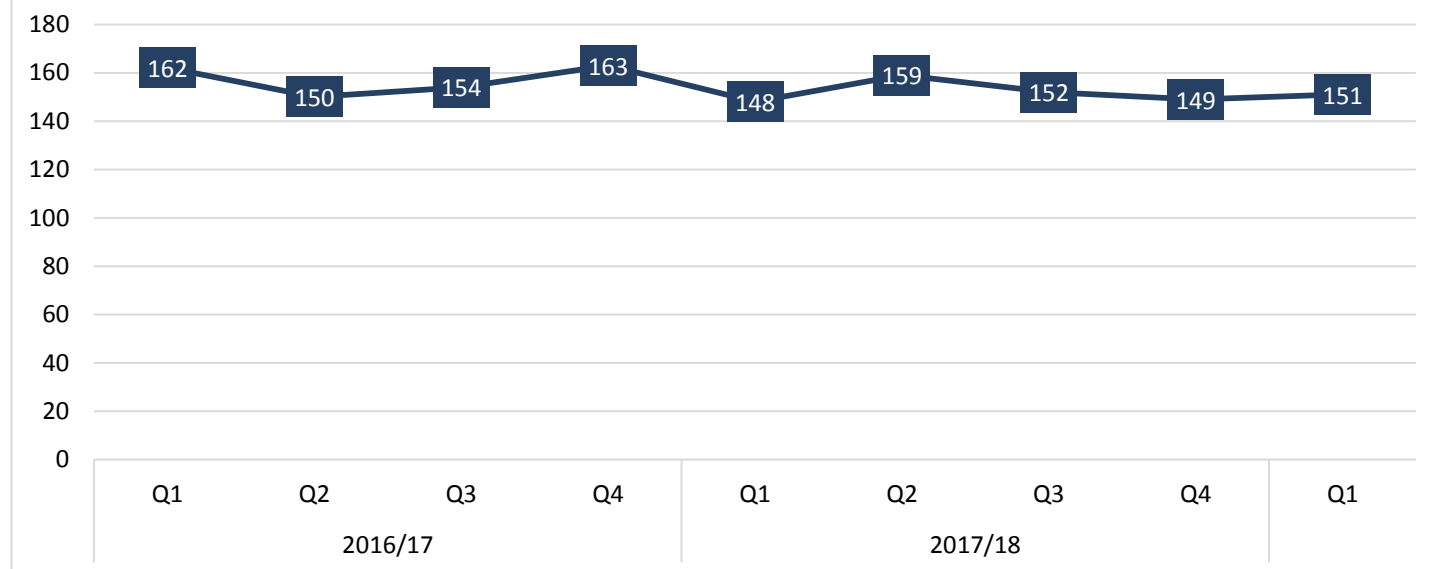
11 CFS: Number of children subject to Child Protection (CP) Plans

QvQ: 4.6%

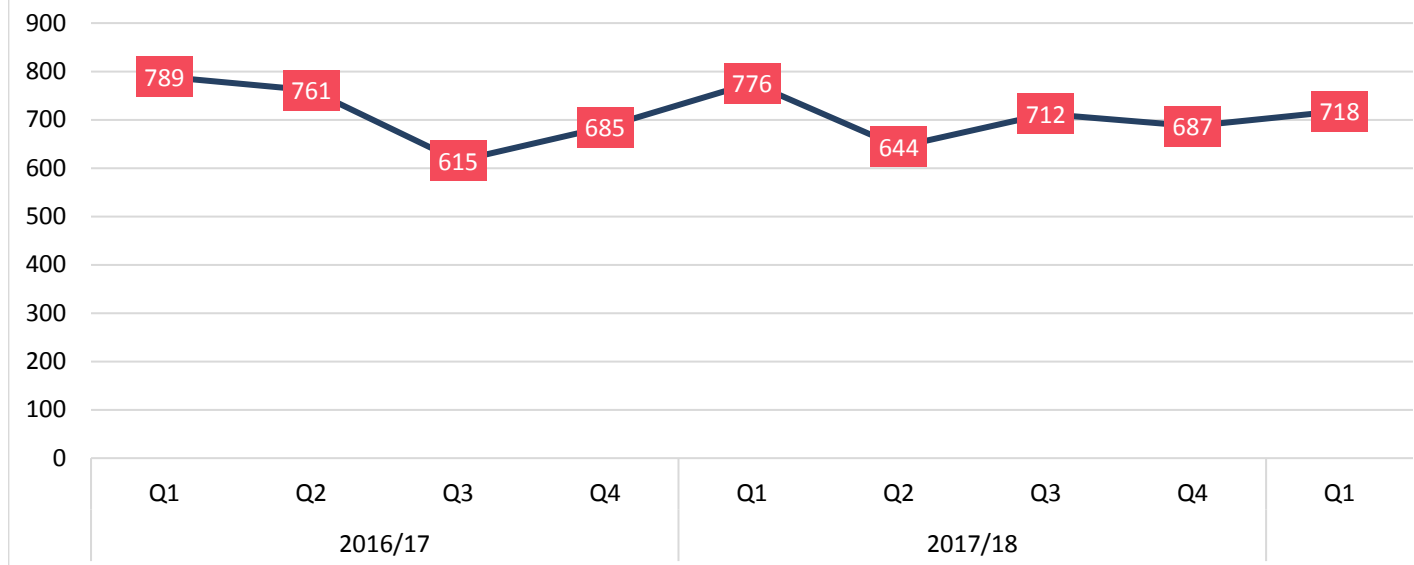


12 CFS: Number of Looked After Children (LAC) cases

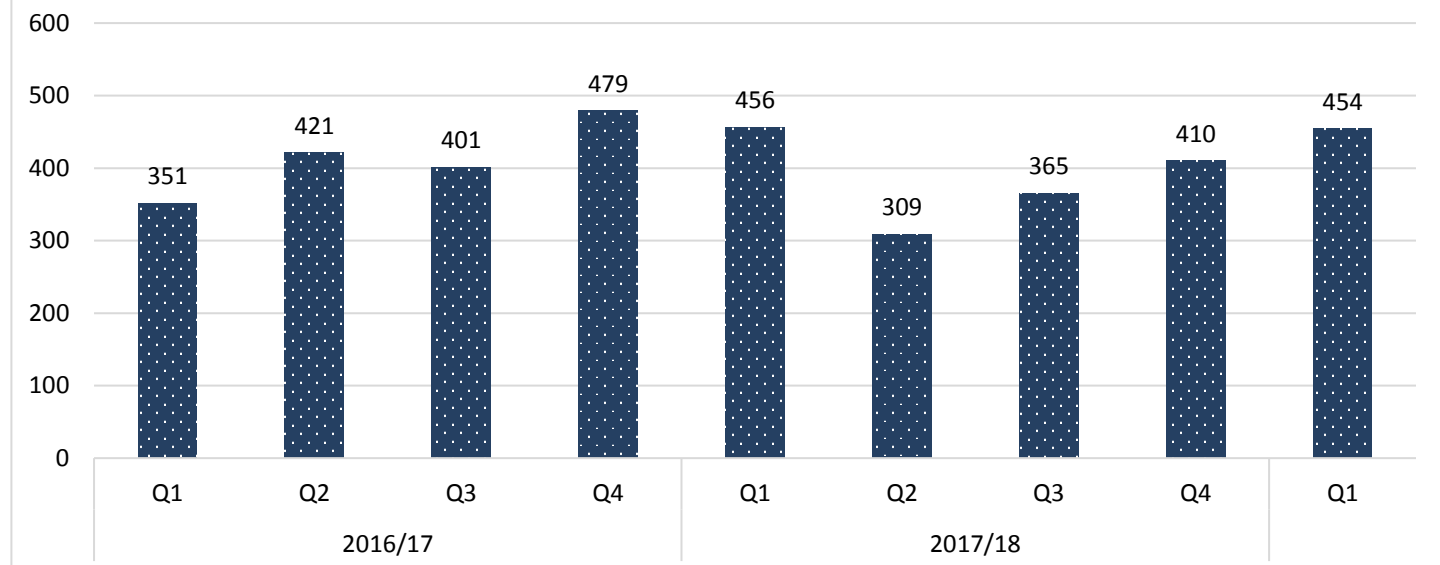
QvQ: 2.0%



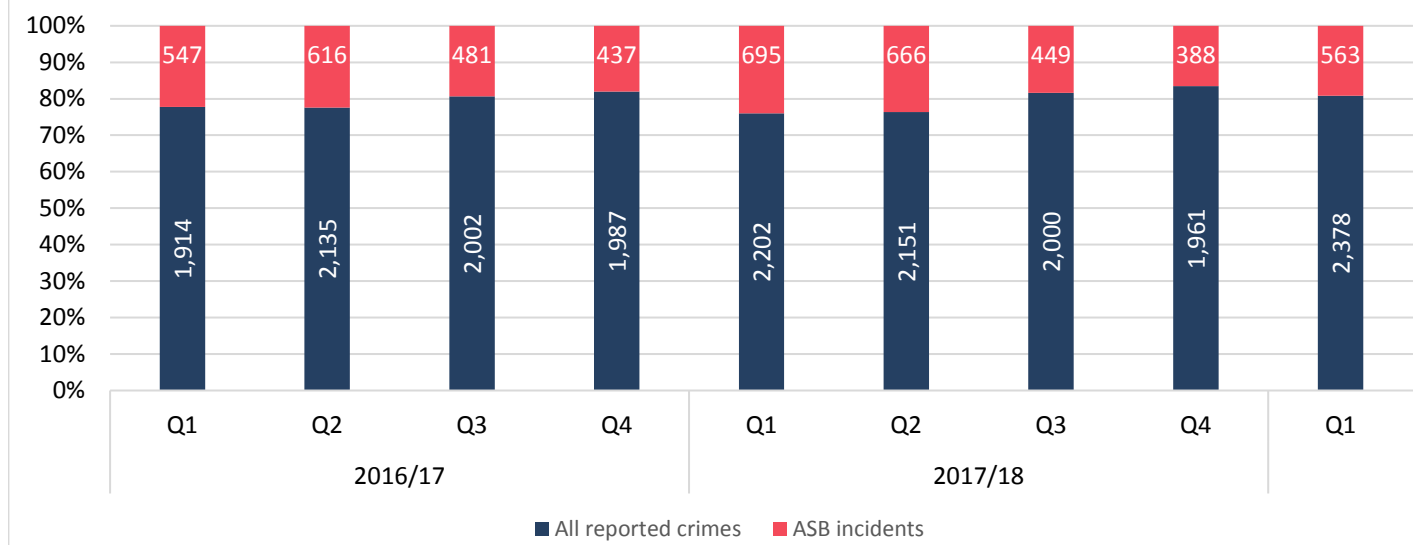
13 CFS: Number of Children in Need (CIN) (excluding LAC and CP) QvQ: -7.5%



14 CFS: Number of referrals received (all) (Children and Family Services) QvQ: -0.4%



15 BCT: Number of all crimes reported to Thames Valley Police (TVP) QvQ: 8.0%
Number of anti-social behaviour (ASB) incidents reported to TVP QvQ: -19.0%



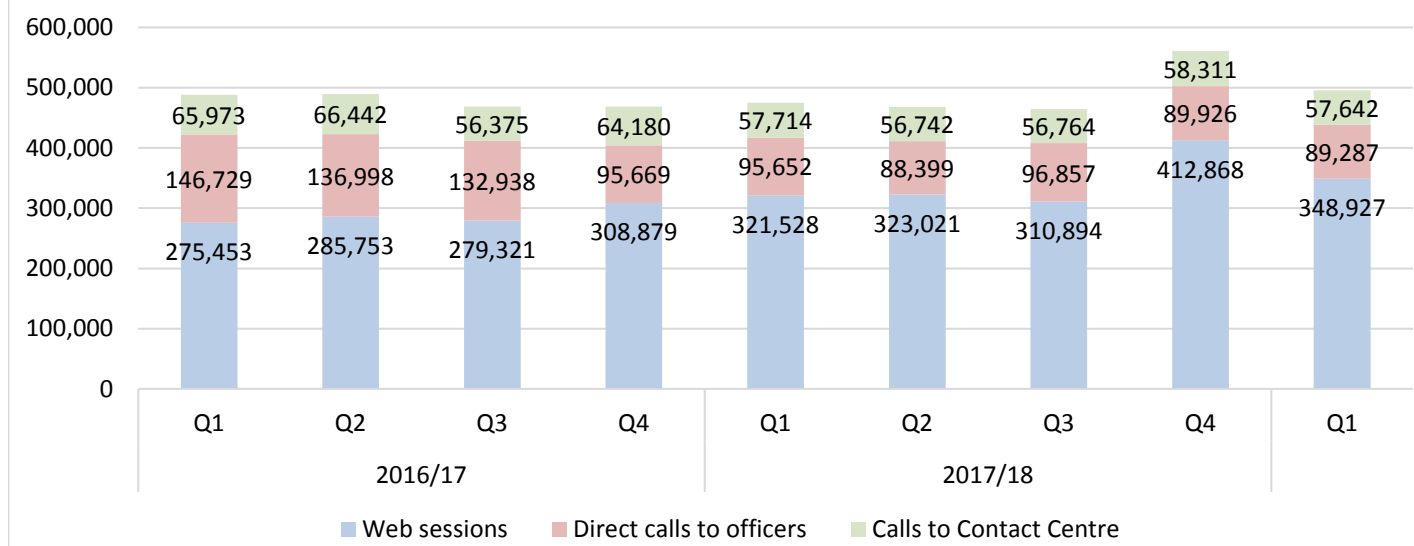
16 F&P: Number of properties which are subject to Business Rates and of those, which are empty. QvQ: 6.5%
QvQ: 76.6%



Service comment:

Service comment: Business rates are charged on most non-domestic properties e.g. Shops, offices, pubs

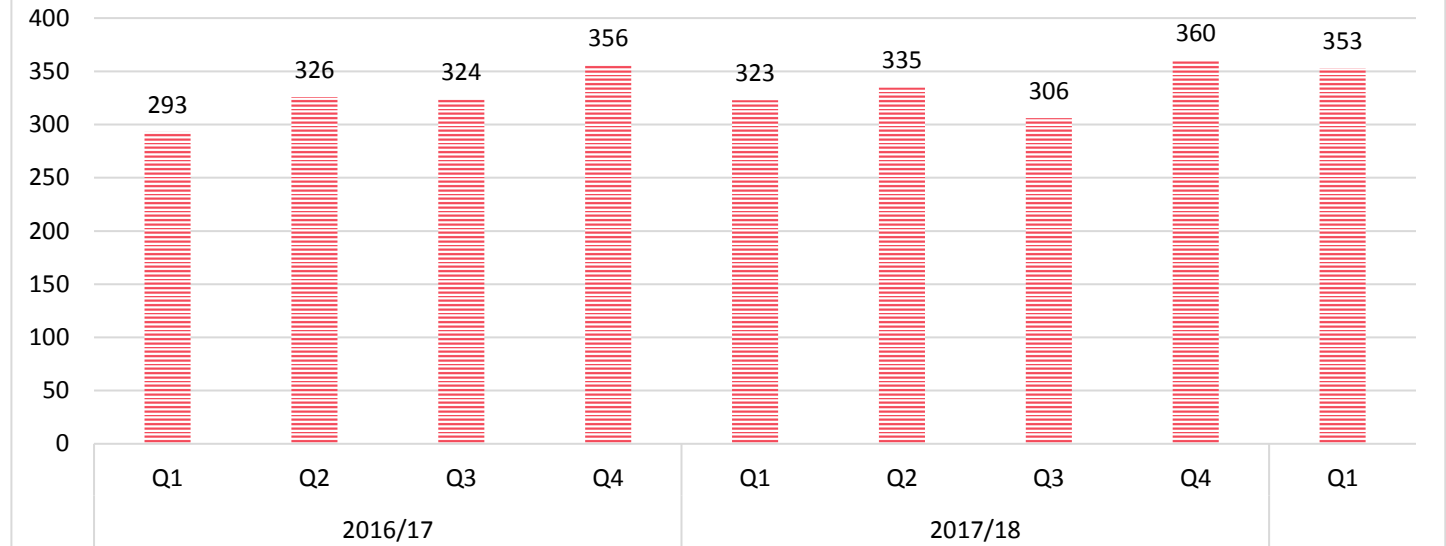
17 SS: Number of individual website sessions, direct phone calls to officers and calls to the Contact Centre



Service comment: From Q2 2017/18 individual sessions on Planning's Public Access site will be included.

