

# Notice of Meeting

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## Overview and Scrutiny Management Commission

**Tuesday 9 July 2019 at 6.30pm**  
in the Council Chamber Council Offices  
Market Street Newbury

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Date of despatch of Agenda: Monday 1 July 2019

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Stephen Chard / Jo Reeves on (01635) 519462 / 519486

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Further information and Minutes are also available on the Council's website at [www.westberks.gov.uk](http://www.westberks.gov.uk)



## Agenda - Overview and Scrutiny Management Commission to be held on Tuesday, 9 July 2019 (continued)

- To:** Councillors Peter Argyle, Jeff Brooks, James Cole, Lee Dillon, Alan Law (Chairman), Thomas Marino, Steve Masters, Garth Simpson and Martha Vickers (Vice-Chairman)
- Substitutes:** Councillors Jeremy Cottam, Carlyne Culver, Owen Jeffery, Tony Linden, David Marsh, Claire Rowles, Joanne Stewart and Tony Vickers

# Agenda

## Part I

Page No.

- 1. Apologies for Absence**  
To receive apologies for inability to attend the meeting (if any).
- 2. Minutes** 5 - 12  
To approve as a correct record the Minutes of the meetings of the Commission held on 9 April 2019 and 21 May 2019.
- 3. Actions from previous Minutes**  
To receive an update on actions following the previous Commission meeting.
- 4. 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](#).
- 5. Petitions**  
To consider any petitions requiring an Officer response.
- 6. Items Called-in following the Executive on 13 June 2019**  
To consider any items called-in by the requisite number of Members following the previous Executive meeting.
- 7. West Berkshire Council Forward Plan 16 July 2019 to 31 October 2019** 13 - 16  
To advise the Commission of items to be considered by West Berkshire Council from 16 July 2019 to 31 October 2019 and decide whether to review any of the proposed items prior to the meeting indicated in the Plan.



**Agenda - Overview and Scrutiny Management Commission to be held on Tuesday, 9 July 2019 (continued)**

- |     |   |         |
|-----|---|---------|
| 8.  | <b>Overview and Scrutiny Management Commission Work Programme</b><br>To present options for the Commission's Work Programme for 2019/20.  | 17 - 20 |
| 9.  | <b>Prevalence of homelessness in West Berkshire</b><br>To review the prevalence of homelessness in West Berkshire and to review the impact of the Council's activity over the winter period.                        | 21 - 34 |
| 10. | <b>2018/19 Revenue Financial Performance: Provisional Outturn</b><br>To present the provisional revenue outturn for the Council for the 2018/19 financial year.   | 35 - 72 |
| 11. | <b>2018/19 Capital Programme Financial Performance: Provisional Outturn</b><br>To present the provisional capital outturn for the Council for the 2018/19 financial year.   | 73 - 90 |
| 12. | <b>Corporate Programme</b><br>To advise the Commission of the Council's Corporate Programme and its current areas of activity in order that it might identify projects requiring Overview and Scrutiny involvement. | 91 - 98 |

Sarah Clarke  
Head of Legal and Strategic Support

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



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## DRAFT

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

### **OVERVIEW AND SCRUTINY MANAGEMENT COMMISSION**

#### **MINUTES OF THE MEETING HELD ON TUESDAY, 9 APRIL 2019**

**Councillors Present:** James Cole (Vice-Chairman), Marigold Jaques, Mike Johnston, Alan Law (Chairman), Tim Metcalfe, Ian Morrin, James Podger and Laszlo Zverko

**Also Present:** Catalin Bogos (Performance Research Consultation Manager), Nick Carter (Chief Executive), Andy Day (Head of Strategic Support), Andy Walker (Head of Finance and Property) and Councillor Graham Bridgman (Executive Portfolio: Adult Social Care)

#### **PART I**

##### **41. Minutes**

Prior to the commencement of the meeting, the Commission held a minute's reflection in memory of the late Councillor Marcus Franks.

The Minutes of the meetings held on 15 January 2019 and 26 February 2019 were approved as true and correct records and signed by the Chairman.

##### **42. Declarations of Interest**

There were no declarations of interest received.

##### **43. Petitions**

There were no petitions received at the meeting.

##### **44. Actions from previous Minutes**

The Chairman reported that all of the outstanding actions had been completed.

##### **45. Management Review into the in year Revenue Overspend in Adult Social Care - 2018/19**

The Commission considered a report of the OSMC Task Group which carried out a review of the management review into the in-year overspend in Adult Social Care in 2018/19 (Agenda Item 6).

The report made a small number of recommendations which would be considered by a future meeting of the Executive.

Councillor James Cole questioned whether paragraph 3.1 and 3.5 were accurate. Andy Day reported that in relation to paragraph 3.1 the report did not have any financial implications as these were being dealt with separate to this report. However, in relation to paragraph 3.5, Andy Day reported that if some of the recommendations were not adopted and implemented that there could be some risk of this issue occurring going forward. He therefore agreed to amend the report to reflect the fact that there were risk management implications in not adopting some of the recommendations.

Councillor Graham Bridgman reported that paragraph 1.8 referred to the Communities Director. This should be amended to read Corporate Director (Communities).

## OVERVIEW AND SCRUTINY MANAGEMENT COMMISSION - 9 APRIL 2019 - MINUTES

**Resolved that** subject to paragraphs 1.8 and 3.5 being amended the report be forwarded to the Executive for a response to the following approved recommendations:

- (1) That a clear and unambiguous understanding of responsibilities and divisions of labour in the budget build and subsequent budget management process be introduced. This should be on the basis of the service owning the budget and Finance owning the process.
- (2) That a similar remodelling (or rebasing) be applied to the Short Term Services and all other ASC areas to avoid any further under or over budgeting.
- (3) That the Executive and Portfolio Holder for Finance give priority to re-basing/remodelling the whole corporate budget build every four years to ensure that a similar in-year situation does not occur again.

### 46. **Key Accountable Performance 2018/19: Q3**

The Commission considered the Key Accountable Performance Report for Quarter 3 (Agenda Item 7). Catalin Bogos reported that the report covered the period up to the end of December 2018.

The Commission noted that demand for Children's Services and Adult Social Care was increasing. Regarding the LRIE project, the Council proposed restarting the process with new milestones attached to it.

Catalin Bogos reported that there had been slight improvements in performance in Children's Services and with Street Cleansing in this quarter. However, increasing demand for DToC had led to poorer performance in this quarter. In relation to ASC Clients with long term support receiving a review, it was proposed to invite the Local Government Association (LGA) to conduct a focused peer review to identify any further solutions to manage performance in this area.

Councillor Tim Metcalfe queried why schools were achieving improved Ofsted ratings whilst the performance report was showing attainment as Red. Catalin Bogos reported that the Council had set a challenging target for educational attainment by wishing to be in the top 10% nationally for all stages of education. Whilst the schools in West Berkshire had improved their performance so had many others across the Country.

#### **Resolved that:**

- (i) The progress made against the Key Accountable Measures and key achievements in all services be noted.
- (ii) The action plans associated with those areas reported as "amber" and "red" (as detailed in Appendix F) be noted particularly those relating to:
  - (a) the number of bed days due to Delayed Transfers of Care (DToC) already reported to elected Members including OSMC on a regular basis, and
  - (b) the number of ASC clients with Long Term Support receiving a review – improvement actions included Corporate Board's recommendation that the LGA should be invited to conduct a focused peer review to identify any further solutions to manage performance in this area.
- (iii) The information in relation to house prices and planning measures and their possible impact on the provision of affordable housing referred to in the draft Council Strategy be noted.
- (iv) The increase in demand and its subsequent impact on performance and finances in Children's Social Care and Adult Safeguarding Services be noted.

**47. Financial Performance Report: Q3**

The Commission considered the Council's quarter three 2018/19 Revenue Financial Performance (Agenda Item 8).

Andy Walker reported that the forecast financial overspend was £250k against a net revenue budget of £119.4m. This position was after forecasting the impact of a corporate response to stop non-essential spend, releasing £500k of the risk management budget and a proposal which had been agreed by the Executive to release £812k from available risk reserves. However, this position might improve slightly by the end of the financial year.

Councillor James Cole reported that he felt that the report would benefit from an explanation of how the risk reserves were used. Furthermore, the Commission considered that the report would benefit from a narrative around why changes had been made to the budget in year.

The Chairman referred to the Children and Family Service who had overspent and had not met their savings target either. In relation to Finance and Property, Andy Walker reported that the increase in income was as a consequence of the investment in commercial property.

The Chairman also referred to the underspend on staffing of £1.8m. Andy Walker confirmed that the variance was not a true position and invoices relating to that reporting period were still to come in and he was confident that this would not be the position come year end.

**Resolved that:**

- (i) The report be noted and, in particular, the continued challenge of managing pressures in Adult Social Care, which were shared nationally, and the mitigation that was proposed in year to reduce the current end of year projection.
- (ii) The release of £609k from the Adult Social Care risk reserve and £203k from the Children and Family Services risk reserve to support the in-year overspend be noted.

**48. London Road Industrial Estate Scoping**

Andy Day introduced the scoping document which set out the terms of reference and proposed scope of the review into the London Road Industrial Estate Development Project (Agenda Item 9).

The Commission agreed with the scope proposed and that the Task Group looking at this review should have five Members appointed to it. Membership would be agreed after the District Council Elections in May.

**Resolved that:**

- (i) The scope for the review into the London Road Industrial Estate Development Project be approved.
- (ii) A Task Group comprising five Members (to be appointed after the District Council Elections) be established to carry out this review.

**49. Digitisation Scoping**

Andy Day introduced the scoping document for the review of IT and Digital Transformation capacity (Agenda Item 10).

Nick Carter confirmed that reports on capacity for these two services would be submitted to Corporate Board shortly and that these could form part of the review process.

The Commission agreed with the scope proposed and that the Task Group looking at this review should have five Members appointed to it. Membership would be agreed after the District Council Elections in May.

**Resolved that:**

- (i) The scope of the review into ICT/Digital Transformation capacity be approved.
- (ii) A Task Group comprising five Members (to be appointed after the District Council Elections) be established to carry out this review.

**50. West Berkshire Council Forward Plan 10 May 2019 to 31 August 2019**

The Commission considered the West Berkshire Council Forward Plan for the period 10 May 2019 to 31 August 2019.

**Resolved that** the Forward Plan be noted.

**51. Items Called-in following the Executive on 28 March 2019**

No items were called-in following the last Executive meeting.

**52. Corporate Programme**

The Commission considered the Corporate Programme for the period up to December 2021 (Agenda Item 13). The Commission noted that this matter would be the subject of a full presentation at the next meeting.

Councillor Ian Morrin suggested that the Grazeley project needed to be scrutinised as he was concerned with some aspects of the development proposals. Andy Day reported that the Commission did not have the powers to scrutinise planning issues and so it would be inappropriate to include this on the Work Programme of the Commission.

Nick Carter suggested that in scrutinising the Corporate Programme the Commission might want to focus on those projects which were RED and therefore behind schedule.

**Resolved that** the Corporate Programme for the period up to December 2021 be noted.

**53. Overview and Scrutiny Management Commission Work Programme**

The Commission considered its work programme for 2019/20.

The Chairman reported that the three themes which the Commission had agreed to focus their efforts on were:

- (i) Corporate Effectiveness
- (ii) Partnership Effectiveness
- (iii) Policy Effectiveness

The Commission considered that post the District Council Elections, there was a need to focus on the Policy and Partnership effectiveness themes.

**Resolved that** the OSMC Work Programme be noted.



**OVERVIEW AND SCRUTINY MANAGEMENT COMMISSION - 9 APRIL 2019 - MINUTES**

*(The meeting commenced at 6.30pm and closed at 7.40pm)*

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

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# DRAFT

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## OVERVIEW AND SCRUTINY MANAGEMENT COMMISSION

### MINUTES OF THE MEETING HELD ON TUESDAY, 21 MAY 2019

**Councillors Present:** Peter Argyle, Jeff Brooks, James Cole, Lee Dillon, Alan Law, Thomas Marino, Steve Masters, Garth Simpson and Martha Vickers

#### PART I

**1. Election of the Chairman**

**RESOLVED that** Councillor Alan Law be elected Chairman of the Overview and Scrutiny Management Commission for the 2019/20 Municipal Year.

**2. Appointment of the Vice-Chairman**

**RESOLVED that** Councillor Martha Vickers be appointed Vice-Chairman of the Overview and Scrutiny Management Commission for the 2019/20 Municipal Year.

*(The meeting commenced at 8.39pm and closed at 8.43pm)*

**CHAIRMAN** .....

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

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# West Berkshire Council Forward Plan

## 16 July 2019 - 31 October 2019

<b>Key:</b>	C = Council
	DOD = Delegated Officer Decision
	EX = Executive
	GE = Governance and Ethics Committee
	HWB = Health and Wellbeing Board
	ID = Individual Decision
	PC = Personnel Committee
	PP = Joint Public Protection Committee

Reference	Item	Purpose	Decision Body	Month/Year	Executive	ID	Date Report Published	Council	Governance and Ethics Committee	OSMC	Other	Officer and Contact No	Directorate	Lead Member	Consultee(s)	Part II	Call In
EX3709	Culture Strategy - Consultative Draft	To approve the strategy.	EX	01 July 2019	25/07/19	EX	17/07/19					Paul James	Environment	Public Health and Community			
EX3748	Framework Agreement for The Provision of Community Home Care Services (APL)	To re-tender the Home Care APL as this is coming to the end of the four-year Framework in October 2019.	EX	01 July 2019	25/07/19	EX	17/07/19					Rebecca Braithwaite	Resources	Internal Governance			
EX3752	WBC Catering - Care Homes and Resource Centre Catering (Paragraph 3 - information relating to financial/business affairs of particular person)	Contract award.	EX	01 July 2019	25/07/19	EX	17/07/19					Karen Felgate	Resources	Internal Governance		Yes	No
EX3785	WBC Catering - School Meals Contract Extension (Paragraph 3 - information relating to financial/business affairs of particular person)	Contract extension award.	EX	01 July 2019	25/07/19	EX	17/07/19					Karen Felgate	Resources	Internal Governance		Yes	No
EX3423	Key Accountable Performance 2018/19: Quarter Four	To report Q4 outturns for the Key Accountable Measures which monitor performance against the 2018/19 Council Performance Framework. To provide assurance that the objectives set out in the Council Strategy and other areas of significant activity are being managed effectively. To present, by exception, those measures that are predicted to be 'amber' or 'red' and provide information on any remedial action taken and the impact of that action. To recommend changes to measures/targets as requested by services.	EX	01 July 2019	25/07/19	EX	17/07/19					Catalin Bogos	Resources	Internal Governance		No	
EX3749	Pelican Nursery – site acquisition (Paragraph 3 – information relating to financial/business affairs of particular person)	To seek approval to transfer through a lease the Pelican Day Nursery building and site to the Newbury Academy Trust for the	EX	01 July 2019	25/07/19	EX	17/07/19					Mark Lewis	Communities	Children, Education & Young People		Yes	Yes
EX3783	Final Schools Funding Formula 2019/20	The Council's Executive must agree on an annual basis the school funding formula for primary and secondary schools. This report is to consider an in-year change to the formula for 2019/20.	EX	01 July 2019	25/07/19	EX	17/07/19					Melanie Ellis	Resources	Children, Education & Young People		No	No
EX3738	Proposed Property Investment (Paragraph 3 - information relating to financial/business affairs of particular person)	To agree to the potential purchase of a property which does not conform with the criteria of the Property Investment Strategy	EX	01 July 2019	25/07/19	EX	17/07/19					Richard Turner	Communities	Finance		Yes	No
EX3724	Reducing rough sleeping in West Berkshire: A plan to ensure no-one has the need to sleep rough	To agree an operational plan that seeks to reduce rough sleeping across West Berkshire. The plan is required by the Ministry of Housing, Communities and Local Government to support the Rough Sleeper Initiative funding awarded to the Council for	EX	01 July 2019	25/07/19	EX						Neil Coles	Environment	Economic Development and Planning		No	Yes
EX3755	Council Workforce Strategy 2019-2023		EX	01 July 2019	25/07/19	EX	17/07/19					Robert O'Reilly	Resources	Internal Governance		No	Yes
EX3786	MUGA Fees and Charges		EX	01 July 2019	25/07/19	EX	17/07/19					Paul Hendry	Economy and Environment	Transport and Countryside			

# West Berkshire Council Forward Plan

## 16 July 2019 - 31 October 2019

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Reference	Item	Purpose	Decision Body	Month/Year	Executive	ID	Date Report Published	Council	Governance and Ethics Committee	OSMC	Other	Officer and Contact No	Directorate	Lead Member	Consultee(s)	Part II	Call In
GE3625	Internal Audit Annual Assurance Report 2018/19	The Public Sector Internal Audit Standards (PSIAS) require the Audit Manager to make a formal annual report to those charged with governance within the Council.	GE	01 July 2019			19/07/19		29/07/19 GE			Julie Gilhespy	Resources	Internal Governance			
GE3627	Annual Governance Statement	To allow the committee to review the Annual Governance Statement before it is signed by the Leader and Chief Executive	GE	01 July 2019			19/07/19		29/07/19 GE		FAGG 1/7/19	Julie Gilhespy	Resources	Internal Governance			
GE3624	West Berkshire Council Financial Statements 2018/19 including	To provide Members with the final copy of the Council's Financial Statements	GE	01 July 2019			19/07/19		29/07/19 GE			Andy Walker	Resources	Finance			
GE3781	Financial Year 2018/19 Going Concern Assessment	As a result of the significant reduction in funding for local government in recent years and the potential threat this poses to the	GE	01 July 2019			19/07/19		29/07/19 GE			Shannon Coleman-Slaughter	Resources	Finance		No	
GE3626	Planned Audit Fee for 2019/20	To note the contents of the audit fee letter.	GE	01 July 2019			19/07/19		29/07/19 GE			Shannon Coleman-Slaughter	Resources	Chairman of Governance and Ethics			
ID3656	Refresh of the Procurement Strategy		ID	01 July 2019		01/07/19	tbc					Karen Felgate	Resources	Finance		No	No
ID3710	Parking scheme - Consolidation Order Amendment 29	To consider the responses received during statutory consultation	ID	01 July 2019		01/07/19	tbc					Alex Drysdale	Environment	Transport and Countryside			
ID3694	West Berkshire Council Forward Plan – 28 August 2019 to 30	To agree the Forward Plan for the next four months.	ID	01 July 2019		25/07/19	17/07/19					Maira Fraser	Resources	Leader, Strategy and	Corporate Directors and	No	No
ID3757	Adults Autism Strategy	To adopt the Autism Strategy produced in conjunction with the Adult Autism Board .	ID	01 July 2019		18/07/19	10/07/19					Mike Harling	Communities	Adult Social Care		No	Yes
ID3754	Bucklebury Village Design Statement - Refresh	To adopt the refreshed VDS post consultation.	ID	01 August 2019		01/08/19	tbc					Paula Amorelli	Economy and Environment	Economic Development and Planning		No	Yes
ID3788	Brimpton Parish Plan	To approve the Parish Plan.	ID	01 August 2019								Jo Naylor	Resources	Public Health and Community Wellbeing			

