

21 October 2016

To: Councillor Lovelock (Chair)
Councillors Davies, Duveen, Eden, Gavin,
Gittings, Hopper, Hoskin, Jones, Page,
Skeats, Stevens, Terry and White

Your contact is: Simon Hill - Committee Services

NOTICE OF MEETING - POLICY COMMITTEE - 31 OCTOBER 2016

A meeting of the Policy Committee will be held on Monday 31 October 2016 at 6.30pm in the Council Chamber, Civic Offices, Reading. The Agenda for the meeting is set out below.

Please Note - the Committee will first consider items in closed session. Members of the press and public will be asked to leave the Chamber for a few minutes.

ITEMS FOR CONSIDERATION IN CLOSED SESSION

The following motion will be moved by the Chair:

"That, pursuant to Section 100A of the Local Government Act 1972 (as amended) members of the press and public be excluded during consideration of the following items on the agenda, as it is likely that there would be disclosure of exempt information as defined in the relevant Paragraphs of Part 1 of Schedule 12A (as amended) of that Act"

<u>ACTION</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO</u>
1. DECLARATIONS OF INTEREST FOR CLOSED SESSION ITEM	-	-
2. LAND AT RICHFIELD AVENUE	ABBEY	A1

Councillors Gittings, Jones & Lovelock / Director of
Environment and Neighbourhood Services

ITEMS FOR CONSIDERATION IN PUBLIC SESSION

3. CHAIR'S ANNOUNCEMENTS

4. DECLARATIONS OF INTEREST

Councillors to declare any interests they may have in relation to the items for consideration in public session.

5. MINUTES

To confirm the Minutes of the Policy Committee meeting on 26 September 2016.

B1

6. PETITIONS AND QUESTIONS

To receive any petitions from the public and any questions from the public and Councillors.

7. DECISION BOOK REFERENCES

8. CHIEF CONSTABLE AND POLICE & CRIME COMMISSIONER PRESENTATIONS

-

To receive presentations from Francis Habgood, Thames Valley Police Chief Constable, and Anthony Stansfeld, Thames Valley Police & Crime Commissioner.

9. NEW COUNCIL HOMES SPEND APPROVAL - CONWY CLOSE

BOROUGHWIDE

C1

Councillor Davies / Director of Environment and Neighbourhood Services

This report seeks spend approval for the proposed development of new council homes at Conwy Close, sets out the proposed procurement approach, and seeks approval to enter into a contract with a preferred bidder.

10. CONTRACT AWARD - CLEANING AND CLEARING OF VOID PROPERTIES

BOROUGHWIDE

D1

Councillor Davies / Director of Environment and Neighbourhood Services

This report seeks approval for the award of the Voids Cleaning Contract following a competitive tendering exercise.

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|------------|---|--------------------|-----------|
| 11. | REVIEW OF LEISURE FACILITIES AND FUTURE PROVISION | BOROUGHWIDE | E1 |
| | Councillor Gittings / Director of Environment and Neighbourhood Services | | |
| | This report provides an update on progress with a procurement process to seek external support and investment to secure the improvement of the Borough's leisure facilities and on the facilities to be provided. The report also includes an update on related issues including delivery of a demountable pool at Rivermead. | | |
| 12. | MID-YEAR REVIEW OF FEES AND CHARGES | BOROUGHWIDE | F1 |
| | Councillor Lovelock / Managing Director | | |
| | This report sets out the results of a mid-year review of fees and charges and seeks approval for proposals to change or maintain service fees and charges as outlined in Appendix 1 to the report. | | |
| 13. | PROPOSED CHANGES: LOCAL COUNCIL TAX SUPPORT SCHEME AND REMOVAL OF COUNCIL TAX DISCOUNT FOR PROPERTIES UNDERGOING MAJOR WORKS | BOROUGHWIDE | G1 |
| | Councillor Lovelock / Managing Director | | |
| | This report sets out a range of options to make amendments to the local Council Tax Support Scheme for 2017/18 and proposes the removal of the council tax discount awarded on empty properties undergoing major works from April 2017. | | |
| 14. | JOINT MINERALS AND WASTE LOCAL PLAN - JOINT WORKING ARRANGEMENTS | BOROUGHWIDE | H1 |
| | Councillor Page / Director of Environment and Neighbourhood Services | | |
| | This report sets out arrangements for the preparation of a statutory Minerals and Waste Local Plan for the Central and Eastern Berkshire area covering Windsor and Maidenhead, Bracknell Forest, Wokingham and Reading. | | |
| 15. | CHANGE OF SUB-COMMITTEE NAME | MAPLEDURHAM | J1 |
| | Councillor Lovelock / Monitoring Officer | | |
| | This report sets out a proposal to change the name of 'The Heights Free School Sub-Committee' to 'The Mapledurham Playing Field Trustees Sub-Committee'. | | |

16. DELEGATIONS REGISTER - STRATEGIC FINANCE DIRECTOR BOROUGHWIDE K1
(SECTION 151 OFFICER)

Councillor Lovelock / Monitoring Officer

This report seeks approval for changes to the Council's register of delegations and Constitution following the appointment of a Strategic Finance Director as Section 151 Officer.

17. HOMES FOR READING - BOARD AUTHORITY TO ALLOT SHARES BOROUGHWIDE L1

Councillors Lovelock & Page / Head of Finance

This report sets out arrangements for the initial capitalisation of Homes for Reading, prior to purchasing its first property, and seeks to authorise the board to allot shares.

18. BUDGET MONITORING 2016/17 BOROUGHWIDE M1

Councillors Lovelock & Page / Head of Finance

This report set out the budget monitoring position for the Council to the end of August 2016.

WEBCASTING NOTICE

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Members of the public seated in the public gallery will not ordinarily be filmed by the automated camera system. However, please be aware that by moving forward of the pillar, or in the unlikely event of a technical malfunction or other unforeseen circumstances, your image may be captured. **Therefore, by entering the meeting room, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.**

Members of the public who participate in the meeting will be able to speak at an on-camera or off-camera microphone, according to their preference.

Please speak to a member of staff if you have any queries or concerns.

POLICY COMMITTEE MINUTES - 26 SEPTEMBER 2016

Present: Councillor Lovelock (Chair)

Councillors Davies, Duveen, Eden, Gavin, Gittings, Hopper, Hoskin, Jones, Page, Skeats, Stevens, Terry and White.

29. EXCLUSION OF THE PRESS AND PUBLIC

Resolved -

That pursuant to Section 100A of the Local Government Act 1972 (as amended), members of the press and public be excluded during consideration of items 30-31 below as it was likely that there would be a disclosure of exempt information as defined in the relevant paragraphs specified in Part 1 of Schedule 12A to that Act.

30. LAND IN SOUTH READING

The Director of Environment and Neighbourhood Services submitted a report seeking authority to vary the restrictive covenant on the Reading Football Club site to enable a major redevelopment, subject to planning consent being obtained.

Resolved -

That the Committee agree to the variation of the restrictive covenant, in accordance with the terms set out in paragraph 4.3 of the report, subject to planning consent being obtained.

(Exempt information as defined in paragraph 3).

31. MUNICIPAL BOND AGENCY - SECURED LOAN FINANCE (FOR LGA)

The Head of Finance submitted a report seeking a delegation to the Head of Finance (Chief Finance Officer) and Head of Democratic & Legal Services to make a secured loan to the Local Government Association linked to the first bond issue of the Municipal Bond Agency.

Resolved -

That the Head of Finance and Head of Legal & Democratic Services, in consultation with the Interim Managing Director, Leader of the Council and Chair of Audit & Governance Committee, be authorised to arrange a loan of up to £10m to the Local Government Association, to be secured as set out in the report and linked to the Municipal Bond Agency's first bond issue.

(Exempt information as defined in paragraph 3).

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32. CHAIR'S ANNOUNCEMENTS

The Chair announced that a petition submitted to the Council on the proposed closure of Arthur Hill Pool had exceeded 1500 signatures, and that the petitioners had requested that a report on the topic be included on the agenda of the next full Council meeting on 18 October 2016, in accordance with paragraph 8(6)(e) of the Council's Standing Orders. The Committee would therefore not consider the report on Arthur Hill Pool which had been submitted to this meeting.

The Chair also reported that the item on Cleaning and Clearing of Void Properties would be deferred to a future meeting.

33. MINUTES

The Minutes of the meeting held on 18 July 2016 were agreed as a correct record and signed by the Chair.