18 SS: Number of Freedom of Information requests received

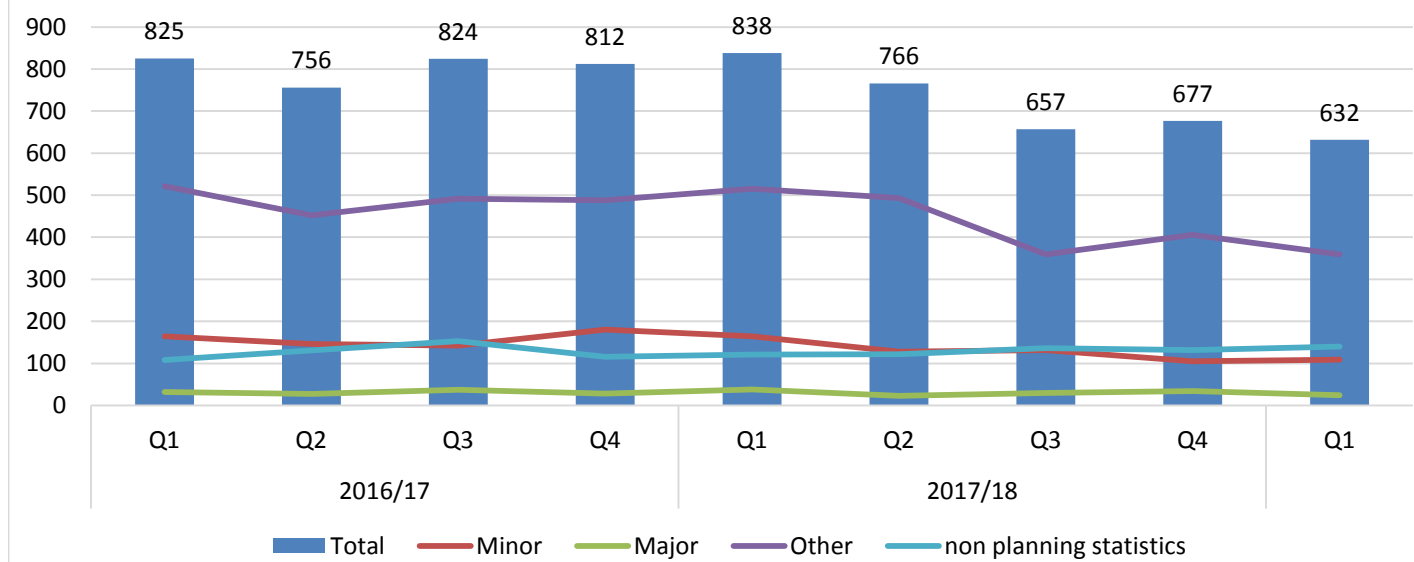
QvQ: 9.3%



Service comment:

19 D&P: Number of planning applications received

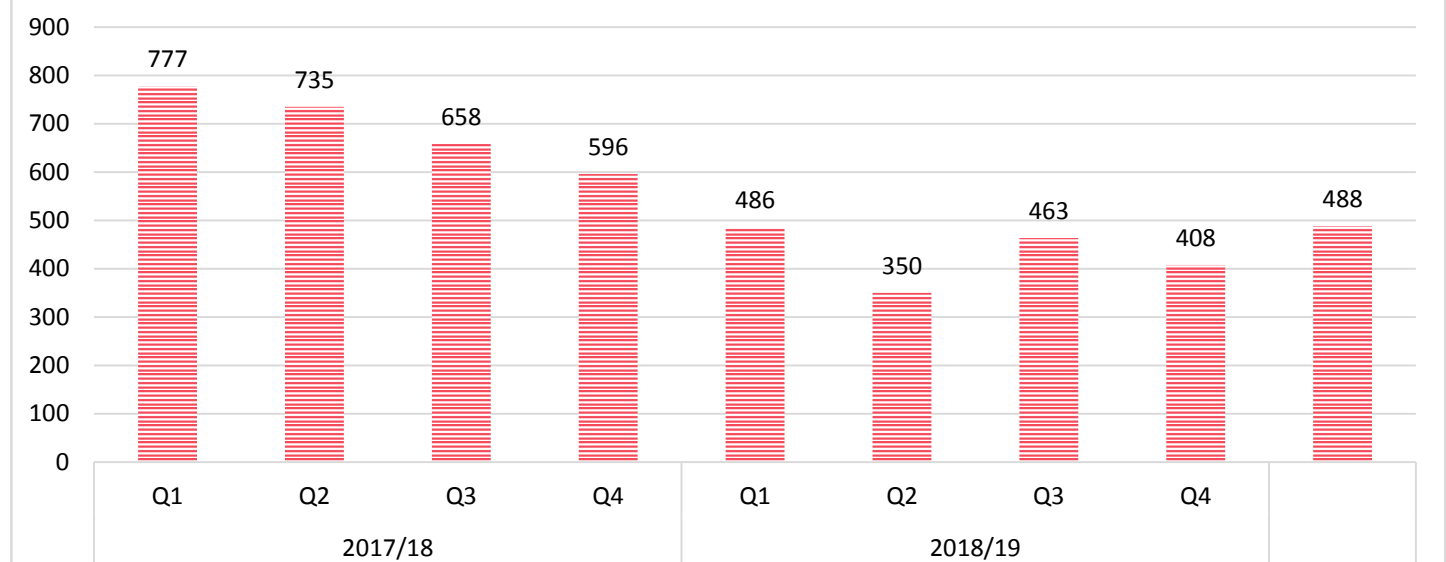
QvQ: -24.6%



Service comment: Q1 2018/19 data is an estimate and will be updated at Q2

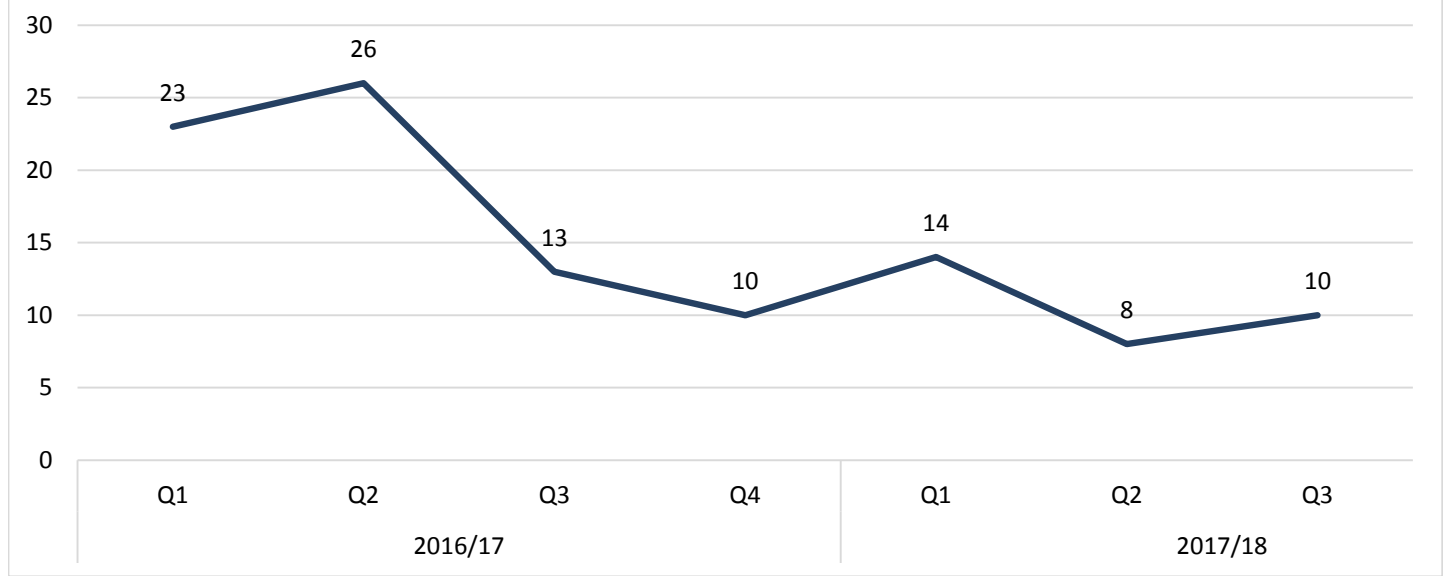
20 D&P: Number of qualifying live households on the Common Housing Register

QvQ: 0.4%



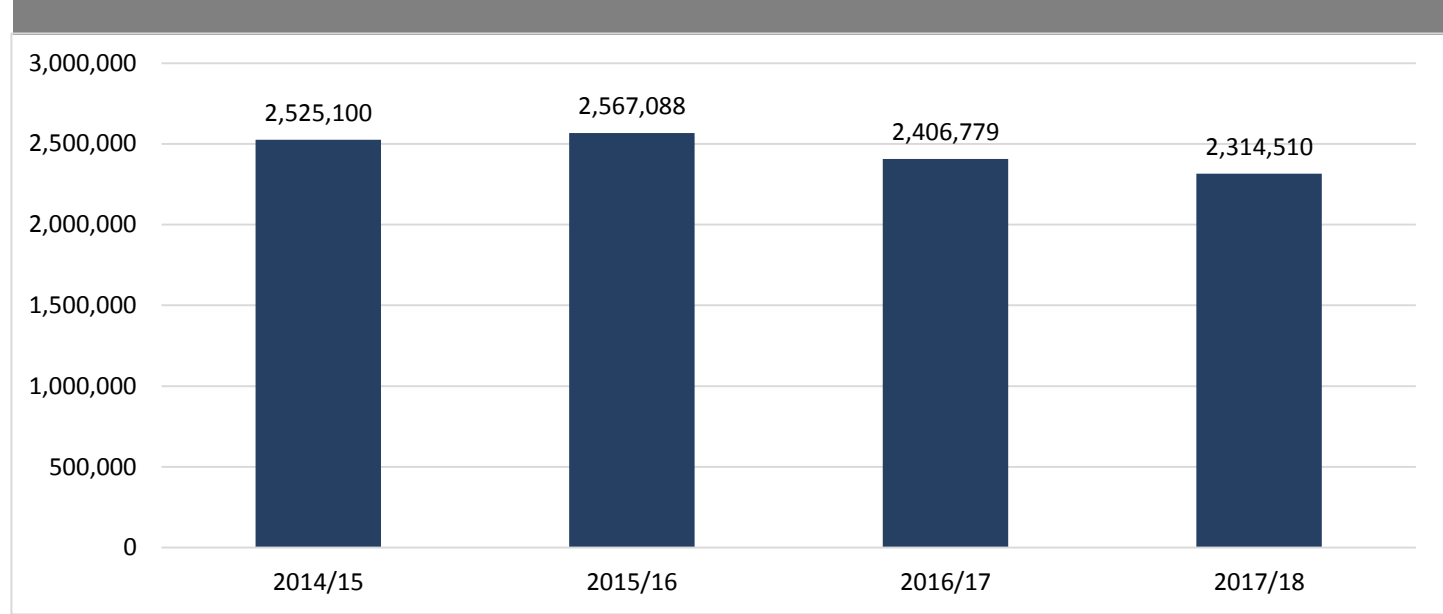
Service comment:

21 T&C: Number of people killed or seriously injured on roads in West Berkshire (incl Highway Agency roads) QvQ in arrears: -23.1%



Service comment: Usually reported quarterly in arrears, but Q4 2017/18 data has not yet been provided by the external data organisation

22 T&C: Number of bus passenger journeys commencing in West Berkshire YEvYE: -3.8%



Service comment:

Enable the completion of more affordable housing											
Pursue options to accelerate the delivery of affordable housing in the district											
Report.	Title	Responsible Officer	2016/17			2017/18			2018/19		Comment
			Target	RAG / Yearend Outturn	National Rank / Quartile	Target	RAG / Yearend Outturn	National Rank / Quartile	Target	Q1 RAG / Outturn	
Executive	To enable the completion of 1,000 affordable homes in the 2015-2020 period	Bryan Lyttle	-	- 83	-	1,000 by 2020 / 225 in year	■ 171	-	1,000 by 2020	🎯 Annual - Q4	
Deliver or enable key infrastructure improvements in relation to roads, rail, flood prevention, regeneration and the digital economy											
Invest £17m in our roads.											
Executive	% of the principal road network (A roads) in need of repair	Andrew Reynolds	5%	★ 3%	47/150 2nd	5%	★ 3%	dna	5%	🎯 Annual - Q4	
Seek to develop new partnerships with the private sector and local communities to enhance local infrastructure.											
Executive	(MSO) Market Street redevelopment 2018/19 milestone: Commence physical works of the bus station on the Wharf	Nick Carter	Jul-17	★ 2016/17 milestone complete in Jan-18	-	Physical works to start Jul-18 (changed at Q3 from Mar-18)	★ Milestone due to complete in July 2018	-	Jul-18	★ On track	Physical works have started and are on track to complete on time in November
Executive	(LRIER) London Road Industrial Estate redevelopment 2018/19 milestone: Create and gain approval for the business plan	Nick Carter	Apr-17	■ Delayed	-	On hold as dependent on conclusion of legal proceedings	■ Delayed due to court action	-	Dependent on conclusion of legal proceedings	◆ Behind schedule	See exception report for details
Executive	(Sterling Cables) 2018/19 milestone: Recommence decontamination on site	Nick Carter	Dec-16	★ Demolition and decontamination has commenced	-	Nov-18 (dependent on Marginal Funding Bid)	★ Marginal funding granted. Project back on track	-	Jul-18	★ On track	Scheduled to begin at the end of July 2018
Implement the Superfast Broadband Programme for Berkshire and West Berkshire.											
Executive	Increase number of West Berkshire premises able to receive Superfast Broadband services 24Mb/s or above	Kevin Griffin	90%	■ 60,519 (87.3%)	-	70,584 (96.6%)	★ 67,763 (92.7%)	-	72,893 (99.7%) Oct 2019	★ 68,762 (94.07%) (P)	As per revised schedule
Where services are independently inspected they are rated at least 'good' and peer reviews of safeguarding rated highly.											
Executive	% of WBC provider services inspected by Care Quality Commission (CQC) that are rated good or better by CQC in the area of "safe"	Paul Coe	100%	■ (4/5) 80%	-	100%	★ (5/5) 100%	-	100%	■ 83.3%	Q1: 5 / 6 See exception report for details.

Report.	Title	Responsible Officer	2016/17			2017/18			2018/19		Comment		
			Target	RAG / Yearend Outturn	National Rank / Quartile	Target	RAG / Yearend Outturn	National Rank / Quartile	Target	Q1 RAG / Outturn			
Support communities to do more to help themselves													
Accelerate the delivery of local services for local communities by local communities.													
Executive	Number of devolution deals agreed with Parish/Town Councils	Andy Day	-	-	-	-	Baseline	≈	3	-	2	★ In progress	We are currently working with Thatcham Town Council over the transfer of a further three open spaces/playgrounds to them. Discussions are also ongoing about other assets being transferred. We are also finalising proposals which could see Lambourn Parish Council assume responsibility for some Public Rights of Way, Traffic Islands and the Market Square.
Grow community conversations via Brilliant West Berkshire: Building Community Together partnership working													
Executive	Number of new community engagements facilitated (BCT)	Susan Powell	-	-	-	-	>10	★	15	-	>10	★ 8	Parish Clerks workshop, H&WB problem solving session, Peer Mentors co-ordinators conversation, Lambourn Parish Council, Burghfield and Mortimer Door Knock, Homeless Conference, Berkshire School of English and Royal Berkshire Fire and Rescue engagement in schools.
Core Business													
Protecting our children													
Executive	% of (single) assessments being completed within 45 working days	Pete Campbell	90%	★	(1467/1518) 96.6%	0	>=95%	★	(1858/1890) 98.3%	0	95%	★ 97.1%	Q1: 536 / 552
Executive	Placement moves - stability of placement of Looked After Children - number of moves (3 or more in a year)	Pete Campbell	<=10%	★	(15/161) 9.3%	0	<=10%	★	(5/144) 3.5%	0	<10%	★ 2.0%	Q1: 3 / 149
Bin collection and street cleaning													
Executive	% of household waste recycled, composted, reused and recovered (Local Indicator)	Jackie Ward	80%	★	(67,149/80,948) 83%	-	80%	★	(63,536/76,505) 83.0% (P)	-	80%	★ 90.1% (E)	YTD: Q1: 19,938 / 22,124 Q4 2017/18 result has been updated and is awaiting validation by DEFRA. There were seasonally high levels of waste in Q1 and therefore an inflated figure has been reported. This seasonality will probably average out during the year. Q1 result is an estimate based on partial availability of data and will not be finalised until the next quarter. All results are subject to change once figures are validated and confirmed by DEFRA after Q4.