01/08/19 TBC

# West Berkshire Council Forward Plan

## 16 July 2019 - 31 October 2019

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Reference	Item	Purpose	Decision Body	Month/Year	Executive	ID	Date Report Published	Council	Governance and Ethics Committee	OSMC	Other	Officer and Contact No	Directorate	Lead Member	Consultee(s)	Part II	Call In
C3720	Minerals and Waste Local Plan – Proposed Submission Version for consultation and associated evidence base documents.	To seek authorisation to consult on the proposed submission version of the Minerals and Waste Local Plan and associated evidence base documents, and	C	01 September 2019			04/09/19	12/09/19				Elise Kinderman	Environment	Economic Development and Planning	Individuals and groups on the Planning Policy consultation	No	No
EX3655	Protection of Land - Unauthorised Encampments	To provide a response to the Motion asking the Council to assess the susceptibility of each of its green areas in towns and	EX	01 September 2019	05/09/19		17/07/19					Paul Hendry	Economy and Environment	Transport and Countryside		No	Yes
EX3713	Key Accountable Performance 2019/20: Quarter One	To report Q1 outturns for the Key Accountable Measures which monitor performance against the 2019/20 Council	EX	01 September 2019	05/09/19 EX		28/08/19			01/10/19		Catalin Bogos	Resources	Internal Governance		No	
EX3739	Proposed Property Investment (Paragraph 3 - information relating to financial/business affairs of particular person)	To agree to the potential purchase of a property which does not conform with the criteria of the Property Investment Strategy	EX	01 September 2019	05/09/19 EX		28/08/19					Richard Turner	Communities	Finance		Yes	No
EX3756	Devolution: Garage adjacent to Beansheaf Community Centre, Calcot	To consider devolving an asset to the parish council	EX	01 September 2019	05/09/19 EX							Richard Turner	Resources	Finance		No	Yes
EX3758	Economic Development Strategy	To approve the final version of the Economic Development Strategy following	EX	01 September 2019	05/09/19 EX							Gabrielle Mancini	Economy and	Economic Development			
EX3782	Voluntary Sector Prospectus (Paragraph 3 information relating to the financial / business affairs of a person)	To continue and further our working relationships with the Community and Voluntary Sector (CVS).	EX	01 September 2019	05/09/19 EX							Thomas Bailey	Resources			yes	No
ID3695	West Berkshire Council Forward Plan – 8 October 2019 to 31 January 2020	To agree the Forward Plan for the next four months.	ID	01 September 2019		05/09/19	28/08/19					Maira Fraser	Resources	Leader, Strategy and Communications	Corporate Directors and Heads of Service	No	No
EX3740	Proposed Property Investment (Paragraph 3 - information relating to financial/business affairs of particular person)	To agree to the potential purchase of a property which does not conform with the criteria of the Property Investment Strategy	EX	01 October 2019	17/10/19 EX		09/10/19					Richard Turner	Communities	Finance		Yes	No
EX3780	Public Health Nursing 0-19 (25)	Approval for Award of the Public Health Nursing 0-19 (25)	EX	01 October 2019	17/10/19 EX							Zoe Campbell	Resources	Finance			
ID3696	West Berkshire Council Forward Plan – 12 November 2019 to 29 February 2020	To agree the Forward Plan for the next four months.	ID	01 October 2019		10/10/19	02/10/19					Maira Fraser	Resources	Leader, Strategy and Communications	Corporate Directors and Heads of Service	No	No

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## Overview and Scrutiny Management Commission (OSMC) Work Programme Discussion Paper

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<b>Committee considering report:</b>	Overview and Scrutiny Management Commission
<b>Date of Committee:</b>	9 July 2019
<b>Chairman:</b>	Councillor Alan Law
<b>Report Author:</b>	Joanna Reeves

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### 1. Purpose of the Report

- 1.1 To present options for the Commission's work programme for 2019/20.

### 2. Recommendation

- 2.1 The Commission should provide a steer to officers on the prioritisation of the work programme and suggest any other scrutiny topics.

### 3. Implications

- 3.1 **Financial:** There are no financial implications arising from the report.
- 3.2 **Policy:** There are no policy implications arising from the report.
- 3.3 **Personnel:** The OSMC has 0.5 FTE dedicated officer resource with additional supported provided by the Performance, Risk and Consultation Manager and Chief Executive where required.
- 3.4 **Legal:** There are no legal implications arising from the report.
- 3.5 **Risk Management:** There are no risk implications arising from the report.
- 3.6 **Property:** There are no property implications arising from the report.
- 3.7 **Other:** Each scrutiny topic that the OSMC chooses will have some impact on the capacity and resources of the Council so Members should ensure that their attention is on those areas of the most pertinence.

### 4. Other options considered

- 4.1 None.

## Executive Summary

### 5. Introduction / Background

- 5.1 The new Municipal Year and make-up of the Council provides an opportunity to reflect on the way the Council does scrutiny and plan for the year ahead. In addition, more officer resource is now dedicated to supporting the scrutiny agenda through 0.5 FTE (half a post) in Strategic Support.
- 5.2 The [Overview and scrutiny: statutory guidance for councils and combined authorities \(2019\)](#) recommends that scrutiny committees need to plan their work programme in order to achieve an impact that will make a tangible difference to the work of the authority. The guidance recognises that the committee will also need to be flexible in order to accommodate issues which arise within the year.
- 5.3 The OSMC has recently aligned its work programme around three areas namely corporate effectiveness, policy effectiveness and partnership effectiveness. It is considered that this approach remains fit for purpose and it is not proposed to change it at this time.

### 6. Proposal

- 6.1 Below is a list of topics for scrutiny recommended by officers. Each topic has been given a score which denotes the amount of resource required to effectively review the scrutiny area, as follows:

- (1) Less resource intensive – a report is produced as part of usual Council business and OSMC is asked for their input ie. Standing items such as quarterly budget and performance monitoring reports.
- (2) More resource intensive – a Council service is required to produce a report to respond to a particular issue and some coordination is required.
- (3) More resource intensive – the topic cross cuts a variety of Council services and/or will require research in order to enable a meaningful scrutiny review and requires more coordination or input from officers ie. Task groups/ research reports.

Topic	Score	Provisional timescale
<b><i>Policy Effectiveness</i></b>		
Council Strategy Delivery Plan	3	October 2019
Inequality/social mobility issues	3	
SEND/ High Needs Block	3	
Emerging Strategies (climate Change, Housing, Prevention)	3	
<b><i>Partnership Effectiveness</i></b>		
Shared Services	2	
Health and Wellbeing Board/ Health Scrutiny	2	
Safeguarding/ OFSTED action plans/ ASC market	3	

Building Communities Together	2	
Integrated Care Partnership	2	July 2020
<b>Corporate Effectiveness</b>		
Commercialisation	2	
Internal effectiveness/ value for money/ benchmarking	2	
CPA Peer Review 2020	2	
Performance target setting	2	
<b>Standing Items</b>		
Corporate Programme	1	Ongoing
New Ways of Working Reports	1	Ongoing
Quarterly performance reports	1	Ongoing
Quarterly finance reports	1	Ongoing
<b>Task Groups</b>		
London Road Industrial Estate (LRIE)	3	Ongoing 2019
ICT and Digital Transformation Capacity	3	

**7. Conclusion**

7.1 OSMC are invited to consider the topics presented in the table above as a menu and provide a steer to officers on which topics should be prioritised. Members are also invited to suggest any scrutiny topics not on the list above. Members are asked to be mindful that the OSMC has four ordinary meetings scheduled and the LRIE task group is already underway.

**8. Appendices**

8.1 There are no appendices to this report.

**Background Papers:**

[Overview and scrutiny: statutory guidance for councils and combined authorities \(2019\)](#)

**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**

The proposals contained in this report will help to achieve the above Council Strategy aims and priorities by ensuring that there is a robust scrutiny framework which makes useful recommendations to improve Council services.

**Officer details:**

Name: Jo Reeves  
 Job Title: Principal Policy Officer  
 Tel No: 01635 519486  
 E-mail Address: joanna.reeves@westberks.gov.uk

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## To review the prevalence of homelessness in West Berkshire and to review the impact of the Council's activity over the winter period

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<b>Committee considering report:</b>	Overview and Scrutiny Management Commission on 9 July 2019
<b>Portfolio Member:</b>	Councillor Hilary Cole
<b>Date Portfolio Member agreed report:</b>	19 June 2019
<b>Report Author:</b>	Sally Kelsall
<b>Forward Plan Ref:</b>	n/a

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### 1. Purpose of the Report

- 1.1 A report was brought to this Committee on 9 October 2018 outlining the Council responsibilities for tackling homelessness and in that report, details were provided of the new legislation, the Homelessness Reduction Act 2017 (HRA) which was implemented on 1 April 2018. At that time, the Council provided additional revenue funding to address the new responsibilities contained within this legislation as well as new burdens funding provided by the Government.
- 1.2 The report also contained details of the Rough Sleeping Initiative (RSI) funding received from The Ministry of Housing Communities and Local Government (MHCLG) for 2018/2019 and 2019/2020 following the launch of the Governments Rough Sleeping Strategy 2018 and details of the progress with the variety of projects supported by that funding. The aim of this report is therefore to provide an update to the HRA and RSI projects.
- 1.3 In addition, the Homelessness Strategy Group (HSG) developed a short term winter strategy for 2018/2019 as well as other longer term projects. This report will provide an update of the review of this winter plan and the outcomes for homeless and rough sleepers within West Berkshire and implications for future years moving forward. Further information will be provided of the position with the development of the Housing and Homelessness Strategies.

### 2. Recommendations

- 2.1 That the contents of the report are noted and that the outcomes of the Homelessness Reduction Act 2017 and RSI funding initiatives and resultant approach to tackling homelessness and rough sleeping are approved.

### 3. Implications

- 3.1 **Financial:** In February 2018, the Council agreed additional funding towards new posts to support the implementation of the Homelessness Reduction Act when implemented in April 2018. In addition, Government funding has been awarded to West Berkshire under the Rough Sleeping Initiative (RSI) to tackle rough sleeping i.e. £212,000 for 2018/2019 and

£264,820 for 2019/2020 for a variety of projects. A further £102,500 has been awarded for a further 2 workers to work specifically with single people. The MHCLG funding lasts until March 2020, so there would be issues if this funding was removed and an exit strategy would have to be developed.

- 3.2 **Policy:** The Council has legal obligations to reduce homelessness and has a Housing Strategy, and Homelessness Strategy which includes a Rough Sleeping Strategy and Rough Sleeping Plan as well as a Tenancy Strategy. Policies which come under those strategies include the Allocation Policy. There are additional protocols between the Council housing services and other internal and external services such as the Young Persons Protocol, Prison Release, and Hospital Discharge etc. The Homelessness Strategy introduced the "Duty to Refer" which is a statutory duty for external agencies to refer to the Local Authority in the event of a person requiring services under the Homelessness Reduction Act 2017 e.g. prison services, hospital discharge.
- 3.3 **Personnel:** The Council approved additional staff for the implementation of the Homelessness Reduction Act, partly funded by grant (new burdens, flexible homelessness reduction grant and homelessness grant). There are additional staff resources to be covered by the RSI grant, mostly employed by external agencies such as Two Saints. The grant covers a Homelessness Reduction Co-ordinator recruited to manage the RSI project and report to the Ministry of Housing, Communities and Local Government (MHCLG). This post will assist to co-ordinate all agencies involved in rough sleeping to meet the Government's ambitions of halving rough sleeping by 2022 and eliminating it by 2027.
- 3.4 **Legal:** There are legal implications of not complying with the Homelessness Reduction Act 2017 such as legal challenge.
- 3.5 **Risk Management:** The RSI funding will be closely monitored by a Homelessness Reduction Co-ordinator who will report to the MHCLG on a monthly basis. The HSG has worked in partnership to develop a short term strategy for rough sleepers for the winter of 2018/2019. A review has taken place of the winter plan which will feed into the winter plan of 2020/2021 with lessons learned and taking all risks into consideration.
- 3.6 **Property:** The Council has a programme of purchasing property to be used as temporary accommodation to reduce the need for Bed and Breakfast

3.7 **Other:**

#### 4. Other options considered

4.1 The report is for information only.

## Executive Summary

### 5. Introduction / Background

- 5.1 The Council has statutory duties to provide housing advice and address homelessness. The Homelessness Reduction Act (HRA) was implemented in April 2018 as an additional obligation on the Council to prevent and relieve homelessness and the Council provided additional revenue funding to address the new responsibilities as well as new burdens funding provided by the Government.
- 5.2 The Council has also been awarded funding under the Rough Sleeping Initiative (RSI) for 2018/2019 and 2019/2020 following the launch of the Governments Rough Sleeping Strategy.
- 5.3 The Homelessness Strategy Group (HSG) developed a winter plan for rough sleeping and is now carrying out a review of the winter plan for 2018/2019 with a view to making recommendations for the coming winter.
- 5.4 The purpose of this report is therefore to provide a summary of the housing services work following the implementation of the Homelessness Reduction Act, progress with the RSI project as well as the outcome of the winter plan 2018/2019. Information will also be provided about the strategic work on-going as well as the re-organisation of operational meetings.

### 6. Proposals

- 6.1 The report will provide detail of the outcomes of the implementation of the Homelessness Reduction Act 2017 as well as details of the allocation of grant funding from the RSI from the MHCLG which is £212,000 for 2018/2019 and £262,000 for 2019/2020. There are a number of projects which have to be put in place very quickly in order to be ready for this winter. There are proposals for the Council to develop the Homelessness Strategy and to bid for funding opportunities from the Governments Rough Sleeping Strategy which was launched in August 2018.

### 7. Conclusions

- 7.1 In the past 18 months, there have been a lot of changes in the delivery of housing services, both to households at risk of becoming homeless and rough sleepers. The strategic focus of the HSG has assisted all parties concerned to work together constructively and with positive outcomes. The development of this group, reporting to the Health and Wellbeing Board is in line with Government proposals and will work to develop both the short term and longer term homelessness and rough sleeping strategies.
- 7.2 The outcome of the RSI projects will assist with strategic work into future years and shape the Housing and Homelessness Strategies due to be developed.

### 8. Appendices

- 8.1 Appendix A – Supporting Information
- 8.2 Appendix B – West Berkshire's Homeless Reduction Act Statistics

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# To review the prevalence of homelessness in West Berkshire and to review the impact of the Council's activity over the winter period – Supporting Information

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## 1. Introduction/Background

- 1.1 A report was brought to this Committee on 9 October 2018 outlining the Council responsibilities for tackling homelessness and in that report, details were provided of the new legislation, the Homelessness Reduction Act 2017 (HRA) which was implemented on 1 April 2018. At that time, the Council provided additional revenue funding to address the new responsibilities contained within this legislation as well as new burdens funding provided by the Government.
- 1.2 The report also contained details of the Rough Sleeping Initiative (RSI) funding received from The Ministry of Housing Communities and Local Government (MHCLG) for 2018/2019 and 2019/2020 following the launch of the Governments Rough Sleeping Strategy 2018 and details of the progress with the variety of projects supported by that funding. The aim of this report is therefore to provide an update to the HRA and RSI projects.
- 1.3 In addition, the Homelessness Strategy Group (HSG) developed a short term winter strategy for 2018/2019 as well as other longer term projects. This report will also provide an update of the review of this winter plan and the outcomes for homeless and rough sleepers within West Berkshire and implications for future years moving forward.

## 2. Supporting Information

### The Homelessness Reduction Act 2017

- 2.1 The Homelessness Reduction Act (HRA) 2017 received Royal Assent on 27<sup>th</sup> April 2017 and introduced new duties for local authorities to prevent and relieve homelessness. The new duties consist of a new prevention duty and relief duty.
- 2.2 The Prevention Duty requires that an application is triggered for all households who approach the Council as homeless or threatened with homelessness within 56 days. If the household approach as homeless (rather than threatened with homelessness) or when the Prevention Duty ends and the household become homeless, the new Relief Duty is triggered. The purpose of the Relief Duty is to take steps to help the household secure alternative accommodation. Interim accommodation may have to be provided at this stage and the relief Duty lasts for 56 days.
- 2.3 Households also have to be assessed at the same time under the Homelessness duties with a view to the Council deciding if there is a homeless duty towards them.

- 2.4 Additional staff were recruited to deal with the increased cases i.e. 2 additional Housing Officers, floating support officers and Landlord Liaison Officer to work with landlords to increase options. In addition a fund of £150,000 was made available to improve incentives for landlords to encourage them to use offer properties. A new software system had to be introduced and staff training on the new legislation and implementation as well as to learn a new module on the ICT system.

### Outcomes

- 2.5 There were a total of 1,772 housing enquiries in the first 12 months (1 April 2018 to 31 March 2019). In the first 9 months, 457 cases were assessed. Statistics collated in Appendix B demonstrate the reasons households are requesting assistance as well as the outcomes and make-up of the households.
- 2.6 The majority of households were either facing an end to their private rented tenancy (23%), parents or family were no longer willing to accommodate (19%) or were losing a social tenancy (11%). A total of 29% of approaches were from households with “no fixed abode”. Single males comprise 32% of approaches with female single parents with dependent children making up 25% of approaches. The third highest category is 23% single females. This means that over 50% of approaches were from single people. The statistics also show that there were many households with a range of issues such as mental health problems, physical disabilities, a history of offending, rough sleeping and repeat rough sleeping. So, there are some households with complex needs which are difficult to address.
- 2.7 There was an increased use of temporary accommodation on a discretionary basis which would not have happened previously. On average, per quarter there were over 50 families in temporary accommodation while their cases were assessed. It is anticipated that this will reduce over time as “prevention” will avoid the need for “relief”. The Council has purchased units of accommodation to provide self-contained temporary accommodation within the District rather than in using Bed and Breakfast in Slough. It also reduces the costs of Bed and Breakfast. The number of households in temporary accommodation is 0.78 per 1,000 population which is better than the other Berkshire authorities where it is 0.9 in Wokingham, 3.07 in Bracknell Forest, 3.19 in Reading and 8.26 in Slough. Figures are not available for Windsor and Maidenhead.

### Rough Sleeping Initiative

- 2.8 The Council was awarded £476,132 grant funding to tackle rough sleeping by the MHCLG for 2018/2019 and 2019/2020 to fund a variety of projects. The Council's official rough sleeping count in November 2017 was 20 and grant funding was awarded to all 83 Local Authorities with a rough sleeping count/estimate of over 19. Following the initial awards, further funding has been made to other Local Authorities not in this original group.
- 2.9 There have been further bid rounds and the Council has benefitted from receiving a further £102,560 in a “Rapid Rehousing Pathway” bid round for a Supported Lettings Officer and Navigator role. The aim of the Supported Lettings Officer is to provide assistance for single people to find accommodation, to provide practical assistance to secure a letting and to be a single point of contact afterwards to ensure tenancy sustainment. The other post is a “Navigator” role to assist Outreach workers to liaise with agencies to ensure people don't return to the streets. This

budget includes funding to support activity. Regular meetings are held with the MHCLG and monthly monitoring takes place to ensure that the Council is accountable to the Government for the initiatives being funded.

