

Notice of Meeting



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Executive

Monday 19 February 2018 at 6.00pm

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

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Date of despatch of Agenda: Friday 9 February 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

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WestBerkshire
C O U N C I L

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

Pages

1. **Apologies for Absence**
To receive apologies for inability to attend the meeting (if any).
2. **Minutes** 7 - 10
To approve as a correct record the Minutes of the meeting of the Committee held on 18 January 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 Mr Thomas Tunney to the Portfolio Holder for Planning, Housing and Leisure**
"Can I ask how the Council deemed the tents at the football club to be empty before issuing letters to the occupants on the 1st February informing them that the tents would be cleared away?"
 - (b) **Question submitted by Mr Thomas Tunney to the Portfolio Holder for Planning, Housing and Leisure**
"Has the Council considered that the tents may have belonged to occupants of the night shelter who will need them once the night shelter closes this month?"
 - (c) **Question submitted by Mr Peter Norman to the Portfolio Holder for Culture and Environment**
"With the greater understanding of the detrimental effect of road pollution especially on young people, does the Council agree with me that widening roads that brings traffic closer to mothers and young children would be a huge dereliction of duty to their constituents?"



(d) **Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Housing and Leisure**

“With Sandleford currently out of the picture for meeting the Council’s Five year Housing supply target, and with other huge developments now occurring on the A339 most notably a minimum of 400 homes in North Newbury, and 3,500 homes in Manydown, Basingstoke (not to mention the numerous housing projects now given the go ahead in Greenham), is it not time to call time on the Core Strategy approved in 2012 and to take the opportunity to re-visit how we meet Newbury’s housing requirements in light of these developments?”

(e) **Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Housing and Leisure**

“Will the Council take into consideration the Government’s announcement that we should be looking at our towns to deliver denser housing and look at existing building stock when determining how to meet future housing needs in the future?”

(f) **Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Housing and Leisure**

“Would the Council support the idea that land value uplift caused by a change of planning use should no longer be to the sole benefit of the landowner, giving them a windfall to which they have contributed nothing?”

(g) **Question submitted by Mr Peter Norman to the Portfolio Holder for Planning, Housing and Leisure**

“Could the Council advise me of the average price of an affordable two bedroom unit over the last 12 months and how this compared with the average market price for a similar unit?”

(h) **Question submitted by Ms Julie Wintrup to the Portfolio Holder for Community Resilience and Partnerships**

“Were the savings that the Citizens Advice West Berkshire generate for the Council factored into the Stage 1 Impact Assessment, which concluded there was no need for a Stage 2 Impact Assessment?”

(i) **Question submitted by Ms Julie Wintrup to the Portfolio Holder for Community Resilience and Partnerships**

“What financial assessment was undertaken in order to reach the decision that no Stage 2 assessment was needed?”

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

	Pages
6. Investment and Borrowing Strategy 2018/19 (C3274) (CSP: MEC & MEC1) Purpose: In compliance with the Local Government Act 2003, this report summarises the Council's borrowing limits as set out by CIPFA's Prudential Code, and recommends the Annual Investment and Borrowing Strategy for 2018/19.	11 - 14
7. Medium Term Financial Strategy 2018/19 to 2020/21 (C3275) (CSP: MEC & MEC1) Purpose: To adopt the Council's Medium Term Financial Strategy 2018/19.	15 - 24
8. Capital Strategy and Programme 2018/19 to 2022/23 (C3276) (CSP: BEC, SLE, P&S, HQL, MEC, BEC1, BEC2, SLE1, SLE2, P&S1, HQL1 & MEC1) Purpose: To outline the five year Capital Strategy for 2018 to 2023, including the Minimum Revenue Provision (MRP) Statement and the Asset Management Plans for Property and Highways, and to set out the funding framework for the Council's five year Capital Programme for 2018/19 to 2022/23.	25 - 28
9. Revenue Budget 2018/19 (C3277) (CSP: BEC, SLE, P&S, HQL, MEC, BEC1, BEC2, SLE1, SLE2, P&S1, HQL1 & MEC1) Purpose: To consider and recommend to Council the 2018/19 Revenue Budget, which proposes a Council Tax requirement of £94.84m requiring a Council Tax increase of 2.99% in 2018/19 with a 3% precept ring-fenced for Adult Social Care. The Council Tax increase will raise £2.7m and the precept will raise a further £2.7m ring-fenced for Adult Social Care. The report also proposes the Fees and Charges for 2018/19 as set out in Appendix H and the Parish Special Expenses as set out in Appendix I and recommends the level of General Reserves as set out in Appendix F and Appendix G.	29 - 38
10. Financial Performance Report 2017/18 - Quarter Three (EX3305) (CSP: MEC & MEC1) Purpose: To inform Members of the latest financial performance of the Council for 2017/18.	39 - 46
11. 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.	



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- (a) **Question to be answered by the Portfolio Holder for Community Resilience and Partnerships submitted by Councillor Lee Dillon**
“Why were the most recent air quality figures not published as expected at December’s Joint Public Protection Committee?”
-
- (b) **Question to be answered by the Portfolio Holder for Culture and Environment submitted by Councillor Lee Dillon**
“Under what legislation is the Council proposing to introduce charging of green waste collections?”
-
- (c) **Question to be answered by the Portfolio Holder for Highways and Transport submitted by Councillor Lee Dillon**
“What economic impact assessment did the Council carry out on the impact to local business of on street car parking before proposing to introduce on street car parking for Thatcham Town Centre?”
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12. **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

Item not timetabled in the Forward Plan

	Pages
13. Activity Team West Berkshire and the future of the Dolphin Centre, Pangbourne (URGENT ITEM) <i>(Paragraph 1 - information relating to an individual)</i> <i>(Paragraph 2 - information identifying an individual)</i> <i>(Paragraph 3 – information relating to financial/business affairs of particular person)</i> (CSP: HQL & HQL1) Purpose: To consider the closure of the service known as the Activity Team West Berkshire, redistribution of its equipment and the asset transfer of the Dolphin Centre.	47 - 56

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

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DRAFT

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

EXECUTIVE

MINUTES OF THE MEETING HELD ON

THURSDAY, 18 JANUARY 2018

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

Also Present: John Ashworth (Corporate Director - Environment), Martin Dunscombe (Communications Manager), Andy Walker (Head of Finance), Rachael Wardell (Corporate Director - Communities), Claire White (Finance Manager (Schools)), Councillor Howard Bairstow, Stephen Chard (Principal Policy Officer), Councillor Lee Dillon and Gabrielle Mancini (Group Executive - Conservatives)

Apologies for inability to attend the meeting: Councillor Graham Bridgman, Nick Carter and Councillor Rick Jones

PART I

66. Minutes

The Minutes of the meeting held on 21 December 2017 were approved as a true and correct record and signed by the Leader.