Report.	Title	Responsible Officer	2016/17			2017/18			2018/19		Comment
			Target	RAG / Yearend Outturn	National Rank / Quartile	Target	RAG / Yearend Outturn	National Rank / Quartile	Target	Q1 RAG / Outturn	
Executive	Maintain an acceptable level of litter, detritus and graffiti (as outlined in the Keep Britain Tidy local environmental indicators)	Jackie Ward	Satisfactory	★ Good	-	Satisfactory	★ Good	-	Satisfactory	⌚ Reports from Q2	Q4 and Year end outturn have been updated
Providing benefits											
Executive	Average number of days taken to make a full decision on new Benefit claims	Iain Bell	<18.5 days	■ 22.75 days	-	<20 days	★ 19.54 days	-	<20 days	◆ 20.83 days	See exception report for details
Executive	Average number of days taken to make a full decision on changes in a Benefit claimants circumstances	Iain Bell	<8 days	■ 8.7 days	-	<9 days	★ 6.32 days	-	<9 days	★ 8.57 days	
Collecting Council Tax and Business Rates											
Executive	The 'in-year' collection rate for Council Tax	Iain Bell	99.0%	★ (98,457,967 / 100,097,445) 98.4%	-	99%	★ (104604310/10 5897764) 98.8%	-	98.8%	★ 29.6%	Q1: 33,343,016 / 112,735,509
Executive	The 'in-year' collection rate for Business Rates	Iain Bell	99.0%	★ (85,577,727/87,13 9,235) 98.2%	-	99%	★ (87059126/876 83258) 99.3%	-	99.0%	★ 37.8%	Q1: 33,917,616 / 89,801,606
Ensuring the wellbeing of older people and vulnerable adults											
Executive	% of clients with Long Term Service (LTS) receiving a review in the past 12 months	Paul Coe	75%	■ (841/1,219) 69.0%	-	75%	■ (842/1231) 68.4%	-	70%	◆ 69.0%	Q1: 872 / 1,263 See exception report for details.
Executive	Decrease the number of bed days due to Delayed transfers of care (DTC) from hospital	Tandra Forster	-	-	-	Q1 = 431.2 Q2 = 431.2 Q3 = 446 Q4 = 446	■ 636	-	tbc nationally in July/August	⌚ 320 (P)	Q4 2017/18 data has been confirmed. National target is yet to be confirmed, therefore this KPI can't be RAG'd
Executive	% of older people (65+) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services	Tandra Forster	82%	★ (103/111) 92.8%	0	83%	■ (99/123) 80.5% (P)	0	82%	★ 85.2%	Q1: 109 / 128
Executive	% of financial assessments completed within 3 weeks of referral to the Financial Assessment & Charging Team	Tandra Forster	90%	★ (1580/1588) 99.5%	-	98%	★ (1678/1683) 99.7%	-	98%	★ 100.0%	Q1: 411 / 411
Planning and housing											
Executive	% of 'major' planning applications determined within 13 weeks or the agreed extended time	Gary Rayner	60%	★ (65/86) 75.6%	108/125 4th	60%	★ (81/103) 78.6%	dna	88%	◆ 80.0%	Q1: 16 / 20 See exception report for details. Q4 2017/18 data has been confirmed.

Report.	Title	Responsible Officer	2016/17			2017/18			2018/19		Comment
			Target	RAG / Yearend Outturn	National Rank / Quartile	Target	RAG / Yearend Outturn	National Rank / Quartile	Target	Q1 RAG / Outturn	
Executive	% of 'minor' planning applications determined within 8 weeks or the agreed extended time	Gary Rayner	65%	★ (329/437) 75.3%	99/125 4th	65%	★ (323/433) 74.6%	dna	85%	◆ 71.4%	Q1: 65 / 91 See exception report for details. Q4 2017/18 data has been confirmed.
Executive	% of 'other' planning applications determined within 8 weeks or the agreed extended time	Gary Rayner	75%	★ (1,193/1,290) 92.5%	45/125 2nd	75%	★ (1,175/1,369) 85.8%	dna	90%	◆ 89.0%	Q1: 258 / 290 See exception report for details. Q4 2017/18 data has been confirmed.
Executive	Submit a New Local Plan for examination	Bryan Lyttle	Dec-19	★ On track	-	Dec-19	■ Behind schedule	-	Apr-20	★ On track	
Executive	Submit a Minerals & Waste Local Plan for West Berkshire to the Secretary of state for examination	Bryan Lyttle	Dec-19	★ On track	-	Dec-19	■ Behind schedule	-	Apr-20	★ On track	
Executive	% of people presenting as homeless where the homelessness has been relieved or prevented	Sally Kelsall	-	- -	-	-	6 -	-	tbc	⌚ dna	Due to the introduction of the Homelessness Reduction Act 2017, the service has had to implement a more robust reporting methodology for 2018/19. Historic data is therefore not comparable. The service will report one quarter in arrears following the submission of their statutory return to the Ministry Housing, Communities and Local Government to ensure consistency of approach.
Executive	% of high priority Disabled Facilities Grants approved within 9 weeks of receipt of full grant application	Sally Kelsall	80%	★ (63/66) 95%	-	90%	★ (113/114) 99.1%	-	90%	★ 100.0%	Q1: 25 / 25 Service request to remove this KPI from the report and investigate an alternative measure.

Nick Carter		Chief Executive Officer (CEO)				Q1 2018/19	Amber	
Indicator Ref: CEO3		Redevelop London Road Industrial Estate (LRIER) with St. Modwen Plc Business plan created and approved (Milestone 1)				Type: text		
Executive	2016/17 Year End	2017/18 Year End	2018/19				Target	Polarity
			Q1					
RAG	■	■	◆				tbc dependent on court	n/a
Qrtly outturn	-	-	-					
YTD outturn	Delayed	Delayed	Delayed					
REASON FOR AMBER:								
Continued delay due to ongoing court action. The case brought against the Council by Faraday Developments Ltd (FDL) was won in the High Court, however, the appellant sought leave to appeal. In October 2017 the Court of Appeal granted FDL leave to appeal and the Council will be defending its case. As a result the legal process continues.								
The case was heard at the Court of Appeal on 12-13 June 2018. We're still awaiting the judgement; we're hoping this will be within the next 6 months. This position has not changed during Q1 2017/18.								
REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN AND ALTERNATIVE PLANS: None								
FINANCIAL IMPLICATIONS: None								
SERVICE PLAN UPDATES REQUIRED: None								
STRATEGIC ACTIONS REQUIRED: None								

Tandra Forster / Paul Coe		Adult Social Care				Q1 2018/19	RED	
Ref: PS1asc2	% of WBC provider services inspected by Care Quality Commission (CQC) that are rated good or better by CQC in the area of "safe"					Type: Snapshot		
Executive	2016/17 Year End	2017/18 Year End	2018/19				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG		★	■				100%	Higher is better
Qtly outturn	4/5	5/5	5/6					
YTD outturn	80%	100%	83.3%					
<p>REASON FOR RED: Birchwood Nursing has an overall rating of Inadequate; it requires improvement in a number of domains including the domain of 'Safe'. It has been recently re-inspected, but as this was within 6 months of the previous inspection, the CQC have confirmed that they will not change the rating beyond 'Requires Improvement'.</p> <p>REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN AND ALTERNATIVE PLANS: A substantive action plan has been developed, which details the improvement requirements within the domain of 'Safe' as well as the other four domains. This plan is a living document and therefore is subject to change on a regular basis. Actions achieved to date include the delivery of safeguarding training at relevant levels to all staff, improvements to care plans, risk assessments and the processes that inform these, plus changes to medication controls and administration processes. Current actions include improving the recruitment of permanent WBC staff, in order to reduce the reliance on Agency staff, and re-evaluating current equipment in situ with plans and processes now in place to facilitate a smooth ordering system for replacements as and when required.</p> <p>FINANCIAL IMPLICATIONS: As part of the improvement plan set in October 2017 to lift Birchwood out of a rating of Inadequate with CQC, a voluntary embargo was placed on any new admissions into the nursing and residential units. The only exception to this was the 10 ground floor step down beds. This is because the nature and needs of the clients utilising the step down beds was substantively different to the upper two floors and step down bed occupancy is for 6 weeks only. No admissions since October has led to 11 void beds spaces, which has an impact on the income into the Home but also on the commissioning budget as ASC have been required to purchase beds in other establishments; often at a higher cost.</p> <p>SERVICE PLAN UPDATES REQUIRED: This is already incorporated in the ASC Service Plan and monitored through the CDP.</p> <p>STRATEGIC ACTIONS REQUIRED: We have already informed Members and senior management. The service is providing regular updates to Overview and Scrutiny Committee.</p>								

Nick Carter / Andy Walker		Finance & Property (Benefits)				Q1 2018/19	AMBER	
CBdF&P8		Average number of days taken to make a full decision on new Benefit claims				Type: Snapshot		
Executive	2016/17 Year End	2017/18 Year End	2018/19				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	■	★	◆				=<20	Lower is better
Qrtly outturn	-	-	-					
YTD outturn	22.75 days	19.54 days	20.83 days					
REASON FOR AMBER:								
The Benefits team were running with a number of vacancies and one member off long term sick. There is also a 'bedding down' of new Universal Credit processes.								
REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN:								
In terms of staff, 1 member of staff has been employed on a temporary basis since the 2nd July and another full time person is due to be employed shortly. We are also working with the member of staff on long term sick to return.								
Universal Credit (UC) has introduced new processes and together with improving communication these have taken some time to settle down. Despite Housing Benefit caseload reducing, the authority is required to support new claimants in making and maintaining application for UC as well as assisting DWP UC Assessment Centre in the assessment of new claims. This has resulted in an increase in activity which in some instances has taken priority.								
STRATEGIC ACTIONS REQUIRED: Not applicable at this stage.								

Tandra Forster / Paul Coe			Service				Q1 2018/19	AMBER
Ref: Cbfasc10			% of clients with Long Term Service (LTS) receiving a review in the past 12 months				Type: Snapshot	
Executive	2016/17 Year End	2017/18 Year End	2018/19				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	■	■	◆				70%	Higher is better
Qrtly outturn	841/1,219	842/1,231	872/1,263					
YTD outturn	69.0%	68.4%	69.0%					
REASON FOR AMBER:								
The team currently have a number of vacancies; these have been recruited to but we are waiting for new staff to start.								
REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN:								
We are re-deploying staff from our locality teams to provide increased capacity in this area and this should assist. Weekly reports provide detail of reviews required and is being actively used to focus work. Care Director supports a proportional approach to reviews and minimises paperwork to be completed; looking to fully apply this approach where appropriate and safe to do so.								
STRATEGIC ACTIONS REQUIRED:								
None.								

John Ashworth/Gary Lugg			Development and Planning				Q1 2018/19	AMBER
Indicator Ref: CBO1dp04 CBO1dp05 CBO1dp06			% of ' major ' planning applications determined within 13 weeks or the agreed extended time % of ' minor ' planning applications determined within 8 weeks or the agreed extended time % of ' other ' planning applications determined within 8 weeks or the agreed extended time				Type: %+	
Executive	2016/17 Year End	2017/18 Year End	2018/19				Target	Polarity
			Q1	Q2	Q3	Q4		
RAG	★ (lower targets)	★ (lower targets)	◆					
Qrtly outturn	-	-	16/20 80% (E) 65/91 71.4% (E) 258/2980 89% (E)				88% 85% 90%	Higher is better
YTD outturn	65/68 75.6% 329/437 75.3% 1,193/1,290 92.5%	81/103 78.6% 323/433 74.6% 1,175/1,369 85.8%	16/20 80% (E) 65/91 71.4% (E) 258/2980 89% (E)					
<p>REASON FOR AMBER: Development Control (DC) have historically achieved the targets for Major, Minor and Other planning applications. As part of the New Ways of Working Service review process it was agreed to increase the targets to the national average. The DC Team are confident that the targets can be achieved but as they have been introduced at the end of quarter 1 it is likely it will be difficult to achieve the new higher target for the full year.</p> <p>REMEDIAL MANAGEMENT ACTION BEING UNDERTAKEN: The team has been advised of the change and procedures updated. Performance will be monitored.</p> <p>STRATEGIC ACTIONS REQUIRED: None</p>								

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Quarterly Service Requests for Reviews of Measures

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 Strategic Measures will need to be approved by Corporate Board.

Quarter 1:

Measure of Volume:

1. Jobseeker's Allowance Count (16-64 and 16-24) (Reports to Corporate Board and Executive)

REQUEST from Performance, Research and Consultation team: replace with a count of the total number of claimants, which includes Universal Credit.

REASON: Claimants are being encouraged to apply for Universal Credit (UC), as it encompasses benefits for the employed and unemployed in one application. The reduction in residents claiming Jobseekers Allowance (JSA) may therefore be due to their swapping over to UC, rather than a reduction in unemployment. The total Claimant Count monitors both JSA and UC.

Key Accountable Measure:

2. % of high priority Disabled Facilities Grants approved within 9 weeks of receipt of full grant applications (Ref: CBO6dp15 - Reports to Corporate Board and Executive)

REQUEST from Development and Planning: To be remove this measure and investigate an alternative.

REASON: The measure is no longer useful. The work by the service is carried out before the application is submitted and therefore the processing time from submission to approval does not reflect demand on the service.

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Technical background and conventions

This report sets out the Council's progress against its key strategic performance measures for 2016/17. Performance is presented by priority and augmented with corporate health and contextual measures to further describe the operating environment and / or challenges.

Activities are monitored within the services. Of those reported here, there are 3 categories of KPIs:

KSMs	<p>Key Strategic Measures: Taken from individual Service Plans, which show the council's progress against the high level Strategic Priorities in the Council Strategy. These measures also cover the Core Business areas</p>
KAMs	<p>Key Accountable Measures: Small subset of the KSMs which are chosen by Members and reported through the Executive Cycle and externally</p>
CDP	<p>Council Delivery Plan Measures: Taken from individual Service Plans, which support the Strategic Priorities in the Council Strategy, and are specifically linked to one of the 'Key Things We Plan to Do'. A summary of these can be found on the last page of the refreshed Council Strategy</p> <p>They will be monitored quarterly through the CDP, and reported to Corporate Board as part of the overall quarterly performance narrative or 'so what' analysis. They may also be publicly reported at year end, as part of the Council Strategy Refresh or annual report</p>

Measures are RAG rated by projected year end performance, e.g. a prediction of whether the target or activity will be achieved by the end of the financial year (or, for projects, by the target date):

★ On target
 ◆ Behind target
 ■ Target missed
 ◎ Annual target
 ⌚ Data not available
 ≡ Baseline

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

Where a KSM or KAM is reported as 'amber' or 'red', an exception report is provided. This identifies the reasons for this assessment and shows what remedial action has been put in place to either bring the measure back on target or to mitigate the consequence of it not being achieved; and whether any Strategic action is required.

To note: where a change has been made to a target or the way in which a measure is reported, an asterisk (*) is placed next to the current target and in the adjacent explanatory comment.

Comparative outturns

Where possible our progress is compared to 152 local authorities, showing in which quartile we stand. Where a direct, national comparison is not available, this is labelled as 'local'. Because of the timescales involved in central government publication these are available 6-12 months in arrears.

Corporate Health

A summary of the progress against these measures are presented for each Directorate and monitor, for example, turnover, absence and attendance at mandatory training.

Measures of Volume / Contextual Measure

Each service reports non-targeted measures, which either illustrate the workload in a service or the state of the district, for e.g. average house prices. These are presented in a dashboard.

Scorecard

The Council Performance Scorecard is an overall summary of performance against the Council Strategy Priorities and Overarching Aim, Core Business areas and the two corporate health measures relating to revenue expenditure forecast and staff turnover.

A RAG rating is given to each Priority and the Overarching aim. This decision is not based on an exact formula, but is reached by the relevant decision bodies (e.g. Corporate Board, Executive), through their discussion of the KSM report. The RAG judgement aims to reflect the likelihood of delivering the priorities and aims over the lifetime of the Council Strategy.

Green (G) – indicates we have either achieved / exceeded or expected to achieve / exceed what we set out to do

Amber (A) – indicates we are behind where we anticipated to be, but still expect to achieve or complete the activities as planned

Red (R) indicates that we have either not achieved – or do not expect to achieve what we set out to do based on the current plans and results to date.

In a similar manner, an overall RAG rating is applied to each core business area and the Corporate Programme, but the focus is instead on the likelihood of achieving the end of year targets.

[Link to Performance framework](#)

Dashboard

The dashboard is providing a visual representation for the evolution of some Measures of Volume. The elements used to provide information are as follows:

- Arrows – upwards or downwards based on the evolution of the measure quarter versus quarter (e.g. Q2 this year vs. Q2 of the previous financial year). In some cases it is more appropriate to compare Year to Date values and this is indicated by the 'YTD' text on the arrows. A sideways pointing arrow indicates that there is not much difference between the two reporting periods.
- The number or percentages provided in bold on the arrows show the actual difference change or the percentage variance respectively between the reporting period (quarter only or year to date) and the corresponding period of previous year. The values between brackets reflect the result for the reporting quarter (except where 'YTD' text is added which indicates that the value is year to date).