- 2.10 In July 2019, a cross Berkshire meeting of housing services is being facilitated by the MHCLG which will assist to identify the schemes that have been more successful than others to meet local needs. The original £476,132 supports the following projects:

Rough Sleeping Initiative Projects

Project	Progress
Homelessness Reduction Co-ordinator	The post was approved to manage the project and an officer has been appointed employed by the Council.
Additional Outreach Worker	Appointed by Two Saints and working with rough sleepers and over the winter period with the night shelter.
2 x Housing First workers	This scheme is aimed at entrenched rough sleepers and provides housing first with intensive support to ensure tenancy sustainment. Two workers have been recruited by Two Saints and currently there are 3 people housed and one more property identified. The scheme is limited by the availability of suitable voids.
Dual Diagnosis worker	This post aims to tackle the clients who are passed from one service to the other. One post holder has left, so a replacement is being advertised and will be recruited by the Council.
Move on worker	A post recruited by Two Saints designed to assist people to move out of their temporary accommodation into permanent housing.
Extension of the prison release scheme	Temporary housing at Two Saints is provided for 28 days instead of 7 on prison release.
Detox and Rehab	Some funding was allocated to pay for 2/3 rough sleepers to go to detox and rehabilitation. It is aimed at those at most risk and willingness to take this route.
“Make it Happen” fund	A fund to assist people into housing e.g. rent in advance and deposit or other relevant items. Criteria have been agreed and applications are being made for the fund.
“Move on” fund	A fund to pay for items to assist people to move on.
Outreach health and dental services	The RSI initially funded the outreach GP/nurse service and now the outreach dental services have been offered.

## The Homelessness Strategy Group and the Winter Plan

- 2.11 The HSG has been in existence for many years to monitor and feed into the Council's Homelessness Strategy. The group was re-formed with a renewed strategic emphasis on tackling homelessness. The RSI bid award has been a focus for the group and there have been sub-groups formed to work on
- A short term strategy for tackling rough sleeping focussed on the winter of 2018/2019
  - A longer term strategy to be developed
  - Provision of a drop in centre
- 2.12 The winter plan was agreed to consist of Two Saints providing an extended winter provision service for rough sleepers which extending beyond the Severe Weather Emergency Provision (SWEPE) to operate from 1 November 2018 to 31nMarch 2019. SWEPE is normally activated in extreme cold or heat. The extended winter provision was for people with a local connection and paid for by the Council.
- 2.13 Before the winter provision commenced, there were a high number of rough sleeper's using Two Saints and it was considered that a "back-up plan" was required. Meetings took place with West Berkshire Homeless charity (WBC) to investigate if an "overflow facility" could be set up for any rough sleepers who could not be accommodated at Two Saints if the building was full. There is a limit of 20 people who can be accommodated at Two Saints in emergency accommodation. The proposal suggested was the use of church halls on a rotational basis, similar to the arrangement in Reading. It was proposed that the overflow facility would take referrals only via Two Saints rather than being direct access.
- 2.14 It was not possible for WBC to set up the "pop up" shelter in the end due to practical arrangements and lack of time and buildings available. It was considered that Two Saints would be sufficient so the request came quite late for the arrangements to be accommodated in a safe manner. In November/December, a local developer offered a building to WBC and they opened a night shelter from January to the end of May 2019.
- 2.15 A need was identified in the winter plan for extended day time activities and volunteer assistance at Two Saints. Loose Ends were able to extend their opening hours on 2 days a week and WBH volunteers visited Two Saints to assist with meal times and mentor people staying at Two Saints.

## Review of the Winter Plan

- 2.16 A sub-group of the HSG met to review the winter plan with a view to identifying "lessons learned" and feeding into the winter plan for 2019/2020. This has taken place and a report will be presented to the HSG on 2 July 2019 for the recommendations to be accepted.
- 2.17 The night shelter opened in January, and there was an agreement between WBH, Two Saints and the Council about working together and how referrals would be made between agencies. The referral mechanism did not operate as agreed with

the result that the night shelter attracted people without a local connection, sofa surfers and some who had rooms or were using the winter provision at Two Saints.

- 2.18 A total of 25 people used the night shelter over the winter period and the shelter was kept open for 3 more weeks to enable joint working to accommodate the 13/14 remaining occupants. When the shelter closed, 3 people returned to the streets. The current number of rough sleepers is 8 and there are plans for some of those to enter into Housing First. So, there has been a significant reduction in the numbers of rough sleepers.
- 2.19 The conclusion of the winter plan review group was that overall, there was an excellent outcome for most of the people using the night shelter. There was good partnership working between Two Saints including the Outreach Workers and the Council to assist with housing options as well as WBH finding more “half way” houses for the remaining occupants of the night shelter. There were a number of rough sleepers who did not use the shelter, or who moved in and out.
- 2.20 A number of recommendations were made to the HSG and for other services moving forward as some gaps were identified. For example, day time activities are still required to ensure that people are helped to engage and can find some assistance back into work and to keep them occupied. The full list of recommendations are listed:
- Rough Sleeper/Homeless (existing and previous experiences) focus group to be set up
  - Positive promotion of Two Saints
  - A Two Saints users working group to be set up
  - A single gateway approach agreed and adopted for future years
  - A single point of contact recommended to avoid confusion with the client group
  - Mental health services review in relation to rough sleepers/homeless
  - Seek solutions for daytime activities for the residents of Two Saints, and other vulnerable clients which may involve submitting bids for a worker e.g. Public Health funding, National Lottery, other charitable funds.
  - To work jointly with other services who deal with vulnerable people with the express desire to support individuals, prevent disengagement and provide a longer term health and wellbeing cost benefit for the Council and NHS
  - Report to the HWBB to seek financial support for future funding if the RSI funding is not supported beyond 2019/2020.
- 2.21 There is a recognition that there are plans to assist most of the remaining rough sleepers with the RSI initiatives such as using Housing First. Therefore, by the winter of 2019/2020, the number of entrenched rough sleepers will have reduced significantly. Therefore, the recommendation for the winter of 2019/2020 is that there may be a need for a small emergency provision but not as large as the provision in the winter of 2018/2019.

### **Joint Working and MEAM (Make Every Adult Matter)**

- 2.22 There were a number of liaison groups involving internal and external agencies:

- MEAM strategic group
- MEAM operational group
- HSG
- RSTTG (Rough Sleeping Task and Targeting Group)
- Blue Light group

2.23 It was decided to streamline the groups as attendees are often the same. The MEAM strategic group was merged with the HSG. The MEAM operational, RSTTG and Blue Light groups were all convened on the same day to ensure continuity. To avoid confusion for clients i.e. many different people dealing with each person such, the merging of the operational groups will help with the recommendation of a single point of contact for clients.

### The Encampment

2.24 An encampment of rough sleepers had been present on an area of Council owned land behind the football club for a few years and it was agreed that court action would be taken to dismantle the encampment. After intensive work with all parties involved and court order obtained, the encampment was removed and all occupants directed to alternative housing options. Together, the Outreach workers and WBH assisted by offering storage facilities and encouragement to dismantle voluntarily with alternative housing options. The result was a peaceful return to open land with no adverse publicity to the action taken by the Council.

### The Housing and Homelessness Strategy

2.25 The Council is progressing the new Housing Strategy where it will be an opportunity for all partners, internal and external to feed into setting the vision and housing strategic objectives moving forward, linking into the newly adopted Council Strategy. At the same time the Homelessness Strategy is being developed which is a statutory requirement. The Council has already drafted a Rough Sleeping Plan as required by the MHCLG which will feed into the Homelessness Strategy. Both strategies will outlined the housing need and what is required to meet those needs.

## 3. Conclusion

- 3.1 Since the HRA and RSI legislation and projects have been in place, a great deal of successful outcomes have been achieved to prevent homelessness and to assist rough sleepers to get into permanent housing.
- 3.2 The partnership working by all agencies involved, linked by the HSG has helped to deliver these successful outcomes.

**West Berkshire - Homeless Reduction Act Statistics from April 2018 and December 2018 as reported to the MHCLG APPENDIX B**

**Total Households Assessed - Personal Housing Plans**

	Apr-Jun	Jul-Sep	Oct-Dec	Total
Total households assessed	131	144	185	460
Total households assessed as owed a duty	131	143	183	457

Households assessed and duty owed:

	Apr-Jun	Jul-Sep	Oct-Dec	Total
Threatened with homelessness - Prevention duty owed	66	72	102	240
Homeless - Relief duty owed	65	71	81	217
				457

**Reason for loss of last settled home for households owed a duty:**

	Apr-Jun	Jul-Sep	Oct-Dec	Total	%
End of private rented tenancy - assured shorthold	34	32	38	104	23
Family or friends no longer willing or able to accommodate	11	42	33	86	19
Domestic abuse	8	3	10	21	5
Non-violent relationship breakdown with partner	8	9	10	27	6
End of social rented tenancy	5	9	38	52	11
Eviction from supported housing	4	7	16	27	6
End of private rented tenancy - not assured shorthold	4	3	3	10	2
Other violence or harrassment	1	2	3	6	1
Left institution with no accommodation available	0	2	1	3	1
Required to leave accommodation provided by Home Office as asylum supp	0	0	0	0	0
Other reasons / not known	56	34	31	121	26
				457	100

<b>Accommodation at time of application for households owed a duty:</b>	Apr-Jun	Jul-Sep	Oct-Dec	Total	%
Private rented sector	40	35	32	107	23
Living with family	18	38	28	84	18
No fixed abode	40	43	49	132	29
Living with friends	7	7	10	24	6
Social rented sector	8	16	49	73	16
Rough sleeping	0	0	5	5	1
Homeless on departure from institution	0	0	0	0	0
Temporary accommodation	0	0	1	1	0
Owner-occupier / shared ownership	1	2	0	3	1
Refuge	1	0	1	2	1
NASS accommodation	0	0	0	0	0
Other / not known <sup>4</sup>	16	2	8	26	6
				457	101

<b>Age of main applicants owed a prevention or relief duty:</b>	Apr-Jun	Jul-Sep	Oct-Dec	Total	%
16-17	0	1	2	3	1
18-24	34	23	37	94	21
25-34	37	46	53	136	30
35-44	26	28	46	100	22
45-54	23	26	28	77	17
55-64	6	14	11	31	4
65-74	4	3	6	13	3
75+	1	2	0	3	1
Not known	0	0	0	0	0
				457	99



	Apr-Jun	Jul-Sep	Oct-Dec	Total	
Total households with support need(s) owed a duty	43	55	60	158	
Total number of support needs for those owed a duty	104	119	166	389	
(Households can have multiple support needs, so the total number of support needs is not equal to the number of households with support needs)					
<b>Support needs of households owed a prevention or relief duty:</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Total</b>	<b>%</b>
History of mental health problems	14	35	31	80	21
Physical ill health and disability	11	16	13	40	11
At risk of / has experienced domestic abuse	8	6	9	23	5
Offending history	12	13	21	46	11
History of repeat homelessness	8	11	20	39	10
History of rough sleeping	11	11	18	40	11
Drug dependency needs	13	9	15	37	10
Young person aged 18-25 years requiring support to manage independently	4	2	6	12	3
Alcohol dependency needs	3	4	11	18	4
Learning disability	3	5	5	13	3
Access to education, employment or training	2	0	3	5	1
At risk of / has experienced abuse (non-domestic abuse)	3	2	3	8	2
At risk of / has experienced sexual abuse / exploitation	2	0	2	4	1
Old age	3	1	2	6	2
Young parent requiring support to manage independently	3	1	0	4	1
Young person aged 16-17 years	0	1	1	2	1
Care leaver aged 21+ years	1	0	0	1	0
Former asylum seeker	0	0	0	0	0
Care leaver aged 18-20 years	1	2	4	7	2
Served in HM Forces	2	0	2	4	1
				389	100

**Household type of households owed a duty:**

	Apr-Jun	Jul-Sep	Oct-Dec	Total	%
Single parent with dependent children - Male	5	4	0	9	2
Single parent with dependent children - Female	32	38	44	114	25
Single parent with dependent children - Other / gender not known	0	0	0	0	0
Single adult - Male	40	43	61	144	32
Single adult - Female	28	30	44	102	23
Single adult - Other / gender not known	0	1	0	1	0
Couple / two adults with dependent children	17	14	16	47	10
Couple / two adults without dependent children	9	9	15	33	7
Three or more adults with dependent children	0	1	2	3	1
Three or more adults without dependent children	0	3	1	4	1
				457	101

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## 2018/19 Revenue Financial Performance: Provisional Outturn

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<b>Committee considering report:</b>	Overview and Scrutiny Management Commission on 9 July 2019
<b>Portfolio Member:</b>	Councillor Jeff Cant
<b>Date Portfolio Member agreed report:</b>	5 June 2019
<b>Report Author:</b>	Melanie Ellis
<b>Forward Plan Ref:</b>	EX3564

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### 1. Purpose of the Report

- 1.1 To inform Members of the provisional revenue outturn 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.

### 3. Implications

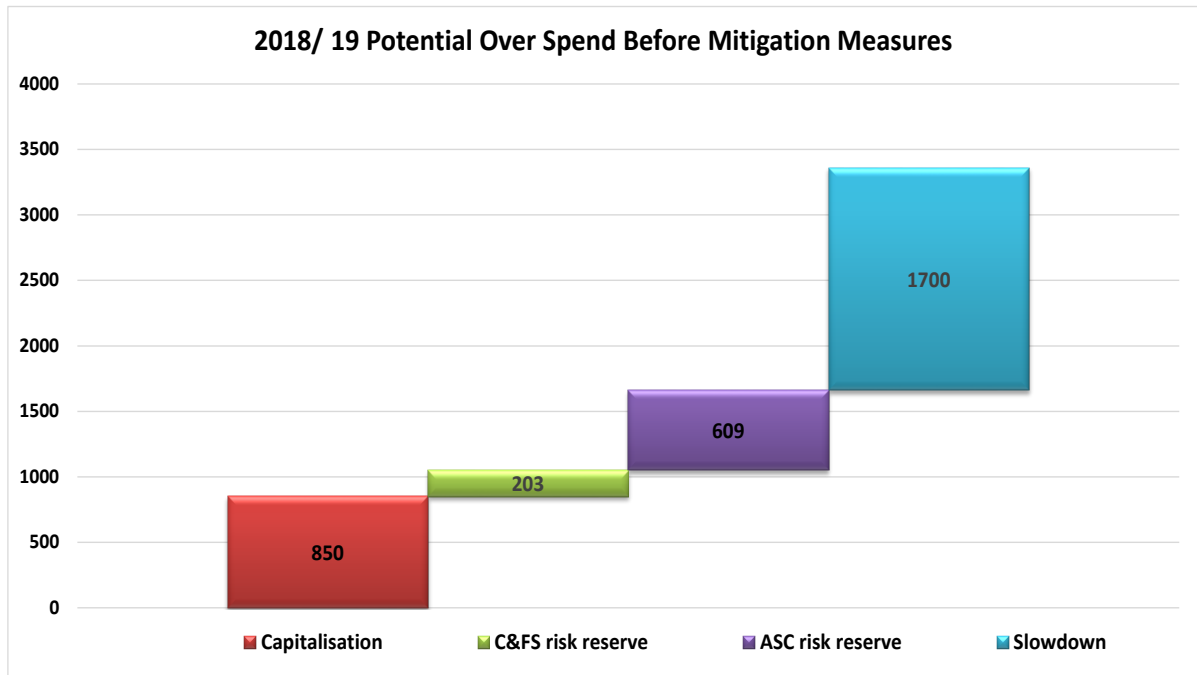
- 3.1 **Financial:** The Council faced a potential overspend of £3.3m in 2018/19 and has responded to this with a Council wide mitigation programme, including the use of service specific risk reserves, to arrive at a balanced outturn. Areas of ongoing overspend and unmet savings have been addressed as part of the 2019/20 budget build.
- 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

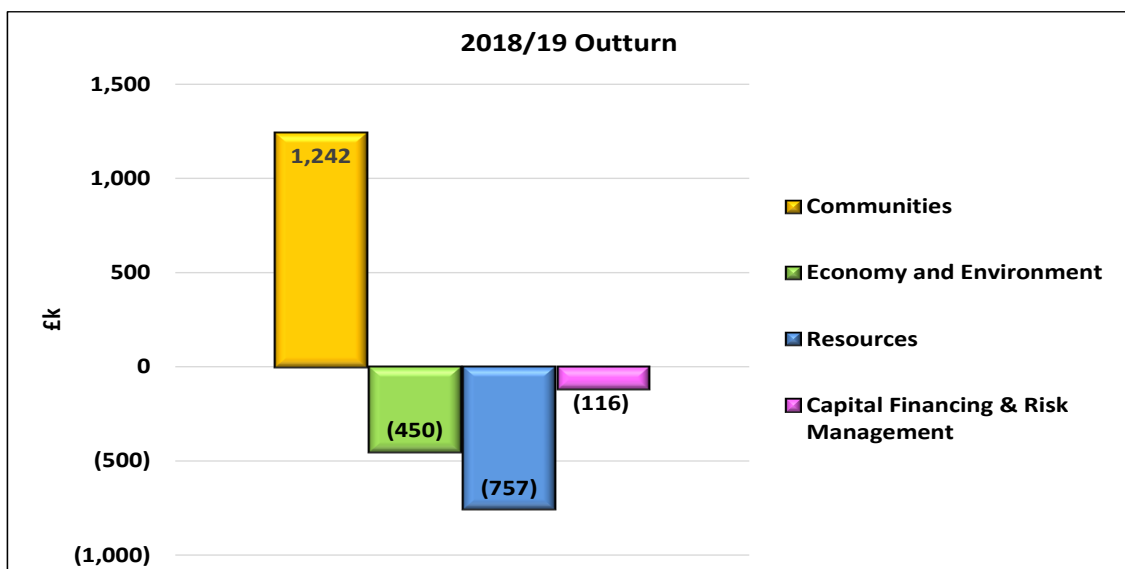
- 4.1 N/a – factual report for information.

## Executive Summary

- 4.2 At Quarter One it became evident that a significant overspend was emerging in the Communities Directorate, most notably in Adult Social Care. The whole Council was tasked with putting mitigation strategies in place in order to address the forecast overspend. Without this action the Council could have faced an overspend of £3.3million.
- 4.3 Cost reduction measures achieved £1.7m of savings, a further £850k was capitalised, and £812k was released from risk reserves at Quarter Three. The impact of the mitigation measures is shown in the chart below.



- 4.4 £81k was returned to reserves at the end of the year, resulting in a net use of £731k reserves.
- 4.5 Directorate over and under spends (after all mitigation measures) are shown in the following chart (the net position being the £81k returned to reserves):



- 4.6 At Quarter One Adult Social Care was showing a significant overspend. An in depth review was undertaken of the modelling used to set the budget concluding that the modelled budget should have been £1.4m higher, with the remainder of the overspend arising from demand, unmet savings, transfers of care and the embargo of Birchwood care home.
- 4.7 The Adult Social Care outturn position is overspent by £838k. There were overspends of £2m in commissioning and £1.1m in Birchwood care home offset by underspends of £800k in the rest of the service. The overspend was reduced using £600k risk reserves, £500k Winter funding and £290k Transformation funding. The underlying overspend has been addressed in the 2019/20 budget build with improved modelling used to forecast future budget requirements in commissioning. Birchwood care home has received additional funding to address staffing levels for 2019/20, but our care home provision will remain an area of focus.
- 4.8 Children & Family Services outturn position is £632k overspent. Childcare lawyers overspent by £565k. This is in part attributable to a £200k unmet savings target and in part to four complex high court cases. The demand led placement budgets are overspent by £396k mainly in Independent Fostering Agencies' and Special Guardianship. The 2018/19 savings programme has only delivered £26k against a target of £426k, and £400k of savings have not been met, however, in-year savings of £200k were delivered.
- 4.9 The remainder of the Communities Directorate is underspent. The Economy and Environment Directorate was underspent by £450k, reflecting in-year savings and capitalisation of relevant costs. Resources was £757k underspent, reflecting in-year savings and additional income from commercial property investment.
- 4.10 The 2018/19 budget was set with a £5.2m savings and income generation programme. Progress is monitored using the RAG system. At outturn, £881k of risks are Red (17%) and £4.4 Green (83%). Whilst some savings have over achieved, the savings programme as a whole has significantly under achieved in 2018/19. The Communities Directorate has only achieved 56% of savings targets. (ASC 76% achieved, CFS 6% achieved, Education 84% achieved). This will be addressed in 2019/20 as part of the ongoing savings and income generation programme.
- 4.11 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. £566k was allocated in 2017/18 and £864k in 2018/19. Budget Board allocated a further £869k in April 2019 from existing reserves to increase the Transformation Reserve back to £1m.