67. Declarations of Interest

Councillor Jeanette Clifford declared an interest in Agenda Item 6, but reported that, as her interest was a personal or an other registrable interest, but not a disclosable pecuniary interest, she determined to remain to take part in the debate and vote on the matter.

68. Public Questions

There were no public questions submitted.

69. Petitions

Councillor Lee Dillon presented a petition containing 66 signatures which called upon the Council to improve and extend sound protection measures along the Theale Bypass. The petition sought to highlight the dramatic increase in traffic along the bypass in recent years and the resultant vehicle noise which caused great disturbance in nearby homes and gardens, particularly at night. The petition was referred to the Heads of Service for Public Protection & Culture and for Transport & Countryside for a response.

70. School Funding Formula 2018/19 (EX3394)

(Councillor Jeanette Clifford declared a personal interest in Agenda Item 6 by virtue of the fact that she was a School Governor at St Bartholomew's School. As her interest was personal and not prejudicial or a disclosable pecuniary interest, she determined to remain to take part in the debate and vote on the matter.)

The Executive considered a report (Agenda Item 6) which sought agreement of the school funding formula for primary and secondary schools for 2018/19. Councillor Lynne Doherty explained that this was an annual requirement which determined how the Schools Block Dedicated Schools Grant (DSG) would be distributed.

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The report proposed moving schools onto the National Funding Formula. This followed consultation held with the Schools' Forum and all schools which confirmed the preference to move to the National Funding Formula factors and rates.

The National Funding Formula contained additional funds which would ensure that no schools would lose funding. Overall, there was £1.7m of extra funding going into schools (£1.3m when considered on a like for like basis – i.e. assuming pupil numbers remained the same). Per pupil funding rates would also increase by £72 in primary schools and £21 in secondary schools. Based on this Formula, the total Schools Block DSG for 2018/19 would be £97.905m.

Councillor Doherty proposed acceptance of the recommendations.

Councillor Lee Dillon noted, from the report's conclusions, that the gains for most schools were not significant and many would still have difficulty in balancing their individual budgets moving forward. He therefore queried what action the Council would be taking to support schools in difficulty. Councillor Doherty explained that support would continue to be provided by the Schools' Finance Team. She also referred to a report which had been produced which outlined the measures that had been put in place to help schools in deficit entitled 'Strategic Planning for Schools in Deficit'. She offered to share this with Councillor Dillon.

RESOLVED that:

- The school formula for 2018/19 is set as per the National Funding Formula factors and funding rates set out in paragraph 6.
- For schools that gain funding under the new formula, additional funding is capped at 3% per pupil (as per the National Funding Formula).
- For schools that lose funding under the new formula, a minimum funding guarantee of an additional 0.2% per pupil increase is applied (this is the maximum affordable).

Other options considered: The school formula can currently be set by using any of the formulae factors allowed for within the Schools and Early Years Finance Regulations, and at any funding rate subject to certain restrictions and affordability. These are set out in Annex B of Appendix C. This will apply for the next two years, after which every school will need to be funding according to the National Funding Formula. The only other option considered for 2018/19 was to set funding rates half way between the current rates and the national rates. However, more schools benefited from moving straight onto the national rates.

71. Consultation on proposed changes to the Street Cleansing and Litter Picking Services (EX3400)

(Councillor Marcus Franks joined the meeting at 5.05pm).

The Executive considered a report (Agenda Item 7) concerning the results of the public consultation on the proposed changes to the Street Cleansing and Litter Picking Services and to approve the way forward.

Councillor Dominic Boeck introduced the report by outlining the proposed changes to the current Street Cleansing and Litter Picking Services. These were specifically highlighted on the second page of the consultation document (Appendix C).

He clarified that no changes would be made to the services provided in town centres, beyond litter bins only being emptied once they were nearly full rather than on a routine basis. Outside of town centres, a more reactive approach was proposed for street cleansing and litter picking. The service provision would continue to be monitored.

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Councillor Boeck also clarified that the removal of fly tipping remained a high priority and no changes would be made to this service.

Councillor Boeck further explained that the proposals would achieve efficiency savings for both the waste contractor, Veolia, and for the Council. He felt that the savings that could be achieved were worth the relatively minimal impact on service delivery.

Councillor Boeck sought the Executive's approval of the recommendations which would enable negotiations to continue with Veolia moving forward.

Councillor Howard Bairstow queried whether, subject to their approval, the changes would initially be trialled prior to full implementation. Councillor Boeck confirmed the proposal was to implement these changes on a permanent basis in order to realise savings with immediate effect. A pilot period did not form part of the proposals.

Councillor Bairstow queried whether the impact of the changes would be monitored. Councillor Boeck reiterated that monitoring would take place.

RESOLVED that:

- The proposals set out in the consultation be progressed and that the Street Cleansing and Litter Picking Service is reduced.
- In areas other than town centres, to move away from the current scheduled programme of cleansing and litter picking, and introduce a more reactive service. This will provide an opportunity to increase efficiency and effectiveness within the service, by focusing activity in areas where it is most needed.

Other options considered: As part of the proposal the following options were considered:

- The introduction of a reactive service for the town centres, council car parks and Newbury Bus Station; however this option was discounted in favour of maintaining a more scheduled programme of work in these areas, to ensure that acceptable standards are maintained.
- It is not proposed to make any changes to the Response Crew service as the removal of fly tips, hazardous litter and drug related litter will remain a high priority.
- We are planning on the development of a parish devolution programme, where advice would be provided to town and parish councils that are interested in independently enhancing the revised service in their local area.

72. Members' Questions

There were no Member questions submitted.

73. Exclusion of Press and Public

RESOLVED that members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that it involves the likely disclosure of exempt information as contained in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) Order 2006. Rule 8.10.4 of the Constitution also refers.

74. Changes to the Street Cleansing and Litter Picking Services (EX3400)

The Executive considered an exempt report (Agenda Item 10) which sought agreement of changes to the Street Cleansing and Litter Picking Services.

RESOLVED that the recommendations in the exempt report be agreed.

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

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Other options considered: as outlined in the exempt report.

(The meeting commenced at 5.00pm and closed at 5.12pm)

CHAIRMAN

Date of Signature

Investment and Borrowing Strategy 2018/19

Committee considering report:	Executive on 19 February 2018 Council on 1 March 2018
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	25 January 2018
Report Author:	Gabrielle Esplin
Forward Plan Ref:	C3274

1. Purpose of the Report

- 1.1 In compliance with The Local Government Act 2003, this report summarises the Council's borrowing limits as set out by CIPFA's Prudential Code, and recommends the Annual Investment and Borrowing Strategy for 2018/19

2. Recommendation

- 2.1 To recommend to the Council to adopt the 2018/19 investment and borrowing strategy.