To note: direction of travel is based on the difference between the two values and not as a result of a statistical test to assess if such a difference is statistically significant or not.

2018/19 Revenue Financial Performance: Quarter One - Summary Report

Committee considering report:	Executive
Date of Committee:	06 September 2018
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	23 August 2018
Report Author:	Andy Walker
Forward Plan Ref:	EX3561

1. Purpose of the Report

- 1.1 To inform Members of the latest revenue financial performance for 2018/19.

2. Recommendation

- 2.1 To note the report, and in particular the continued challenge of managing pressures in Adult Social Care, which are shared nationally, and the mitigation that is proposed in year to reduce the current end of year projection.

3. Implications

3.1 Financial:

The current financial forecast is an overspend of £1.3m against a net revenue budget £119.4m. This figure includes a number of mitigation strategies, notably the in year reduction of expenditure, where appropriate, across the Council, and in particular in Adult Social Care. Members will be aware that a risk reserve was agreed for a number of Services, including Adult Social Care, as part of this year's Budget setting. £996k of this risk reserve could be used to mitigate further the £1.3m forecast overspend but this has not yet been deployed and is not included in the forecast. At the same time there is a £768k risk management budget which could be utilised to help mitigate further the current forecast overspend. This has also not been deployed at this time. Taken together both would have a significant mitigating effect.

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 N/a – factual report for information.

Executive Summary

- 4.2 The financial performance reports provided to Members throughout the financial year report the forecast under or over spend against the Council's 2018/19 approved revenue budget of £119.4m. The Quarter One forecast is an over spend of £1.3m, which is 1.1% of the net budget.

Directorate Summary	Current Net Budget	Forecast (under)/over spend				Change from Last Quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
Communities	67,650	2,768	0	0	0	2,768
Economy and Environment	30,848	3	0	0	0	3
Resources	12,755	(280)	0	0	0	(280)
Capital Financing	8,174	(1,200)	0	0	0	(1,200)
Total	119,427	1,291	0	0	0	1,291

NB. Rounding differences may apply to nearest £k

- 4.3 The forecast overspend of £1.3m takes into account £1.2m of mitigating action to be delivered by services during the remainder of the current financial year.
- 4.4 The main driver of the forecast overspend position is the Communities Directorate which is forecasting an overspend, prior to in-year mitigating action, of £2.7m (4.1%) against a net budget of £67.6m
- 4.5 £2.4m of this sum relates to Adult Social Care Service which is facing increasing financial pressures on demand led, externally commissioned, placement budgets, over and above the modelled assumptions that formed the basis of budget setting. In addition, a number of risks, which are provided for in the service specific risk reserve, have materialised. Local Authorities nationally are facing significant financial challenges relating to the funding of Adult Social Care budgets, increasing demand on services and rising costs of commissioning care. Our position, as with other Local Authorities across the country, highlights the urgent need for a national review of funding for Adult Social Care.
- 4.6 The Adult Social Care service is taking a range of in-year mitigation measures and the expectation is that these will deliver an in-year reduction of £500k in the forecast overspend. The mitigation strategies are not factored into the service overspend position of £2.4m, but are reflected in the council's Quarter One forecast of £1.3m.
- 4.7 Over and above the Adult Social Care in-year measures, a decision has been taken corporately to slow expenditure in the remainder of the current financial year to address the overspend position. Children & Family Services and the Education Service which are currently forecasting an overspend position totalling £372k, have been tasked with identifying mitigation strategies of £200k. The £200k of mitigation is not reflected in the service's forecast but are reflected in the Council's Quarter One overspend position of £1.3m. A further £500k of mitigation has been allocated to corporate services.
- 4.8 Taken together it is anticipated that mitigation strategies will be able to deliver a £1.2m reduction to current £2.5m corporate overspend position, reducing the Quarter One forecast to an over spend of £1.3m. The £1.2m anticipated in year savings from mitigation strategies as a corporate response to the Adult Social Care overspend have been forecast against Capital Financing and Risk Management.

Once services have identified and quantified mitigation strategies, this balance will be allocated to services and reflected in the services budget monitoring forecasts.

- 4.9 In response to the volatility of some of the Council’s budgets, service specific risk reserves have been established. The levels of these reserves are informed by the level of risks in the service risk registers. Named risks that have arisen so far in 2018/19 amount to £996k and could be used to support the financial position. The Quarter One forecast is before any use of the risk reserves.

Risk Reserve Summary	Reserve Balance 1.4.2018	Change to level of Reserve	Current Reserve Balance	Risks arising 2018/19	Potential Risk Reserve balance 31.03.2019
Service	£000	£000	£000	£000	£000
Adult Social Care	881	719	1,600	-716	884
Children & Family Services	38	377	415	-130	285
Education	0	279	279	-150	129
Leisure	0	50	50	0	50
Libraries	0	90	90	0	90
Transport & Countryside	0	75	75	0	75
Legal Services	50	0	50	0	50
Total	969	1,590	2,559	-996	1,563

- 4.10 The 2018/19 budget was set with a risk management budget of £768k. As per the Medium Term Financial Strategy and Revenue Budget approved by Council, this budget was built because the Council was facing a number of risks that could arise in 2018/19 but could not be quantified at the time of budget setting. These included increase in demand for services over and above budget assumptions, inflationary pressures, income risks and risk to delivery of savings plans. This budget could be released to support the financial position. The Quarter One forecast is before any use of this budget provision.
- 4.11 The Council’s Quarter One forecast position of £1.3m overspend, is after forecasting the impact of a corporate mitigation measures to stop non-essential spend, but before release of the risk management budget (£768k) and before use of available risk reserves (£996k).
- 4.12 The budget for 2018/19 was set with a savings and income generation programme of £5.2m. The programme is monitored on a monthly basis using the RAG system. The Council set a revenue budget of £119.4m for 2018/19. At Quarter One £126k of risks are Red (2%), £1.6m Amber (31%) and £3.5m Green (67%).
- 4.13 In-year budget changes may be approved and the approval limits are set out in the Council’s Financial Regulations. There are no budget movements requiring Executive approval at Quarter One. Details are shown in Appendix E.
- 4.14 The Council created a Transformation Reserve of £1m in order to ensure that the Council has the resources to pursue transformation plans outlined in the MTFs and to invest in strategies that will bring future benefits to the organisation. £566k was allocated in 2017/18 and £212k in 2018/19. Council approval was given to increase the Transformation Reserve in 2018/19 by £561k, as part of the Strategy for use of Capital Receipts. The reserve currently stands at £783k.
- 4.15 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance

(England) Regulations 2018. The budget for 2018/19 of £128m was set with a planned overspend of £655k. At Quarter One there are no variances to budget.

5. Proposal

5.1 To note the forecast position.

6. Conclusion

6.1 The Council is facing an in year overspend of £1.3m against a net revenue budget of £119.4 m, which is 1.1% of the net budget. The main driver of this is a £2.4m overspend in Adult Social Care. The Council has responded to the financial position and has put in place measures to mitigate the overspend, and identified budgets that could be released to bring the forecast overspend down further. These measures will be monitored through the remainder of the year. The Council has an excellent track record of managing the savings programme and minimising budget over spends, but if the forecast over spend remains at year end, it will impact on our reserves.

7. Appendices

7.1 Appendix A – Data Protection Impact Assessment

7.2 Appendix B – Equalities Impact Assessment

7.3 Appendix C – Supporting Information

7.4 Appendix D – Summary Revenue Forecast 2018/19

7.5 Appendix E – Summary of Revenue Budget Movements

7.6 Appendix F – Savings and Income Generation Programme Risk Items

7.7 Appendix G – Service Specific Risk Reserves

Appendix A

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	Resources
Service:	Finance and Property
Team:	Accountancy
Lead Officer:	Melanie Ellis
Title of Project/System:	Q1 Financial Performance
Date of Assessment:	23/8/18

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	x
<p>Will you be processing data on a large scale?</p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	x
<p>Will your project or system have a “social media” dimension?</p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	x
<p>Will any decisions be automated?</p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	x
<p>Will your project/system involve CCTV or monitoring of an area accessible to the public?</p>	<input type="checkbox"/>	x
<p>Will you be using the data you collect to match or cross-reference against another existing set of data?</p>	<input type="checkbox"/>	x
<p>Will you be using any novel, or technologically advanced systems or processes?</p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	x

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

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 as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

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

What is the proposed decision that you are asking the Executive to make:	No decision.
Summary of relevant legislation:	
Does the proposed decision conflict with any of the Council's key strategy priorities?	
Name of assessor:	Melanie Ellis
Date of assessment:	23/8/18

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

1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	
Objectives:	
Outcomes:	
Benefits:	

2 Note which groups may be affected by the proposed decision. 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
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Further Comments relating to the item:		

3 Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	Yes/No
Please provide an explanation for your answer:	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	Yes/No
Please provide an explanation for your answer:	

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 Two 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 required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name:

Date:

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

7.8

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2018/19 Revenue Financial Performance: Quarter One – Supporting Information

1. Introduction/Background

- 1.1 The financial performance reports provided to Members throughout the financial year report the forecast under or over spend against the Council's 2018/19 approved revenue budget of £119.4m.
- 1.2 The Quarter One forecast is an over spend of £1.3m, which is 1.1% of the net budget. The forecast overspend of £1.3m includes £1.2m of mitigating action to be delivered by services during the remainder of the current financial year. Prior to any mitigation, the Council is forecasting an overspend position of £2.5m, the driver of this overspend is Adult Social Care. Local Authorities nationally are facing significant financial challenges relating to the funding of Adult Social Care budgets, increasing demand on services and rising costs of commissioning care. Our position, as with other Local Authorities across the country highlights the urgent need for a national review of funding for Adult Social Care.
- 1.3 The Communities Directorate is forecasting an overspend of £2.8m (4.1%) against a net budget of £67.6m. The services forecasting overspend positions are Adult Social Care £2.4m, Children and Family Services £220k and Education Services £152k. In Adult Social Care, the service is facing increasing financial pressures on demand led, externally commissioned placement budgets, over and above the modelled assumptions that formed the basis of budget setting. In addition, a number of risks, which are provided for in the service specific risk reserve, have materialised. Further pressures have arisen in-year due to the financial impact of making improvements to our transfers of care from hospital and improving one of our care homes. The remainder of the Communities Directorate is on line.
- 1.4 Economy & Environment are forecasting an overspend of £3k and the Resources Directorate is forecasting an underspend of £280k, due to the over achievement of investment property income.
- 1.5 Capital Financing and Risk Management is forecasting an underspend of £1.2m. The £1.2m is the forecast financial outcome of the actions that are being taken to stop non-essential spend where possible across the organisation, as a corporate response to the Adult Social Care overspend. As savings from these actions become clearer, they will be shown in the relevant service areas in future forecasts.
- 1.6 The 2018/19 budget was set with a risk management budget of £768k. As per the Medium Term Financial Strategy and Revenue Budget approved by Council, this budget was built because the Council was facing a number of risks that could arise in 2018/19 but could not be quantified at the time of budget setting. These included increase in demand for services over and above budget assumptions, inflationary pressures, income risks and risk to delivery of savings plans. This budget could be released to support the financial position. The Quarter One forecast is before any use of this budget provision.

- 1.7 In response to the volatility of some of the Council’s budgets, service specific risk reserves have been established. The levels of these reserves are informed by the level of risks in the service risk registers. Named risks have arisen so far in 2018/19 amounting to £996k (£716k Adult Social Care, £130k Children and Family Services, £150k Education). The risk reserves could be used to support the financial position. The Quarter One forecast is before any use of the risk reserves.
- 1.8 The Quarter One forecast position of £1.3m overspend, is after forecasting the impact of a corporate response to stop non-essential spend, but before release of the risk management budget (£768k) and before use of available risk reserves (£996k).

2. Changes to the 2018/19 Budget

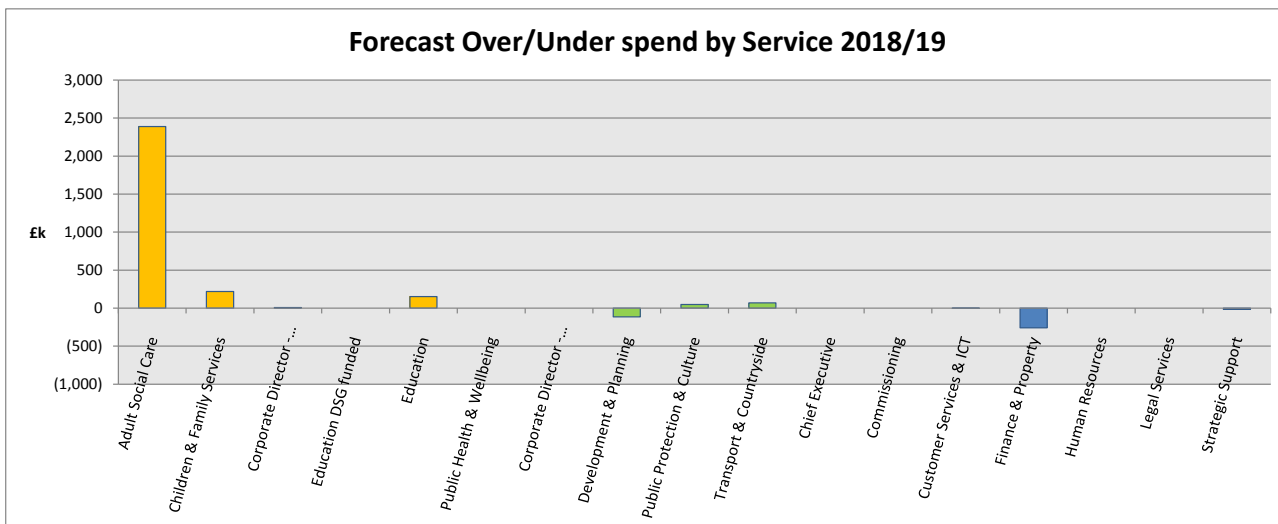
- 2.1 The Council set a revenue budget of £119.4m for 2018/19. During the year budget changes may be approved as per the approval limits in the Council’s Financial Regulations. Budget increases occur when budgets are brought forward from the previous year as a result of requests that are approved at 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.
- 2.2 Budget changes are summarised at Appendix G.

3. Summary Revenue Forecast 2018/19

Directorate Summary	Current Net Budget	Forecast (under)/over spend				Change from Last Quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
Communities	67,650	2,768	0	0	0	2,768
Economy and Environment	30,848	3	0	0	0	3
Resources	12,755	(280)	0	0	0	(280)
Capital Financing	8,174	(1,200)	0	0	0	(1,200)
Total	119,427	1,291	0	0	0	1,291

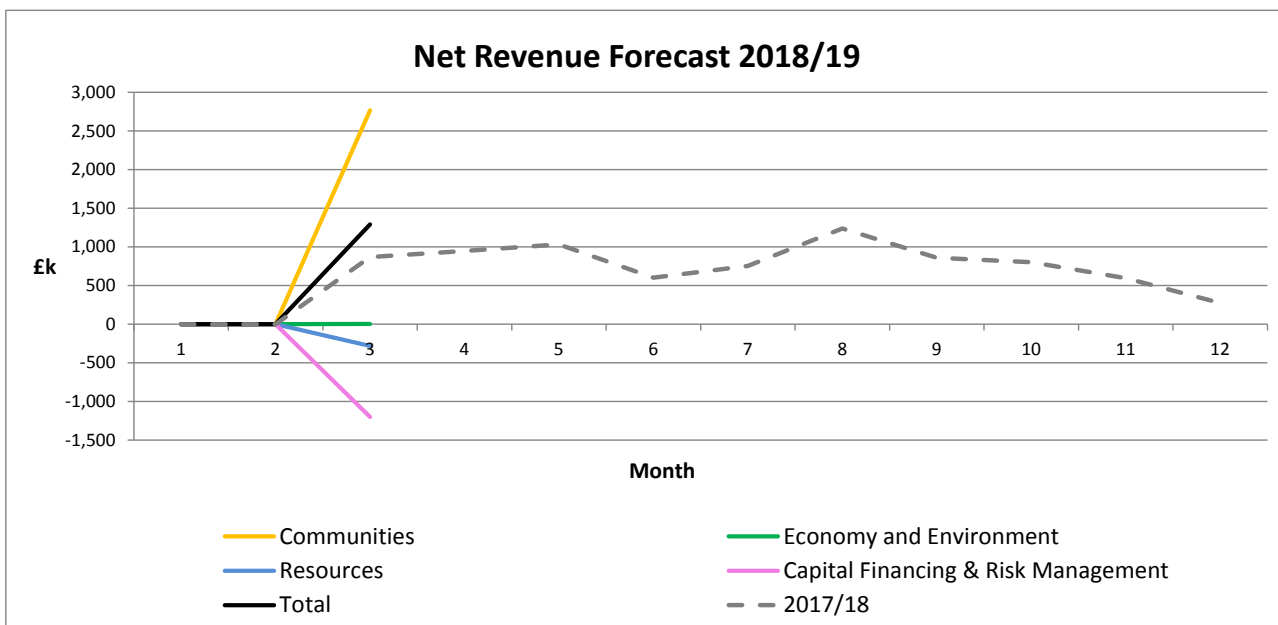
NB. Rounding differences may apply to nearest £k

- 3.1 At Quarter One the Council’s revenue forecast is an over spend of £1.3m against a net revenue budget of £119.4m. The forecasts by Service are shown in the following chart.