## 5. Proposal

- 5.1 To note the outturn position.

## 6. Conclusion

- 6.1 The Council faced a potential overspend of £3.3m in 2018/19 and has responded to this with a Council wide mitigation programme, and has had to make use of service specific risk reserves. After these actions the final position will result in £81k being

returned to reserves. Areas of ongoing overspend and unmet savings have been addressed as part of the 2019/20 budget build.

## 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 – Communities Directorate Report
- 7.5 Appendix E – Economy & Environment Directorate Report
- 7.6 Appendix F – Resources Directorate Report
- 7.7 Appendix G – Summary Revenue Forecast 2018/19
- 7.8 Appendix H – Summary of Budget Changes

## 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](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service:	Finance and Property
Team:	Accountancy
Lead Officer:	Melanie Ellis
Title of Project/System:	Q4 Financial Performance
Date of Assessment:	23/8/18

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

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p><small>Note – sensitive personal data is described as “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”</small></p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will you be processing data on a large scale?</b></p> <p><small>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</small></p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p><small>Note – will it have an interactive element which allows users to communicate directly with one another?</small></p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will any decisions be automated?</b></p> <p><small>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?</small></p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></p> <p><small>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</small></p>	<input type="checkbox"/>	<b>x</b>

**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.

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

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

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

<b>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.</b>		
(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.)		
<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this</b>
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

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

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

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name:

Date:

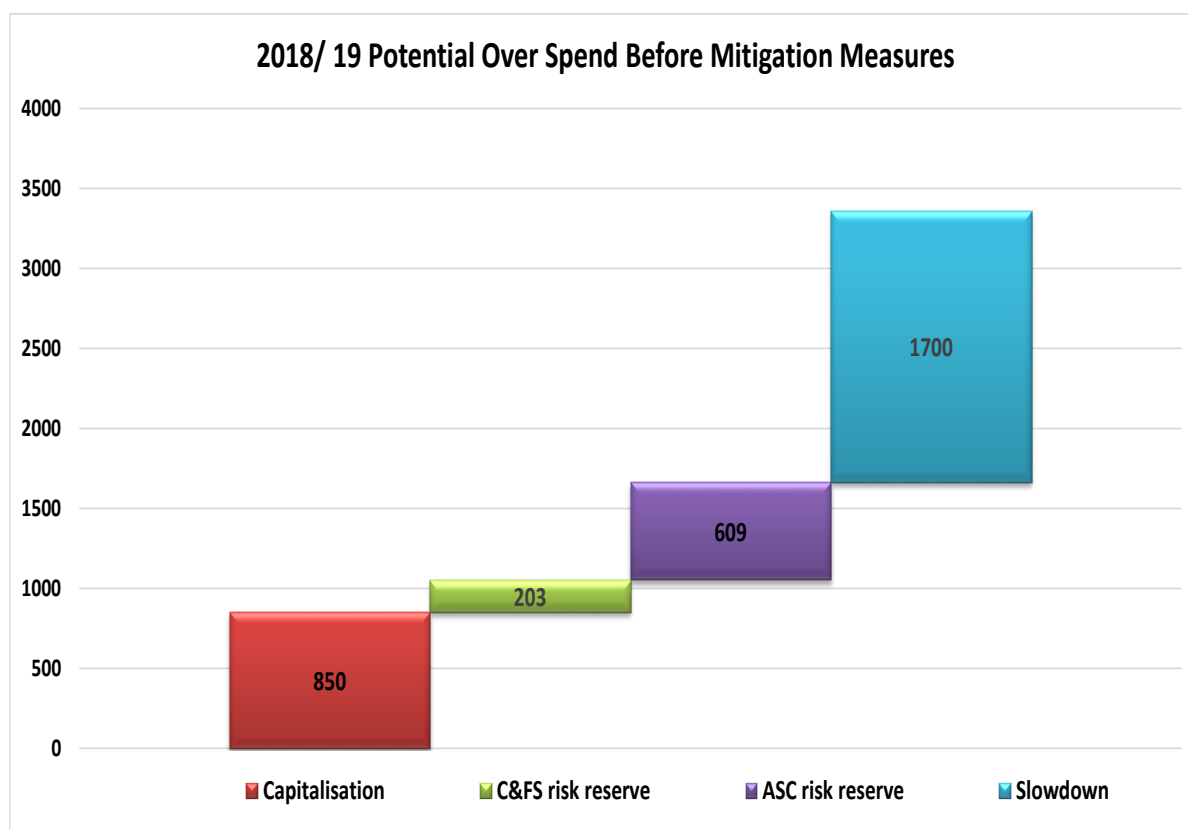
Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.

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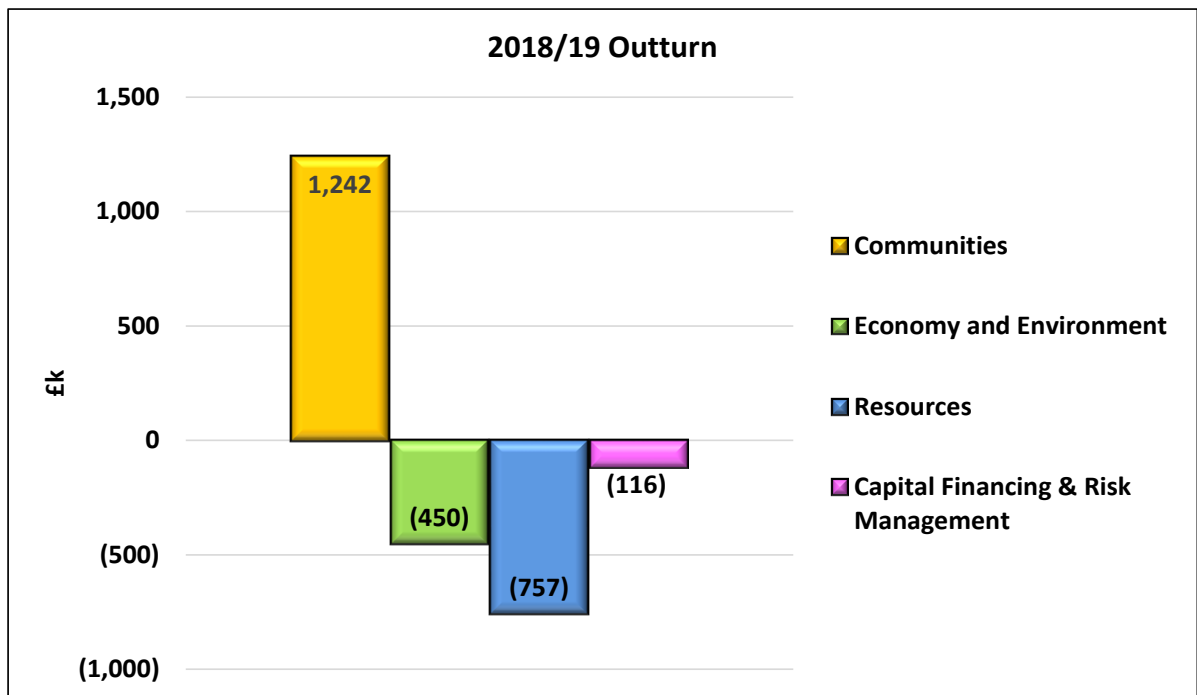
## 2018/19 Revenue Financial Performance: Provisional Outturn – Supporting Information

### 1. Introduction

- 1.1 At Quarter One it became evident that a significant overspend was emerging in the Communities Directorate and most notably in Adult Social Care. The whole Council was tasked with putting mitigation strategies in place in order to bring the forecast overspend down. Without this action the Council could have faced an overspend of £3.3million.
- 1.2 Cost reduction measures achieved £1.7m of savings, a further £850k was capitalised, and £812k was released from risk reserves at Quarter Three. The impact of the mitigation measures is shown in the chart below.

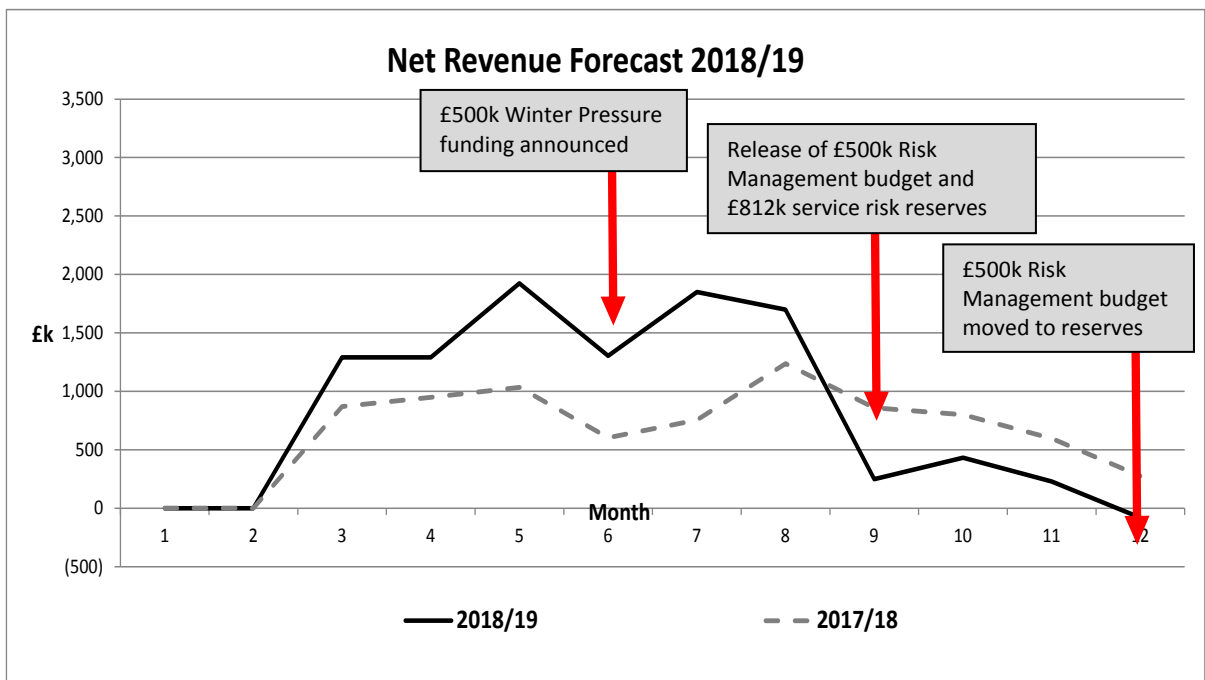


- 1.3 £81k was returned to reserves at the end of the year, resulting in a net use of £731k reserves.
- 1.4 Directorate over and under spends (after all mitigation measures) are shown in the following chart (the net position being the £81k returned to reserves):



**2. Revenue Outturn 2018/19**

2.1 The Council forecast through the year is shown in the following chart:



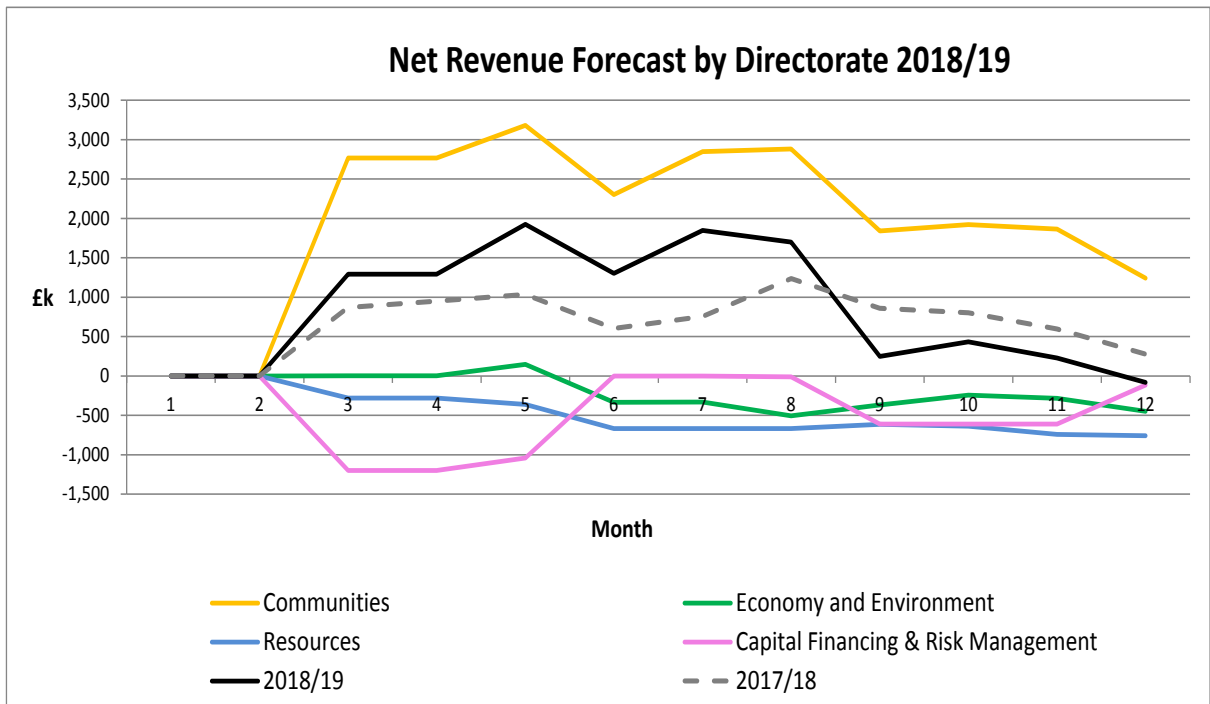
2.2 At Quarter One it became evident that a significant overspend was emerging in the Communities Directorate and most notably in Adult Social Care. An in depth review was undertaken of the modelling used to set the budget and concluded that the modelled budget should have been £1.4m higher, with the remainder of the overspend arising from increased demand, unmet savings, transfers of care and the embargo of Birchwood care home.

2.3 The whole Council was tasked with putting mitigation strategies in place in order to bring the forecast overspend down by year end and a decision was taken to slow expenditure in the remainder of the current financial year.

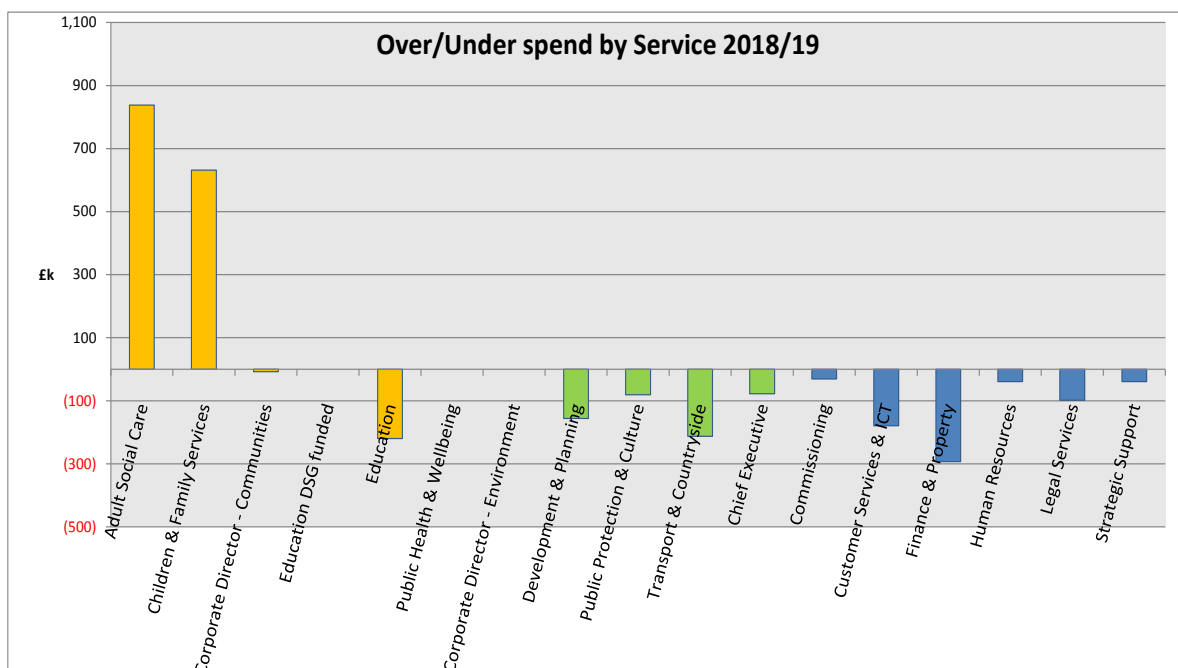
2.4 At Quarter Three, £812k was released from service specific risk reserves to support overspends that had been provided against, and £500k of the risk management budget was earmarked to set against the overspend, reducing the forecast overspend to £250k.

2.5 By year end, further mitigation savings and underspends were achieved, bringing the Council in just under budget. As a result, the £500k remaining risk management budget that was unspent but planned to be used to support the corporate overspend, will be moved to reserves.