3. Implications

- 3.1 **Financial:** Investment Income and Debt Charges form part of the Council's Medium Term Financial Strategy (MTFS).
The Council's borrowing limits are proposed to be increased by £17 million in total over the next three years to allow for additional borrowing to fund proposed capital investment in line with the Capital Strategy and Programme, also on this agenda.
- 3.2 **Policy:** The Investment and Borrowing Strategy is closely related to the Capital Strategy, as it governs the criteria for borrowing to fund capital spending.
This strategy is also closely linked to the Council's Property Investment Strategy. The Property Investment Strategy which operates different criteria for investment from those proposed in this report, which relate only to cash investments. However the borrowing strategy set out in this report also applies to borrowing which may be undertaken to fund investment in property.
- 3.3 **Personnel:** None
- 3.4 **Legal:** The Investment and Borrowing Strategy for the new financial year is in accordance with the Local Government Act 2003 and CIPFA's Prudential Code and Code of Practice for Treasury Management.
- 3.5 **Risk Management:** The policy is intended to ensure that all borrowing and investment is undertaken with a view to minimising risk and exposure to financial loss.

3.6 **Property:** None

3.7 **Other:** None

4. Other options considered

4.1 Not applicable

5. Executive Summary

5.1 Introduction

This report sets out the framework within which the Treasury Management Team will conduct the council's investments and borrowing for the forthcoming financial year. It recommends prudential limits for investments in 2018/19 and borrowing limits for the next three years. It also provides a forecast of the Council's long term borrowing requirements.

5.2 Proposals

The report recommends prudential limits for exposure to borrowing at fixed and variable rates of interest, the maturity structure of borrowing and the types and minimum credit ratings for institutions with which the Council will invest its funds. Two changes are proposed to these parameters for 2018/19:

- (i) To allow the Council to enter into a loan agreements with an NHS Trust (subject to further approval by Executive of any specific agreements);
- (ii) To allow the Council to invest up to £3 million with the CCLA Local Authorities Property Fund, subject to a further due diligence review to be approved by the Treasury Management Group.

It is also proposed to increase the Council's maximum borrowing limits by £7 million (to £233 million) in 2018/19, by £6 million (to £239 million) in 2018/19 and by £4 million (to £243 million) in 2020/21. The increase in 2018/19 allows for £12 million new borrowing to fund the 2018/19 capital programme less £5 million repayments of existing loans, which are planned to be made in 2018/19. The increases in 2019/20 and 2020/21 are to allow for the planned level of borrowing to fund the proposed capital programme, less the planned level of debt repayment for those years.

5.3 Equalities Impact Assessment Outcomes.

This item is not directly relevant to equality.

6. Conclusion

6.1 The strategy sets the underlying principles by which the Council's annual investment and borrowing activity will be managed for the 2018/19 financial year. The implementation of this strategy will be reviewed during the coming financial year by the cross party Treasury Management Group.

6.2 A report on the actual performance of the Treasury Team in managing the Council's loans and investments for the whole of 2017/18 will be brought to Executive after the end of the financial year.

7. Appendices

7.1 Appendix A - Detailed Investment and Borrowing Strategy 2018/19

7.2 Appendix B – Equalities Impact Assessment

7.3 Appendix C – Forecast Level of Borrowing and Debt Repayments 2017/18 to 2040/41

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Medium Term Financial Strategy 2018/19 to 2020/21

Committee considering report:	Executive on 19 February 2018 Council on 1 March 2018
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	9 February 2018
Report Author:	Andy Walker
Forward Plan Ref:	C3275

1. Purpose of the Report

- 1.1 The Medium Term Financial Strategy (MTFS) is a rolling three year strategy which is built to ensure that the financial resources, both revenue and capital, are available to deliver the Council Strategy. The MTFS should be read in conjunction with the Revenue Budget 2018/19, Capital Strategy and Investment and Borrowing Strategy reports.
- 1.2 The aim of the MTFS is to:
- (1) Allocate our available resources focussing on those determined as most critical in supporting our priorities and statutory responsibilities
 - (2) Ensure that capital investment is affordable; and
 - (3) Ensure that the Council has sufficient levels of reserves.

2. Recommendation

- 2.1 That Council approves and adopts the Medium Term Financial Strategy 2018/19 to 2020/21.

3. Implications

3.1 Financial:

The MTFS allocates £380 million of Council revenue resources over the next three years and allocates £43.6 million of Council capital resources over the next five years.

The revenue funding gap is forecast to reach £23m by 2020/21 prior to any savings plans or increases in income or Council Tax.

3.2 Policy:

The MTFS is aligned directly to the Council Strategy and the Capital Strategy.

3.3 Personnel:

The Council's establishment is funded from the Revenue Budget and Capital Programme. Any reductions in budget could impact on personnel.

3.4 **Legal:**
None

3.5 **Risk Management:**
The MTFS is designed to minimise the financial risks to the delivery of the Council Strategy by providing a clear picture of the resources available and allowing the Council to focus on its priorities.

3.6 **Property:**
The proposed Capital Programme will provide for maintenance and improvements to a number of existing Council buildings. The level of funding available for the proposed programme is partly dependent on final decisions still to be made about the disposal of some Council land and buildings.

3.7 **Other:**
None

4. **Other options considered**

4.1 None

Executive Summary

5. Introduction / Background

- 5.1 Over the previous eight years, West Berkshire Council has had to find over £55m of revenue savings, which has been achieved through finding efficiencies, making staff reductions, transforming services and generating income.
- 5.2 The 2016/17 Local Government Settlement announced the move to the retention of 100% of business rates by 2020 (now revised to 75%) and the phasing out of the Revenue Support Grant (RSG). Local authorities have been given the opportunity to raise council tax above the existing threshold with funds ring-fenced to pay for adult social care. West Berkshire Council applied a 2% precept in 2016/17, and a 3% precept in 2017/18, raising additional funds to support Adult Social Care needs in the district.
- 5.3 In October 2016, West Berkshire Council accepted the Government's offer of a four year funding settlement from 2016/17 to 2019/20. The Government made a clear commitment to provide minimum allocations for each year of the Spending Review period. Whilst this settlement committed the Council to a continued reduction in the Revenue Support Grant (RSG), it provided some financial certainty on which the Council could plan ahead and build other sources of income.