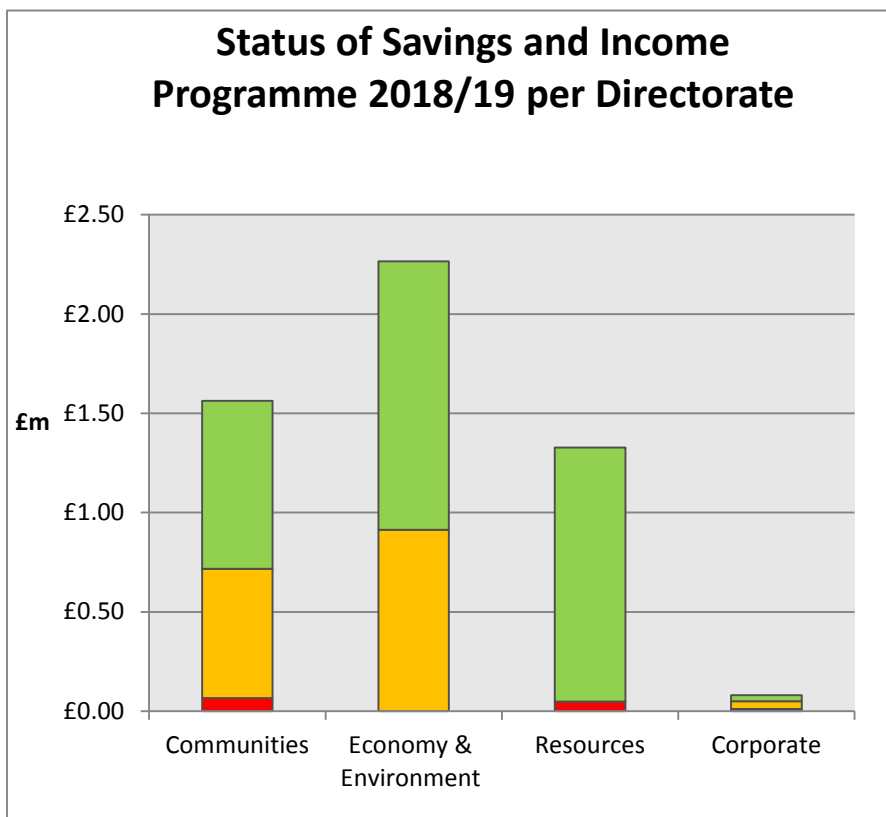
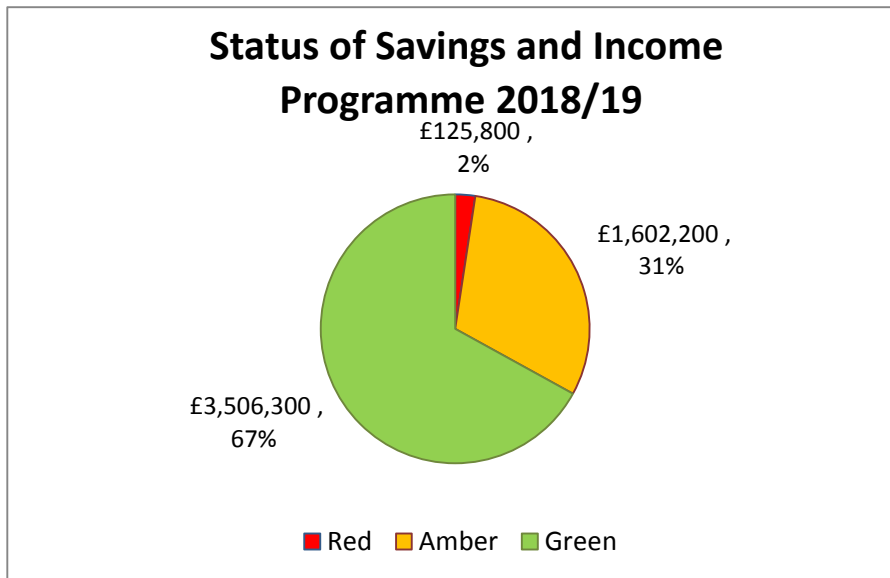
3.2 The main service driving the over spend is Adult Social Care with a forecast over spend of £2.4m (5.6%) against a budget of £42.8m. The pressure has arisen primarily, although not exclusively, within the demand led commissioning budgets. The cost of commissioning client packages from the external market has risen significantly and has exceeded inflationary forecasts that the budget was built on. The service and the whole Council is putting mitigation strategies in place in order to bring the forecast overspend down by year end.

3.3 The following chart shows the monthly forecasts through 2018/19, with a 2017/18 comparison.



4. 2018/19 Savings and Income Generation Programme

4.1 In order to meet the funding available, the 2018/19 revenue budget was built with a £5.2m savings and income generation programme. The programme is monitored on a monthly basis using the RAG traffic light system. The status of the programme is shown in the following charts:



4.2 Communities

The revenue budget for the Communities Directorate 2018/19 was built with a savings and income generation programme of £1.6m. The programme is expected to be £845k Green, £650k Amber and £67k red.

Corporate Director:

£61k of savings relating to income targets assigned to the former Prevention & Safeguarding Service have been reallocated as an efficiency target against the Communities Corporate Director cost centre. The directorate is reviewing alternative options for delivery of the savings target which is currently forecast as red.

Adult Social Care:

Adult Social care 2018/19 budget was built with a £761k savings and income generation programme.

A £6k saving in respect of the establishment of a framework for S12 specialist GPs for Deprivation of Liberty safeguards for Adult Social Care is forecast as red and is unlikely to be achieved in the financial year.

The Transforming Lives (delivering care differently strategy), £175k and the New Ways of Working transformation programme, £225k savings are both forecast as amber at Quarter One.

Transforming Lives, which is now titled Delivering Care Differently, is focused on delivery of savings through the Shared Lives programme and a programme of reviewing client packages, progress is being made against delivery of the saving.

Implementation of the new case management system meant ASC did not receive NWW performance reports. This has been resolved for 2018/19 and the key indicator of people coming to the front door who then go on to long term services is a very positive 7%. The service will continue to maintain a focus on maintaining this conversion rate but this will not mitigate other factors that impact commissioning budgets e.g. delayed transfers of care or private funders who run out of money and become the Council's responsibility.

£355k of income generation is expected to be achieved in full.

Children & Family Services:

Children & Family Services 2018/19 budget was built with a £426k savings & income generation programme.

The saving of £200k for Childcare Lawyers is amber which is on track to deliver. However, due to the unavailability of data from Reading Council it has been flagged as a risk and though the expectation of the volume of complex cases will not be at the same level as it was last year there is the unpredictability of Court orders.

All other savings are expected to be achieved.

Education:

Education 2018/19 budget was built with a £313k of savings & income generation programme.

The saving of £50k for Castlegate is amber as there is a medium risk of the saving not being achieved due to income generation not being implemented yet.

All other savings are expected to be achieved.

4.3 Economy and Environment

The revenue budget for the Economy and Environment Directorate was built with a savings programme of £2.3m. The programme is expected to be £1.4m Green and £913k Amber.

Transport and Countryside:

£900k income generation is amber due to the delay to the start of charging for garden waste.

Development and Planning:

£13k for increased rent levels for temporary accommodation is amber as it is too early in the year to confirm.

4.4 Resources

The 2018/19 budget for Resources was built with a £1.3m savings and income generation programme, including £500k net income from new investment properties. The programme is expected to be £1.3m Green and £48k Red.

Strategic Support:

There is a £68k income target for the graphics team of which £48k is expected to be red. Reduced internal demand for the services of the imagery and graphics design team has resulted in anticipated income being £48k lower than target for this service. There are some savings to be made in the Performance and Corporate Programme Teams but at present these are not expected to fully mitigate this unmet saving.

Appendix D provides a list of the savings and income items that are at risk.

5. Communities Directorate Quarter One Review

Communities	Current Net Budget	Forecast (under)/over spend				Change from Last Quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
Adult Social Care	42,806	2,388				2,388
Children & Family Services	15,919	220				220
Corporate Director - Communities	152	8				8
Education DSG funded	(444)	0				0
Education	8,962	152				152
Public Health & Wellbeing	255	0				0
Communities	67,650	2,768	0	0	0	2,768

5.1 The forecast revenue over spend for the Communities Directorate is £2.8m against a net budget of £67.6m, which is 4.1% of net budget.

5.2 Three services are forecasting year end overspend positions as at Quarter One, Adult Social Care £2.4m, Children and Family Services £220k and Education Services £152k. Across these three services increasing financial pressures have been identified on demand led, externally commissioned placement budgets. Agency pressures have been identified across the Child Protection Teams within Children & Family Services.

(1) Adult Social Care

Adult Social Care is forecasting an over spend of £2.4m as at Quarter One against a £42.8m budget, which is 5.6% of net budget.

The service is facing increasing financial pressures on demand led, externally commissioned placement budgets, over and above the modelled assumptions that formed the basis of budget setting. In addition, a number of risks, which are provided for in the service specific risk reserve, have materialised. Further pressures have arisen in-year due to the financial impact of making improvements to our transfers of care from hospital and improving one of our care homes.

At Quarter One, the demand led commissioning budgets are forecast to overspend by £2.1m, which is 7.5% of the £28.2m commissioning budget. The most significant forecast overspends within the commissioning budget are against physical support and memory and cognition support services for over 65s, and support services for individuals with learning disabilities aged 18-64. The rate of inflation levied by suppliers has been significantly higher than modelled, as a result average prices for residential and nursing care have increased exponentially.

Non-commissioning functions are forecast to overspend by £271k, which is 2% of the £14.8m non-commissioning budget. The pressure is partly the result of the extension to the embargo on Birchwood Care Home which is forecast to be lifted in September 2018, demand led pressure on careers budgets and use of agency to cover key posts under recruitment.

The service has been tasked with identifying strategies to partially mitigate the forecast overspend position within the region of £500k. Work is currently underway to review potential for in year savings, the forecast of £2.4m does not include any quantification of mitigation strategies. Furthermore, within the current financial year, £716k of risks have materialised contributing to the overspend position. The service has a £1.6m risk reserve, which if funding were released (with agreement of Members), would reduce the forecast overspend position (inclusive of the £500k in year mitigation) to £1.2m.

(2) Children and Family Services

Children & Family Services is forecasting a £220k overspend against budget at Quarter One. There are pressures in the Child Protection Teams, £173k, which has agency (filling vacant posts) and additional staffing costs (covering maternity, sabbatical leave and a newly qualified social worker). There is a £20k forecast overspend for the Emergency Duty Team as an in-year cost pressure.

This service along with the Education Service have been tasked with identifying strategies to partially mitigate the forecast overspend position within the region of £200k. Work is currently underway to review potential for in year savings, the forecast of £220k does not include any quantification of mitigation strategies. Furthermore, within the current financial year, £130k of risks have materialised contributing to the overspend position. The service has a £415k risk reserve, which if funding were released (with agreement of Members), would reduce the forecast overspend position.

(3) Education

The Education Service is forecasting an over spend of £152k at the end of Quarter One. This is largely due to an additional child going into a residential care and adjustments in community care packages. SEN services are overspent owing to a reduction in SEN reform grant, £35k, and a shortfall on staffing budgets, £7k. The

overspend has been partially offset by underspends on transport, £66k, and £21k on other disabled children services.

This service along with the Children & Family Service have been tasked with identifying strategies to partially mitigate the forecast overspend position within the region of £200k. Work is currently underway to review potential for in year savings.

The Education risk reserve is £279k for 2018/19. The residential placement over spend relates to identified risks with provision of £150k, and therefore the risk reserve could be utilised to offset the over spend, should Members decide to do so. If the reserve were used, the remaining over spend would be £2k.

(4) Public Health & Wellbeing

Public Health is forecasting an on line position.

6. Economy & Environment Directorate Quarter One Review

Economy and Environment	Current Net Budget	Forecast (under)/over spend				Change from Last Quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
Corporate Director - Environment	179	0				0
Development & Planning	2,826	(114)				(114)
Public Protection & Culture	3,965	47				47
Transport & Countryside	23,878	70				70
Economy and Environment	30,848	3	0	0	0	3

6.1 The Directorate is currently forecasting a £3k over spend against a budget of £30.8m.

(1) Public Protection & Culture

The Service is forecasting an over spend of £47k. This is due to:

- Mop up costs associated with two functions that have now ceased - Activity Team and the Duke of Edinburgh scheme £25k.
- A decline in council use of Shaw House has continued a trend seen last year and as a result internal income is expected to be £29k short of target. Developing new income streams from external customers is a priority so that this pressure can be mitigated.
- Museum income is expected to be ahead of target by £7k as a result of better than expected performance of the café at the Granary.

7. Resources Directorate Quarter One Review

Resources	Current 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	791	0				0
Commissioning	932	0				0
Customer Services & ICT	3,036	(3)				(3)
Finance & Property	3,169	(260)				(260)
Human Resources	1,428	0				0
Legal Services	1,050	0				0
Strategic Support	2,349	(17)				(17)
Resources	12,755	(280)	0	0	0	(280)

7.1 The Directorate is forecasting a £280k underspend on a budget of £12.8m.

(1) Strategic Support

Strategic Support Quarter One forecast is an under spend of £17k. Savings have been identified within members expenses £10k, and corporate programme management £20k. This latter saving is being offered up as a permanent saving as part of FCR.

There are a number of pressures, being: non achievement of internal income savings target £48k; reduction in demand for local land charges service £18k; and reduced grant funding for elections £10k. These are fully mitigated in year by underspends detailed above and through savings already identified as follows: staff £36k; IT £30k.

(2) Property Investment Income

The council has invested £38m in commercial property out of an initial budget of £50m. This investment has primarily been made to generate income to support the provision of council services. The forecast for this year is that the target of £500k net income will be exceeded achieving a further £250k over and above the target.

8. Capital Financing and Risk Management

8.1 Capital Financing and Risk Management is forecasting an underspend of £1.2m. The £1.2m is the forecast financial outcome of the actions that are being taken to stop non-essential spend where possible across the organisation, as a corporate response to the Adult Social Care overspend. As savings from these actions become clearer, they will be shown in the relevant service areas in future forecasts.

9. Risks

9.1 In response to the volatility of some of the Council's demand led budgets, a number of service specific risk reserves have been established. The current level of service specific risk reserves and the risks that have arisen in 2018/19 are shown in the table below.

Risk Reserve Summary	Reserve Balance 1.4.2018	Change to level of Reserve	Current Reserve Balance	Risks arising 2018/19	Potential Risk Reserve balance 31.03.2019
Service	£000	£000	£000	£000	£000
Adult Social Care	881	719	1,600	-716	884
Children & Family Services	38	377	415	-130	285
Education	0	279	279	-150	129
Leisure	0	50	50	0	50
Libraries	0	90	90	0	90
Transport & Countryside	0	75	75	0	75
Legal Services	50	0	50	0	50
Total	969	1,590	2,559	-996	1,563

9.2 The Quarter One forecasts are before any use of these reserves, but £996k could be released to support the forecast position, subject to member approval. Further detail on the reserves and risks arising is in Appendix G.

10. Transformation Funding

10.1 The Transformation Reserve was established in order to ensure that the Council has the resources to pursue transformation plans outlined in the MTFs and to invest in strategies that will bring future benefits to the organisation. Funds have so far been allocated to:

Directorate	Service	Project Description	Transformation Funding Awarded
			£000
Opening Balance			1,000
Communities	Education	Emotional Health Academy	-6
Resources	Commissioning	Invest to save posts in commissioning	-225
Resources	HR	Invest to save post - Apprenticeship Coordinator	-74
Resources	Legal	Shared service advice	-12
Communities	Education	Invest to save - Family Hub transformation	-28
Resources	F&P, HR, SSU	Invest to save - New Ways of Working project	-216
Communities	ASC	Transport	-5
Total awarded 2017/18			-566
Closing Balance 31.3.18			434
Capital Receipts allocated to transformation			561
Opening Balance 1.4.2018			995
Resources	SSU	Commercial Group 2 sales & marketing officers(2yrs)	-169
Communities	ASC	Transport data reviewing officer extension	-3
Resources	Commissioning	Extend fixed term post 1 yr re ASC	-41
Total awarded 2018/19			-212
Closing Balance 31.3.19			783

10.2 Council approval was given to increase the Transformation Reserve in 2018/19 by £561k, as part of the Strategy for use of Capital Receipts.