2.6 The Directorate forecasts are shown in the following chart:



2.7 There were two services with overspends at year end: Adult Social Care £838k and Children & Family Services £632k.



## Provisional Outturn – Supporting Information

	Current Net Budget	Actual spend	Forecast (under)/over spend					Change from Last Quarter	Change from Last Month	Outturn as % of Net Budget
			Quarter One	Quarter Two	Quarter Three	Month Eleven	Year End			
	£000	£000	£000	£000	£000	£000	£000	£000	£000	%
Adult Social Care	43,181	44,019	2,388	1,640	1,136	1,153	838	(298)	(315)	1.9%
Children & Family Services	15,047	15,679	220	657	755	812	632	(123)	(180)	4%
Corporate Director	152	144	8	8	(1)	(5)	(8)	(7)	(3)	-5%
Education DSG funded	(444)	(444)	0	0	0	0	0	0	0	0%
Education	8,636	8,416	152	(1)	(51)	(95)	(220)	(169)	(125)	-3%
Public Health & Wellbeing	86	86	0	0	0	0	0	0	0	0%
<b>Communities</b>	<b>66,658</b>	<b>67,900</b>	<b>2,768</b>	<b>2,303</b>	<b>1,840</b>	<b>1,864</b>	<b>1,242</b>	<b>(598)</b>	<b>(622)</b>	<b>2%</b>
Corporate Director	170	170	0	0	0	0	0	0	0	0%
Development & Planning	2,701	2,545	(114)	(232)	(236)	(116)	(156)	80	(40)	-6%
Public Protection & Culture	4,086	4,005	47	70	(11)	(47)	(81)	(70)	(34)	-2%
Transport & Countryside	23,138	22,925	70	(171)	(120)	(122)	(213)	(93)	(91)	-1%
<b>Economy and Environment</b>	<b>30,095</b>	<b>29,645</b>	<b>3</b>	<b>(333)</b>	<b>(367)</b>	<b>(285)</b>	<b>(450)</b>	<b>(83)</b>	<b>(165)</b>	<b>-1%</b>
Chief Executive	787	709	0	(75)	(77)	(77)	(78)	(1)	(1)	-10%
Commissioning	1,016	985	0	(46)	(46)	(46)	(31)	15	15	-3%
Customer Services & ICT	3,027	2,848	(3)	(104)	(98)	(109)	(179)	(81)	(70)	-6%
Finance & Property	1,070	777	(260)	(314)	(303)	(349)	(293)	10	56	-27%
Human Resources	1,478	1,439	0	(52)	(33)	(24)	(39)	(6)	(15)	-3%
Legal Services	1,047	949	0	(36)	(16)	(90)	(98)	(82)	(8)	-9%
Strategic Support	2,317	2,278	(17)	(40)	(40)	(45)	(39)	1	6	-2%
<b>Resources</b>	<b>10,742</b>	<b>9,985</b>	<b>(280)</b>	<b>(667)</b>	<b>(613)</b>	<b>(740)</b>	<b>(757)</b>	<b>(144)</b>	<b>(17)</b>	<b>-7%</b>
Capital Financing	10,015	9,899	0	0	(110)	(110)	(116)	(6)	(6)	-1%
Movement through Reserves	1,917	1,917	0	0	0	0	0	0	0	0%
Risk Management	0	0	(1,200)	0	(500)	(500)	0	500	500	0%
<b>Capital Financing &amp; Risk Management</b>	<b>11,932</b>	<b>11,816</b>	<b>(1,200)</b>	<b>0</b>	<b>(610)</b>	<b>(610)</b>	<b>(116)</b>	<b>494</b>	<b>494</b>	<b>-1%</b>
<b>Total</b>	<b>119,427</b>	<b>119,346</b>	<b>1,291</b>	<b>1,303</b>	<b>250</b>	<b>229</b>	<b>(81)</b>	<b>(330)</b>	<b>(310)</b>	<b>-0.1%</b>

NB. Rounding differences may apply to nearest £k.

### 3. Communities Directorate

3.1 The Directorate outturn position is £1.2m overspent which is 2% against a net budget of £67m. The final overspend reduced by £600k from Month Eleven and Quarter Three.

3.2 The Adult Social Care (ASC) outturn position is £838k overspent which is 2% of the net budget of £43m. The final ASC overspend reduced by £300k from Month Eleven and Quarter Three. These changes can be summarised as follows:

- Commissioning (£0.2m) BCF funding/reduced package costs
- Non Commissioning (£0.2m) Respite Care Usage & additional income
- Own Homes £0.1m Birchwood Maintenance & Agency usage

3.3 The ASC overspend is summarised below:



2018/19 ASC overspend	£m
Long Term Commissioning	1.58
Short Term Commissioning	0.38
Birchwood Care Home	1.10
Non Commissioning	-0.82
<b>Underlying overspend</b>	<b>2.24</b>
Use of risk reserve	-0.60
Winter funding	-0.50
Transformation funding	-0.29
<b>Final overspend</b>	<b>0.84</b>

\*£10k roundings may apply

- 3.4 The underlying overspend has been addressed in the 2019/20 budget build with improved modelling used to forecast future budget requirements in commissioning. Birchwood care home has received additional funding to address staffing levels for 2019/20, but our care home provision will remain an area of focus as the total overspend for 2018/19 was £1.2m.
- 3.5 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. The service has faced 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.
- 3.6 Children & Family Services (CFS) outturn position is £632k overspent which is 4% of the net budget of £15m. Childcare lawyers overspent by £565k. This is in part attributable to a £200k unmet savings target and in part to four complex high court cases. The demand led placement budgets are reporting overspent by £396k mainly in Independent Fostering Agencies' and Special Guardianship. The 2018/19 savings programme has only delivered £26k against a target of £426k, and £400k of savings have not been met, however, in-year savings of £200k were delivered.
- 3.7 The Education Service outturn position is £220k underspent. Home school transport is underspent by £265k due to savings achieved on contract changes and taxis usage. The underspend has been to some extent offset by overspends in Disabled Children budgets specifically in residential placements, although the overspend did reduce in the last month due to packages of care not starting when expected. In-year savings of £200k were delivered.
- 3.8 Public Health outturn position was on line after the expected underspend of £115k has been carried forward as per the grant conditions to be spent on Public Health activities in 2019/20.

#### 4. Economy and Environment Directorate

- 4.1 The Directorate outturn position is £450k underspent which is 1.5% of the net budget of £30m and is a variance of £83k to the Quarter Three forecast position.

The outturn reflects in-year savings of £246k identified in response to the corporate slow-down and capitalisation of £443k of in-year costs.

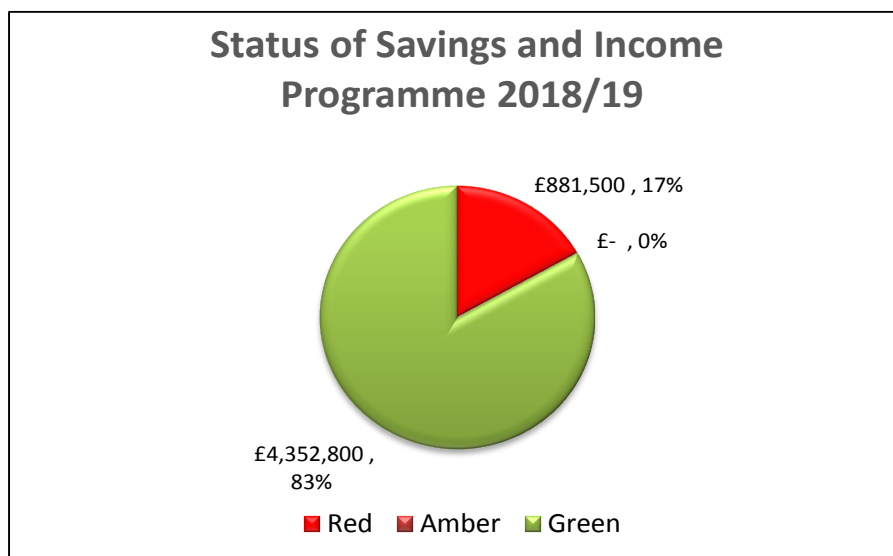
- 4.2 Development and Planning were £156k underspent. Budget underspends were requested to be carried forward but were unsuccessful resulting in a change from the Month Eleven forecast.
- 4.3 Public Protection and Culture were £81k underspent mostly from capitalisation of expenditure.
- 4.4 Transport and Countryside were underspent by £213k mostly from capitalisation of relevant highways expenditure, without which the service would have been overspent by £90k. Car parking income has been below budget this year and winter maintenance budgets overspent as a result of the February snowfall.

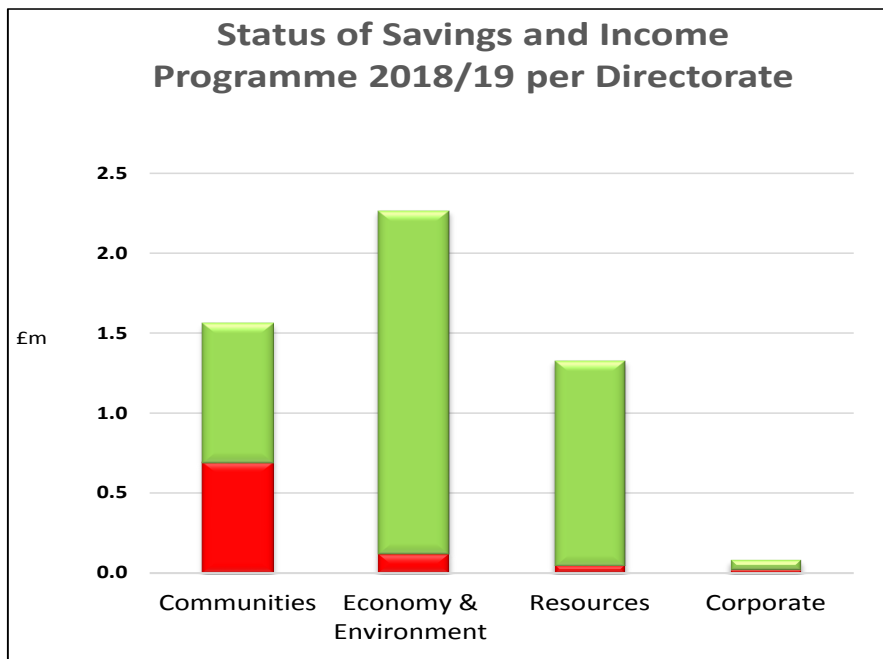
### 5. Resources Directorate

- 5.1 The Directorate outturn position is £757k underspent which is 6.9% of the net budget of £11m and is a favourable variance of £144k compared to Quarter Three. The variance was largely in Customer Services & ICT in staffing, printing and infrastructure. The outturn reflects in-year savings of £600k achieved in response to the corporate slowdown, and additional income received on commercial property investment of £312k.
- 5.2 Legal disbursements proved to be the main significant pressure on the resources directorate budget in 2018/19, being £100k overspent against budget at year-end. The disbursements overspend is largely due to the adverse decision in the LRIE Court of Appeal case and the cost of a number of planning inquiries.

### 6. 2018/19 Savings and Income Generation Programme

- 6.1 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:





6.2 The status at outturn shows 17% of savings not achieved. Whilst some of the savings have over achieved, the savings programme as a whole has significantly under achieved in 2018/19. The Communities Directorate has only achieved 56% of savings targets. (ASC 76% achieved, CFS 6% achieved, Education 84% achieved). This will be addressed in 2019/20 as part of the ongoing savings and income generation programme. Detailed explanations for unmet savings are given in the Directorate Appendix.

6.3 The corporate savings and income generation programme is summarised below:

	2018/19			Achieved
	Target	Green	Red	
	£k	£k	£k	
Corporate	80	60	20	75%

£60k has been achieved but £20k is red for corporate digitisation enablers. There have been delays in completing the digitisation work due to lack of resource in the digital services team and prioritisation of other work.

## 7. Risk and Transformation Reserves

7.1 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 risk reserves are based on service risk registers. The reserves can be released if the named risks arise, subject to member approval. At Quarter Three, £812k was released. Risks did arise in other service areas, but as those services were underspent, no funding was released.

## Provisional Outturn – Supporting Information

Risk Reserve Summary	Reserve Balance 1.4.2018	Change to level of Reserve	Current Reserve Balance	Risks funded at Q3	Risk Reserve balance 31.03.2019
Service	£000	£000	£000	£000	£000
Adult Social Care	881	719	1,600	-609	991
Children & Family Services	38	377	415	-203	212
Education	0	279	279	0	279
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
<b>Total</b>	<b>969</b>	<b>1,590</b>	<b>2,559</b>	<b>-812</b>	<b>1,747</b>

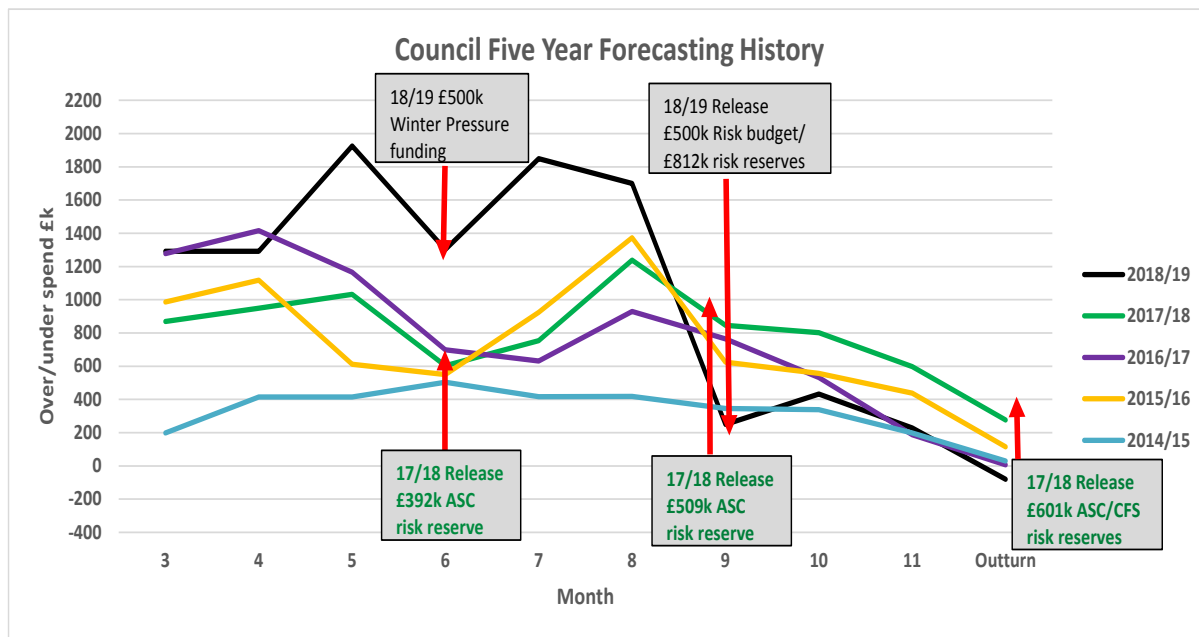
7.2 The Transformation Reserve was established in order to ensure that the Council has the resources to pursue transformation plans outlined in the MTFs and to invest in strategies that will bring future benefits to the organisation. Funds have so far been allocated as shown in the table:

Directorate	Service	Ref	Transformation Project	Funding Agreed
				£
			<b>Opening Balance</b>	<b>1,000,000</b>
Communities	Education	1	Emotional Health Academy	-5,570
Resources	Commissioning	2	Invest to save posts in commissioning	-225,000
Resources	HR	3	Invest to save post - Apprenticeship Coordinator	-74,000
Resources	Legal	4	Shared service advice	-12,000
Communities	Education	5	Invest to save - Family Hub transformation	-28,000
Resources	F&P, HR, SSU	6	Invest to save - New Ways of Working project	-216,000
Communities	ASC	7	Transport ASC	-5,300
			<b>Total agreed 2017/18</b>	<b>-565,870</b>
			<b>Funds available 31.3.18</b>	<b>434,130</b>
			Capital Receipts allocated to transformation	561,000
			<b>Opening Balance 1.4.2018</b>	<b>995,130</b>
Resources/Env	SSU/PPC	8	Commercial Group 2 sales & marketing officers(2yrs)	-169,000
Communities	ASC	9	Transport data reviewing officer extension	-2,700
Resources	Commissioning	10	Extend fixed term post 1 yr re ASC	-40,700
Resources	F&P	11	Digital transformation Revs and Bens	-147,000
Resources	Legal	12	Shared service advice	-16,000
Resources	Commissioning	13	Invest to save posts in commissioning	-42,000
Communities	ASC	14	Review of care packages	-150,000
Communities	ASC	15	Assistive Technology	-142,000
Communities	Education	16	Emotional Health Academy	-11,000
Resources	Commissioning	17	Lottery start up	-13,000
Communities	CFS	18	Family Safeguarding - dependent	-131,000
			<b>Total agreed 2018/19</b>	<b>-864,400</b>
			<b>Funds available 31.3.19</b>	<b>130,730</b>
			Reserves allocated to transformation	869,270
			<b>Opening Balance 1.4.2019</b>	<b>1,000,000</b>

7.3 Budget Board allocated a further £869k in April 2019 from existing reserves in order to increase the Transformation Reserve back to £1m.

## 8. Implications for 2019/20 Budget

8.1 Over the past five financial years revenue overspends have been forecast at Quarter One mainly in social care areas. This has required the organisation to respond with in-year mitigation measures. The graph below illustrates the forecasting and outturn trends, inclusive of in year mitigation.



8.2 A paper has been written on the Approach to Budget Monitoring 2019/20 outlining proposals for a change of focus from full year forecasting to a greater focus on actual expenditure.

**9. Proposals**

9.1 To note the outturn position.

**10. Conclusion**

10.1 The Council faced a potential overspend of £3.3m in 2018/19 and has responded to this with a Council wide mitigation programme, and has had to make use of service specific risk reserves. After these actions the final position will result in £81k being returned to reserves. Areas of ongoing overspend and unmet savings have been addressed as part of the 2019/20 budget build.

**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

**Officer details:**

Name: Melanie Ellis  
 Job Title: Chief Management Accountant  
 Tel No: (01635) 519142  
 E-mail Address: Melanie.Ellis@westberks.gov.uk

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# 2018/19 Revenue Financial Performance: Communities Directorate Outturn Report

## 1. Outturn Review

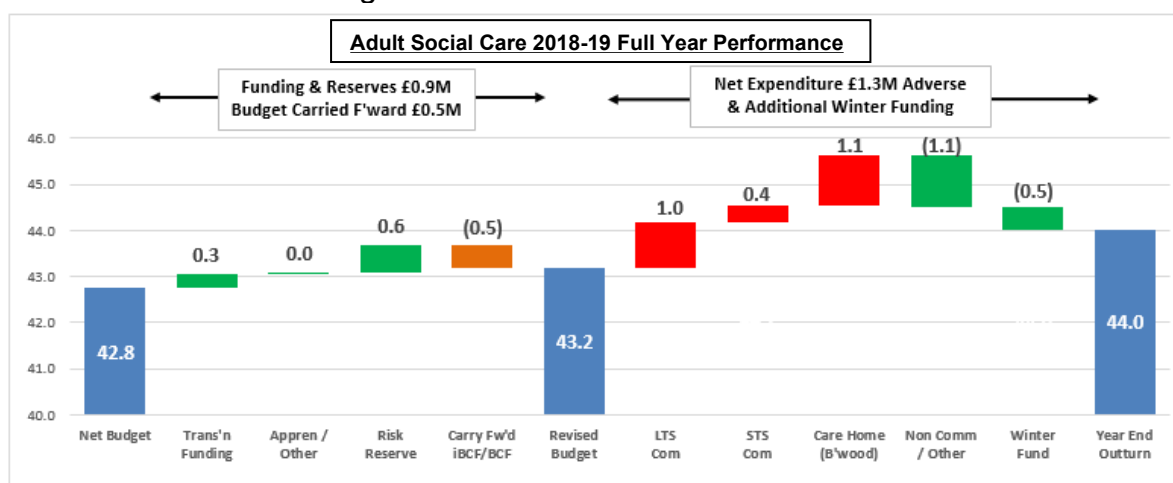
Communities	Current Net Budget	Forecast (Under)/Over spend					Change from Last Quarter	Change from Last Month
		Quarter One	Quarter Two	Quarter Three	Month Eleven	Year End		
	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	43,181	2,388	1,640	1,136	1,153	838	(298)	(315)
Children & Family Services	15,047	220	657	755	812	632	(123)	(180)
Corporate Director - Communities	152	8	8	(1)	(5)	(8)	(7)	(3)
Education DSG funded	(444)	0	0	0	0	0	0	0
Education	8,636	152	(1)	(51)	(95)	(220)	(169)	(125)
Public Health & Wellbeing	86	0	0	0	0	0	0	0
<b>Communities</b>	<b>66,658</b>	<b>2,768</b>	<b>2,303</b>	<b>1,840</b>	<b>1,864</b>	<b>1,242</b>	<b>(598)</b>	<b>(622)</b>

- 1.1 The Directorate outturn position is £1.2m overspent, which is 1.9% against a net budget of £67million, and a favourable variance of £600k from Month Eleven and Quarter Three. This position includes the deployment of the Risk Reserve in Quarter Three of £609k in Adult Social Care and a further £203k in Children and Family Services.
- 1.2 Two services were overspent at the Year End Outturn: Adult Social Care £0.8m and Children and Family Services £0.6m. Across both these services, financial pressures from demand driven externally commissioned placements create these overspends. Agency pressures have been identified across the Child Protection Teams within Children & Family Services and a further financial pressure has been identified relating to the Children and Family Service's Childcare Lawyers budget.