6. The Provisional 2018/19 Local Government Finance Settlement

- 6.1 The provisional settlement figures were issued on 19 December 2017 with the final settlement announced on 6 February 2018. The Secretary of State for local government has approved a bid submitted collectively by the six unitary authorities in Berkshire for the creation of a business rates pilot across Berkshire in 2018/19. This pilot will help the Government develop its detailed proposals to devolve business rate income to local authorities, replacing the current grant funding arrangements.
- 6.2 During the pilot year, it is estimated that an additional £35m of business rates income collected in Berkshire will be retained within the county, rather than being returned to Whitehall as at present. The Berkshire authorities have committed to set aside 70% of the additional funding to make improvements to transport infrastructure in the Reading – Wokingham and Slough – Heathrow corridors, to be taken forward by the Thames Valley Berkshire Local Enterprise Partnership (LEP). The remaining 30% of additional funding will be distributed to the individual local authorities in Berkshire, in proportion to their respective contribution to the overall growth. The pilot has been agreed for one year only.

7. Funding Gap

- 7.1 The Council's costs grow each year as a result of inflation, salary increases, changes to National Insurance and pension contributions, and service pressures arising from increased demand and new responsibilities, particularly in adult social care. The forecast levels of funding over the period of the MTFS, together with provision for budgetary increases, means that West Berkshire Council would be facing a funding gap of £23m by 2020/21, before considering Council Tax increases or savings plans.

- 7.2 In order to close the 2018/19 gap of £10.6m, it is proposed that Council Tax will be increased by 2.99% raising £2.7m, with a 3% precept ring-fenced for adult social care raising a further £2.7m, savings and income generation will raise £5.2m.
- 7.3 For 2019/20 and 2020/21, the assumption in the Medium Term Financial Strategy is that Council Tax increases will be at 2% per year, leading to savings and income requirements of £5.2m and £3.1m respectively. For 2019/20, £2.8m has already been identified and in 2020/21, £240k has been identified.

8. Reserves

- 8.1 The level of usable reserves the Council holds is reviewed as part of the medium term financial planning. Consideration is given to the financial standing of the Council, the medium term funding outlook and the risks we are facing. The s151 officer (Head of Finance & Property) recommends that the General Reserve totals, as a minimum, 5% of the Council’s net revenue expenditure, which for 2018/19 would be £6.3m. The use of reserves is a one off solution and must be used prudently to ensure it does not undermine longer term budget sustainability. Usable reserves are shown in the following table:

	1.4.2017	1.4.2018	1.4.2019
	Actual	Estimate	Estimate
Usable Reserves	£m	£m	£m
General Funds:			
General Fund	5.32	5.32	5.32
Risk Fund	1.03	1.03	1.03
Total General Reserves	6.35	6.35	6.35
Earmarked Reserves	12.85	10.18	9.03
Total Usable Reserves	19.20	16.53	15.38

- 8.2 During 2017/18, earmarked reserves are expected to reduce by £2.67m to fund the forecast revenue over spend, exit costs arising from savings plans, transformation projects and release earmarked reserves. During 2018/19, estimates have been made for funding exit costs, use of transformation fund and other use of reserves.

9. Medium Term Financial Strategy

- 9.1 The key financial strategy to close the funding gap over the medium term will focus on innovation around service transformation, strategic transformation and commercialisation. The Corporate Programme is driving this change and contains a number of projects that aim to support the Council’s financial strategy through identifying opportunities to transform services and through implementing changes that will deliver new income streams. The areas of focus that will contribute to closing the funding gap include:

- (1) Digitisation, identifying solutions to address council services such as bookings, training courses and payments and to assist with the Waste Services project.
- (2) Continuing to improve our systems and processes by undertaking Financial Challenge Reviews and New Ways of Working reviews, and benchmarking to compare our cost levels and find new income opportunities.

- (3) Demand management, reviewing where the demand on our services actually comes from, who the key users are, what their requirements are and how might we better manage demand or anticipate needs
- (4) Commercialisation, investing in residential and commercial property, adopting a more commercial approach to procurement and trading further with schools and other organisations.
- (5) Reducing the amount we pay for collecting and disposing of household waste.
- (6) Sharing services with other local authorities and the One Public Estate programme to make the best use of Berkshire wide collective buildings.
- (7) Working with partners and communities to deliver services differently and devolution to Parish and Town Councils.

9.2 The strategy is aimed at closing the funding gap and bringing financial stability for the future. The three year Medium Term Financial Model is shown below:

2017/18	Line ref	Medium Term Financial Model	2018/19	2019/20	2020/21
£m			£m	£m	£m
4.99%		Council Tax/ASC Precept Increase	5.99%	2.00%	2.00%
88.37	1	Council Tax income	94.84	98.19	101.65
3.70	2a	Revenue Support Grant	0.00	-1.79	-2.12
1.37	2b	Transitional Grant Funding	0.00	0.00	0.00
5.08	3a	Adult Social Care BCF ringfenced funding	5.43	5.43	5.43
0.70	3b	Adult Social Care iBCF ringfenced funding	0.58	0.28	0.00
0.50	3c	Adult Social Care Support Grant	0.31	0.00	0.00
0.06	4	Other Non-Ringfenced Grants	0.08	0.07	0.05
85.41	5a	<i>Business Rates Collected</i>	86.38	88.37	90.40
-66.03	5b	<i>Business Rates sent to Central Government</i>	-64.15	-67.01	-68.63
19.38	5c	Retained Business Rates	22.23	21.36	21.77
0.51	6	Education Services Grant (ESG)	0.00	0.00	0.00
3.63	7	New Homes Bonus	2.69	2.29	1.81
-0.11	8	Council Tax Collection Fund deficit (-)/ surplus	-0.73	0.00	0.00
0.00	9	Use of Capital Receipt	0.00	0.00	0.00
123.19	10	Funds Available	125.44	125.84	128.59
113.77	11a	Opening budget	114.55	118.83	119.72
-0.95	11b	Opening budget adjustments	0.21	-0.71	0.00
1.45	12	Budget growth	2.55	2.31	1.74
0.79	13	Contract inflation	1.76	1.58	1.62
3.71	14	Service Pressures	4.49	2.43	2.33
0.50	15	Increase in capital financing cost	0.50	0.50	0.50
-4.72	16	Savings or income requirement	-5.23	-5.22	-3.10
114.55	17	Annual Budget Requirement	118.83	119.72	122.81
0.51	18	One off provision for other risks	0.60	0.40	0.35
1.37	19	One off transitional grant funding	0.00	0.00	0.00
5.08	20a	One off Adult Social Care BCF ringfenced funding	5.43	5.43	5.43
0.70	20b	One off Adult Social Care iBCF ringfenced funding	0.58	0.28	0.00
122.21	21	Net Budget Requirement for Management Accounting	125.44	125.84	128.59
0.98	22a	Increase in reserves	1.24	0.00	0.00
0.00	22b	Use of reserves	-1.24	0.00	0.00
123.19	23	Budget Requirement	125.44	125.84	128.59

10. Proposal

10.1 To approve the MTFS, subject to final changes.

11. Conclusion

- 11.1 The forecast levels of funding available over the medium term, together with provision for budgetary increases and growing pressures, mean that over the next three years we need to address a funding gap of £23m. In 2018/19, a 2.99% Council Tax increase will raise £2.7m, a 3% adult social care precept will raise a further £2.7m and our savings and income generation plans will save £5.2m. For the following two years, the gap will be closed from Council Tax increases and savings and income generation. The key financial strategy to close the funding gap over the medium term will focus on innovation around service transformation, strategic transformation in order to bring financial stability for the future. Capital investment will continue to ensure that core assets are maintained and protected. Reserves have been reviewed to ensure they are for the Council to deliver services and take appropriate risks in amending service delivery models without impacting on the financial viability of the organisation.
- 11.2 The Council has a track record of strong financial management. Historically budgets have been delivered without significant over or under spends. The Council's ability to manage within significant financial challenge is vital to its continuing success in delivering the Council Strategy.