34. QUESTIONS

Petitions on the following matters were submitted by members of the public:

	Lead Petitioner	Subject	Reply
1.	Jo Hammond & Katie Deegan	Save Palmer Park Library	Councillor Gittings
2.	Peter Burt	Save Arthur Hill Pool	Councillor Gittings

Questions on the following matters were submitted by members of the public:

	Questioner	Subject	Reply
1.	Kizzi Murtagh	Keep Arthur Hill Baths Open	Councillor Gittings

Questions on the following matters were submitted by councillors:

	Questioner	Subject	Reply
1.	Councillor White	Letting Agents' Charges	Councillor Davies

(NB - The full text of the petitions, questions and responses was made available on the Reading Borough Council website).

35. UPDATE ON THE COUNCIL'S FINANCIAL POSITION

Further to Minute 21 of the meeting held on 18 July 2016, the Corporate Management Team submitted a report giving an update on the Council's financial position.

The report noted that a package of savings of £19.84m had been approved, subject to consultation, at the meeting of the Committee on 18 July 2016, and that these savings were now being progressed with responses to consultation to be reported back in due course. Over the summer the financial outlook had been updated taking

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account of in-year budget monitoring, including an assessment of the delivery impact of savings measures agreed to date and a review of key assumptions. The budget monitoring report to the end of July 2016 (see Minute 42 below) showed a significantly worsened financial position since the previous meeting, which was particularly acute in Children's Services, and had adversely affected the budget forecast. Currently the total estimated budget gap before implementation of any savings over the period 2017 to 2020 was almost £41.5m. Savings of £23.4m had been agreed to date with a remaining estimated gap of £18.6m; further proposals would be submitted for consideration by the Committee to bridge this gap and put in place a sustainable budget for the period 2017-2020.

The report referred to a four-year financial sustainability plan and it was further explained at the meeting that the Government had offered a multi-year financial settlement to local authorities on the condition that they submitted their financial sustainability plan by 14 October 2016. Councils that did not accept the offer would be subject to the existing annual process for determining the level of central funding that they would receive. The Committee agreed that the draft sustainability plan should be considered at the meeting of Council on 18 October 2016, notwithstanding that this was a few days after the government's deadline.

Resolved -

- (1) That the updated financial outlook be noted;
- (2) That it be noted that because of the worsened financial position, as set out in the Budget Monitoring report (Minute 42 below refers), further budget savings proposals would be required to keep expenditure and resources balanced;
- (3) That the Corporate Management Team bring forward further measures over the autumn period to bridge the remaining budget gap between 2016-20;
- (4) That a draft financial sustainability plan be submitted to the Council meeting on 18 October 2016.

36. WASTE OPERATIONS - INTRODUCTION OF DOMESTIC GREEN WASTE COLLECTION CHARGES

The Director of Environment and Neighbourhood Services submitted a report seeking approval for a proposed charging structure for the opt-in green waste collection service for domestic properties in Reading from 1 April 2017.

The report explained that the Council currently offered a free opt-in fortnightly green waste collection and disposal service to 16,228 properties with green bins and 2,400 properties with green bags, at a cost of £300k per annum. In the current financial climate it was no longer considered economically viable to offer a free collection service, and it was therefore proposed to introduce a charge of £50 per bin

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and £15 per bag per annum for collection of green waste, in line with the charging policies of neighbouring boroughs. The initial supply of the green bins and bags were already subject to a charge of £36.10/bin and £11.35/bag which would continue. Service users with more than one bin would pay the full charge for the first bin and a 50% reduction would be applied to additional bins.

The report also proposed that concessions of 25% be available for the collection service. Officers were currently working to identify the best delivery mechanism for concessions and a proposal would be reported to a future meeting of the committee.

Resolved -

- (1) That charges for an opt-in Green Waste collection and disposal service be introduced from 1 April 2017;
- (2) That the charges be set at £50 per bin and £15 per bag per annum;
- (3) That a 25% discount be offered to service users on low incomes, subject to an assessment process;
- (4) That officers be authorised to undertake public consultation and any necessary individual equality impact assessments, with the outcomes and recommendations being reported back for decision at the relevant committee or sub-committee;
- (5) That the progress of the changes and a proposal for concession be reported to a future meeting of the Committee.

37. STATION HILL DEVELOPMENT - POTENTIAL ACQUISITION OF LAND FOR PLANNING PURPOSES

The Director of Environment and Neighbourhood Services submitted a report seeking approval for the acquisition of land for planning purposes by agreement under Section 227 of the Town and Country Planning Act 1990 (as amended) ("Section 227") enabling the operation of powers under Section 203 of the Housing and Planning Act 2016 ("Section 203") to facilitate the carrying out of the redevelopment of land at Station Hill ("the Station Hill 3 Site").

The report noted that outline planning permission had been granted by the Council on 9 January 2015 for the comprehensive redevelopment of land at Station Hill ("the 2015 Permission"). The development would comprise offices, a range of town centre uses including retail and related uses, leisure and residential units, associated infrastructure, public realm works and ancillary development. On 26 July 2016 outline planning permission had been granted for the Telecom House land allowing it to be included as an extension to the Station Hill development ("the 2016 Permission"). A plan of the area showing the two adjoining sites was attached to the report at Appendix 1. Both the 2015 Permission and the 2016 Permissions had been granted after the prior execution of a Section 106 Agreement that had secured

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substantial planning benefits to the Borough, which were summarised in Appendix 2 to the report.

The report explained that Sackville wished to commence substantive construction works in early 2017 at the latest in order to begin delivering the completed buildings in 2019, so that the delivery of the Station Hill 3 Scheme coincided with Crossrail and anticipated demand for offices. The Station Hill 3 Site was a gateway to Reading for visitors arriving by rail, and delivery of the scheme (including the high quality public realm and ground floor active frontages) promptly was vital to enhancing this key area. Both schemes comprised tall buildings which affected adjoining properties ("the Affected Properties") that had accrued common law rights to light, which was not uncommon for town centre schemes of this nature and scale. A list of 31 properties which had been assessed as being able to sustain potentially actionable alterations in light as a result of the construction of the Station Hill 3 Scheme was attached to the report at Appendix 4.

The report explained that Sackville had been seeking to agree terms with owners/occupiers of the Affected Properties since March 2014, and that whilst Deeds of Release or Heads of Terms had been executed or agreed in most cases, there were still three properties in respect of which Sackville had been unable to reach agreement. Sackville had advised the Council in a letter dated 31 May 2016 ("the Request Letter"), which was attached to the report at Appendix 3, that the owners of four Affected Properties (now three) might wish to maintain action or claims, and that therefore there was concern that the development programme was at risk due to the inability to settle these remaining rights of light claims, with the prospect that those with a relevant interest were able to pursue injunctive relief and stall or prevent the development. Sackville had therefore asked in the request letter if the Council would be prepared to consider intervening by utilising the powers under Section 227 (power to acquire land by agreement for planning purposes) to enable reliance on the powers of Section 203 (power to override easements and other rights).

The report explained that in order to use powers under Section 203 it would be necessary for the Council to acquire an interest in the Station Hill 3 Site at a nominal consideration. The effect of this would be to override any right to light claim and enable the development to proceed in accordance with the 2015 and 2016 Permissions, without the threat of it being stalled or prevented by an injunction. The owners/occupiers of the Affected Properties would be entitled to compensation under the statutory scheme expressed in Section 204 of the 2016 Act, and the Council's liability to pay compensation and any other financial liabilities and costs incurred would be fully indemnified by Sackville.

The report set out further detail on the planning and policy background and on rights to light issues. The First Schedule attached to the report explained the operation of Section 203 of the Housing and Planning Act 2016, and the Second Schedule attached to the report explained the case for the application of the Section 203 power, gave a summary of representations made on behalf of the objecting landowners, considered

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Human Rights issues, and examined whether acquisition would facilitate the carrying out of the Station Hill 3 Scheme.

Affected owners/occupiers had been invited to submit comments and representations to the Council and this correspondence was attached to the report at Appendix 5. Three additional letters were tabled at the meeting, as well as a letter which had been incomplete in the published agenda papers.

It was proposed at the meeting that the Committee agree in principle to authorise acquisition of an interest in the site, as recommended in the report, but that this decision only be confirmed at the meeting of the Committee scheduled for 28 November 2016, in the event that during this further time the parties had not reached negotiated agreements. A resolution to this effect was circulated to the Committee and agreed.