11. Employee Costs

11.1 The following chart shows an analysis of employee costs by Directorate at Quarter One.

Quarter One – Supporting Information

Employee Costs	Last Years' Outturn £	Original Budget for 2018/19 £	Total Changes to Budget during 2018/19 £	Current Budget for 2018/19 £	Profiled Current Budget £	Exp/Inc to date £	Actual Variance £
Communities							
Salary costs	23,318,693	24,253,440	1,212,830	25,466,270	6,341,101	6,032,951	-308,150
Agency & Temporary Staff	3,346,024	2,983,090	-7,700	2,975,390	740,872	847,699	106,827
Other Costs	2,018,775	876,410	10,680	887,090	220,885	515,076	294,191
Total	28,683,492	28,112,940	1,215,810	29,328,750	7,302,858	7,395,726	92,868
Economy & Environment							
Salary costs	13,268,065	13,835,180	550,410	14,385,590	3,582,012	3,567,694	-14,318
Agency & Temporary Staff	366,836	333,800	0	333,800	83,116	109,206	26,090
Other Costs	517,850	447,450	-550	446,900	111,278	11,666	-99,612
Total	14,152,751	14,616,430	549,860	15,166,290	3,776,406	3,688,566	-87,840
Resources							
Salary costs	11,686,960	12,450,780	638,540	13,089,320	3,259,241	2,801,809	-457,432
Agency & Temporary Staff	262,997	131,140	0	131,140	32,654	38,207	5,553
Other Costs	-58,494	66,110	19,910	86,020	21,419	-66,597	-88,016
Total	11,891,463	12,648,030	658,450	13,306,480	3,313,314	2,773,419	-539,895
Total							
Salary costs	48,273,718	50,539,400	2,401,780	52,941,180	13,182,354	12,402,454	-779,900
Agency & Temporary Staff	3,975,857	3,448,030	-7,700	3,440,330	856,642	995,112	138,470
Other Costs	2,478,131	1,389,970	30,040	1,420,010	353,582	460,145	106,563
Total	54,727,706	55,377,400	2,424,120	57,801,520	14,392,578	13,857,711	-534,867

11.2 The chart shows the profiled budget to 30 June 2018, i.e. three months' worth of budget. It should be noted that invoices will often be received in the month after the cost is incurred, so not all costs to date will be captured. Outstanding invoices will be accrued for as part of our year end closedown so there may be an increase in expenditure compared to budget at this point.

12. Dedicated Schools Grant – Quarter One Review

12.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance (England) Regulations 2018.

12.2 The budget for 2018/19 of £128m was set with a planned overspend of £655k. At Quarter One there are no variances to budget.

13. Proposals

13.1 To note the forecast position.

14. Conclusion

14.1 The Council is facing an in year overspend of £1.3m against a net revenue budget of £119.4 million, which is 1.1% of the net budget. The main driver of this is a £2.4m overspend in Adult Social Care. The Council has responded to the financial position and has put in place measures to mitigate the overspend, and identified budgets that could be released to bring the forecast overspend down further. These measures will be monitored through the remainder of the year. The Council has an excellent track record of managing the savings programme and minimising budget

over spends, but if the forecast over spend remains at year end, it will impact on our reserves.

Background Papers:

None

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:

All

Strategic Aims and Priorities Supported:

The proposals will help achieve the following 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**

The proposals contained in this report will help to achieve the following 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**

Officer details:

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2018/19 Summary Revenue Forecast: Quarter One

Appendix D

	Budget		Forecasted Performance						
	Original Budget for 2018/19 £	Revised Budget for 2018/19 £	Expenditure			Income			Net
			Annual Expenditure Budget for 2018/19 £	Annual Expenditure Forecast for 2018/19 £	Expenditure Variance for 2018/19 £	Annual Income Budget for 2018/19 £	Annual Income Forecast for 2018/19 £	Income Variance for 2018/19 £	Net Variance £
Adult Social Care	41,610,640	42,805,820	57,985,330	61,975,910	3,990,580	-15,179,510	-16,781,720	-1,602,210	2,388,370
Childrens and Family Services	14,620,710	15,919,100	18,007,310	18,552,880	545,570	-2,088,210	-2,413,780	-325,570	220,000
Corporate Director - Communities	208,190	151,800	151,800	159,580	7,780	0	0	0	7,780
Education (DSG Funded)	-444,000	-444,000	99,794,520	99,783,470	-11,050	-100,238,520	-100,227,470	11,050	0
Education	8,264,500	8,962,110	11,805,300	11,738,050	-67,250	-2,843,190	-2,623,810	219,380	152,130
Public Health & Wellbeing	-80,000	254,790	6,247,260	6,177,380	-69,880	-5,992,470	-5,922,590	69,880	0
Communities	64,180,040	67,649,620	193,991,520	198,387,270	4,741,320	-126,341,900	-127,969,370	-1,627,470	2,768,280
Corporate Director - Environment	171,120	179,590	179,590	179,590	0	0	0	0	0
Development and Planning	2,564,890	2,826,230	4,980,860	4,866,860	-114,000	-2,154,630	-2,154,630	0	-114,000
Public Protection and Culture	3,719,900	3,964,770	9,237,270	8,851,950	-385,320	-5,272,500	-4,840,340	432,160	46,840
Transport and Countryside	23,279,940	23,877,360	33,355,900	33,446,900	91,000	-9,478,540	-9,499,540	-21,000	70,000
Environment	29,735,850	30,847,950	47,753,620	47,345,300	-408,320	-16,905,670	-16,494,510	411,160	2,840
Chief Executive	765,640	791,050	791,050	791,050	0	0	0	0	0
Commissioning	752,300	931,760	7,218,300	7,218,300	0	-6,286,540	-6,286,540	0	0
Customer Services and ICT	3,056,630	3,035,420	3,906,190	3,858,550	-47,640	-870,770	-825,830	44,940	-2,700
Finance and Property	3,166,980	3,169,190	45,175,750	45,165,750	-10,000	-42,006,560	-42,256,560	-250,000	-260,000
Human Resources	1,349,430	1,428,300	1,946,200	1,910,610	-35,590	-517,900	-482,310	35,590	0
Legal Services	1,006,290	1,050,320	1,180,580	1,180,580	0	-130,260	-130,260	0	0
Strategic Support	2,181,970	2,348,790	2,799,120	2,775,530	-23,590	-450,330	-444,150	6,180	-17,410
Resources	12,279,240	12,754,830	63,017,190	62,900,370	-116,820	-50,262,360	-50,425,650	-163,290	-280,110
Capital Financing & Management	10,359,130	10,465,690	10,973,370	10,973,370	0	-507,680	-507,680	0	0
Movement Through Reserves	-117,000	-3,059,190	-3,059,190	-3,059,190	0	0	0	0	0
Risk Management	2,989,890	768,250	768,250	-431,750	-1,200,000	0	0	0	-1,200,000
Capital Financing and Risk Management	13,232,020	8,174,750	8,682,430	7,250,680	-2,200,000	-507,680	-507,680	0	-1,200,000
Total	119,427,150	119,427,150	313,444,760	514,070,890	2,016,180	-194,017,610	-195,397,210	-1,379,600	1,291,010

2018/19 Summary of Revenue Budget Movements

Appendix E

Service	Original Net Budget	Approved Budget B/F from 2017/18	Changes not requiring approval	Approved by S151 & Portfolio Holder	Requiring Executive Approval	Current Net Budget	Explanation of Changes requiring approval
	£000	£000	£000	£000	£000	£000	
Adult Social Care	41,611	485	710			42,806	
Children and Family Services	14,621	887	411			15,919	
Corporate Director -	208		(56)			152	
Education DSG funded	(444)					(444)	
Education	8,264	446	252			8,962	
Public Health & Wellbeing	(80)	333	2			255	
Communities	64,180	2,151	1,319	0	0	67,650	
Corporate Director - Environment	171		8			179	
Development & Planning	2,565	94	167			2,826	
Public Protection & Culture	3,720		245			3,965	
Transport & Countryside	23,280	315	283			23,878	
Economy & Environment	29,736	409	703	0	0	30,848	
Chief Executive	766	27	(2)			791	
Commissioning	752		180			932	
Customer Services & ICT	3,057		(21)			3,036	
Finance & Property	3,167		2			3,169	
Human Resources	1,349	4	75			1,428	
Legal Services	1,006		44			1,050	
Strategic Support	2,182		167			2,349	
Resources	12,279	31	445	0	0	12,755	
Capital Financing & Management	10,359		106			10,465	
Movement through Reserves	(117)	(2,591)	(351)			(3,059)	
Risk Management	2,990		(2,222)			768	
Capital Financing & Risk Mgt	13,232	(2,591)	(2,467)	0	0	8,174	
Total	119,427	0	0	0	0	119,427	

2018/19 Savings and Income Generation Programme: Risk items

Directorate	Service	Description	Category	£	RAG
Communities	Corporate Director	Family Group Conferencing	Income	20,000	Red
Communities	Corporate Director	Emotional Health Service	Income	20,000	Red
Communities	Corporate Director	Merging LSCB Boards	Income	15,000	Red
Communities	Corporate Director	Trading expertise for the conduct of Family Group Conference	Income	6,000	Red
Communities	Adult Social Care	Transforming lives - delivering care to existing clients with complex needs differently	Efficiency	175,000	Amber
Communities	Adult Social Care	New Ways of Working	Transformation	225,000	Amber
Communities	Adult Social Care	Establishment of a framework for S12 specialist GPs for Deprivation of Liberty safeguards for Adult Social Care	Efficiency	6,000	Red
Communities	Children & Family Services	Childcare Lawyers demand management	Transformation	200,000	Amber
Communities	Education Services	Castlegate Transformation	Income	50,000	Amber
Economy & Environment	Planning & Development	Increase rent levels charged for temporary accommodation	Income	13,000	Amber
Economy & Environment	Transport & Countryside	Waste Service Review	Disinvestment/Income	900,000	Amber
Resources	Strategic Support	Income generation by introduction of internal recharging for services provided by Graphics Team	Income	48,000	Red
Corporate	Corporate	Corporate Digitisation Enablers	Transformation	39,200	Amber
Corporate	Corporate	Corporate Digitisation Enablers	Transformation	10,800	Red

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2018/19 Revenue Financial Performance: Quarter One – Service Specific Risk Reserves

1. Introduction

- 1.1 In order to manage the volatility of some of the Council's demand led budgets, a number of service specific risk reserves have been established. Detailed risk registers are maintained to support these reserves. The provisional level of service specific risk reserves are shown in the following table:

Risk Reserve Summary	Reserve Balance 1.4.2018	Change to level of Reserve	Current Reserve Balance	Risks arising 2018/19	Potential Risk Reserve balance 31.03.2019
Service	£000	£000	£000	£000	£000
Adult Social Care	881	719	1,600	-716	884
Children & Family Services	38	377	415	-130	285
Education	0	279	279	-150	129
Leisure	0	50	50	0	50
Libraries	0	90	90	0	90
Transport & Countryside	0	75	75	0	75
Legal Services	50	0	50	0	50
Total	969	1,590	2,559	-996	1,563

- 1.2 All risk reserve levels were reviewed early in 2018/19 at Budget Board and changes made in line with current service risk registers.

2. Communities

2.1 Adult Social Care:

Adult Social Care has a dedicated risk reserve of £1.6million designed to be utilised in year, should the named risks materialise. A detailed risk register is maintained to support this reserve.

As at Quarter One, £716k of risks have materialised that are provided for in the risk reserve. This could be released to support the forecast position, subject to member approval. The reserve and risks that have arisen are summarised in the following table.

Adult Social Care	Value	Reserve Balance
	£000	£000
Risk Reserve closing balance 31.3.2018	881	
Adult Social Care Support Grant	313	
Increase in reserve agreed via bid	406	
Risk Reserve balance 01.04.2018	1,600	
Risk Reserve balance 30.06.2018		1,600
Risks arising as at Quarter One 2018-19:		
Individual transition package higher than expected	-87	
Delayed transfers of care	-41	
Loss of a Continuing Health Care Award (CHC)	-83	
Additional one off resource due to Birchwood Embargo	-229	
Additional care management resource	-22	
Contracts retendered higher than inflation	-254	
Total risks arising in 2018/19		-716
Risk Reserve potential closing balance 31.03.2019		884

2.2 Children and Family Services:

Children and Family Services have a dedicated risk reserve of £415k designed to be utilised in year, should named risks materialise. A detailed risk register is maintained to support this reserve.

As at Quarter One, £130k of risks have materialised that are provided for in the risk reserve. This could be released to support the forecast position, subject to member approval. The reserve and risks that have arisen are summarised in the following table.

Children & Family Services	Value	Reserve Balance
	£000	£000
Risk Reserve closing balance 31.3.2018		38
Increase in reserve agreed by Budget Board	377	
Risk Reserve balance 1.4.2018		415
Risks arising 2018/19:		
Requirement to cover key posts (social workers) above base budget provision	-130	
Potential Risk Reserve balance 31.03.2019		285

2.3 Education:

Education Services have a dedicated risk reserve of £279k designed to be utilised in year, should named risk materialise. A detailed risk register is maintained to support this reserve.

As at Quarter One, £150k of risks have materialised that are provided for in the risk reserve. This could be released to support the forecast position, subject to member approval. The reserve and risks that have arisen are summarised in the following table.

Education	Value £000	Reserve Balance £000
Risk Reserve closing balance 31.3.2018		0
Increase in reserve agreed by Budget Board	279	
Risk Reserve balance 1.4.2018		279
Risks arising 2018/19:		
Residential placements - Requirement to fund additional residential placements to ensure the safety and wellbeing of young people on our caseload.	-150	
Potential Risk Reserve balance 31.03.2019		129

3. Environment and Economy

3.1 Transport & Countryside:

A risk reserve of £224k was created last year for winter gritting costs. This was fully utilised. The reserve has been established at £75k this year to cover unbudgeted costs that may arise this coming winter.

3.2 Libraries and Leisure:

A risk reserve of £90k (Libraries) and £50k (Leisure) is available this year to mitigate financial risks. There are no new reported pressures.

4. Resources

4.1 Legal Services

The Legal Services budget for disbursements has already been spent or allocated for 2018/19. A risk reserve of £50k which was not utilised in 2017/18 is available to support this budget if required.

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2018/19 Capital Financial Performance: Quarter One - Summary Report

Committee considering report:	Executive
Date of Committee:	06 September 2018
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	29 August 2018
Report Author:	Shannon Coleman-Slaughter
Forward Plan Ref:	EX3591

1. Purpose of the Report

- 1.1 To inform Members of the progress with major capital schemes and forecast spend against the 2018/19 approved capital budget.

2. Recommendation

- 2.1 To ensure that Members are fully aware of the progress against the Council's capital programme and expenditure against the approved capital budget.

3. Implications

- 3.1 **Financial:**
Any potential capital slippage will be monitored in year and impacts on the 2019-20 capital programme reviewed by the Capital Strategy Group (CSG).
- 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 N/a – factual report for information.

Executive Summary

- 4.2 The financial performance report provided to Members on a quarterly basis during the financial year, details progress against the current years capital programme, and key capital schemes identified as high risk.
- 4.3 The Council set a capital budget for 2018/19 of £72.8 million, with funding of £25.5 million from external grants, £4.5 million section 106 contributions and Community Infrastructure Levy and with £42.8 million planned to be funded from borrowing.
- 4.4 In-year budget changes are approved by Capital Strategy Group (CSG) as per the approval limits set in the Council’s Financial Regulations. Budget changes occur as a result of budgets brought forward from the previous financial year, additional grants and section 106 allocations received in year and spend re-profiled into 2019/20. The current capital programme is £84.2million compared to an original budget of £72.8million. The change mainly consists £11.3 million programme slippage from the financial year 2017/18, which was agreed by CSG in May 2018.
- 4.5 At the end of Quarter One, total spend of £81.6m is forecast against the revised capital budget of £84.2m and 37.1% of the revised budget has been committed.