12. Appendices

- 12.1 Appendix A – Equalities Impact Assessment
- 12.2 Appendix B – Supporting Information
- 12.3 Appendix C – Medium Term Financial Plan – Assumptions

Appendix A

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:	Approval of MTFS 2018/19 to 2020/21
Summary of relevant legislation:	
Does the proposed decision conflict with any of the Council’s key strategy priorities?	No
Name of assessor:	Andy Walker
Date of assessment:	11.1.18

Is this a:		Is this:	
Policy	No	New or proposed	Yes
Strategy	Yes	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:	To ensure that the Council has a financial strategy for the next three years.
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?	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?	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	No
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name: Andy Walker

Date: 11.1.2018

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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Capital Strategy and Programme 2018/19 to 2022/23

Committee considering report:	Executive on 19 February 2018 Council on 1 March 2018
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	23 January 2018
Report Author:	Gabrielle Esplin
Forward Plan Ref:	C3276

1. Purpose of the Report

- 1.1 To outline the five year Capital Strategy for 2018 to 2023, including the minimum revenue provision (MRP) statement and the asset management plans for property and highways, and to set out the funding framework for Council's five year capital programme for 2018/19 to 2022/23.

2. Recommendation

- 2.1 To recommend to the Council that the Capital Strategy and Programme 2018/19 to 2022/23 be approved.

3. Implications

- 3.1 **Financial:** The draft programme allocates £73.6 million of Council capital resources over five years to be funded mainly from prudential borrowing. This level of investment is expected to require an annual increase in the revenue budget for capital financing of £500k per year from 2018/19 to 2022/23. These increases are reflected in the proposed Revenue Budget 2018/19 and the Medium Term Financial Strategy 2018/19 to 2020/21.
- Some proposed capital spending will be financed from capital receipts government capital grants, S106 and CIL. Some of these funds, particularly those expected to be available from 2019/20 onwards, have still to be confirmed. The level of spend in future years may need to be reviewed depending on the actual level of capital receipts and government grants. The future level of CIL funding is particularly uncertain at this stage and will need to be kept under close review.
- 3.2 **Policy:** The Capital Strategy is closely aligned to the Council Strategy 2015-2019.
- The policy implications arising from the Prudential Framework are set out within the report.

- 3.3 **Personnel:** A proportion of the Council's establishment is funded directly by the Capital Programme where it can be demonstrated that staff directly support and help to deliver the capital programme
- 3.4 **Legal:** The Capital Strategy contains Prudential Indicators that are mandatory under the Capital Finance Act 2003.
When the final programme has been approved by Council, the budget managers will have the authority to let contracts for the schemes included in the 2018/19 programme in accordance with the Council's Contract Rules of Procedure.
- 3.5 **Risk Management:** Strategic risks relating to the Capital Programme are set out in the Council's Strategic Risk Register. Individual programmes/projects will have their own Risk Management Plans
- 3.6 **Property:** The proposed Capital Programme will provide for maintenance and improvements to a number of existing Council buildings. The level of funding available for the proposed programme is partly dependant on final decisions still to be made about the disposal of some Council land and buildings.

4. Other options considered

- 4.1 Not applicable

5. Executive Summary

5.1 Introduction.

This report sets out the draft Capital Strategy and Programme covering the five year period 2018/19 to 2022/23. Despite ongoing pressure on the revenue budget, the Council continues to make significant investment in the future of West Berkshire through its capital programme. The programme continues to be supported by an annual increase in the revenue budget for capital financing which has remained unchanged at £500k per year, with no allowance for inflation, since 2011.

5.2 Proposals.

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

- **Improving Educational Attainment and Closing the Educational Attainment Gap:** £69.8 million for new school places and improvements to school buildings;
- **Key Infrastructure Improvements in Relation to Roads:** £55.5 million for maintenance and improvement of highways
- **Regeneration and The Digital Economy:** £4 million to facilitate the delivery of superfast broadband across West Berkshire;
- **Safeguarding Children and Vulnerable Adults:** £15.7 million for occupational health equipment, home adaptations and supported living for vulnerable adults and looked after children and £1.9m to improve the supply of temporary accommodation for people at risk of becoming homeless;
- **Supporting Communities to do More to Help Themselves:** £3.7 million for maintenance and improvement of parks, open spaces sporting and cultural facilities and £0.5m for grants to support community projects.
- **Becoming and Even More Effective Council - Living Within our Means:** £30m for investment in commercial property in order to generate revenue income to help meet the running costs of Council services.

5.3 Equalities Impact Assessment Outcomes.

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

6. Conclusion

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

7. Appendices

- 7.1 Appendix A – Capital Strategy and Programme 2018/19 to 2022/23
- 7.2 Appendix B – Equalities Impact Assessment
- 7.3 Appendix C – Summary of Capital Programme 2018/19 to 2022/23
- 7.4 Appendix D – Detailed Breakdown of Capital Programme 2018/19 to 2022/23
- 7.5 Appendix E – Overview of Property Asset Management Strategy
- 7.6 Appendix F – Highways Asset Management Strategy

Revenue Budget 2018/19

Committee considering report:	Executive on 19 February 2018 Council on 1 March 2018
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	9 February 2018
Report Author:	Andy Walker
Forward Plan Ref:	C3277

1. Purpose of the Report

- 1.1 To consider and recommend to Council the 2018/19 Revenue Budget, which proposes a Council Tax requirement of £94.84m requiring a Council Tax increase of 2.99% in 2018/19 with a 3% precept ring-fenced for adult social care. The Council Tax increase will raise £2.7m and the precept will raise a further £2.7m ring-fenced for adult social care.
- 1.2 This report also proposes the Fees and Charges for 2018/19 as set out in Appendix H and the Parish Special Expenses as set out in Appendix I and recommends the level of General Reserves as set out in Appendix F and Appendix G.