At the invitation of the Chair, Simon Perkins of McKay Securities (20-30 Greyfriars Road), and Gordon Ingram, representing Sackville, addressed the Committee on this item.

Resolved -

- (1) That it be agreed in principle to authorise acquisition of an interest in the Station Hill 3 Site by the Council under Section 227 of the 1990 Act, in order to engage powers under Section 203 of the 2016 Act for the planning purposes of facilitating the carrying out of the Station Hill 3 Scheme authorised by the 2016 Permission (in its current form or as it may be varied or amended) and subsequent disposal of that interest to Sackville (or an associated company) under Section 233 of the 1990 Act;
- (2) That the Director of Environment and Neighbourhood Services submit a report to the meeting on 28 November 2016 to seek approval to confirm the 'in principle' decision of the Committee set out in resolution (1) above, provided that the Council was satisfied that Sackville had used all reasonable endeavours to remove injunction risks by negotiating the release of affected rights of light by agreement with the owners of the remaining three Affected Properties and that those entitled to such rights of light were not prepared by agreement (on reasonable terms and within a reasonable timescale) to permit infringements of those rights in time to achieve the development programme as expressed in the Request Letter.

38. CONTRACTS FOR HOMELESSNESS SUPPORT SERVICES

The Director of Environment and Neighbourhood Services submitted a report setting out details of current contract arrangements for Homelessness Pathway Supported Living Non-Registered Services, Outreach Service for Rough Sleeping in Reading, and the Floating Support Service to Prevent Homelessness, collectively referred to as

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homelessness support services. The report sought approval to extend existing contracts for these services until 2018, and outlined a proposal to then re-commission all homelessness support services from 2018/19.

The report explained that the Council commissioned the Homelessness Pathway Supported Living Non-Registered Services to meet the needs of vulnerable single homeless residents and to support the reduction of rough sleeping numbers in the borough. There were currently five contracts in place for these services with external providers which were due to end on 31 March 2017, and the report sought authorisation to enter into interim contract arrangements with the following current providers: Bournemouth Churches Housing Association, Launchpad Reading, Riverside and The Salvation Army. For the service currently contracted to Ability Housing Association the Council would be entering into a new contract with a different provider by March 2017.

The Council commissioned the Outreach Service for Rough Sleeping contract to reduce the number of rough sleepers in the borough, and this was due to expire on 31 December 2016. The report sought authorisation to extend contract arrangements for this service with the current provider, St. Mungo's. The Floating Support Service to Prevent Homelessness contract was due to expire on 30 June 2018, and would be reviewed to allow alignment with the re-commissioning of all homelessness support services.

The report explained that all homelessness support services would be fully reviewed and an analysis of existing services and need carried out. Once this had been completed a full procurement and competitive tender exercise would take place. It was intended that homelessness services would be reconfigured and that the staged model of delivery would be adapted to provide more flexible support services to better meet the needs of individuals, in line with best practice and to allow potential savings to be achieved.

Resolved -

- (1) That the proposal to re-commission all homelessness support services from 2018/19, including supported accommodation, outreach services for rough sleeping and floating support services to prevent homelessness, be noted;
- (2) That the Head of Housing and Neighbourhoods, in consultation with the Lead Councillor for Housing, be authorised to enter into interim contracts for all Homelessness Pathway Supported Living Non-Registered Services with the current providers (Bournemouth Churches Housing Association, Launchpad Reading, Riverside and The Salvation Army) for a period of 12 months until 31 March 2018;
- (3) That the Head of Housing and Neighbourhoods, in consultation with the Lead Councillor for Housing, be authorised to enter into a

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contract extension for the Outreach Service for Rough Sleeping with the current provider (St. Mungo's) for a period of 15 months until 31 March 2018.

39. TEMPORARY AGENCY STAFF MANAGED SERVICE CONTRACT AWARD

The Director of Adult Care & Health Services submitted a report seeking approval for the award of a contract for a temporary agency staff managed service contract following a competitive tendering exercise.

The report explained that the Council had used a managed service provider (MSP) to provide agency staff for the past four years, and that overall the performance of the contract had been good. The use of temporary agency staff was a cost-effective and flexible way of managing the requirement for short-term additional resource to supplement the Council's general workforce.

The report set out the benefits of using an MSP and explained that entering into a contract for a managed service for the supply of temporary agency staff did not commit the Council to any particular level of expenditure, and that the MSP were offered no guarantees on the volume of business that would be procured under the contract. The managed service contract ensured that the Council's recruitment of temporary agency staff was achieved at the best available rates and on contract terms that were better than those available for ad-hoc contracts. In 2015/16 expenditure under the contract showed a saving of £445,000 when compared with the charge rates that had been paid in the year before the current contract had been implemented.

The report explained that the new contract was likely to require a three-month mobilisation period and that therefore the Committee was requested to authorise officers to award the contract as soon as the procurement process had concluded, which was anticipated to be in early October 2016.

Resolved -

That the Director of Adult Care and Health Services, in consultation with the Leader of the Council, the Head of Legal and Democratic Services and the Head of Finance, be authorised to award a contract for a Temporary Agency Staff Managed Service for a period of three years with an option to extend for a further one year in accordance with the Public Contracts Regulations 2015.

40. DEPUTIES SERVICE

The Director of Adult Care & Health Services submitted a report seeking approval for a revised Deputy Office Policy and a number of changes to fees and charges for Deputy Office services. The following documents were attached to the report:

- Appendix A - Deputy Office Policy

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- Appendix B - Deputy Office Charging Schedule
- Appendix C - Deputy Office Budget 2013 - 2016
- Appendix D - Deputy Office Expenditure and Income Projections 2016 - 2018
- Appendix E - Draft Consultation Questionnaire

The report explained that the Council had a Deputy Office which acted as a deputy for 124 Reading residents and Appointee for a further 125 Reading residents. The provision of appointeeship and deputyship services were not statutory duties for local authorities, but was recognised good practice. In their absence, demand on other Council services would increase and social workers would need to commission or deliver some tasks.

The report explained that the current Deputy Office policy and procedures had been published in 2009, and that the charges outlined in the Policy were applicable to deputy cases only. A local threshold had been applied to charging and therefore the Council had not been charging as allowed under the Court of Protection (CoP). Most other local authorities had adopted the CoP Charging Directive for the deputyship service, and charging for appointee services was by local determination, with most authorities charging on a full recovery cost basis.

The report explained that a current cohesive updated policy was required before any changes to charging could take effect. Attached for approval at Appendix A was a revised Deputy Office Policy and at Appendix B a Charging Schedule, which set out a number of proposed changes to fixed fees and charges for the deputy office services. The updated policy would continue to align the Council's charges with any charging directive made by the CoP (both now and in the future), would formally introduce charging for appointees and set out that the Council would seek disbursement for professional services provided by the Office. A six week consultation on the new Policy and charges was proposed.

Resolved -

- (1) That the revised Deputy Office Policy (Appendix A), aligned to corporate objectives and assuring the appropriate use of means testing to determine charges for the service that residents and families could elect to engage, be approved;
- (2) That the proposal to carry out a six week consultation to inform the Equality Impact Assessment be endorsed;
- (3) That the Director of Adult Care & Health Services and the Head of Wellbeing, in consultation with the Lead Councillor for Adult Social Care, the Managing Director, and the Heads of Finance and Legal and Democratic Services, be authorised to agree the revised Deputy Office Policy following a review of the consultation outcome and recommendations.

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41. BUDGET MONITORING 2016/17

The Head of Finance submitted a report setting out the result of the detailed budget monitoring exercise undertaken for 2016/17, based on the position to the end of July 2016.

Resolved -

That it be noted that, based on the position at the end of July 2016, budget monitoring forecast an overspend of around £6.8m.

(The meeting started at 6.30pm and closed at 8.26pm).