Directorate	Original Budget	Revised Budget	Total Spent and Committed to 30/6/18	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000	£000
Communities	11,684	12,640	3,869	11,986	(654)
Economy and Environment	23,841	29,415	10,180	27,415	(2,000)
Resources	37,308	42,125	17,216	42,149	24
Total all services	72,833	84,180	31,265	81,550	(2,630)

- 4.6 The Communities Directorate at the end of Quarter One is forecasting capital spend of £12million or 95% of the revised capital budget of £12.6million. 31% of the capital budget has been committed at the end of Quarter One. Education Services are forecasting a £661k underspend as a result of delays to a number of schemes including Hungerford Primary kitchen expansion, additional places at Trinity School, the installation of a modular classroom at Theale Primary School and improvements to the school hall and early years facilities at the Westwood Farm Federation. The forecast underspend of £661k is expected to be re-profiled. Children & Family Services are forecasting a £7k pressure as a result of works to a foster carer’s home estimated at £7k above the current year budget of £18k.
- 4.7 The Economy and Environment Directorate at the end of Quarter One is forecasting capital spend of £27.4 million, or 93% of the revised capital budget of £29.4million. 35% of the capital budget has been committed at the end of Quarter One. The underspend relates to Transport and Countryside which is forecasting a £2million underspend as a result of the Dustan Park and South East Thatcham Flood Alleviation Schemes now being spread over two financial years, due to the complexity of the scheme and the need to divert a number of utilities. £2 million of the environment agency grant is therefore now planned to be spent in 2019/20.
- 4.8 The Resources Directorate at the end of Quarter One is forecasting capital spend of £42.15 million or 100% of the capital budget of £42.1 million. 41% of the capital

budget has been committed at the end of Quarter One. The Finance and Property Service is forecasting an over spend of £39k, relating to pressures on maintenance of non-corporate buildings and the Grazeley and Sandleford developments. Human Resources is forecasting a £15k underspend relating to the new HR/Payroll system, it is anticipated that this sum will be re-profiled to 2019/20.

5. Proposal

5.1 To note the forecast position.

6. Conclusion

6.1 Progress against delivery of the capital programme and expenditure committed against the capital budget will continue to be monitored by CSG and a further report will be made to the Executive at the end of Quarter Two.

7. Appendices

Appendix A - Supporting Information

Appendix A

Capital Programme Financial Performance Report Quarter One 2017/18 - Supporting Information

1. Introduction

- 1.1 This financial performance report, provided to Members quarterly, reports on progress with major capital schemes and forecast spend against the 2018/19 approved capital budget.
- 1.2 A capital budget for 2018/19 of £72.8 million was set by Council in March 2018 with funding of £25.5 million from external grants, £4.5 million section 106 contributions and Community Infrastructure Levy and with £42.8 million planned to be funded from borrowing.
- 1.3 The repayment of principal and interest on loans which are used to fund capital spending are met from the revenue budget for capital financing and risk management. Forecast spend on this budget is reported in the Revenue Financial Performance Report, also on this agenda.
- 1.4 At the end of Quarter One 2018/19, the Communities Directorate is forecasting an under spend of £654k mainly on Education schemes, the Economy and Environment Directorate is forecasting an under spend of £2million on Highways schemes and the Resources directorate is forecasting a net overspend of £24k mainly relating to property schemes.

2. Revised Budget as at the end of Quarter One 2018/19

- 2.1 During the year budget changes may be approved by Capital Strategy Group (CSG) as per the approval limits set in the Council's Financial Regulations. Budget changes occur as a result of budgets brought forward from the previous financial year, additional grants and section 106 allocations received in year and spend re-profiled into 2019/20.
- 2.2 The revised budget at Quarter One is £84.2million compared to an original budget of £72.8million. The change mainly consists £11.3 million programme slippage from the financial year 2017/18, which was agreed by CSG in May 2018 and which was explained in the Capital Outturn Report to the Executive on the 14th June 2018. The table below gives a breakdown of programme slippage by service. It also explains all the other changes to the capital budget which have been agreed by CSG up to the end of Quarter One.

Capital Programme Financial Performance Report Quarter One 2017/18 - Supporting Information

Service Area	Original Budget 2018/19 £000	Budget Agreed by CSG to be Slipped from 2017/18 £000	Other Agreed Changes to 2018/19 Budget £000	Revised Budget for 2018/19 £000	Explanation of Other Agreed Changes	Approved by
COMMUNITIES DIRECTORATE						
Adult Social Care	1,309	310	0	1,619	None	
Children's Services	20	44	42	106	Increase in cost of West Point refurbishment funded from Corporate Allocation (in Finance)	CSG 17-5-18
Education Services	10,355	516	44	10,915	£29k Additional School Condition Grant Received for 2018/19; £15k grant and revenue contributions to new SEND website	CSG 17-5-18 Finance Manager & HoS
Total for Communities Directorate	11,684	870	86	12,640		
ENVIRONMENT DIRECTORATE						
Development and Planning	4,267	579	0	4,846	None	
Public Protection & Culture	953	313	0	1,266	None	
Transport & Countryside	18,621	4,682	0	23,303	None	
Total for Environment Directorate	23,841	5,574	0	29,415		
RESOURCES DIRECTORATE						
Finance and Property	32,349	4,506	(52)	36,803	£42k transferred to Children and Families re West Point refurbishment; £10k transferred to strategic support for disability adaptations	CSG 17-5-18 CSG 14-12-15
Customer Services and ICT	4,811	147	0	4,958	None	
Human Resources	0	61	0	61	None	
Legal	43	0	0	43	None	
Strategic Support	105	145	10	260	£10k allocated for disability adaptations as agreed in 2015/16	CSG 14-12-15
Total for Resource Directorate	37,308	4,859	(42)	42,125		
Totals	72,833	11,303	44	84,180		

3. Summary of Forecast Capital Spend 2018/19

Directorate	Original Budget £000	Revised Budget £000	Total Spent and Committed to 30/6/18 £000	Forecast Outturn £000	Forecast Variance £000
Communities	11,684	12,640	3,869	11,986	(654)
Economy and Environment	23,841	29,415	10,180	27,415	(2,000)
Resources	37,308	42,125	17,216	42,149	24
Total all services	72,833	84,180	31,265	81,550	(2,630)

3.1 At the end of Quarter One, total spend of £81.6m is forecast against the revised capital budget of £84.2m and 37.1% of the revised budget has been committed.

4. Communities Directorate Quarter One Review

Service	Original Budget	Revised Budget	Total Spent and Committed to 30/6/18	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000	£000
Adult Social Care	1,309	1,619	210	1,619	0
Children and Families Services	20	106	99	113	7
Education Services	10,355	10,915	3,560	10,254	(661)
Total	11,684	12,640	3,869	11,986	(654)

- 4.1 At the end of Quarter One the directorate is forecasting capital spend of £12million or 95% of the revised capital budget of £12.6million. 31% of the capital budget has been committed at the end of Quarter One.
- 4.2 Adult Social Care is forecasting an online position at Quarter One. No issues are currently reported with delivery of the programme which includes occupational therapy equipment, assistive technology, ICT and other equipment for implementation of the Care Act and refurbishment of care homes.
- 4.3 Children and Family Services is forecasting a year end overspend of £7k against a £106k capital budget at Quarter One. The forecast pressure is the result of works to a foster carer's home. The cost of works to a foster carer's home is estimated at £7k above the current year budget of £18k. The service has therefore requested funds to be brought forward from the 2019/20 budget for this purpose, if agreed the service will deliver an online position at the year end. In respect of major projects the refurbishment of West Point House is complete and the relocation of staff from York House is underway.
- 4.4 Education Services is forecasting a year end underspend of £661k against a capital budget of £10.9million at Quarter One. The forecast underspend is the result of delays to a number of schemes including Hungerford Primary kitchen expansion, additional places at Trinity School, the installation of a modular classroom at Theale Primary School and improvements to the school hall and early years facilities at the Westwood Farm Federation. The forecast underspend of £661k is expected to be re-profiled. In respect of major projects the development agreement with Newbury College for the building of Highwood Copse School was completed on the 16th July and the contract to build the school is about to be let. This should enable the school to be completed in July 2019 and to open in September 2019. No agreement has yet been reached with Theale Parish Council on the relocation of Theale Primary school and therefore this scheme cannot proceed at present.
- 4.5 Cost pressures have been identified on key schemes in the 2018/19 programme. These include increases of £200k in the estimated cost of the Theale Primary School scheme and £547k for Highwood Copse mainly because of construction price increases. These pressures will potentially impact on the 2019/20 capital programme. Ongoing funding for these schemes will be therefore considered by Capital Strategy Group as part of the 2019/20 budget build process.

5. Economy and Environment Directorate Quarter One Review

Service	Original Budget	Revised Budget	Total Spent and Committed to 30/6/18	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000	£000
Development and Planning	4,267	4,846	1,790	4,846	0
Public Protection & Culture	953	1,266	158	1,266	0
Transport & Countryside	18,621	23,303	8,232	21,303	(2,000)
Total	23,841	29,415	10,180	27,415	(2,000)

- 5.1 At the end of Quarter One the directorate is forecasting capital spend of £27.4 million, or 93% of the capital budget of £29.4million. 35% of the capital budget has been committed at the end of Quarter One.
- 5.2 The Development and Planning Service is forecasting an online position at Quarter One. Although the service is currently planning to deliver the capital programme in year, problems with the relocation of some tenants of the Four Houses Corner Gypsy and Travellers site are ongoing and alternative options for the future of the site are now being considered. New sources of funding (e.g. Homes England grant) are being sought to fund new temporary accommodation and the new transport planning model is on track to be completed in the third quarter of the financial year.
- 5.3 Public Protection and Culture is forecasting an online position at Quarter One. Good progress is being made with the Public Protection and Culture programme, but it may be necessary to re-profile to 2019/20 some spending on the chemical store at the Northcroft Leisure Centre and on new energy saving schemes.
- 5.4 Transport and Countryside is forecasting a £2 million under spend as at Quarter One, as it is now proposed that the Dunstan Park and South East Thatcham Flood Alleviation Schemes should be spread over two financial years. This is due to the complexity of the scheme and the need to divert a number of utilities and £2 million of the environment agency grant is therefore now planned to be spent in 2019/20. The A339/Bear Lane junction scheme is currently out to tender, but the start may be delayed by the lack of availability of suitable contractors at this time. The Kings Road link is still delayed by the developer, but other schemes, including the surfacing programme, A4 cycle improvements and the new Newbury Bus Station, are progressing well.

6. Resources

Service	Original Budget	Revised Budget	Total Spent and Committed to 30/6/18	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000	£000
Finance and Property	32,349	36,803	16,691	36,842	39
Customer Services and ICT	4,811	4,958	499	4,958	0
Legal Services	0	61	0	61	0
Human Resources	43	43	0	28	(15)
Strategic Support	105	260	26	260	0
Total	37,308	42,125	17,216	42,149	24

- 6.1 At the end of Quarter One the directorate is forecasting capital spend of £42.15 million or 100% of the capital budget of £42.1 million. 41% of the capital budget has been committed at the end of Quarter One.
- 6.2 The Finance and Property Service is currently forecasting an over spend of £39k. Pressures have been identified relating to maintenance of non-corporate buildings (£26k) and the Grazeley and Sandleford developments (£13k). £35.1 million of the £36.8 million budget relates to Property Investments. At Quarter One, £16.3million of the Property Investment budget had been committed and it is anticipated that the full amount of this budget will be committed by the year end. This does not include the additional £50 million budget for property investment which was approved by the Council on the 3rd July 2018. The forecast profiling of spend against this additional budget will be reported at Quarter Two.
- 6.3 Customer Services and ICT are currently forecasting an on line position at Quarter One. However it should be noted that the contracts with British Telecom and Gigaclear to deliver phase 3 of the Superfast Broadband project are both now subject to considerable delay. The impact of this delay on spend against the current year's capital budget will be reported at Quarter Two. It should also be noted that the current year budget for the corporate ICT replacement programme is already 97% committed at the end of Quarter One and that there is likely to be pressure on this budget and/or it may be necessary to postpone the replacement of some equipment, now due, until next financial year.
- 6.4 Legal Services are forecasting online position at Quarter One. Identified costs for capital schemes will either be funded from the budget for the scheme to which they relate or from the budget for legal capital salaries.
- 6.5 The Human Resources service is forecasting that £15k of its budget in respect of the leave management module of the new HR/Payroll system will need to be re-profiled to 2019/20. The Myview module of the new Human Resources/Payroll system is currently being tested, and the recruitment and expenses modules are expected to be completed within this financial year.
- 6.6 Strategic Support is forecasting an online position at Quarter One. Members' community bids and parish planning grant programmes are expected to be fully allocated and claimed by year end.

7. Conclusion

- 7.1 Progress against delivery of the capital programme and expenditure committed against the capital budget will continue to be monitored by CSG and a further report will be made to the Executive at the end of Quarter Two.

8. Consultation and Engagement

- 8.1 Nick Carter – Chief Executive, John Ashworth – Corporate Director, Capital Strategy Group

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

Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim:

MEC – Become an even more effective Council

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

MEC1 – Become an even more effective Council

Officer details:

Name: Andy Walker
Job Title: Head of Finance
Tel No: 01635 519433
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Treasury Management Annual Report 2017-18

Committee considering report:	Executive on 6 September 2018
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	2 nd August 2018
Report Author:	Gabrielle Esplin
Forward Plan Ref:	EX3630

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 2017/18.

2. Recommendations

- 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. Income from investments 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:** The Council's Property investment strategy is closely aligned to the overarching Investment and Borrowing Strategy. Progress with property investment will be reported as part of quarterly financial performance monitoring.

4. Other options considered

- 4.1 Not applicable

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. Surplus funds are invested to maximise interest, while minimising the exposure of investments to risk. Investment and borrowing activities in 2017/18 were affected by the slight improvement in national economic growth and an increase in the base rate of interest from 0.25% to 0.5% in November 2017.
- 5.2 The average level of funds invested by the Council in 2017/18 (net of short term borrowing) was £22.6 million. Funds were invested in instant access deposit accounts with Natwest paying 0.01% until October 2017 and then up to 0.15% from November 2017, Bank of Scotland at 0.1% until October 2017 and 0.35% from November 2017, Santander UK at 0.15% throughout the year and the Goldman Sachs Sterling Liquid Reserve money market fund, which paid a variable rate of interest averaging 0.23%. Fixed term deposits were also placed with UK Building Societies for an average period of 268 days and an average rate of 0.78%. 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 cash flow needs. The average length of loan was 12 days and the average rate of interest paid was 0.25%.
- 5.3 Total interest earned on investments (net of interest paid on short term borrowing) was £129k, or 0.57% of the average fund value (compared with £41k or 0.51% in 2016/17). We also received a discount of 1.9% or £230k by paying our contributions to the Berkshire Pension Fund in advance. The total earned through cash flow management was therefore £360k which represents a return of 1.25%. Net interest on investments was £35k below the income budget of £395k, because of continued low interest rates, but this was offset by a slight saving on principal and interest payments on long term loans.
- 5.4 £31.9 million new longer term loans were also taken from the Public Works Loans Board (PWLB) in 2017/18. This included £22.2 million new 50 year maturity loans at an average rate of 2.4% to fund the acquisition of investment property. The remaining loans were all annuity loans, also to finance capital expenditure, for between 5 years at 1.64% interest and 50 years at 2.81%. The length of loan was linked to the estimated useful life of the asset funded. £4.8 million repayments were made on existing capital financing loans, bringing the Council's total long term capital financing debt with the PWLB to £159.7 million.

6. Conclusion

- 6.1 The return on investments compared favourably to the previous year's performance. 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 2018/19, to ensure that treasury activities continue in line with the approved Treasury Management Strategy in order to ensure the security, liquidity and return on the Councils funds. The group also aims to finance the Capital Programme at the best available rates of interest.

7. Appendices

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

Treasury Management Annual Report 2017/18

Supporting Information

1. Introduction

- 1.1. The CIPFA Code of Practice for Treasury Management in the Public Services, revised in December 2017, 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 regulatory environment places onus on Members for the review and scrutiny of treasury management policy and activities (which are defined by CIPFA as “the management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”).
- 1.3. The Treasury Management Group met three times during the course of 2017/18 to review performance and detailed implementation of policy. This group includes the Portfolio Member and Shadow Portfolio Member for Finance, together with the Head of Finance, the Chief Accountant, the Finance Manager for Capital, VAT and Treasury, the Treasury Accountant. However this annual report is also important, as it provides details of the outturn position for treasury activities and highlights compliance with the Council’s policies for the benefit of all Executive Members.
- 1.4. This report includes:
 - A summary of changes to the regulatory framework during 2017/18
 - A summary of the economic factors affecting treasury policy and performance
 - A summary of the approved strategy for 2017/18 and 2018/19
 - A review of treasury management performance in line with the strategy in 2017/18.

2. Changes to the Regulatory Framework in 2017/18

- 2.1 In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and a revised Prudential Code. A particular focus of these revised codes is how to deal with local authority investment in property in order to generate a higher level of income than can earned through cash investments.
- 2.2 The Council’s Property Investment Strategy (which is closely aligned to its Investment and Borrowing Strategy) is being reviewed to ensure that it complies with the latest guidance, in particular to ensure that the Council is making prudent provision for the future repayment of debt to finance the purchase of investment

property. The detailed effects of these changes on the Property Investment Strategy will be reported as part of the quarterly Financial Performance reporting.