### (1) Adult Social Care

#### 2018/19 Outturn Summary:

ASC ended the year with an overspend of £0.8m, net of budget changes and additional funding. The Net Expenditure Bridge below shows the Full Year Change by Service Area and Funding Stream.



During the year the overall budget increase was £0.4m, after £500k of iBCF / BCF funding was carried forward into next year. It also includes the deployment of part of the Risk Reserve which occurred at the end of Quarter Three.

ASC Net overspend of £0.8m was mitigated by additional, one off Winter Funding of £0.5m which was not budgeted for. This ring-fenced grant assisted with the cost of managing transfers of care. An in year mitigation savings target of £500k was allocated to ASC and any savings realised in year are included in the above outturn. There are two main areas where savings have been achieved this year, these are discussed in detail later in this report.

- 1) NWoW: Cost Avoidance of Clients entering Long Term Care
- 2) Client Contribution & Income: direct payments repayments and charging policy

In addition ASC successfully capitalised a portion of Occupational Therapist salaries in line with other areas of the council, reducing the expense by a further £350k in year. All the above savings are fully reflected in the Net Expense Bridge above.

### **Commissioning Pressures (Long & Short Term)**

The Full Year Overspend is £2m. The causes of both Long Term and Short Term overspends is due to client packages sourced from external providers costing significantly more than expected. This is primarily due to rate increases. In addition the Birchwood Embargo resulted in increased demand to source care externally during this time.

The Year End Net position of £0.8m overspend includes £0.6m release from the Risk Reserve in Quarter Three, (as agreed by the Executive) a further £0.5m Winter Funding and capitalisation of OT salaries £0.4m. Commissioning ended the year broadly as expected with an underlying £2m overspend.

The 2019/20 Budget for includes a £2.3m increase in the Long & Short Term Commissioning budgets to cover the above current year shortfall.

### **Provider Services Pressures**

Birchwood Care Home year end is £1.1m overspent. In February the Nursing floor (Top Floor) reported full occupancy for the first time since the lifting of the self-imposed embargo (25 beds). The Frail Nursing Unit (Silverbirch – formally referred to as step down beds) also reported an increased occupancy and now has 6 out of the 10 beds filled.

A pressure bid was agreed for 2019/20 to ensure there is sufficient staffing budget to provide a safe level of service. Whilst Birchwood Staffing Budget is now at a sustainable level for 2019/20, focus must remain on the other cost associated with our Own Home Care provisions and the remainder of our In House care homes. We have seen cost increases, driven mainly by staffing issues & maintenance, across all of the Homes this year. We are continuing to monitor this area closely and plan to introduce some changes to monitoring and reporting.

The single biggest issue faced by ASC remains the lack of a care workforce. This impacts both the costs of our own in-house services and the prices we pay to our



external providers. We are increasingly seeing providers pull out of the market, others turning down work and others returning existing contract.

## **(2) Children and Family Services**

The Children & Family Services outturn position is an over spend of £632k, which is a £123k decrease on Quarter Three. The outturn position reflects the release of £203k of one off funding from the Children & Families risk reserve at Quarter Three.

The key variance explanations are as follows:

Child care lawyers are overspent by £565k due to four complex high costs cases that were not anticipated to occur in 18/19. The 18/19 budget for Child Care lawyers was set at £425k which included a £200k saving target to reduce child care lawyers' costs which was not achieved.

The placement budgets are overspent by £396k mainly in Independent Fostering Agencies' (£182k) and Special Guardianship (£148k) due to an increase in cost driven by demand which fluctuates during the year. The 18/19 placement budgets included a £200k saving target which was not achieved.

There have been underspends in Youth Offending Service, Targeted Intervention Service and Child Protection teams which has partially offset the overspend.

Due to the significant overspend which was forecast in Quarter Two, mitigation strategies were devised to be implemented to address the pressures identified in Children & Family Services. In year savings of £200k have been identified to mitigate overspends and this has been included in the service forecast.

## **(3) Education**

The Education Service outturn position is an underspend of £220k, which is a £169k increase on Quarter Three forecast.

Home school transport is underspent by £265k which is due to savings achieved on contract changes and taxis usage. The underspend has been to some extent offset by overspends in Disabled Children budgets specifically in residential placements. The Disability Support Team is overspent by £126k due to demand led constraints on resources and the adverse variance on Castlegate, £65k, is due to a shortfall on the income target.

In year savings of £200k have been identified to mitigate overspend in prior months and have been included in the service forecast.

The Education risk reserve is £279k for 2018/19. The residential placement costs are over spent which relates to identified risks therefore the risk reserve could have been utilised to offset the over spend. It has been decided that due to the overall underspend on the Education service it will not be required to draw down funds from reserves.

**(4) Public Health & Wellbeing**

Public Health Outturn position was on line and as expected the underspend of £115k will be carried forward as per the grant conditions to be spent on Public Health activities in 2019/20. Also, within the underspend £20k was earmarked to be rebadged to ASC as a contribution to Public Health related incurred costs in 2018/19.

**2. 2018/19 Savings and Income Generation Programme - RAG**

2.1 The Communities Directorate 2018/19 savings and income generation programme is summarised below:

	2018/19			Achieved
	Target	Green	Red	
Communities	£k	£k	£k	
Corporate Director	61	0	61	0%
Adult Social Care	761	580	181	76%
Children & Family Services	426	26	400	6%
Education Services	314	264	50	84%
<b>Total</b>	<b>1,562</b>	<b>870</b>	<b>692</b>	<b>56%</b>

**(1) Corporate Director:**

£61k of savings relating to income and efficiency targets assigned to the former Prevention & Safeguarding Service are Red. The target was not achieved and a pressure bid was submitted and approved for 2019/20.

**(2) Adult Social Care:**

Adult Social care 2018/19 budget was built with a £761k savings and income generation programme, these included two major initiatives.

Firstly, Achievement of the **New Ways of Working** saving depend on reducing the percentage of those people who come to our front door and end up with a long term service. Around 70% of people approaching the council for help come via our front door. The ‘conversion rate’ for those coming to our front door (excluding those coming from hospital discharge, capital depleters etc.) in 2017/18 was 10.8%.

The final validated figure for 2018/19 will not be available until after the year end but as at the 24th February 2019 the conversion rate for our ‘front door’ stood at 6.7% This 3.1% improvement means that we avoided around 58 people going onto a long term service. If we use the latest average care package value of £19,900 then the saving equates to £1,154,200 for a full year. However, there would have been staggered start dates so a figure of £577,100 for 2018/19 would be more appropriate. Whilst we do have to wait for the fully validated figure, all the indicators are that this improvement in the ‘conversion rate’ has been achieved and the savings target of £225,000 more than achieved.

Secondly, the **Transforming Lives** - delivering care differently to existing clients with complex needs project started in 2016 but whilst some modest savings were delivered in previous years, no savings were made in the current year. A number of problems were experienced with this project and it has been discontinued. However the opportunity to review complex care packages and identify arrangements that

make better use of resources still exists and a number of better targeted review exercises are in place to meet 2019/20 savings targets. These projects have been started early as part of the overspend mitigation actions and they have already delivered significant savings (£73k in year and £220k full year).

The £6k saving for S12 specialist GPs for Deprivation of Liberty safeguards has not been achieved and remains Red.

The £355k of income generation has been achieved in full.

Whilst modest savings were delivered by Transforming Lives and none in the Deprivation of Liberty area, the overachievement in New Ways of Working and the delivery of the extra incomes means that the overall target was met by ASC.

### **(3) Children & Family Services:**

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

The saving of £200k for Childcare Lawyers is red as it has not delivered. The budget for Childcare lawyers was significantly reduced at the start of the financial year. This was based on a belief that the recently introduced Family Safeguarding Model of working would reduce court based work. However, the court work did not reduce in 2018/19, which exacerbated the eventual overspend (because £200k had been removed from the budget anyway). The saving was not met because we failed to model the true and likely demand of the service. There have been a number of particularly complex West Berkshire cases before the Family Court this year.

Placements management (family safeguarding), £200k, is RAG rated as Red as at Outturn the Placement budget is significantly overspent therefore the savings target have not been achieved in year. Family Safeguarding was expected to make savings by reducing the need for acute level interventions. Whilst this is possible, we expected to do this far too early in the project. The project went fully live in April 2018 and it was too optimistic to expect such an impact early on. Significantly, the number of children in care nationally continues to rise, and also the presentation of increasingly complex needs (which are costly). The saving was not met due to increased demand, more costly placement provision (due to need) and exceptional issues such as higher representation of unaccompanied asylum seekers. However we are able to identify placement cost reductions in the family safeguarding teams. Family Safeguarding is not rolled out across all teams in West Berkshire, but in those where it is, we are seeing encouraging signs.

All other savings has been achieved.

#### **Education:**

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

The saving of £50k for Castlegate is red. The Castlegate 'saving', which relates to generating additional income, was the subject of a review meeting, involving the portfolio holder and relevant officers. The previous business plan was reassessed in the light of changed circumstances (i.e. increased West Berkshire demand), and

found to be basically sound. If we are to be successful additional capacity will be essential in delivering this saving in 2019/20.

All other savings are expected to be achieved.

**(4) Public Health & Wellbeing:**

Public Health & Wellbeing services 2018/19 budget was built with a £333k savings and income generation programme.

Income generation, £29k, is Red due to traded services implementation being delayed. Needle Exchange, £5k, and SRCL Waste, £2k, are flagged as Red due to the savings not being feasible to be fulfilled. These savings will be offset by underspends on dual diagnosis nurse.

All other savings are expected to be achieved.

**3. Risks**

**3.1 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. At Quarter Three it was agreed to deploy part of this reserve and £609k was released for in year mitigation.

<b>Adult Social Care</b>	<b>Value</b>	<b>Draw Down</b>	<b>Reserve</b>
	<b>£000</b>	<b>Month 9</b>	<b>Balance</b>
	<b>£000</b>	<b>£001</b>	<b>£000</b>
Risk Reserve closing balance 31.3.2018	881		
Adult Social Care Support Grant	313		
Increase in reserve agreed via bid	406		
<b>Risk Reserve balance 01.04.2018</b>	<b>1,600</b>		
<b>Risk Reserve balance 30.06.2018</b>			<b>1,600</b>
<b>Risks arising as at Quarter Three 2018-19:</b>			
2 transition packages higher than expected	-107	-107	
Loss of a Continuing Health Care Award (CHC)	-83	-81	
Additional one off resource due to Birchwood Embargo	-257	-110	
Additional care management resource	-22	-22	
Contracts retendered higher than inflation	-390	-155	
Precarious Clients	-134	-134	
Provider Failure (Carewatch)	-95		
<b>Total remaining risks arising in 2018/19</b>			<b>-1,088</b>
<b>Risk Reserve potential closing balance 31.03.2019</b>	<b>-1,088</b>	<b>-609</b>	<b>512</b>

**3.2 Children and Family Services**

Children and Family Services has a dedicated risk reserve of £415k designed to be utilised in year, should the named risks materialise. A detailed risk register is maintained to support this reserve. At Quarter Three it was agreed to deploy part of this reserve and £203k was released for in year mitigation.

Children and Family Services	Approved Risk Register	M9 Overspend that relate to named risks	M9 use of risk reserve
Named Risks	£000	£000	£000
<b>Utilisation of agency staff</b>			
Requirement to cover key posts (social workers) above base budget provision. Based on the current service average agency weekly expenditure for two additional workers.	130	47	47
<b>Placement &amp; Allowances Expenditure (current average annual cost)</b>			
Increase in residential placements (based on average annual placement costs). Based on one additional placement.	231	102	102
Increase in Independent Fostering usage (based on average annual placement costs). Based on one additional placement.	54	234	54
	<b>415</b>	<b>382</b>	<b>203</b>

**3.3 Education:**

The Education risk reserve is £279k for 2018/19. The residential placement costs are over spent by £86k which relates to identified named risks. It has been decided not to utilise the risk reserve as the Education service is underspent.

**4. Transformation Funding**

The Directorate was awarded transformation funding of £39k in 2017/18 for the Emotional Health Academy, Family Hub Transformation and transport project. £437k has been awarded in 2018/19.

Adult Social Care was awarded £300k in 2018/19, some of this was used for an external resource to continue to interrogate transport expenditure, supported by the Transport Integration Group. Work is now complete. The majority of the funding is being used to implement assistive technology with the aim of improving our prevention focus and reducing the size of care packages. The project has started, governance is through ASC Budget Planning Group and BW7.

Children and Family Services have been provisionally awarded £131k to support the Family Safeguarding Model.

In Education, £11k has been awarded to the Emotional Health Academy.

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# 2018/19 Revenue Financial Performance: Economy & Environment Directorate Outturn Report

## 1. Outturn Review

Economy and Environment	Current Net Budget	Forecast (under)/over spend					Change from Last Quarter	Change from Last Month
		Quarter One	Quarter Two	Quarter Three	Month Eleven	Year End		
	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Director - Environment	170	0	0	0	0	0	0	0
Development & Planning	2,701	(114)	(232)	(236)	(116)	(156)	80	(40)
Public Protection & Culture	4,086	47	70	(11)	(47)	(81)	(70)	(34)
Transport & Countryside	23,138	70	(171)	(120)	(122)	(213)	(93)	(91)
<b>Economy and Environment</b>	<b>30,095</b>	<b>3</b>	<b>(333)</b>	<b>(367)</b>	<b>(285)</b>	<b>(450)</b>	<b>(83)</b>	<b>(165)</b>

- 1.1 The Directorate outturn position is £450k underspent which is 1.5% of the net budget of £30m and is a variance of £83k to the Quarter Three forecast.
- 1.2 The Directorate achieved the following in-year savings in response to the corporate slow down (excluding capitalisation):

Slowing Down Savings 2018/19	Total
Service	£000
Development and Planning	116
Public Protection and Culture	15
Transport and Countryside	115
<b>Total</b>	<b>246</b>

- 1.3 Capitalisation of £443k of costs in-year which were additional to the savings above, are analysed by service below.

Capitalisation In-Year		Total
Service	Description	£000
Development and Planning	Transport policy post	45
Public Protection and Culture	Library books stock an associated costs	95
Transport and Countryside	Hand patching	178
	Sign and Road Markings	50
	Drainage	75
<b>Total</b>		<b>443</b>

### (1) Development and Planning

The Service outturn position is £156k underspent. The forecast at Quarter Three of £236k was largely due to

- salary and associated savings in Development Control (£26k),
- a drawdown of CIL funding for the full cost of the service including overheads (£45k) and
- capitalisation within transport policy (£45k).

This underspend was revised at Month Eleven to £116k, taking account of appeals costs of £100k. The outturn position showed

- Planning and transport policy budget underspends were unsuccessfully requested to be carried forward resulting in a previously unreported £94k underspend.
- Credit notes raised for housing income invoiced during the year were greater than expected resulting in the housing service being overspent by £67k.

### (2) Public Protection & Culture

The Service outturn position is an underspend of £81k. The main contributor to this is the capitalisation of expenditure in the service. The saving in 2018/19 is £95k and this has mitigated £40k overspends in the Activity team, where there were transition costs associated with two functions that have now ceased - Activity Team and the Duke of Edinburgh scheme.

### (3) Transport and Countryside

The Service outturn position is an underspend of £213k, after capitalisation of relevant highways expenditure. Without this, the Service would be overspent by £90k.

The forecast overspend at Quarter Three of £120k was largely due to winter maintenance overspends and pressure on the car parking income budgets. The year-end actuals moved significantly against the forecast at Quarter Three as follows:

- Winter maintenance budgets overspent by £187k at year-end. Snowfall in February 2019 cost an additional £75k over the estimated cost at Quarter Three and at Month Eleven.
- The forecast pressure of £229k in the parking budget at Quarter Three was reduced by £120k at year-end. Income continued to be below expectations in the last quarter and was overall £221k lower than budget of which £120k related to problems in recruiting Civil Enforcement Officers. A slow down of expenditure reduced the net pressure by year-end.

## 2. 2018/19 Savings and Income Generation Programme - RAG

2.1 The Economy and Environment Directorate savings and income generation programme is summarised below:



	2018/19			Achieved
	Target	Green	Red	
<b>Economy &amp; Environment</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
Planning & Development	202	202	0	100%
Public Protection & Culture	18	18	0	100%
Transport & Countryside	2,046	1,925	122	94%
<b>Total</b>	<b>2,266</b>	<b>2,144</b>	<b>122</b>	<b>95%</b>

2.2 Transport and Countryside:

The target net increase in penalty charges income of £46k is Red as considerable difficulty in recruiting Civil Enforcement Officers has resulted in reduced income from penalty charges. There has been no increased income from on street parking charges as this savings proposal was not pursued. Additional car parking fees built into the budget for 2018/19 of £75k is Red as external power supply problems, vandalism of, and theft from parking equipment, fewer enforcement resources than anticipated and a reduction in demand has had an adverse impact on income.

3. Risks

**Transport & Countryside:**

Although overspent this year the reserve established for the winter gritting costs was not utilised as the Service as a whole was underspent.

**Building control:**

Building Control has experienced some fluctuations in market share which impacts on the re-charge made by Wokingham BC (as hosts of the shared service).

**Libraries and Leisure:**

A risk reserve of £90k (Libraries) and £50k (Leisure) available this year to mitigate financial risks was not used as the service overall was underspent.

4. Transformation Funding

The Directorate was awarded £20k transformation funding to meet the costs of overseeing the Council’s Commercialisation agenda and the recruitment of a casual Project Manager. This was managed by the Head of Public Protection and Culture.

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# 2018/19 Revenue Financial Performance: Resources Directorate Outturn Report

## 1. Outturn Review

Resources	Current Net Budget	Forecast (under)/over spend					Change from Last Quarter
		Quarter One	Quarter Two	Quarter Three	Month Eleven	Year End	
	£000	£000	£000	£000	£000	£000	£000
Chief Executive	787	0	(75)	(77)	(77)	(78)	(1)
Commissioning	1,016	0	(46)	(46)	(46)	(31)	15
Customer Services & ICT	3,027	(3)	(104)	(98)	(109)	(179)	(81)
Finance & Property	1,070	(260)	(314)	(303)	(349)	(293)	10
Human Resources	1,478	0	(52)	(33)	(24)	(39)	(6)
Legal Services	1,047	0	(36)	(16)	(90)	(98)	(82)
Strategic Support	2,317	(17)	(40)	(40)	(45)	(39)	1
<b>Resources</b>	<b>10,742</b>	<b>(280)</b>	<b>(667)</b>	<b>(613)</b>	<b>(740)</b>	<b>(757)</b>	<b>(144)</b>

- 1.1 The Directorate outturn position is £757k underspent which is 6.9% of the net budget of £11m and a variance of £144k to the forecast position at Quarter Three.
- 1.2 The Directorate reports on a quarterly basis, although an update of the outturn forecast was produced at Month Eleven to reflect a significant shift in the Legal Service's reported surplus – an additional £74k.
- 1.3 The main item which contributed to the Directorate overall underspend, was the savings of £0.6m achieved in response to the corporate slowdown. This is shown by Service in the table below.