READING BOROUGH COUNCIL

REPORT BY THE DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	31 OCTOBER 2016	AGENDA ITEM:	9
TITLE:	NEW COUNCIL HOMES SPEND APPROVAL - CONWY CLOSE		
LEAD COUNCILLOR	CLLR RICHARD DAVIES	PORTFOLIO:	HOUSING
SERVICE:	HOUSING	WARDS:	BOROUGHWIDE
LEAD OFFICER:	SARAH GEE/ GIORGIO FRAMALICCO	TEL:	0118 937 2973 (x72973) 0118 937 2058 (x72058)
JOB TITLE:	HEAD OF HOUSING AND NEIGHBOURHOOD SERVICES HEAD OF PLANNING, DEVELOPMENT AND REGULATORY SERVICES	E-MAIL:	Sarah.gee@reading.gov.uk Giorgio.framalicc@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 At their 18th November 2015 meeting the Housing, Neighbourhoods and Leisure Committee agreed to deliver new council homes at Conwy Close, Reading. The report confirmed that despite a significant reduction in the capacity of the HRA due to Government rent Policy changes nationally, sufficient funds to meet the estimated cost of £10m to deliver the development would be made available. This figure included the cost to appropriate the land from the general fund to the Council's Housing Revenue Account. At the same meeting it was agreed that a further report seeking specific spend approval in relation to the proposed development be sought once detailed plans and costs have been progressed.
- 1.2 Since that report the proposed development has been designed and a current planning application is before the Council for consideration seeking a total of 57 new council homes. This is 17 more homes than originally planned. In addition the land subject to the proposed development has been appropriated to the HRA. The cost of the development excluding land appropriation costs is estimated to be up to £11m. A recent review of the Housing Revenue Account (HRA) business plan has confirmed that sufficient funds are available within the HRA to meet the full scheme cost.
- 1.3 In addition to the above, this report sets out the proposed procurement approach and seeks approval to enter into a contract with a preferred bidder.

2. RECOMMENDED ACTIONS

- 2.1 That Policy Committee notes the current position regarding Conwy Close and grants spend approval of up to £11m to deliver 57 new Council homes. Spend approval is subject to the proposed development gaining planning permission.
- 2.2 That Policy Committee notes the procurement proposal and subject to the proposed development gaining planning permission delegates to the Director of Environment and Neighbourhood Services in consultation with the Lead Member for Housing and the Head of Finance and the Head of Legal and Democratic Services the authority to enter into a contract with the winning tenderer from the framework providers referred to in paragraph 4.2 below.

3. POLICY CONTEXT/BACKGROUND

- 3.1 Reading Borough Council has held a long-standing commitment to ensuring a supply of affordable housing to meet local housing needs. The Council, as a landlord, has committed to the retention of its own Council housing to offer greater housing choice within Reading and to protect the provision of permanent, good quality, affordable homes for those on low incomes. The Council's Homelessness Strategy 2015 - 2020 sets out the need to increase the supply of affordable permanent housing across sectors as one of three key priority strands which includes a commitment to the delivery of new council homes at Conwy Close.
- 3.2 Whilst Reading's economic success has been attractive to employers, it brings with it the challenges of a competitive housing market and Reading is facing massive housing pressure across all tenures, with house prices amongst the highest outside of London. As previously reported to HNL in November 2015 demand for affordable housing in Reading remains high and continues to outstrip supply.
- 3.3 Further challenges will face residents seeking accommodation in Reading over the next 5 years as both welfare reforms and actions from the Housing and Planning Act 2016 are implemented, making a supply of Affordable Housing, such as those proposed at Conwy Close, even more critical.
- 3.4 Following the completion of a procurement process to appoint a multi-disciplinary team, a detailed design for the Conwy Close development has been produced in consultation with local residents and ward members. The design has progressed to include a range of accommodation to meet local need. The current proposal seeks to secure the delivery of 57 new homes which is an increase of 17 units against the original proposals reported on the 18th November 2015 to HNL Committee. Subsequently a planning application was submitted for consideration in July and is due to be considered at the Planning Applications Committee in November.
- 3.3 The land, subject to the proposed development, was appropriated by the HRA from the general fund at a cost of £3m.

- 3.4 The appointed consultants have provided a detailed cost plan to take into account the cost of the additional units proposed. It is anticipated that the total scheme costs, once land costs have been deducted will be up to £11m. The original estimated cost set out in November 2015 for 40 units was £10m (including the land costs).
- 3.4 A review of the Housing Revenue Account has been completed by the Head of Housing and Head of Finance confirming that there is sufficient capacity in the Account to deliver the revised scheme within the financial envelope set out in para 3.3 and recommendation 2.1. An additional 17 affordable Council homes will therefore be delivered.
- 3.5 In order to deliver a comprehensive residential development at Conwy Close the existing temporary car park use will cease and the parking provision at the Meadway Sports Centre will be re-configured and increased to accommodate additional parking spaces. Works have now started and it is anticipated that this will be completed by the end of November 2016.

4.0 NEXT STAGES

- 4.1 As reported above, it is anticipated that the planning application will be considered at the November Planning Applications Committee meeting. Whilst works on the car park have commenced the development of the new homes is planned to commence later in the financial year.
- 4.2 Officers are currently identifying a main contractor to deliver the new homes using the Homes and Communities Agency procurement framework. This ensures compliance with the EU/Public Contract Regulations and includes constructors who are suitably experienced and qualified to complete the project. This is a two-stage process and stage one (expressions of interest) has now been completed and a number of contractors have expressed an interest in delivering the scheme. Officers are currently preparing to enter stage two and will invite interested parties to complete the tender documentation during November. The approval to enter into contract with the approved bidder will require Policy Committee approval.

5 FINANCIAL IMPLICATIONS

- 5.1 The HRA Business Plan has been updated to take account of the 2015/16 year end position and a review of the variables that underpin the business plan. The HRA can currently afford to fund the Conwy Close development including the additional cost as outlined above without increasing the outstanding debt at the end of the 30 year business plan.

6 LEGAL IMPLICATIONS

- 6.1 Subject to planning permission being granted for the proposed development a competitive tender process amongst the framework providers on the Homes and Community Agency's framework agreement will be held in accordance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.
- 6.2 As the Framework agreement was previously advertised in the Official Journal of

the European Union it is not necessary to separately advertise the mini competition between the framework providers who have expressed an interest in delivering the scheme.

- 6.3 Subject to the proposed development gaining planning permission a contract for construction of the scheme will be entered into with the winning framework tenderer on the terms of the framework agreement and the mini competition.

7 CONTRIBUTION TO STRATEGIC AIMS

- 7.1 The proposals within this report contribute towards Council's Corporate Plan under the strategic priority 'Providing homes for those in most need'.

8 COMMUNITY ENGAGEMENT AND INFORMATION

- 8.1 A newsletter was sent to the surrounding schools and over 350 households inviting them to attend a public exhibition. The event was held on Tuesday 24th May 2016, 2-7pm at the Meadway Sports Centre, Conwy Close. The consultation invited people to consider the initial proposals for the site. Comment forms were made available to allow people to comment both at the exhibition and at a later date. We also met with the Principal of Thames Valley School, to discuss the proposals and the exhibition was attended by the Head Teacher of the Avenue School.

- 8.2 The comments received from both Reading Borough Council and members of the public at the exhibition and via the comment forms have been considered and incorporated where appropriate into the proposed scheme and a second newsletter was sent out updating the community on the outcome of the consultation.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 Not applicable to this report.

BACKGROUND PAPERS

- Policy Committee Report July 2015. Impact of Emergency Budget on the Councils Housing Revenue Account.
- HNL report November 2015: Future of The Council's House Building Programme.

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	31 OCTOBER 2016	AGENDA ITEM:	10
TITLE:	CONTRACT AWARD - CLEANING AND CLEARING OF VOID RESIDENTIAL PROPERTIES		
LEAD COUNCILLOR:	CLLR DAVIES	PORTFOLIO:	HOUSING
SERVICE:	HOUSING	WARDS:	BOROUGHWIDE
LEAD OFFICER:	ZELDA WOLFLE	TEL:	0118 937 2285
JOB TITLE:	HOUSING OPERATIONS MANAGER	E-MAIL:	zelda.wolfle@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report seeks approval for the award of the Voids Cleaning Contract following a competitive tendering exercise which largely relates to the cleaning and clearance of the Council's housing properties when these become 'void' (available to re-let).

2. RECOMMENDED ACTION

- 2.1 That Policy Committee resolves to award a contract to ServiceMaster Contract Services By Deeland Limited for the Clearing and Cleaning of Void, Occupied and Tenanted Properties for an initial period of 4 years with an option to extend for a further two year period in accordance with the Public Contracts Regulations 2015.

3. CLEARING AND CLEANING OF VOID, OCCUPIED AND TENANTED PROERTIES

3.1 Introduction

- 3.2 Reading Borough Council currently manages over 5,600 Council properties which are let throughout the Borough and requires a contractor for the provision of a range of cleaning and related services for these properties when they become available for re-let.