2. Recommendations

- 2.1 That the Executive recommends to Council:
 - (1) That Council approves the 2018/19 Council Tax requirement of £94.84 million requiring a Council Tax increase of 2.99% with a 3% precept ring-fenced for adult social care.
 - (2) That the Fees and Charges are approved as set out in Appendix H and the appropriate statutory notices be placed where required.
 - (3) That the Parish Special Expenses are approved as set out in Appendix I.
 - (4) That the responses received to each of the public facing savings proposals in the public consultation exercise undertaken on the 2018/19 budget be acknowledged and noted.
 - (5) That, in relation to the Garden Waste Collection Service, if the proposal is approved then it is recommended that delegated authority be granted to the Head of Transport and Countryside in consultation with the Section 151 Officer, Monitoring Officer and the Portfolio Holder for Waste to enable the necessary contract changes to be made to facilitate the changes to the Garden Waste Collection Service.

3. Implications

- 3.1 **Financial:** These are contained in further detail within the report. The key implication is the proposed 2.99% Council Tax increase with a 3% precept ring-fenced for adult social care, which leads to a savings and income generation programme of £5.2m in 2018/19. The Council has a good track record of delivering past savings programmes and monitors and reports on progress on a monthly basis.
- 3.2 **Policy:** None
- 3.3 **Personnel:** There will be some implications for staff which are detailed in a separate report. The trade unions have been consulted and the reductions in staffing will be handled in accordance with the Organisational Change Procedure.
- 3.4 **Legal:** Requirement to produce a Revenue Budget under the various Local Government Finance Acts. The savings proposals have been out to public consultation in order to meet the Council's Public Sector Equality Duty and responses considered in setting the budget. Challenges may be made to certain proposals by means of judicial review as well as under employment legislation in respect of staffing reductions. All cases have been assessed in order to reduce risk of challenge regarding the lawfulness of proposals.
- The Public Sector Equality Duty (149 (1) requires a Local Authority in exercise of its functions to have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- The essential duty is that decision makers must keep the welfare of service users at the forefront of their mind, but also families, and especially their families who are most disadvantaged.
- 3.5 **Risk Management:** As part of the 2018/19 financial monitoring, savings proposals will be kept under monthly review to ensure they are deliverable. Appendices F and G set out how the impact of increased volatility in Local Government finance will be managed and considers the impact on levels of reserves.

- 3.6 **Property:** The full property implications will need to be determined and a strategy developed for dealing with the impact where the Council retracts from the whole or part of a property. There could be a number of options to be investigated when the decision on the revenue budget has been agreed from; sale of the site, re-development, shared use, and/or change of use or re-letting for another purpose.
- 3.7 **Other:** In the light of the funding reductions required for 2018/19 the options available to the Council for making savings were very limited and it is acknowledged that in some cases the Council will be providing the minimum level of service for some of its Statutory Services.

4. **Other options considered**

- 4.1 We are proposing to increase Council Tax by 2.99% with a 3% precept ring-fenced for adult social care. If these options were not taken, the savings requirement would be £5.4m higher. We have considered all options available to us in order to keep the savings requirement to the level it is.

Executive Summary

5. Introduction

- 5.1 The purpose of this paper is to consider and recommend to Council the 2018/19 Revenue Budget, which proposes a Council Tax requirement of £94.84m requiring a Council Tax increase of 2.99% with a 3% precept ring-fenced for adult social care. The Council Tax increase will raise an additional £2.7m and the precept will raise a further £2.7m ring-fenced for adult social care.
- 5.2 In order to arrive at a balanced budget for 2018/19, £5.2m of savings and income generation proposals have been recommended, including reductions in street cleansing, introducing a charge for garden waste collection, further transformation in the way adult social care is provided, demand and cost management in social care, investment in commercial property to generate new income streams and many others. A public consultation exercise was undertaken on each of the public facing proposals and detail on the responses is included in Appendix N. The proposed savings will have some implications for staff which are detailed in a separate report.
- 5.3 This report also proposes the Fees and Charges for 2018/19 as set out in Appendix H and the Parish Special Expenses as set out in Appendix I and recommends the level of General Reserves as set out in Appendix F and Appendix G.

6. 2017/18 In Year Position

- 6.1 The 2017/18 budget was built with a savings programme of £4.7m. Transitional grant funding has helped services transition to a new model of operation, but despite this, at Quarter Three, we are forecasting an over spend of £860k.
- 6.2 Adult Social Care is seeing increased complexity of client needs and inflationary increases in commissioning services for nursing and residential care, leading to a forecast over spend of £485k. Overall client numbers have not increased significantly which is in part attributable to the success of our preventative and demand management strategies. However, this is not enough to offset the complexity and cost pressures and the delayed realisation of savings plans. The Education Service is forecasting a £364k over spend and Children and Family Services are forecasting an over spend of £389k, both predominantly as a result of residential placement pressures. Other services across the Council have been able to generate under spends in order to bring down the overall level of over spend.

7. Local Government Settlement

- 7.1 In October 2016, West Berkshire Council accepted a four year financial settlement offered by Government. Whilst this settlement commits the Council to a continued reduction in Government funding, it provides some financial certainty from 2016/17 to 2019/20 on which the Council can plan ahead and build other sources of income.
- 7.2 The provisional Local Government Finance Settlement 2018/19 was issued on 19 December 2017, with the final settlement announced on 6 February 2018. The Secretary of State for local government has approved a bid submitted collectively by the six unitary authorities in Berkshire to inform the development of a new funding system for local government. Along with nine other proposals from groups of authorities across England, the creation of a business rates pilot across Berkshire in

2018/19 will help the Government develop its detailed proposals to devolve business rate income to local authorities, replacing the current grant funding arrangements. During the pilot year, it is estimated that an additional £35m of business rates income collected in Berkshire will be retained within the county, rather than being returned to Whitehall as at present. The Berkshire authorities have committed to set aside 70% of the additional funding to make improvements to transport infrastructure in the Reading – Wokingham and Slough – Heathrow corridors. The works will be taken forward by the Thames Valley Berkshire Local Enterprise Partnership (LEP). The remaining 30% of additional funding will be distributed to the individual local authorities in Berkshire, in proportion to their respective contribution to the overall growth. The pilot has been agreed for one year only.

- 7.3 As part of the pilot, the Revenue Support Grant (RSG) will become part of our baseline funding. For West Berkshire the RSG for 2018/19 is £120k which is 97% less than in 2017/18, equating to a loss of £3.6m
- 7.4 The New Homes Bonus (NHB) funding for 2018/19 amounts to £2.7m. The number of years for which payments are made has been reduced to four years from 2018/19.
- 7.5 A one-off Adult Social Care Support Grant was announced in the final settlement and for West Berkshire this amounts to £313k for 2018/19. This will be used to replenish the service risk reserve.