<sup>1</sup> Slowing Down Savings 2018/19	Total
Service	£000
Chief Executive	77
Commissioning	46
Customer Services and ICT	110
Finance and Property	126
Human Resources	40
Legal Services	133
Strategic Support	41
<b>Total</b>	<b>572</b>

- 1.4 Property Investment Income exceeded budget at year end by £312k. This was an increase of £62k on the forecast at Quarter Three. Savings have arisen as the

<sup>1</sup> Note that savings are shown gross and pressures within the services can mean that the service overall underspend is lower than this figure.

estimated provisions for maintenance, voids and the <sup>2</sup>Minimum Revenue Provision (MRP) are less than predicted earlier in the year. Also, £199k of in-year voids were covered by contributions from the original property vendors. The council has invested £38m in commercial property out of a total budget of £100m. This investment has primarily been made to generate income to support the provision of council services.

- 1.5 Legal disbursements proved to be the main significant pressure on the Resources Directorate budget in 2018/19, being £100k overspent against budget at year-end. The disbursements overspend is largely due to the adverse decision in the LRIE Court of Appeal case and the cost of a number of planning inquiries. The overspend includes the abortive costs in respect of one planning inquiry which was due to take place last year, but which was adjourned until 1 January 2019 as a result of the late service of evidence by a 3<sup>rd</sup> party. This budget is primarily used to fund the cost of external lawyers who are instructed to represent the Council in matters that are before the higher courts. This is considered later in the report.

## 2. 2018/19 Savings and Income Generation Programme – RAG

- 2.1 The Resources Directorate savings and income generation programme is summarised in the following table:

	2018/19			Achieved
	Target £k	Green £k	Red £k	
<b>Resources</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
Customer Services & ICT	247	247	0	100%
Commissioning	0	0	0	
Finance & Property	741	741	0	100%
Human Resources	120	120	0	100%
Strategic Support	159	111	48	70%
Legal	60	60	0	100%
<b>Total</b>	<b>1,327</b>	<b>1,279</b>	<b>48</b>	<b>96%</b>

- 2.2 Strategic Support:

Of the £68k income target for the graphics team, £48k remains RED at year end. This was due to reduced internal demand for the services of the imagery and graphics design team realising only £20k of the budgeted income. A successful pressure bid of £48k has been added to the 2019/20 budget. Other in-year savings identified within the service mitigated this pressure during 2018/19.

## 3. Risks for the future

### 3.1 Legal Services

The legal disbursements budget was overspent in 2018/19. This remains an ongoing risk area. A risk reserve of £50k was available to support the disbursements budget in 2018/19, this has been increased to £100k for 2019/20.

Other potential and ongoing budget risks in legal services include:

<sup>2</sup> The MRP is an annual charge to the revenue account which will, over the life time of any borrowing be sufficient to repay the principal of that borrowing as it falls due.

- Ongoing and future legal challenges/ Judicial Reviews
- Increase in the number of planning inquiries

### 3.2 Strategic Support

Reduced demand for Local Land Charges Services, reflecting reduced volumes of property transactions, had a small adverse impact on the council's income in 2018/19 of £4k. This demand led service is vulnerable to economic conditions that are outside the control of the council and future pressures may still arise

## 4. Transformation Funding

The Directorate has been awarded transformation funding of £527k in 2017/18 and £210k in 2018/19. The projects funded are as follows:

- £225k has been awarded for invest to save posts in Commissioning. The funding has been used to cover the initial cost of staff needed to take on additional work in line with the expanded remit of the service and was agreed as part of the strategic management review recommendations. The posts are all now recruited to and a savings forward plan is in place for 2019/20 to cover the ongoing revenue costs of the posts. Of this award £103k was spent last year and £122k has been spent in 2018/19.
- An additional £41k has been awarded to Commissioning in July 2018, to extend a fixed term post for one year to support the Care Placement Team to move away from dependency on manual processes through the use of technological solutions. Of this £22k was spent in 2018/19.
- Human Resources has been awarded £74k to co-ordinate the apprenticeship levy work for 18 months to ensure we are in a position to fully utilise the money available in our digital account. Of this award £26k was spent last year.
- Legal Services has been awarded £12k to obtain advice regarding entering a shared service arrangement. This has now been transferred and spent.
- The New Ways of Working Project has been awarded £216k split between Finance & Property, Human Resources and Strategic Support. The funding is for additional resource requirements in order to run the project for the next three years.
- £169k has been awarded to Strategic Support in June 2018 for two sales and marketing officers to be employed for two years. The decision was made to only appoint to one of these posts for a year and to review the situation thereafter.

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# 2018/19 Summary Revenue Outturn

	Budget		Net Outturn			Gross Performance						
	Original Budget £	Budget Changes £	Annual Net Budget to 31/03/2019 £	Net Exp/Inc to 31/03/2019 £	Actual Variance to 31/03/2019 £	Expenditure			Income			Net
						Annual Expenditure Budget for 2018/19 £	Actual Expenditure 2018/19 £	Expenditure Variance for 2018/19 £	Annual Income Budget for 2018/19 £	Actual Income for 2018/19 £	Income Variance for 2018/19 £	Net Variance £
Adult Social Care	41,610,640	1,570,670	43,181,310	44,019,757	838,447	60,130,210	61,542,711	1,412,501	-16,948,900	-17,522,954	-574,054	838,447
Childrens and Family Services	14,620,710	426,560	15,047,270	15,678,921	631,651	17,691,940	18,472,190	780,250	-2,644,670	-2,793,269	-148,599	631,651
Executive Director - People	208,190	-56,400	151,790	143,709	-8,081	151,790	143,894	-7,896	0	-185	-185	-8,081
Education (DSG Funded)	-444,000	0	-444,000	-444,004	-4	101,939,190	103,013,026	1,073,836	-102,383,190	-103,457,029	-1,073,839	-4
Education	8,264,500	371,270	8,635,770	8,415,863	-219,907	11,598,120	11,385,460	-212,660	-2,962,350	-2,969,597	-7,247	-219,907
Public Health & Wellbeing	-80,000	165,590	85,590	85,582	-8	6,064,190	6,007,589	-56,601	-5,978,600	-5,922,007	56,593	-8
<b>Communities</b>	<b>64,180,040</b>	<b>2,477,690</b>	<b>66,657,730</b>	<b>67,899,829</b>	<b>1,242,099</b>	<b>197,575,440</b>	<b>200,564,870</b>	<b>2,989,430</b>	<b>-130,917,710</b>	<b>-132,665,041</b>	<b>-1,747,331</b>	<b>1,242,099</b>
Executive Director - Place	171,120	-1,550	169,570	169,285	-285	169,570	169,285	-285	0	0	0	-285
Development and Planning	2,564,890	136,440	2,701,330	2,544,881	-156,449	4,964,680	5,189,258	224,578	-2,263,350	-2,644,377	-381,027	-156,449
Public Protection and Culture	3,719,900	366,210	4,086,110	4,005,521	-80,589	9,344,810	9,224,659	-120,151	-5,258,700	-5,219,137	39,563	-80,589
Transport and Countryside	23,279,940	-142,030	23,137,910	22,924,710	-213,200	33,216,040	33,405,933	189,893	-10,078,130	-10,481,222	-403,092	-213,200
<b>Environment</b>	<b>29,735,850</b>	<b>359,070</b>	<b>30,094,920</b>	<b>29,644,398</b>	<b>-450,522</b>	<b>47,695,100</b>	<b>47,989,134</b>	<b>294,034</b>	<b>-17,600,180</b>	<b>-18,344,736</b>	<b>-744,556</b>	<b>-450,522</b>
Chief Executive	765,640	21,040	786,680	708,218	-78,462	786,680	855,244	68,564	0	-147,026	-147,026	-78,462
Commissioning	752,300	264,020	1,016,320	985,145	-31,175	7,298,400	9,009,285	1,710,885	-6,282,080	-8,024,139	-1,742,059	-31,175
Customer Services and ICT	3,056,630	-29,340	3,027,290	2,848,313	-178,977	3,905,810	3,711,771	-194,039	-878,520	-863,458	15,062	-178,977
Finance and Property	3,166,980	-2,096,920	1,070,060	776,912	-293,148	45,375,650	40,141,288	-5,234,362	-44,305,590	-39,364,376	4,941,214	-293,148
Human Resources	1,349,430	128,280	1,477,710	1,438,920	-38,790	1,990,490	1,893,694	-96,796	-512,780	-454,774	58,006	-38,790
Legal Services	1,006,290	40,370	1,046,660	948,978	-97,682	1,176,920	1,221,421	44,501	-130,260	-272,443	-142,183	-97,682
Strategic Support	2,181,970	135,080	2,317,050	2,277,950	-39,100	2,767,180	2,841,291	74,111	-450,130	-563,340	-113,210	-39,100
<b>Resources</b>	<b>12,279,240</b>	<b>-1,537,470</b>	<b>10,741,770</b>	<b>9,984,436</b>	<b>-757,334</b>	<b>63,301,130</b>	<b>59,673,993</b>	<b>-3,627,137</b>	<b>-52,559,360</b>	<b>-49,689,557</b>	<b>2,869,803</b>	<b>-757,334</b>
Capital Financing & Management	10,359,130	-343,820	10,015,310	9,899,384	-115,926	10,560,060	12,414,931	1,854,871	-544,750	-2,515,546	-1,970,796	-115,926
Movement Through Reserves	-117,000	2,034,420	1,917,420	1,917,420	0	1,917,420	1,917,420	0	0	0	0	0
Risk Management	2,989,890	-2,989,890	0	0	0	0	0	0	0	0	0	0
<b>Capital Financing and Risk Management</b>	<b>13,232,020</b>	<b>-1,299,290</b>	<b>11,932,730</b>	<b>11,816,805</b>	<b>-115,925</b>	<b>12,477,480</b>	<b>14,332,351</b>	<b>1,854,871</b>	<b>-544,750</b>	<b>-2,515,546</b>	<b>-1,970,796</b>	<b>-115,926</b>
<b>Total</b>	<b>119,427,150</b>	<b>0</b>	<b>119,427,150</b>	<b>119,345,467</b>	<b>-81,683</b>	<b>321,049,150</b>	<b>322,560,348</b>	<b>1,511,198</b>	<b>-201,622,000</b>	<b>-203,214,881</b>	<b>-1,592,881</b>	<b>-81,683</b>

## 2018/19 Summary of Budget Changes

Service	Original Net Budget	Approved Budget B/F from 2017/18	Changes not requiring approval	Approved by S151 & Portfolio Holder	Requiring Executive Approval	Approved Budget C/F to 2019/20	Current Net Budget
	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	41,611	485	1,593			(508)	43,181
Children and Family Services	14,621	887	396			(857)	15,047
Corporate Director -	208		(56)				152
Education DSG funded	(444)						(444)
Education	8,264	446	253			(327)	8,636
Public Health & Wellbeing	(80)	333				(167)	86
<b>Communities</b>	<b>64,180</b>	<b>2,151</b>	<b>2,186</b>	<b>0</b>	<b>0</b>	<b>(1,859)</b>	<b>66,658</b>
Corporate Director - Environment	171		(1)				170
Development & Planning	2,565	94	162			(120)	2,701
Public Protection & Culture	3,720		354			12	4,086
Transport & Countryside	23,280	315	276			(733)	23,138
<b>Economy &amp; Environment</b>	<b>29,736</b>	<b>409</b>	<b>791</b>	<b>0</b>	<b>0</b>	<b>(841)</b>	<b>30,095</b>
Chief Executive	766	27	(2)			(4)	787
Commissioning	752		260			4	1,016
Customer Services & ICT	3,057		(22)			(8)	3,027
Finance & Property	3,167		118			(2,215)	1,070
Human Resources	1,349	4	119			6	1,478
Legal Services	1,006		60			(19)	1,047
Strategic Support	2,182		270			(135)	2,317
<b>Resources</b>	<b>12,279</b>	<b>31</b>	<b>803</b>	<b>0</b>	<b>0</b>	<b>(2,371)</b>	<b>10,742</b>
Capital Financing & Management	10,359		(344)				10,015
Movement through Reserves	(117)	2,792	(758)				1,917
Risk Management	2,990		(2,222)	(768)			0
<b>Capital Financing &amp; Risk Mgt</b>	<b>13,232</b>	<b>2,792</b>	<b>(3,324)</b>	<b>(768)</b>	<b>0</b>	<b>0</b>	<b>11,932</b>
<b>Total</b>	<b>119,427</b>	<b>5,383</b>	<b>456</b>	<b>(768)</b>	<b>0</b>	<b>(5,071)</b>	<b>119,427</b>



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## Capital Programme Financial Performance Report: Provisional Outturn 2018/19

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<b>Committee considering report:</b>	Overview and Scrutiny Management Commission on 9 July 2019
<b>Portfolio Member:</b>	Councillor Jeff Cant
<b>Date Portfolio Member agreed report:</b>	22 May 2019
<b>Report Author:</b>	Shannon Coleman-Slaughter
<b>Forward Plan Ref:</b>	EX3594

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### 1. Purpose of the Report

- 1.1 The financial performance reports provided to Members, throughout the financial year, report the under or over spend against the Council's approved capital budget. This report presents the provisional capital outturn for the Council in respect of financial year 2018/19. It should be noted that these figures are provisional and may change as a result of External Audit.

### 2. Recommendation

- 2.1 The capital provisional outturn position and the level of budget to be carried forward to 2019/20 should be noted.
- 2.2 Given the political and economic uncertainty at present, it is not prudent to review the property investment strategy until such time as there is more clarity in the investment market.

### 3. Implications

- 3.1 **Financial:** The provisional outturn is a £8.68 million underspend against the 2018/19 revised capital budget of £89.9 million. £8.57 million primarily consisting of government grants and developers contributions for Education, Highways and Housing schemes, is now proposed to be re-profiled into 2019/20 to enable the continuation of ongoing capital schemes.
- 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

### 4. Other options considered

- 4.1 None.

## Executive Summary

### 5. Introduction / Background

- 5.1 A capital budget for 2018/19 of £72.8million was set by Council in March 2018 with funding of £25.5million from external grants, £4.5million section 106 contributions and Community Infrastructure Levy and with £42.8million planned to be funded from borrowing.
- 5.2 During the year budget changes have occurred, mainly as a result of additional grants and section 106 allocations received in year and £11.3 million of spend re-profiled into 2018/19 from 2017/18. The revised budget was £89.9million.
- 5.3 Total capital expenditure in 2018/19 was £81.3 million against the £89.9 million budget, an overall underspend of £8.7 million or 9.7 %. Capital Strategy Group on the 9th May has reviewed the outturn in detail and proposes that £8.6 million should be carried forward into 2019/20 to enable the continuation of schemes already underway and to help fund emerging pressures in the capital programme. The table below details outturn against revised budget and proposed re-profiling into 2019/20.

Directorate Summary	Current Budget	Quarter Three		Outturn		Change from Quarter Three Forecast	Amount proposed to be Re-profiled to 2019/20
		Forecast Spend in Year	Forecast (under)/Over Spend	Total Spend in Year	(Under)/Over Spend		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Communities	11,148	10,967	0	10,316	(832)	(832)	896
Economy & Environment	27,542	26,924	0	20,116	(7,426)	(7,426)	7,202
Resources	51,256	49,671	(3,078)	50,828	(428)	2,650	479
Totals	89,946	87,562	(3,078)	81,260	(8,686)	(5,608)	8,577

- 5.4 The main contributing factor for the Communities Directorate underspend position is the development of Highwood Copse School's contractor going into administration temporarily halting spend on the project. The contract for the development of the school will be retendered as part of the 2019/20 programme.
- 5.5 The capital budget of £27.5million for the Economy & Environment Directorate was underspent by £7.4million. The underspend relates primarily to Highways schemes (£6.4million), within the Transport & Countryside Service as a result of £1.9 million of additional funding was received from for highways maintenance in December 2018, which could not be fully utilised by 31<sup>st</sup> March 2019. Developer delays, inclusive of the Kings Road Link (£1.9million), £897k for Sandleford access and £850k on flood defence schemes in Thatcham, Purley and Lambourn were incurred in the year contributing to the underspend position. The Development & Planning Service underspent by £822k, primarily through funding for the purchase of temporary accommodation, three properties are planned for purchase in 2019/20.
- 5.6 The capital budget of £51.2million for the Resources Directorate was underspent by a net £428k. Underspends were incurred against budgets for Members bids (unclaimed by recipients totalling £180k), Finance & Property schemes due to delays in the completion of the new heating and cooling systems (£147k), and delays in the MyView (£61k) and ICT projects (£83k). The budget for redevelopment of the London Road Industrial Estate was overspent by £51k

because of higher than expected legal costs. It is proposed that the underspends totalling £480k across the directorate are re-profiled into 2019/20 to enable completion of the projects. The overspend against the London Road budget is proposed to be offset against the savings in the Economy & Environment Directorate.

- 5.7 The Resources Directorate budget included £47million for the acquisition of commercial property supporting the Council's Investment Property Strategy. Appendix D provides an update on the Property Investment Portfolio. Council had previously agreed that the Strategy overseeing this area of investment should be reviewed on an annual basis. However, given the political and economic uncertainty at present, it is proposed that it is not prudent to review the full strategy until such time as there is more clarity in the investment market.

## **6. Proposal**

- 6.1 To note the outturn position.

## **7. Conclusion**

- 7.1 Total capital expenditure in 2018/19 was £81.3 million against the £89.9 million budget, an overall underspend of £8.7 million or 9.7 %. Capital Strategy Group on the 9<sup>th</sup> May has reviewed the outturn in detail and proposed that £8.57 million is carried forward into 2019/20 to enable the continuation of schemes already underway and to help fund any emerging pressures in the capital programme.

## **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 – Property Investment Performance March 2019

## 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](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service:	Finance and Property
Team:	Accountancy
Lead Officer:	Andy Walker
Title of Project/System:	
Date of Assessment:	7/5/19

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

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></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><b>Will you be processing data on a large scale?</b></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><b>Will your project or system have a “social media” dimension?</b></p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	X
<p><b>Will any decisions be automated?</b></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><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	X
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	X
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></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.