- 3.3 As part of the management of its portfolio of rental properties, the Council has a duty of care to ensure that when these properties are vacated they are inspected and, where necessary, cleared and cleaned prior to a new tenant occupancy. Over the course of a typical year approximately 360 to 500 (6.5% to 9%) of the Council's rental properties will become empty and come up for re-letting as demonstrated over the course of the current contract. This figure includes permanent and temporary accommodation.

3.4 The bulk of the contract involves:

- Internal clearance of properties including rubbish, goods and furniture
- Disposal of waste
- Itemised inventory of goods remaining
- Movement of goods to storage facility
- Pre-repair works domestic cleaning
- Pre-tenancy let domestic cleaning
- Specialist cleaning and de-contamination, pest control and deodorising

3.5 The nature of work required at a property often combines a range of the services above. Void turnaround times are very tight to keep rent loss to a minimum and to ensure that people are housed as quickly as possible, as a result the specification for this contract requires that jobs are completed within 24 hours.

3.6 In addition, Environmental Health and Social Services will refer approximately 15 properties per annum requiring a clean whilst they are occupied by vulnerable adults. This work is required under the Council's enforcement powers and duties under the Public Health Act 1936, the Environmental Protection Act 1990, and the Prevention of Damage by Pests Act (PDPA), The Care Act 2014, & Children & Families Act 2014.

3.7 The Council has recently invited tenders for this work from interested contractors for a new contract to replace the existing arrangements. The contract opportunity was advertised in both OJEU and the Government's Contracts Finder procurement portal. The evaluation of the tenders is now complete and the Committee is asked to award the contract to the successful tenderer.

3.8 The Council considered carrying out the work in-house, but the option appraisal identified that an external contractor would be better able to manage the requirement for a rapid turnaround for the service and to manage the relatively variable and unpredictable volumes of work that are required.

4. CONTRIBUTION TO STRATEGIC AIMS

4.1 The voids cleaning contract will support the achievement of the Council's strategic aims in two ways:

- Safeguarding and protecting those that are most vulnerable; and
- Providing homes for those in most need

Those elements of the contract that support achieving value for money and controlling expenditure support the aim of:

- Remaining financially sustainable to deliver these service priorities.

5. COMMUNITY ENGAGEMENT AND INFORMATION

5.1 None relevant to these contracts

6. EQUALITY IMPACT ASSESSMENT

6.1 There is no Equalities Impact Assessment required for this contract.

7. LEGAL IMPLICATIONS

7.1 This contract has been procured in accordance with the Public Contracts Regulations 2015.

8. FINANCIAL IMPLICATIONS

8.1 The tendered price for evaluation purposes (to enable comparison of tender submissions) was approximately £248,000 per annum. There is no volume of work guaranteed under the contract as the actual spend each year will depend on the number of voids arising and the precise work required for each property. The tender exercise has set competitive prices for the full range of potential services that could be required. The contractor will be paid at the tendered price for the actual work to be carried out.

8.2 The cost of the services will be met from the approved HRA revenue budget.

9. BACKGROUND PAPERS

9.1 Procurement Documentation including, Invitations to Tender and Procurement Project approval forms.
ESPO MSTAR2 Framework Agreement User Guide and call-Off Agreement.

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	31 ST OCTOBER 2016	AGENDA ITEM:	11
TITLE:	REVIEW OF LEISURE FACILITIES AND FUTURE PROVISION		
LEAD COUNCILLOR:	PAUL GITTINGS	PORTFOLIO:	CULTURE, SPORT & CONSUMER SERVICES
SERVICE:	LEISURE & RECREATION	WARDS:	BOROUGHWIDE
LEAD OFFICER:	GRANT THORNTON	TEL:	0118 937 2416
JOB TITLE:	HEAD OF ECONOMIC & CULTURAL DEVELOPMENT	E-MAIL:	grant.thornton@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Policy Committee at its meeting on the 30th November approved the commencement of a procurement process to seek external support and investment to secure the improvement of the Borough's leisure facilities. This report provides an update to Policy Committee on progress with the procurement, the facilities to be provided and includes an update on related issues such as the delivery of a demountable pool at Rivermead to provide continuity of provision following a planned closure of Central Pool in December 2017. The report seeks Policy Committee's endorsement of the actions to date and the proposed procurement process.
- 1.2 Appendix 1 provides some illustrative photographs of the type of demountable pool to be provided at Rivermead and some early indicative images of the proposed new pool at Palmer Park Stadium. Appendix 2 gives an outline timetable for the procurement process and the subsequent development and delivery of new facilities.

2. RECOMMENDED ACTION

- 2.1 That Policy Committee notes and endorses the work undertaken to date to deliver a demountable pool at Rivermead and to progress the procurement process for investment to secure the improvement of the Borough's leisure facilities as set out in paragraph 4.1.
- 2.2 That Policy Committee endorses the procurement strategy as outlined in paragraph 4.2.
- 2.3 That Policy Committee notes the overall timetable for the procurement process and delivery of new facilities as set out in paragraph 4.2 and Appendix 2.
- 2.4 That Policy Committee notes and welcomes the continuing support of Sport England for the Council's planned replacement of Central and Arthur Hill swimming pools as set out in paragraph 4.1.

3. POLICY CONTEXT

- 3.1 Reading has a range of leisure facilities that are of mixed quality and the Council has identified the need for investment to modernise the leisure estate. The Council recognises that the provision of suitable and readily accessible sports facilities underpins participation in sports and physical activity and supports the delivery of the social and economic benefits that can be attributed to an active community. Reading needs a leisure offer that reflects its status as a sub-regional 'capital' and that aligns with the Council's wider policies and priorities, including public health objectives and tackling inequality.
- 3.2 The Council's Corporate Plan 2015-18 specifically identifies a review of the current leisure offer as a priority in order to deliver key objectives regarding improving quality of life and health and well-being, especially as regards reducing inequality and poor outcomes for some of our residents.
- 3.3 Policy Committee in November 2015 endorsed the key findings of the Leisure Review and the recommended way forward: The findings of the facilities needs assessment were that whilst there is sufficient pool space in the Borough the quality of provision needed upgrading. The options appraisal recommended the replacement of the most outdated facilities with more modern cost-effective leisure facilities that would also offer a much better service to residents and users. Specific proposals included: a new competition standard pool and related indoor leisure provision, including sports hall, to replace Central Pool; a new 'neighbourhood' pool at Palmer Park to replace Arthur Hill Pool; and investment in other retained facilities (Meadway Leisure Centre and Palmer Park Stadium). Re-provision of diving was also explicitly incorporated. Policy Committee also agreed a planned closure of Central Pool with provision of a demountable pool at Rivermead to provide continuity of provision. Committee approval was also secured to commence a procurement process to seek an operator to secure the improvement of the Borough's leisure facilities as outlined above.

4. THE PROPOSAL

4.1 Current Position:

Demountable Pool

As reported to Policy Committee in November 2015, a range of urgent works were required at Central Pool to address health and safety issues and to prevent further deterioration and reduce the likelihood of building or plant failure. These works were completed in January 2016 with the aim of enabling the pool to remain operational until a planned closure in December 2017. The condition of the building and plant is being closely and regular monitored and Central Pool continues to be well used.

In parallel work has continued to secure the delivery of a demountable pool at Rivermead. The Council has been working co-operatively with Greenwich Leisure Limited (GLL) and their design consultants to deliver a temporary pool at Rivermead to enable the planned closure of Central Pool and detailed design work is well underway. GLL have agreed in principle to manage the demountable pool and Heads of Terms for a management agreement are in the process of being agreed. Whilst the final design details are being finalised the work has been tendered and a preferred contractor selected (though a contractual commitment has not yet been entered into). A planning application for the demountable pool will be submitted in mid-November and the project is on schedule for the demountable pool to be operational from the beginning of January 2018. Appendix 1 gives some indicative images of the quality of the swimming offer at comparable pools.

Resourcing the Leisure Procurement

A procurement of this scale is inherently complex and to be compliant with procurement regulations requires a great deal of work to be carried out in advance of formally seeking tenders. In order to manage this complex procurement process effectively and efficiently the Council has appointed an external dedicated project manager and a leisure specialist consultancy to support and provide expert advice. In addition, specialist legal advice and capacity has been sourced through Hampshire County Council. These resources have been integrated into an internal project team involving officers from leisure, public health, legal, finance, procurement and human resources. The Director of Environment & Neighbourhood Services is the project sponsor and the Head of Economic & Cultural Development the Lead Officer.