8. Council Tax

- 8.1 West Berkshire Council's main source of funding is from Council Tax. The recommendation included within this report is a Council Tax increase of 2.99% for 2018/19 with a 3% precept ring-fenced for adult social care. The Council Tax increase will raise £2.7m and the precept will raise a further £2.7m ring-fenced for adult social care. Adult social care makes up over a third of the Council's net revenue budget. Whilst efficiencies are being made in the way the Council operates this Service, the precept will go towards funding the mounting pressures faced in the areas of learning disability, demographic increases, increased costs, additional staffing requirements.

9. Funding Statement

- 9.1 The Funding Statement for 2018/19 shows the funding available to the Council which can be used to fund the budget requirement.

2018/19 Funding Statement		
Income	£m	£m
Council Tax income		94.84
Revenue Support Grant		0.00
Adult Social Care BCF ringfenced funding		5.43
Adult Social Care iBCF ringfenced funding		0.58
Adult Social Care Support Grant		0.31
Other Non-Ringfenced Grants		0.08
Retained Business Rates		22.23
New Homes Bonus		2.69
Council Tax Collection Fund deficit		-0.73
Funds Available		125.44
Expenditure	£m	£m
Opening budget	114.76	
Budget growth	2.55	
Contract inflation	1.76	
Service pressures	4.49	
Capital financing	0.50	
Savings or income requirement	-5.23	
Annual Budget Requirement		118.83
One off provision for other risks		0.60
One off Adult Social Care BCF ringfenced funding		5.43
One off Adult Social Care iBCF ringfenced funding		0.58
Net Budget Requirement for Management Accounting		125.44
Increase in reserves		1.24
Use of reserves		-1.24
Budget Requirement		125.44

10. Reserves

- 10.1 As part of the financial planning process, the Council considers the establishment and maintenance of reserves. Reserves are categorised into usable and unusable reserves. Usable Reserves consist of the General Reserve and Earmarked Reserves. The Council's s151 officer (Head of Finance and Property) recommends that the General Reserve is a minimum of 5% of the Council's net revenue budget, which for 2018/19 would be £6.3m.
- 10.2 During 2017/18, usable reserves are expected to reduce by £2.67m to fund the forecast revenue over spend, fund exit costs arising from savings plans, fund transformation projects and release earmarked reserves.
- 10.3 In 2018/19, the Council's share of the Council Tax collection fund deficit of £727k and a shortfall in Dedicated Schools Grant funding of £191k will be funded on a one off basis from earmarked reserves. £325k will be released from the waste reserve to support the waste savings plans. Total planned use of reserves is therefore £1.24m. Budget provision been made to ensure planned use of reserves is funded by an equivalent increase in reserves.

11. Proposals

- (1) That Council approve the 2018/19 Council Tax requirement of £94.84 million requiring a Council Tax increase of 2.99%, with a 3% precept ring-fenced for adult social care.

- (2) That the Fees and Charges be approved as set out in Appendix H and the appropriate statutory notices be placed where required.
- (3) That the Parish Special Expenses be approved as set out in Appendix I.
- (4) That the responses received to each of the public facing savings proposals in relation the public consultation exercise undertaken on the 2018/19 budget be acknowledged and noted.
- (5) That, in relation to the Garden Waste Collection Service, if the proposal is approved then it is recommended that delegated authority be granted to the Head of Transport and Countryside in consultation with the Section 151 Officer, Monitoring Officer and the Portfolio Holder for Waste to enable the necessary contract changes to be made to facilitate the changes to the Garden Waste Collection Service.

12. Conclusion

- 12.1 The Council is forecasting an over spend in 2017/18 which will reduce our level of reserves. The ongoing effect of these budget pressures and the impact on reserves has been factored into the 2018/19 budget, and together with the reductions in government funding, we have had to close a funding gap of £10.6m. This has been achieved by £5.2m of savings and income generation proposals, a Council Tax increase of 2.99% raising £2.7m, and a 3% precept ring-fenced for adult social care raising a further £2.7m. The precept will help to fund the increased demand, complexity of care and cost pressures we are facing in this area.
- 12.2 West Berkshire Council has an excellent track record of delivering on its savings proposals and of reacting to ongoing pressures in order to minimise the budgetary impact.

13. Appendices

- Appendix A – Equalities Impact Assessment
- Appendix B – Supporting Information
- Appendix C – Contract inflation
- Appendix D – Service pressures
- Appendix E – Savings and Income proposals
- Appendix F – Reserves statements
- Appendix G – Adequacy of reserves and robustness of budget
- Appendix H – Fees and Charges
- Appendix I – Parish Special Expenses
- Appendix J – Council Tax Collection Fund
- Appendix K – Unison comments – to be tabled
- Appendix L – Minutes of the Business Panel information meeting held on 12th February 2018 - to follow
- Appendix M – Council Tax Resolution – to follow for Council
- Appendix N – Consultation Papers

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:	Approval of Revenue Budget 2018/19
Summary of relevant legislation:	
Does the proposed decision conflict with any of the Council's key strategy priorities?	No
Name of assessor:	Andy Walker
Date of assessment:	31.1.2018

Is this a:		Is this:	
Policy	No	New or proposed	Yes
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:	Set a revenue budget for 2018/19
Objectives:	A balanced budget
Outcomes:	
Benefits:	Statutory requirement

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
Please provide an explanation for your answer: Any impacts have been assessed and have been publicly consulted on where necessary	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	No
Please provide an explanation for your answer: Any impacts have been assessed and have been publicly consulted on where necessary	

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: Andy Walker

Date: 31.1.2018

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.

Financial Performance 2017/18 - Quarter Three

Committee considering report:	Executive on 19 February 2018
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	6 February 2018
Report Author:	Melanie Ellis
Forward Plan Ref:	EX3305

1. Purpose of the Report

- 1.1 To inform Members of the latest financial performance for 2017/18.

2. Recommendation

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

3. Implications

3.1 Financial:

The current financial forecast is an over spend of £860k against a net revenue budget of £117.4million. This report proposes the release of £509k from the Adult Social Care risk reserve and the figures in this report show the over spend after the release of reserves. If the reserve were not released, the over spend would be £1.37m.

The forecast will have an impact on the level of the Council's reserves at year end if the over spend cannot be brought down by year end.

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

5. Introduction / Background

- 5.1 This report presents the latest financial performance for the Council in respect of the 2017/18 financial year. The Quarter Three revenue forecast is an over spend of £860k against a net revenue budget of £117.4million, which is 0.7% of the net budget. This report proposes the release of £509k from the Adult Social Care risk reserve and the figures in this report show the over spend after the release of reserves. If the reserve were not released, the over spend would be £1.37m.
- 5.2 The main driver of the forecast over spend is a £485k over spend in Adult Social Care after the proposed release of a further £509k from the risk reserve. The over spend is as a result of commissioning rates continuing to increase above the rate of inflation for both homecare and placements in care homes.