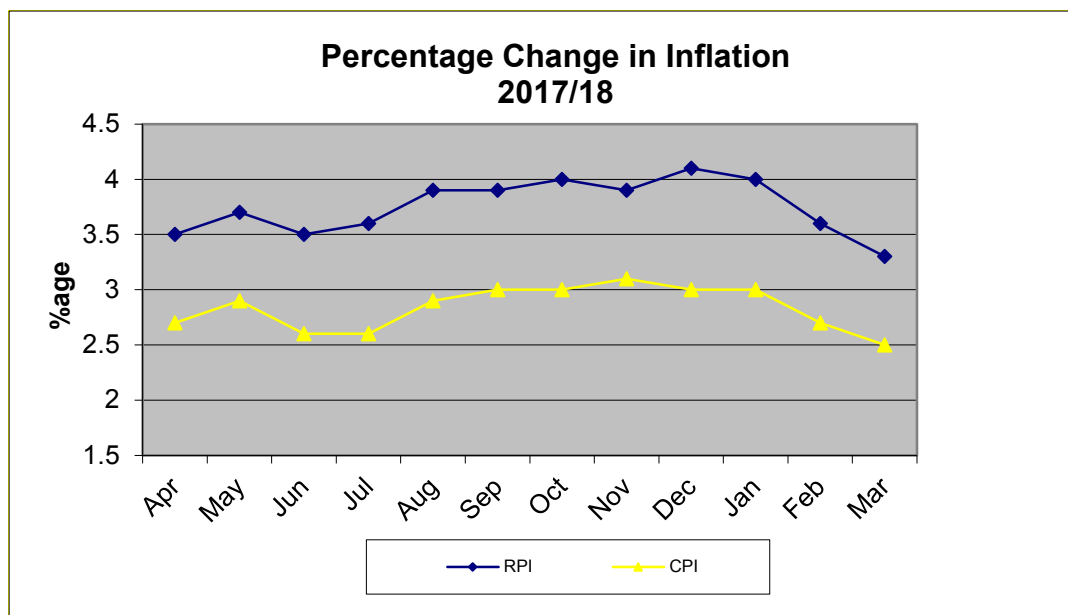
2.3 The EU Markets in Financial Instruments Directive (MiFID II) also took effect in January 2018. This directive requires all investors to be classified as either retail or professional investors, depending on the scale of their investment activities and the level of experience and expertise of the people involved in investment decisions. Local authorities were, by default, classified as retail investors which would limit the range of investments available. However we have reviewed the scale of our investment activities and the level of expertise of the members of the Treasury Management Group and as a result we have been able to demonstrate to the brokers who arrange most of our investments for us that we meet the criteria to opt up to professional status.

3. Economic conditions

3.1 During the calendar year of 2017, there was a shift in the expectations in financial markets in terms of when the Bank of England Base Rate would start to rise from its historically low level of 0.25% at the start of the year. Growth in 2017 was weak in the first half of the year. The primary reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports. This caused a reduction in consumer disposable income and spending power. However growth in the second half of 2017 was stronger than expected and there was evidence that wage increases had started to rise.

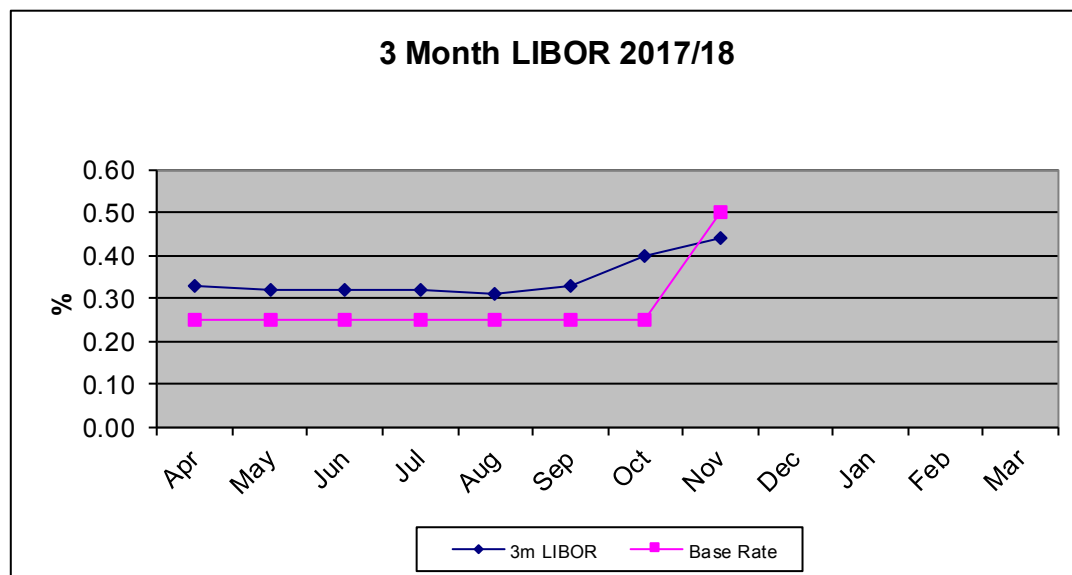
3.2 The government’s main measure of inflation, which the Bank of England Monetary Policy Committee (MPC) uses to inform its interest rate decisions, is the Consumer Price Index (CPI). In order to maintain price stability, the Government has set a target for CPI of 2%. The CPI inflation actually rose to a high of 3.1% in November. However the Bank of England expects inflation to fall back over the next year and to approach the 2% target over the next two to three years.

Chart 1



- 3.3 The latest Bank of England inflation report (May 2018) states that GDP growth was weaker than expected in Q1 of 2018. However the Bank is projecting growth in GDP 1.75% for the whole of 2018.
- 3.4 The MPC regularly reviews interest rates and other aspects of monetary policy in order to meet the 2% inflation target. In November 2017, the MPC voted by a majority of 7-2 to increase the Bank Rate by 0.25 percentage points, to 0.5%. There have been no further rate rises since then, but the committee has given forward guidance that they expect to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%.
- 3.5 The interest rates which the Council can earn on its investments 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) remained around 0.32% from April to Sept 17, and then increased to 0.44% in November reflecting the change in the Bank of England base rate.

Chart2



- 3.6 No data is available from December 2017 onwards because the Bank of England has been unable to source sufficient representative data to allow it to calculate an average rate.
- 3.7 The effect of this has been that interest rates available to the Council from banks and building societies have increased slightly during 2017/18. For example, a 1 year investment with a top 20 building society in April 2017 would have been at around 0.70% and in March 2018 would have been at a rate of around 0.90%.

4. Overview of Cash Flow and Treasury Management Strategy

- 4.1 The aim of the latest investment strategy (approved by the Council in March 2018) is to manage cash flow to ensure sufficient funds are available on a day to day basis for the Council's operations. Surplus funds are invested to generate the most beneficial interest receipts, while minimising the exposure of investments to risk.

- 4.2 The amount of cash held by the Council fluctuates throughout the year and within each month. 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. Funds also to be lower towards the end of the financial year as some of the smaller government grants are paid in full at the start of the financial year and the majority of Council tax payments are made in ten equal instalments between April and January, so Council tax receipts are much lower in February and March.

5. Treasury management activity in 2017/18

- 5.1 The treasury position as at 31st March 2018, compared to the previous year is:

Table 1

	31st March 2018 £	Average Rate	31st March 2017 £	Average Rate
Fixed Rate Debt				
PWLB Loans Balance	159,693	3.30%	132,552	3.04%
PFI Debt	14,293	6.1%	14,897	6.1%
Short Term Borrowing	-		13,000	0.42%
Total Debt	173,986		160,449	
Cash and cash equivalents	6,194	0.18%	3,475	0.26%
Cash investments > 3 months	18,000	0.8%	6,500	0.78%
Total Cash & Investments	24,194		9,975	

- 5.2 In order to meet the Council's day to day cash flow requirements, a sum of between approximately £1 million and £20 million is held in instant access accounts. In line with the Council's Treasury Management Strategy, accounts are held with banks rated by Moody's Credit Ratings Agency at P1 (maximum deposit £5 million) or P2 (maximum deposit £4 million) while the money market fund is rated AAA. These ratings indicate a very low risk of default on short term investments.
- 5.3 The interest rates and credit ratings for these accounts are as follows:

Table 2

Institution:	Interest Rate:	Changes:	Moody's Rating:
Bank of Scotland	0.20%	A reduction from 0.40% in October 2016	P1
NatWest	0.01%	A reduction from 0.25% in December 2016	P2
Santander UK	0.15%	A reduction from 0.40% in November 2016	P1
Goldman Sachs Money Market Fund	Variable averaging 0.33%	At it's highest in May 2016 (0.47%) falling to 0.21% in March 2017	AAA

- 5.4 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

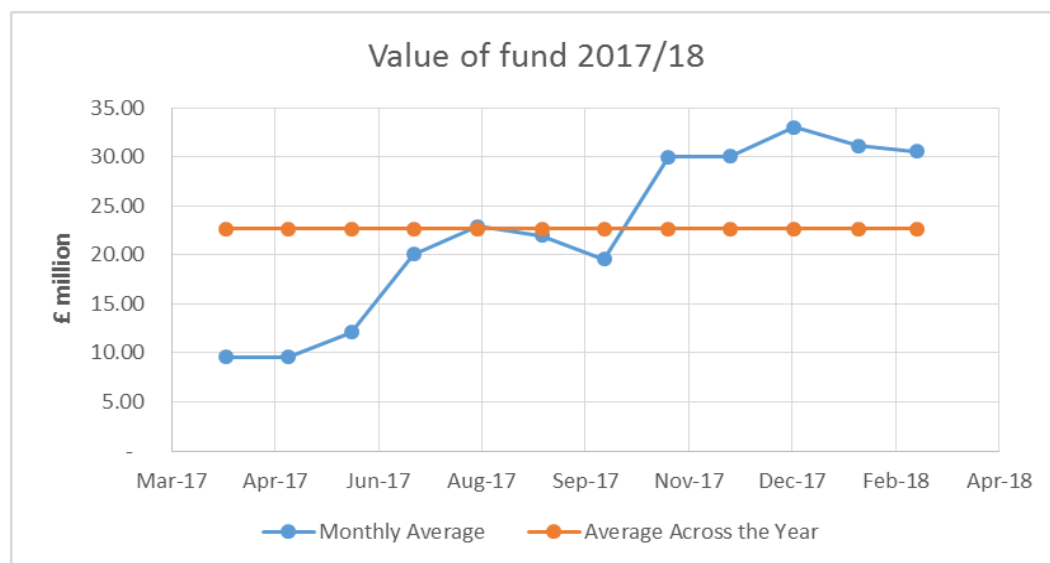
the term of the investment, the higher the rate of interest earned. During the year, 10 fixed term investments of between £1 million and £4 million were made for periods of between 180 and 364 days. All of these investments were placed with the top 20 British Building Societies. The average length of investment was 268 days and the average interest earned was 0.78%. A £500k loan to Thatcham Town Council, which originally made in February 2016 at 1.35% and extended for a further year from February 2017 at 1.1%, was repaid in February 2018.

- 5.5 It was also necessary from time to time for the Council to take out short term loans to cover its cash flow requirements. 9 short term loans were taken out during the financial year. These were all from other local authorities, for periods of between 3 days and 21 days, at rates of interest between 0.15% and 0.40%. Eight of these loans were for 14 days or less. The average length of loan was 12 days and the average interest paid on these loans was 0.25%.
- 5.6 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.

6. Overall Performance of the Treasury Fund

- 6.1 The average value of the fund during the year (i.e. the total of temporary investments less temporary borrowing) was £22.6 million (see Chart 3). This was significantly higher than the average value of the fund in 2016/17 of £7.8 million. This increase was partly because of delays to major capital schemes (mainly new schools), which meant that government grants received to finance these schemes were held by the Council for most of the year. The level of the fund in 2017/18 was also affected by borrowing to fund the purchase of investment property, some of which was carried out a few months advance of completion of the purchases in order to take advantage of low interest rates. This included £6.8 million which was borrowed in March 2018 to fund purchases which were completed in April and July 2018. The net value of the fund at 31st March 2018 was £25.4 million.

Chart 3



- 6.2 The net amount of interest earned from the Council's investment and short term borrowing activities in 2017/18 was £129k compared with £41k in 2016/17. This represents a net rate of return of 0.57% as compared with the average bank base rate for the year of 0.35%.
- 6.3 In addition, the Royal Borough of Windsor and Maidenhead, who manage the Berkshire pension fund, offered West Berkshire a discount of 1.9% on its total pension contributions due for the year in exchange for paying the contributions in advance in April 2017, instead of in monthly instalments. In this way, the Council achieved a saving of £230k, by, in effect, making a temporary investment of £12.2 million with the Berkshire Pension Fund at a rate of return of 1.9%. 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 £360k.
- 6.4 If the average fund balance is adjusted to include the average level of prepaid pension contributions (approximately £6.1 million on average 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 1.25%.
- 6.5 Table 3 (below) shows that investment and borrowing activities in 2017/18 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 3

Policy	Target	Actual	Explanation
Credit limit with counterparties not exceeded	100%	98.8%	Late clearing of receipts into the Council's main bank account meant that on 3 out of 251 working days the £4 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%	100%	
Target for short term debt of £15m not exceeded	100%	100%	

7. Long Term Borrowing in 2017/18

- 7.1 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 2017/18 was in line with the prudential borrowing limits set out in the annual Investment and Borrowing Strategy 2017/18 and the Capital Strategy 2017 to 2021, which were both approved by the Council in March 2017. The operational borrowing limit agreed for 2017/18, as part of the Investment and Borrowing Strategy, was £216 million, which includes temporary borrowing and debt embedded in the PFI contract. Borrowing needs were also reviewed during the year by the Treasury Management Group.
- 7.2 At 1 April 2017 the Council had long term PWLB loans of £132.6 million (including £20.5 million remaining from the loans inherited from the former Berkshire County Council). During 2017/18 new PWLB loans of £31.9 million were taken out as follows:

Table 4

New PWLB Loans 2017/18	Amount	Type	Rate	Start Date	Finish Date	Total Amount to be repaid
To fund capital expenditure on property investment	£2,985,000	Maturity	2.43%	Oct-17	Oct-67	£6,111,775
To fund capital expenditure on property investment	£6,248,000	Maturity	2.50%	Oct-17	Oct-67	£14,058,000
To fund capital expenditure on property investment	£13,000,000	Maturity	2.38%	Mar-18	Mar-68	£28,470,000
To fund capital expenditure in 2016/17 on assets with a useful life of 5 years	£932,000	Annuity	1.64%	Feb-18	Feb-23	£974,548
To fund capital expenditure in 2016/17 on assets with a useful life of 10 years	£1,457,000	Annuity	1.99%	Feb-18	Feb-28	£1,613,989
To fund capital expenditure in 2016/17 on assets with a useful life of 15 years	£110,000	Annuity	2.28%	Feb-18	Feb-33	£130,500
To fund capital expenditure in 2015/16 on assets with a useful life of 30 years	£4,320,000	Annuity	2.76%	Feb-18	Feb-48	£6,380,624
To fund capital expenditure in 2015/16 on assets with a useful life of 50 years	£2,893,000	Annuity	2.81%	Feb-18	Feb-68	£5,403,546

- 7.3 £4.8 million loan repayments were made in 2017/18, leaving the balance of long term debt with the PWLB at 31st March 2018 at £159.7 million.
- 7.4 In the current financial year (2018/19) we anticipate that the Council's total long term PWLB debt will increase by approximately £59 million, to £219 million to allow for the financing of planned capital expenditure in 2018/19, including a further £50m borrowing to fund planned investment in property. The level of the Council's long term debt is expected to reach a peak of approximately £255 million by 2021. This debt level is in line with the capital strategy and MTFs approved by Council in March 2018 and the Property Investment Strategy which was amended by the Council in July 2018. From 2024/25 onwards, the Council's long term debt is expected to start to decrease by about £1.2 million per year.

7.5 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 £14.3 million at end of March 2018. (Repayments of this debt are included in the monthly waste contract charges, which are paid from the revenue budget for waste management).

7.6 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.

8. Consultation and Engagement

Internal Consultation:

- Andy Walker – Head of Finance
- Anthony Chadley – 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(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 improving the efficiency with which the Council's property is managed.

Officer details:

Name: Gabrielle Esplin
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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):	Version 1 24 th July 2018
Owner of item being assessed:	Gabrielle Esplin
Name of assessor:	Gabrielle Esplin
Date of assessment:	24 th July 2018

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

<p>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.)</p>		
Group Affected	What might be the effect?	Information to support this
No groups of service users are directly affected by this report		
<p>Further Comments relating to the item:</p>		
<p> </p>		

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

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.

<p>4. Identify next steps as appropriate:</p>	
<p>Stage Two not required:</p>	<p> </p>

Name: Gabrielle Esplin

Date: 24th July 2018

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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