## 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.

<b>What is the proposed decision that you are asking the Executive to make:</b>	To note the Quarter Three capital monitoring position.
<b>Summary of relevant legislation:</b>	Not applicable
<b>Does the proposed decision conflict with any of the Council's key strategy priorities?</b>	No
<b>Name of assessor:</b>	Shannon Coleman-Slaughter
<b>Date of assessment:</b>	7.5.19

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		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	Overview of the position of the 2018/19 capital programme
<b>Objectives:</b>	As above
<b>Outcomes:</b>	As above
<b>Benefits:</b>	As above

<b>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.</b> (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	Yes	Capital programme covers delivery of key projects aligned to the Council Strategy.
Disability	Yes	
Gender Reassignment	No	

Marriage and Civil Partnership	No	
Pregnancy and Maternity	No	
Race	No	
Religion or Belief	No	
Sex	No	
Sexual Orientation	No	
<b>Further Comments relating to the item:</b>		

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

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](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	No
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name: Shannon Coleman-Slaughter

Date: 7/5/19

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



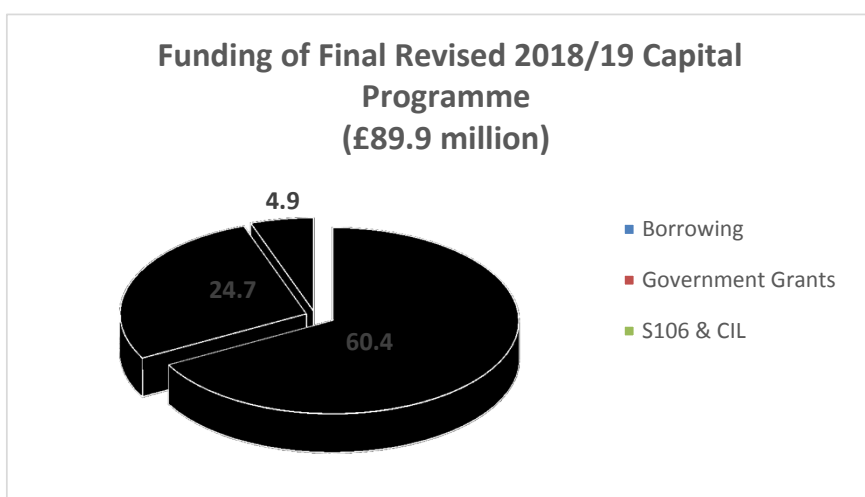
# Capital Programme Financial Performance Report: Provisional Outturn 2018/19 - Supporting Information

## 1. Introduction

- 1.1 The financial performance reports provided to Members throughout the financial year report the under or over spend against the Council's approved capital budget. This report presents the provisional capital outturn for the Council in respect of financial year 2018/19. It should be noted that these figures are provisional and may change as a result of External Audit.
- 1.2 A capital budget for 2018/19 of £72.8million was set by Council in March 2018 with funding of £25.5million from external grants, £4.5million section 106 contributions and Community Infrastructure Levy and with £42.8million planned to be funded from borrowing. During the year budget changes have occurred, mainly 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.
- 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. Actual spend on this budget is reported in the Revenue Outturn Report.

## 2. Changes to the 2018/19 Capital Budget

- 2.1 During the year budget changes may occur, mainly 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. Allocations of additional funding of less than £50k can be approved by the Finance Manager and the relevant Head of Service and other budget changes must be approved by Capital Strategy Group (CSG) as set in the Council's Financial Regulations. The revised budget at year end is £89.9 million.



### 3. Provisional Capital Outturn 2018/19

Directorate Summary	Current Budget	Quarter Three		Outturn		Change from Quarter Three Forecast	Amount proposed to be Re-profiled to 2019/20
		Forecast Spend in Year	Forecast (under)/Over Spend	Total Spend in Year	(Under)/Over Spend		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Communities	11,148	10,967	0	10,316	(832)	(832)	896
Economy & Environment	27,542	26,924	0	20,116	(7,426)	(7,426)	7,202
Resources	51,256	49,671	(3,078)	50,828	(428)	2,650	479
<b>Totals</b>	<b>89,946</b>	<b>87,562</b>	<b>(3,078)</b>	<b>81,260</b>	<b>(8,686)</b>	<b>(5,608)</b>	<b>8,577</b>

- 3.1 Total capital expenditure in 2018/19 was £81.3 million against the £89.9 million budget, an overall underspend of £8.7 million or 9.7 %. The final underspend was £5.6 million higher than the forecast at Quarter Three of £3.1million. Capital Strategy Group on the 9<sup>th</sup> May has reviewed the outturn in detail and proposes that £8.6 million should be carried forward into 2019/20 to enable the continuation of schemes already underway and to help fund emerging pressures in the capital programme.

### 4. Communities Directorate Outturn

Communities	Current Budget	Quarter Three		Outturn		Change from Quarter Three Forecast	Amount proposed to be Re-profiled to 2019/20
		Forecast Spend in Year	Forecast (under)/Over Spend	Total Spend in Year	(Under)/Over Spend		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	1,636	1,539	0	1,791	155	155	(90)
Children & Family Services	120	113	0	148	28	28	(6)
Education Services	9,392	9,315	0	8,377	(1,015)	(1,015)	992
<b>Totals</b>	<b>11,148</b>	<b>10,967</b>	<b>0</b>	<b>10,316</b>	<b>(832)</b>	<b>(832)</b>	<b>896</b>

- 4.1 The capital outturn for the Communities directorate is £10.3 million, an under spend of £832k or 7.5% of the revised capital budget.
- 4.2 The capital budget for Adult Social Care was overspent by £155k. This is primarily the result of an overspend of £138k on Occupational Therapy Equipment and capitalisation of occupational therapist posts at Quarter Three.
- 4.3 The capital budget for Children and Family Services was overspent by £28k. This includes of which £6k related to the higher than expected cost of works to a foster carer's home, which is proposed to be offset against the 2019/20 budget. The budget for refurbishment of West Point House was also overspent by £22k.
- 4.4 The capital budget for Education Services was underspent by £1million. This was mainly because the main contractor for the new Highwood Copse Primary School went into administration which has temporarily halted spend. It is proposed that £992k should be re-profiled to 2019/20 to enable the completion of schemes already underway and to help meet emerging pressures, including the cost of retendering the Highwood Copse scheme.

## 5. Economy and Environment Directorate Outturn

Economy & Environment	Current Budget	Quarter Three		Outturn		Change from Quarter Three Forecast	Amount proposed to be Re-profiled to 2019/20
		Forecast Spend in Year	Forecast (under)/Over Spend	Total Spend in Year	(Under)/Over Spend		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Development & Planning	3,878	3,664	0	3,056	(822)	(822)	612
Public Protection & Culture	887	887	0	658	(229)	(229)	216
Transport & Countryside	22,777	22,373	0	16,402	(6,375)	(6,375)	6,374
<b>Totals</b>	<b>27,542</b>	<b>26,924</b>	<b>0</b>	<b>20,116</b>	<b>(7,426)</b>	<b>(7,426)</b>	<b>7,202</b>

5.1 The capital outturn for the Economy and Environment Directorate was £20.1million, an under spend of £7.4million or 27% of the revised budget.

5.2 The Development and Planning capital budget of £3.8million was £822k underspent at the year end. The main factors contributing to the yearend position are:

- (1) £532k underspend against the program for the purchase and refurbishment of new temporary accommodation. It is proposed that the unspent balance be carried forward into 2019/20 to fund the purchase three more properties.
- (2) £168k underspend against the program for the redevelopment of the Four Houses Corner due to delays in removing tenants from the site. It is proposed that the unspent balance be carried forward into 2019/20 to enable completion of the project.
- (3) Both the demand led Disabled Facilities Grant (DFG) and discretionary Home Repair Assistant Grants were underspent by £176k and £33k respectively.
- (4) The new Transport Planning Model was overspent by £88k due to higher than estimated costs relating to the specific model for Thatcham. The overspend on the transport model will be expected to be met in 2019/20 from additional funding from the Local Enterprise Partnership (LEP), section 106 contributions and allocation of the Local Transport Planning Grant are expected to cover off the expenditure.

5.3 The total proposed slippage for Development and Planning is £612k to enable the completion of the Four Houses Corner and Temporary Accommodation projects less the overspend on the Transport Planning model which will be funded from grants and contributions to be applied in 2019/20.

5.4 The Public Protection and Culture capital budget of £887k was underspent by £229k at the year end. The budget for the Carbon Management Plan, was underspent by £89k, as the team's resources for the year were focussed on preparing for the major solar panel project planned for 2019/20, which meant that no other projects could be delivered in 2018/19. The budgets, for maintenance of Leisure Centres, Shaw House, the Museum and Libraries was underspent by £107k because of delays to a number of projects within these programmes. It is proposed that £216k should be re-profiled to 2019/20 to enable the completion of culture and leisure maintenance projects together and to make provision for future carbon management/energy efficiency projects.

5.5 The Transport and Countryside capital budget of 22.7million was underspent by £6.4million. At Quarter Three, the service was expecting to be on budget. However an additional £1.9 million additional funds for highways maintenance was allocated in December by the Department of Transport for highways maintenance and it was not clear until part way through month 10 that it would not be possible to plan and complete works using this funding before the end of the financial year. In addition £1.9 million was expected to be paid to the developer of the Kings Road Link site before the 31<sup>st</sup> March, but the developer is still not in a position to claim this funding. The Sandleford access scheme was also underspent by £897k as a result of delays to the Highwood Copse Primary school. The main other main contributing factors to the year end position were:

- (1) £850k on flood defence schemes in Thatcham, Lambourn and Purley which are in progress, but payments to the contractor will be made slightly later than expected in 2019/20.
- (2) £287k for widening of the A4 at Calcot, because compensation payments have not yet been agreed.
- (3) £226k for NCN422 Cycle Route improvements, part of which has been postponed to tie in with other schemes in order to minimise disruption.

5.6 It is proposed that the full £6.4 million underspend should be re-profiled to 2019/20 to enable the completion of these schemes.

## 6. Resources Directorate Outturn

Resources	Current Budget	Quarter Three		Outturn		Change from Quarter Three Forecast	Amount proposed to be Re-profiled to 2019/20
		Forecast Spend in Year	Forecast (under)/Over Spend	Total Spend in Year	(Under)/Over Spend		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Finance & Property	48,924	47,356	39	48,777	(147)	(186)	165
Customer Services & ICT	1,858	1,863	(3,095)	1,775	(83)	3,012	82
Human Resources	61	39	(22)	0	(61)	(39)	61
Legal Services	43	43	0	34	(9)	(9)	0
Chief Executive	110	110	0	161	51	51	0
Strategic Support	260	260	0	80	(180)	(180)	171
<b>Totals</b>	<b>51,256</b>	<b>49,671</b>	<b>(3,078)</b>	<b>50,828</b>	<b>(428)</b>	<b>2,650</b>	<b>479</b>

6.1 The capital outturn for the Resources Directorate was £50.8 million, an under spend of £428k or 0.8% of the revised budget.

6.2 The Finance and Property capital budget of £48.8million was underspent by £147k. This consists of underspends of £165k relating to delays to building maintenance projects, including the upgrade of the heating/cooling system in the Market Street Office, will which is now planned to be completed in 2019. It is proposed that this sum should be re-profiled into 2019/20 to enable completion of these projects There was also a net overspend of £18k relating to refurbishment of the Berkshire Records Office which will be offset by contributions due from the other Berkshire Unitary authorities in 2019/20.

6.3 The Finance and Property Service budget included £47.2 million to support the corporate Property Investment Strategy. Appendix D provides an update on the

Property Investment Portfolio. Council had previously agreed that the Strategy overseeing this area of investment should be reviewed on an annual basis. However, given the political and economic uncertainty at present, it is proposed that it is not prudent to review the full strategy until such time as there is more clarity in the investment market.

- 6.4 The capital budget for ICT was underspent by £83k including £45k for Members' ICT because of resourcing issues within the service and problems with supply of PCs; and £37k for implementation of Voice over IP telephone systems which has been delayed until 2019/20. It is proposed to re-profile the full amount of £83k to 2019/20.
- 6.5 The budget for the new HR/payroll system was underspent by £61k because of additional work required on the expansion of Myview, which meant that completion of this module has now also been delayed to 2019/20, together with the leave management and expenses models, as reported at Quarter Three. It is proposed that the full amount of £61k is re-profiled to enable the completion of this project.
- 6.6 The total cost of legal services input to capital schemes in 2018/19 was £122k, which was significantly higher than the budget of £43k set at the start of the year for legal costs of capital schemes. However the majority of this cost related to the purchase of commercial property and temporary accommodation and acquisition of land for the new Theale Primary School and was charged to the capital budgets for those schemes. The general budget for legal costs of other schemes was therefore underspent by £9k.
- 6.7 The capital budget for the Chief Executive was overspent by £51k because of higher than expected legal costs associated with the redevelopment of the London Road Industrial Estate.
- 6.8 The capital budget for Strategic Support was underspent by £180k. £171k of this consists of grants allocated by the members' bids panel in 2019 which have not yet been claimed by the recipients. It is proposed that this sum should be re-profiled to 2019/20 to cover the grant commitments, but it is not necessary to re-profile the remaining £9k of the strategic support budget.

## 7. Conclusion

- 7.1 Total capital expenditure in 2018/19 was £81.3 million against the £89.9 million budget, an overall underspend of £8.7 million or 9.7 %. Capital Strategy Group on the 9<sup>th</sup> May has reviewed the outturn in detail and proposed that £8.6 million is carried forward into 2019/20 to enable the continuation of schemes already underway and to help fund any emerging pressures in the capital programme.

## 8. Consultation and Engagement

- 8.1 John Ashworth – Corporate Director. Andy Walker – Head of Finance and Property

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### 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

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**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**

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**Officer details:**

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# Property Investment Performance March 2019

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### 1. Introduction/Background

- 1.1 WBC adopted the Property Investment Strategy in May 2017 procured through HCA (now Homes England) and re-procured in October 2018 through Crown Commercial Services (CCS) because of the increase in budget to £100M. Montagu Evans was appointed as the Council's Property Consultant in August 2017.
- 1.2 Starting with an initial tranche of £50M of funds, this was increased to £100M in July 2018. Gross purchase costs up to 7th March 2019 were £62.28M.
- 1.3 The Portfolio is on target to provide the year end 2018/19 net income target of £750,000. There is a risk of not achieving the £1.5M target for 2019/20 because of inactivity in the investment market at this time.
- 1.4 To ensure that the commercial property portfolio is tightly aligned to WBC's investment objectives, there is a mechanism to review and revise the strategy every twelve months.
- 1.5 WBC requested its appointed property consultants, Montagu Evans (ME), to review and revise the existing strategy where appropriate, so as to ensure exposure to a wider range of suitable properties, whilst creating a defensive, balanced commercial property investment portfolio, from which to derive a long term, sustainable revenue stream.

#### Supporting Information

### 1.6 Investment Property Purchases up to 7<sup>th</sup> March 2019

Total Purchases £58.58M	Stamp Duty £3.21M	Purchase Costs £492K	Gross purchase Costs £62.28M	Net Income 2018/19 £750,000
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1.7 The modelling of the fund incorporates allowances for the repayments of our loans over 50 years (minimum revenue provision or MRP). The figures fluctuate according to the other costs which the fund incurs in particular years. MRP has been forecast to be £897,644 over the next 3 years:

(1)	2018/19	MRP 6.1% gross rent	£166,810
(2)	2019/20	MRP 10.1% gross rent	£278,606
(3)	2020/21	MRP 7.7% gross rent	£452,228

1.8 Risk funds are set aside to cover eventualities such as planned and unplanned maintenance of the properties, rental voids, loss of tenants and other events that may affect income from our properties.

1.9 Risk provision has been created by both a Risk and Maintenance fund. The provision fluctuates from year to year depending on the risks that need to be covered in a given year. For example, we need to provide adequate provision for risk when a lease comes to an end and there is a risk of a rental void period as well as refurbishment costs if a tenant moves out. The provision for risk and maintenance over the next 3 years is £2,090,342:

(1)	2018/19	34.64% gross rent	£953,531
(2)	2019/20	13.30% gross rent	£663,210
(3)	2020/21	8.10% gross rent	£473,601

1.10 To ensure that the commercial property portfolio is tightly aligned to WBC's investment objectives, there is a mechanism to review and revise the strategy every twelve months.

1.11 WBC requested its appointed property consultants, Montagu Evans (ME), to review and revise the existing strategy where appropriate, so as to ensure exposure to a wider range of suitable properties, whilst creating a defensive, balanced commercial property investment portfolio, from which to derive a long term, sustainable revenue stream.

1.12 The recommendation of our consultants is that the political and economic uncertainty at present, makes it imprudent to review the full strategy until such as time as there is more clarity in the investment market.

1.13 It is recommended that the Investment Strategy is not altered at this time but it is proposed that the next two Quarterly PIBs devote additional time to discussing and receiving advice around the Strategy when, it is hoped, there is more clarity around the form of Brexit which will in turn provide more clarity in the investment market.

## 2. Options for Consideration

2.1 The Portfolio is on target to provide the year end net income target of £750,000.

2.2 **Option 1** Given the political and economic uncertainty at present, it is not prudent to review the full strategy until such time as there is more clarity in the investment market.

2.3 **Option 2** In the light of current uncertainty, it was considered whether to cease all investment properties brought to the market. This was rejected because the current



strategy allows us to purchase good quality, low risk properties and should an opportunity arise, we would miss out.

- 2.4 **Option 3** It was also considered whether there could be opportunities to purchase properties at high yields in the current climate. This was rejected as it would contravene our strategy and be introduce too high a risk.

### 3. **Proposals**

- 3.1 WBC requested its appointed property consultants, Montagu Evans (ME), to review and revise the existing strategy where appropriate, so as to ensure exposure to a wider range of suitable properties, whilst creating a defensive, balanced commercial property investment portfolio, from which to derive a long term, sustainable revenue stream.

### 4. **Conclusion**

- 4.1 Given the political and economic uncertainty at present, it is our proposal that it is not prudent to review the full strategy until such time as there is more clarity in the investment market.

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## Corporate Programme

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**Committee considering report:** Overview and Scrutiny Management Commission

**Date of Committee:** 9 July 2019

**Report Author:** David Lowe

### Purpose of the Report

**To advise the Commission of the Council's Corporate Programme and its current areas of activity in order that it might identify projects requiring Overview and Scrutiny involvement.**

### Recommendation

**That the Commission notes the contents of the Corporate Programme and informs its work programme accordingly.**

#### 1. Introduction

1.1 This report provides to the Overview and Scrutiny Management Commission the purpose and composition of the Corporate Programme.

1.2 It sets out the reason for the existence of the programme, its structure and content, and advises of opportunities for Overview and Scrutiny involvement.

#### 2. Purpose of the Programme

2.1 The Corporate Programme was established in early 2016 to provide a mechanism for the management and political oversight of all the significant organisational change or transformation activities being undertaken within the authority.

2.2 Oversight and management of the Corporate Programme is carried out by the Corporate Programme Board (comprising the members of the Executive), with the delivery of individual projects being supervised by a Corporate Projects Board made up of officer representatives from across the Council. Both boards are supported by a Programme Office, which from 1 April 2017 has been under the operational control of what is now Legal and Strategic Support.

#### 3. Structure and composition

3.1 The Programme comprises 58 discrete projects, organised into themes relating to

- Strategy development
- Infrastructure
- Strategic transformation
- Service transformation

3.2 The full Programme is shown at Appendix A

#### **4. Overview and Scrutiny involvement in the programme**

- 4.1 The views of backbench members will be actively sought for all New Ways of Working reviews (service transformation) but the Commission may further identify specific topics that it wishes to examine in greater detail through the Overview and Scrutiny process.

#### **5. Recommendation**

- 5.1 That the Commission notes the contents of the Corporate Programme and informs its work programme accordingly.

### **Appendices**

Appendix A            Corporate Programme













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