Siting of New Facilities

A new 25m 6 lane 'community' pool at Palmer Park to replace Arthur Hill was explicitly referenced in the November report to Policy Committee and this proposal will be incorporated as an essential part of the specification for the procurement. Further site investigations have been carried out to ensure that delivery of a pool at Palmer would not be prejudiced by ground conditions given the known issues with former chalk mines in the vicinity. These site investigations have indicated that there are no issues with ground condition that would impede development of a pool adjacent to the existing facilities. Development of the new pool and detailed design will of course be subject to the statutory planning process, which will include public consultation. An indicative illustration of a new pool linked to the existing facilities at Palmer Park Stadium to provide a multi-sports hub is attached at Appendix 1.

Further work has been undertaken into assessing the feasibility of locations for a new competition pool to replace Central. With significant space available, land adjacent to Rivermead is the Council's preferred location for a new competition pool at this stage. Additional feasibility work is currently being undertaken to establish the most appropriate position and outline design. This work has also included a range of site surveys / investigations to inform design and to meet the requirements of a full planning application in due course.

The existing leisure facilities and activities held in this area, set against the backdrop of the River Thames and adjoining parkland, provide a unique opportunity to develop a principal recreational and leisure destination or hub offering a wide range of formal and informal facilities. The provision of a new competition pool and additional dry-side facilities in this location will play a key part in fulfilling this vision for the Rivermead area.

Specifications

With significant financial constraints facing the Council now and into the future, affordability of any eventual set of proposals for the leisure estate is a critical driver for the procurement. Maximising the affordability of potential solutions to deliver the Council's aspirations has been a key guiding factor for the work to date, along with the requirement for a pool at Palmer Park to retain a good geographic spread of facilities. The agreed minimum specification for the new competition pool to be provided is therefore an 8 lane 25m pool with a separate flexible diving/learning pool. This will be complemented by a new 6 lane 25m pool at Palmer Park linking to the existing facilities to deliver the replacement facilities for Arthur Hill in the east of the Borough. This potentially will provide the most affordable solution whilst meeting the requirement for a geographic spread of facilities. The current proposal is that existing swimming and leisure facilities at South Reading and Meadway will also be retained and improved.

These base specifications will be set-out as part of the 'employers minimum requirements' for the procurement process and it will be for bidders to develop their proposed optimum design solutions to meeting these requirements. This does provide scope for bidders to offer different or enhanced solutions through the procurement process.

Of course the service specification will involve much more than the physicality of new facilities and incorporate a range of issues and performance requirements. In particular the service specification will set-out the Council's expectations and requirements with regard to health and well-being outcomes and catering for Reading's diverse needs and demography.

The detail of the specifications is currently being worked up and will form part of the suite of procurement documents that bidders will respond to.

Sport England

Sport England is the Government's primary strategic agency tasked with delivering the key outcomes of its sports and physical activity strategy, including investing in new facilities where this is seen to be critical to driving participation and access. Sport England has identified Reading's proposed development of new facilities as strategically significant and a potential project for them to fund with a capital contribution of £1.5 - 2m. This is in recognition of the real potential that better quality facilities brings to driving up participation and delivering better health and well-being outcomes in the area. Funding from Sport England would be awarded subject to a funding application process and the facilities meeting their specification requirements and in this regard they are helpful as critical friends throughout the procurement process. The Council is being directly supported by Sport England's capital projects team who have a wealth of experience, including comparable complex procurements where they are an investor. Sport England's expertise and time is given at no cost to the Council.

4.2 Options Proposed

Demountable Pool

It is proposed that the well-developed plans for a demountable pool at Rivermead in co-operation with GLL be progressed with a view to enabling a planned closure of Central Pool in December 2017.

Leisure Procurement

It is proposed that the procurement strategy is a competitive dialogue process for a 'Design, Build, Operate and Manage' (DBOM) contract in order to speed up as far as possible the route to market, drive the best possible value for money and transfer delivery risk to a new operator. The key stages of this procurement process are set out below and an outline timetable is attached at Appendix 2 that indicates the award of a contract to a new leisure operator by January 2018 who would then run the existing facilities from Spring 2018 and aim to deliver the new facilities early in 2020. This timetable is considered achievable but timescales for building out the new facilities will be dependent on the complexity and deliverability of the selected Contractor's proposed solutions. Certainty on the delivery timetable will be established as the procurement progresses.

The outline stages and timetable for the procurement are detailed below:

Stage 1 - Procurement Documentation & Pre-Qualifying Questionnaire (PQQ)

Procurement documentation work well underway
OJEU notice and PQQ documents issued February 2017

Stage 2 - Submission of Outline Solutions

May 2017

Stage 3 - Submission of Detailed Solutions and Dialogue

November 2017

Stage 4 - Final Tender and award

January 2018

New contractor operating existing facilities from Spring 2018 following a mobilisation period and delivering a new competition standard pool with diving provision to replace Central and a new 'Community Pool' at Palmer Park Stadium by early 2020.

As outlined above, a DBOM procurement of this scale is inherently complex and requires a great deal of work to be carried out in advance of the PQQ stage. The DBOM contract that incorporates the suite of procurement documents is currently being drafted using a detailed Sport England procurement toolkit that is widely recognised as an industry standard. This toolkit provides a framework for developing a bespoke specification to meet Reading's requirements and this will be fully completed early in the new-year.

4.3 Other Options Considered

With regard to the procurement process the Council has been advised by its leisure specialist consultants with regard to a range of options. The direct delivery of new replacement facilities by the Council (design and build) and then limiting the procurement solely to the management of the Council's facilities, both new and existing, was considered. Whilst this has the advantages of simplifying the procurement process and having greater control over the design process, it has a number of significant disadvantages:

- It delays early engagement with the market to drive a competitive process to secure the most cost-effective solution;
- It reduces operator input into the design of facilities which risks sub-optimal solutions with regard to meeting customer expectations, operational efficiency and income potential.
- It means that all the delivery risk on the construction of new facilities and the build cost would reside with the Council rather than be transferred to the operator as in the DBOM model.

This option has therefore not been taken forward.

In relation to the minimum specification for the competition standard pool to replace central, consideration has been given to the option to specify a 50m pool. The key conclusions of the Facilities Needs Assessment were that although the quantum of water space in the Borough was sufficient, quality needed to be improved. Taking into account the value of a geographic spread of swimming facilities it recommended that a 6 lane 25m pool be provided at Palmer Park Stadium (replacing Arthur Hill) and that Central be replaced with a County standard 8 lane 25m pool to incorporate

provision for diving. Given the Council's clear commitment to a new pool at Palmer Park Stadium providing a pool at Palmer Park Stadium and a 50m replacement for Central would be an over-provision of water space relative to the needs / demand identified. Implicit in this view is that over provision could negatively impact on the revenue performance of all the swimming provision through a dilution of income generation potential at each facility. A 50m pool would also be significantly more expensive to build and run than a 25m competition standard pool and is therefore likely to impact negatively on affordability. For these reasons, and with affordability being a critical consideration, the minimum specification is for the 25m 8 lane competition standard pool with provision for diving (and other deep water activities such as synchronised swimming). As noted in section 4.1 of the report above, it will be for bidders to develop their proposed optimum design solutions to meeting the Council's requirements and this does provide scope for bidders to offer different or enhanced solutions through the procurement process.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The proposals set-out in this report for a major enhancement in the quality of the leisure estate and in the attractiveness of local facilities for residents, employees and visitors in Reading primarily contribute to the following priorities in the Corporate Plan:

- Providing the best start in life through education, early help and healthy living;
- Keeping the town clean, safe, green and active;
- Providing infrastructure to support the economy.

5.2 A key driver for the provision of high quality leisure facilities is to promote the health and well-being of the population. New facilities generally result in increased level of use and participation in the communities they are located. In turn this provides more opportunities to target specific initiatives to increase engagement and participation from those on low incomes or who have a range of health conditions that can be ameliorated through exercise and well-being programmes.

5.3 Replacing ageing and outdated facilities with modern ones will also have significant benefits in reducing levels of energy use, contributing to both sustainability and cost-effectiveness.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 Consultation with key stakeholders was carried out as part of the work to develop the indoor sports facilities strategy, including a range of sports clubs and operators. Consultation has also involved the Amateur Swimming Association (ASA) and Sport England to ensure that lead governing bodies for a variety of sports have been able to directly influence the strategy and are confident that it reflects their interests and input.