Directorate Summary	Current Net Budget	Forecast (under)/over spend							Change from Last Quarter
		Quarter One	Month Four	Month Five	Quarter Two	Month Seven	Month Eight	Quarter Three	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Communities	63,247	870	949	1,158	952	913	1,466	966	14
Economy and Environment	31,963	0	0	-99	-159	-118	-37	126	285
Resources	13,691	0	0	-26	-190	-41	-191	-232	-42
Capital Financing & Risk Management	8,509	0	0	0	0	0	0	0	0
Total	117,410	870	949	1,033	603	754	1,238	860	257

NB. Rounding differences may apply to nearest £k

- 5.3 The Communities Directorate is forecasting an over spend of £966k, a £14k increase from Quarter Two. The main driver is a £485k over spend in Adult Social Care. The over spend is as a result of commissioning rates continuing to increase above the rate of inflation for both homecare and placements in care homes. There has been a small increase in client numbers and an increase in the complexity, with two new clients in the last two months with significant care needs. We are experiencing a challenging market with one homecare provider withdrawing and one care home closing, which is impacting on the rates we are able to commission care packages at. At Quarter Two, £392k was released from the Adult Social Care risk reserve to cover some of the inflationary pressures that the service is facing and this report proposes the release of a further £509k.
- 5.4 Children and Family Services are forecasting a pressure of £389k, an increase of £280k from last quarter. Education is forecasting an over spend of £364k, an increase of £124 from last quarter. The Education and Children's over spends are both predominantly as a result of residential placement pressures. The increase from last quarter is due to additional placement costs together with staffing and agency pressures. Public Health is forecasting an under spend of £300k which will be used to cover the cost of other directorate activity, where this contributes to Public Health outcomes. The remainder of the Communities Directorate is on line.
- 5.5 The Economy and Environment Directorate is forecasting an over spend of £126k which has changed from an under spend of £159k at Quarter Two. Development and Planning are forecasting an under spend of £101k due to an increase in the number of large planning applications together with a general increase in planning

activity together with additional income from CIL which was carried forward from 2016/17. Public Protection and Culture are forecasting an over spend of £236k. £132k of this is as a result of a delay to the potential handover of the Activity Team, with negotiations underway to resolve this. The remainder of the over spend is in libraries and Shaw House budgets. Transport and Countryside are forecasting an under spend of £9k, a reduction of £160k from last quarter. There has been increased car parking income together with a number of savings in Transport Service including the ending of leases for our Handybuses, increased income from public transport operations and savings on short term contracts. However these savings have been offset by additional maintenance requirements in the car parks, pressures on the emergency budgets due to adverse weather and emergency repairs to bridges.

- 5.6 The Resources Directorate is forecasting an under spend of £232k, which is an increase of £420k from last quarter. The under spend is largely due to salary savings across a range of services.
- 5.7 In response to the volatility of some of the Council's budgets, three service specific risk reserves were established in Adult Social Care, Children and Family Services and Legal Services. The levels of these reserves are informed by the level of risks in the service risk registers. £392k was released from the Adult Social Care risk reserve at Quarter Two, to help the service to combat some of the inflationary pressures and this report proposes the release of a further £509k. The remaining forecast over spend is before any further use of the risk reserves. After this proposed release, the reserves would stand at £1m for Adult Social Care, £386k for Children and Family Services and £50k for Legal Services.
- 5.8 Capital Financing and Risk Management is forecasting an on line position.
- 5.9 The Council set a revenue budget of £117.4million for 2017/18. In-year budget changes may be approved and the approval limits are set out in the Council's Financial Regulations. Details of budget movements during 2017/18 are reported quarterly and are shown in Appendix E. The release of the risk fund requires Executive approval at Quarter Three.
- 5.10 The budget for 2017/18 was set with a savings and income generation programme of £4.712m. The programme is monitored on a monthly basis using the RAG system. At Quarter Three £226k of risks are Red (5%), £377k Amber (8%) and £4.1m Green (87%). Plans are in place to enable the achievement of these savings targets on an ongoing basis from 2018/19.
- 5.11 The Council was awarded £1.37m in transition funding for 2017/18, which was allocated as £140k short breaks, £200k libraries and £30k Citizens Advice Bureau. The remaining £1m was used to create a Transformation Reserve 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. Transformation funds so far allocated are £225k for an invest-to-save scheme in corporate commissioning, £74k for an apprenticeship levy coordinator post, £5k for the emotional health academy, £12k for the Legal Services shared service advice and £28k for Family Hub transformation.
- 5.12 Forecast capital spend in the year is now £55million against a revised budget of £68.2 million. 38% of the 2017/18 capital programme is committed as at the end of

Quarter Three. A breakdown of capital spend and commitments to date is shown in Appendix D.

Directorate	Original Budget £000	Revised Budget £000	Amount spent/ committed to 31/12/17 £000	Forecast spend in year £000	Forecast under/over spend in year £000
Communities	8,998	10,741	4,313	5,929	(4,812)
Environment	20,825	25,188	13,737	20,006	(5,182)
Resources	5,671	32,238	7,531	29,107	(3,131)
Total all services	35,494	68,167	25,581	55,042.00	(13,125)

- 5.13 There is a budgeted over spend of £804k in the Dedicated Schools Grant. A budgeted over spend of £844k was approved by the Schools Forum in March 2017, after consideration of the three year position, as it was forecast that the over spend could be paid back over two years. The month nine forecast position against the revised budget of £804k, is a £7k over spend.

6. Proposal

- 6.1 To note the forecast position and to review the budget movements processed in year detailed in Appendix E, and approve the release of £509k from the Adult Social Care risk reserve.

7. Conclusion

- 7.1 The Council is faced with delivering a savings programme of £4.712m in 2017/18 as well as addressing in year pressures as they arise, which are currently forecast to be £860k against a net revenue budget of £117.4 million. The Council has invested in identified pressure points as part of the 2017/18 budget process and will continue to maintain financial discipline, to ensure that the agreed savings programme is monitored and to find ways to offset the revenue over spend currently forecast. The Council has an excellent track record of managing the savings programme and minimising budget over spends, but if the forecast over spend remains at year end, it will impact on our reserves.

8. Appendices

- 8.1 Appendix A – Equalities Impact Assessment
- 8.2 Appendix B – Supporting Information
- 8.3 Appendix C – Summary Revenue Forecast 2017/18
- 8.4 Appendix D – Summary Capital Forecast 2017/18
- 8.5 Appendix E – Summary of Revenue Budget Movements
- 8.6 Appendix F – Savings and Income Generation Programme Risk Items

Appendix A

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:	18.1.18

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?	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?	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.

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Agenda Item 13.

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