6.2 Following the report to Policy Committee in November 2016 that clearly set out the Council's intentions to upgrade the Borough's leisure facilities, a number of stakeholders have communicated their aspirations for the quality and specification of new provision, including swimming, diving and basketball clubs. Whilst the Council will ultimately need to balance these aspirations against cost and affordability in order to ensure that greatly improved facilities are delivered, the aspirations of local clubs will form part of the information that bidders receive and will need to respond to. Further and ongoing consultation with stakeholders and the public will be carried out over the coming months and as more detailed proposals are developed for both new and refurbished facilities.

- 6.3 Both the demountable pool at Rivermead and the proposed new facilities to replace Central Pool and Arthur Hill Pool will require planning permission and be subject to statutory public consultation at the appropriate time.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 It is not considered that an Equality Impact Assessment (EIA) is relevant to the decision at this stage. It is anticipated that an EIA will be relevant to the future decisions required regarding the provision and location of permanent new leisure facilities and this will be undertaken in parallel with the development of more detailed proposals. This will enable an outline EIA to be incorporated within the procurement documentation so that bidders can address equalities issues and mitigation of any impacts.

8. LEGAL IMPLICATIONS

- 8.1 The provision of a demountable swimming pool is classified as a Works contract and the cost falls well below the threshold which would require an OJEU advertisement for a Works contract. The procurement of a demountable pool will be conducted in accordance with the Council's Contract Procedure Rules. Policy Committee on the 30th November 2015 delegated the finalisation of the procurement arrangements, the negotiation with GLL on specification and management arrangements and authority to enter into the necessary contract/s for the demountable pool to the Director of Environment and Neighbourhood Services in consultation with the Lead Councillor for Sport, Culture & Consumer Services, the Head of Finance and the Head of Legal & Democratic Services.
- 8.2 The procurement processes for new leisure facilities will need to be compliant with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules and involve advertisement in the Official Journal of the European Union. The project team to manage the procurement has the necessary expertise to ensure such compliance.
- 8.3 The Council provides its leisure facilities under the provision of Section 19 of the Local Government (Miscellaneous Provision) Act 1976.

9. FINANCIAL IMPLICATIONS

- 9.1 The approved capital programme includes an allocation of up to £2m for the cost of delivering the demountable pool at Rivermead.
- 9.2 The financial implications will only be fully understood as the procurement process proceeds but the approach adopted will drive the best value possible from a competitive leisure operator market. The basic premise (supported by the feasibility and options work already undertaken) is that new and improved leisure facilities will increase participation rates and income across the whole leisure estate so that they run at an operating surplus. A proportion of this operating surplus will be paid to the Council by the leisure operator and this payment can then be used to cover the costs of Council borrowing capital to build and refurbish the leisure facilities (the Council

can borrow at much more favourable rates than leisure operators so this is the most financially advantageous model for a major leisure procurement).

10. BACKGROUND PAPERS

10.1 'Review of Leisure Facilities and Future Provision' - Report to Policy Committee 30th November 2015.

'Budget Savings Proposal: Arthur Hill Pool' - Report to Full-Council 17th October 2016.

Reading Borough Council Indoor Sports Facilities Needs Assessment - The Sports Consultancy, October 2015.

Options Appraisal and Feasibility Study for the Development of Leisure Centres Across the Borough - The Sports Consultancy, October 2015.

(This document contains exempt information by virtue of Paragraph 3 of Schedule 12A (as amended) of the Local Government Act 1972 (as amended) and is not open to public inspection in accordance with the commercial sensitivity exemption contained within Part 2 Section 43(2) of the FOI Act).

Reading Borough Council Central Pool Condition Survey - Faithful Gould, April 2015.

Reading Borough Council Arthur Hill Baths Condition Survey - Faithful Gould, April 2015.

APPENDIX 1





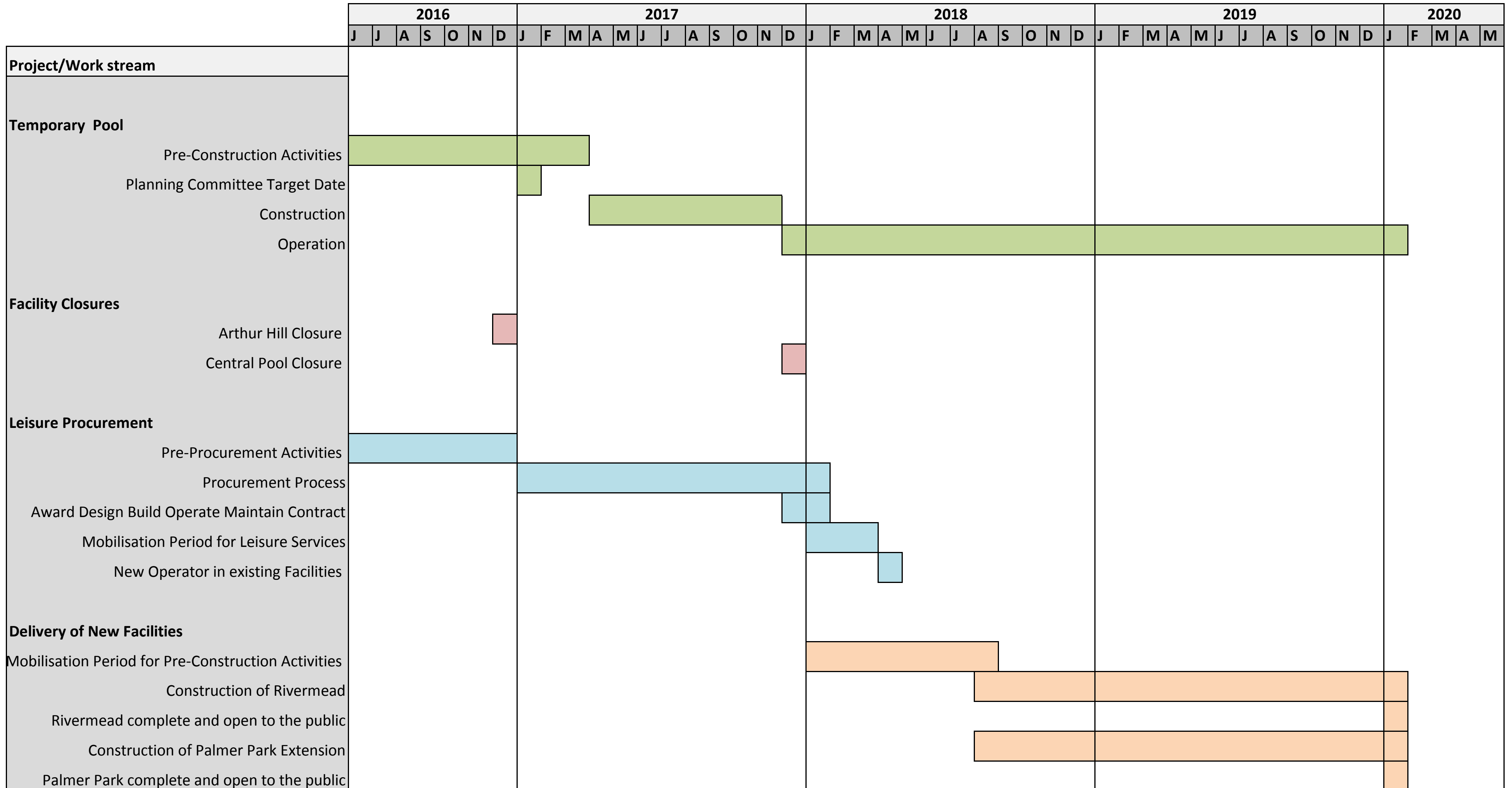


PALMER PARK
SPORTS STADIUM

E11

Reading Leisure Project Timeline

October 2016



READING BOROUGH COUNCIL
REPORT BY MANAGING DIRECTOR

TO:	POLICY COMMITTEE		
DATE:	31 OCTOBER 2016	AGENDA ITEM:	12
TITLE:	MID-YEAR REVIEW OF FEES AND CHARGES		
LEAD COUNCILLOR:	CLLR LOVELOCK	PORTFOLIO:	LEADERSHIP
SERVICE:	BUSINESS DEVELOPMENT	WARDS	BOROUGHWIDE
LEAD OFFICER:	MARCUS HERMON	TEL:	87106
JOB TITLE:	BUSINESS DEVELOPMENT MANAGER	E-MAIL:	Marcus.hermon@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 In view of the need to ensure that the Council is maximising potential income on a continuous basis, a mid-year review of existing fees and charges for implementation from 1st November 2016 has been undertaken.
- 1.2 This report sets out the results of this review and seeks approval of proposals to change or maintain service fees and charges as outlined in Appendix 1.

2. RECOMMENDED ACTION

- 2.1 To note the content of the report;
- 2.2 To approve the increase of fees and charges as outlined in Appendix 1, for implementation from 1st November.

3. POLICY CONTEXT

- 3.1 The review of fees and charges forms part of the Council's annual budget setting process and assists with the delivery of budget saving targets.
- 3.2 Generating and maximising income is essential to the continued delivery of non-statutory services in the face of economic austerity and cuts to central Government grant.
- 3.3 A mid-year review of fees and charges provides Council services opportunity to react to emerging market pressures, consider the recovery of associated costs and maximise income.

4. PROPOSAL BACKGROUND

4.1 The review of fees and charges forms an integral part of the Council's overall budget setting process as it assists with the delivery of budget saving targets. As part of this exercise, the Council's Services have examined the scope to recover some or all of the full cost of service delivery.

4.2 Services have reviewed their fees and charges in compliance with respective guidance and legislation. Many statutory service fees and charges are set by Central Government. Non-statutory fees and charges are informed and set according to market conditions and affordability to customers/residents.

4.3 Where appropriate, fees are set to maximise the contribution from income towards the cost of service delivery, and where necessary, concessionary rates continue to be offered to those who need/benefit from a subsidised service.

4.4 Each service has considered and followed the criteria below in arriving at the proposed fees for November 2016. The three main areas of consideration were:

1) Benchmarking / Market pressures

The fees charged by Council services have been directly compared to those charged by similar providers in the public and private sector. Where the fees charged have been found on average to be of a lesser or greater value, some adjustments have been made to bring them in line with the market.

2) Rate of Inflation

Where charges are felt to be appropriate to the current market and competition there has either been no increase proposed or a nominal increase approximate to the rate of inflation has been proposed (0.5%).

3) Cost Recovery

Service areas were asked to look at the costs associated with service delivery, taking into account the full extent of resources required, including overheads and support service charges. Combined with benchmarking, cost recovery can highlight undercharging for services. If this is the case, services can justify increases greater than the rate of inflation or the implementation of new charges. Calculation of full cost and its recovery is very much work in progress and proposals will be more and more robustly informed over subsequent reviews.

4.5 A number of services have not proposed changes to fees and charges as part of this review. The rationale for this is given within Appendix 1 and is broadly due to either;

a) Benchmarking has identified no scope for the increase of fees without loss of business.

b) The service is completing a broader review of fees and charges through a separate approvals process.

4.6 **Future Reviews:** The review of fees and charges is a rolling programme with full reviews scheduled for implementation 1st April & 1st October in each future financial year. Whilst the formal review of fees and charges provides for specific corporate focus, services are actively encouraged to identify opportunities for maximising income between review periods and to progress these through the appropriate approvals process.

4.7 The table below summarises the predicted additional income generated by the revised fees and charges for the period 1st November 2016 - 31st March 2017.

No.	Service Area	Estimated Value of increase 1st November 2016 - 31st March 2017
4	PLANNING	£ 2,095.83
5	HIGHWAYS	£ 516.09
10	REGISTRY OFFICE	£ 1,810.00
11	CUSTOMER SERVICES	£ 3,738.25
12	REGULATORY SERVICES	£ 1,620.00
13	STREETCARE SERVICES	£ 738.22
14	PUBLIC CONVENIENCES	£ 250.00
19	LAND CHARGES	£ 8,320.83
	Total	£ 19,089.22

5. PROPOSAL

5.1 To implement the revised set of fees & charges outlined in Appendix 1 from 1st November 2016.

6. CONTRIBUTION TO STRATEGIC AIMS:

6.1 The proposal directly contributes to the following objective of the Council's Corporate Plan:

- Remaining financially sustainable to deliver service priorities

7. COMMUNITY ENGAGEMENT:

7.1 Services will each raise awareness of revised fees & charges with their clients as is custom and practice or required by statutory obligation.

8. EQUALITY IMPACT ASSESSMENT:

8.1 Under the Equality Act 2010, Section 149, a public authority must consider whether the decision will or could have a differential impact on: racial groups; gender; people with disabilities; people of a particular sexual orientation; people due to their age; people due to their religious belief. Approval of the decisions to carry out any of the improvement work will not have a differential impact on any of the above.

8.2 It is not considered that that an Equality Impact Assessment (EIA) is relevant to the decision.

9. LEGAL IMPLICATIONS:

9.1 As section 4.2, Services have reviewed their fees and charges in compliance with respective guidance and legislation. Many statutory service fees and charges are set by Central Government. Non-statutory fees and charges are informed and set according to market conditions and affordability to customers/residents.

10. FINANCIAL IMPLICATIONS:

10.1 As shown in the table at section 4.7, the proposals are forecast to deliver additional revenue income of £19k over the remaining 5 months of the current financial year (16/17).

10.2 The proposals would deliver forecast additional income of £46k over the next full financial year (17/18); subject to 1st April 2017 review.

APPENDIX 1: Proposals for revised Fees and Charges by Service Area

The commentaries below set out the broad approach to fees and charges adopted in each service area.

1. Directorate of Environment & Neighbourhood Services

1.1 Sports Centres (Leisure & Recreation)

It is proposed to

- Increase the Your Reading Passport RSL Membership fees by £0.50 for new members only. Existing members with established Direct Debits will be unaffected by change as a reward for continued loyalty;
- Implement a small increase of 5-7% on the current table tennis and squash fees. The revised fees continue to provide good value in the market place;
- Set the Meadway Hall Hire charge for community/non-sporting activity/events through a price on application process (POA), rather than fixed fee. This will enable the service to maximise income through consideration of the specific activity taking place and its commerciality.

The rationale for these proposals is the benchmarking of charges against other service providers and endeavour to move towards the recovery of operational costs. The predicted income generated by increasing these fees is circa £2.5k. The forecast additional income will contribute to balancing declared in-year budget pressures within the service. No increase to existing revenue budget income will be achieved through this exercise.

For all remaining fees no increase is proposed as the price has been benchmarked as at the top of the range of competitors' charges. Any increase in charges would likely result in loss of business and income.

1.2 Parks (Leisure & Recreation)

No fee increase is proposed through this process. Parks charges are currently being considered as part of a broader Service Review.

N.B. The majority of leisure related fees, previously shown within the Parks schedule, now feature within Leisure Services following the restructuring of services.

1.3 Transport

No fee increase is proposed through this process. The service is currently undertaking a full review of their fees and charges with additional estimated income of approximately 80K per annum. Work on the following proposals is currently underway:

- on street parking pay and display fees
- overnight parking flat rate fees

- the expansion of parking spaces in the town centre
- resident permit charges

These proposals will be ratified through a separate process via Admin Briefing and Traffic Management Sub Group this autumn, with intent to implement from 1st January 2017.

1.4 Planning

Extensive benchmarking of charges for Level 2 pre application advice showed that CIPFA nearest neighbour local authorities charge more on average than Reading.

As a result it is proposed to increase the Level 2 Pre Application Advice fees for Business, commercial or other developments.

The charge for developments of 201 - 499 square metres will be increased by £35 and the charge for 500-1000 square metres by £50. Whilst benchmarking suggests that a smaller increase would be reasonable, the new fee proposals also account for cost recovery consideration.

Fees for developments with 1-19 dwellings will be increased by between 10%-14.6% which will more accurately reflect the costs of providing advice for these proposals.

It is further proposed to increase the fees for the initial scoping meeting for Level 3 Developments (>1001 sqm or more than 20 dwellings) by 25% again, to more accurately reflect the costs of preparing for and conducting such meetings.

Officers will be clear with clients regarding the level and standard of service provided for the fee paid. The time/resources used in providing these services will be monitored and used to inform future fee consideration (April 17).

No further opportunities for income generation or cost recovery have been identified at present for Level 1 or Level 3 Pre Application advice. However, the basis for charging for larger Level 3 schemes will be reviewed in more detail for April 2017. A better method for recovering the costs of services provided as part of Level 3 scoping is currently being investigated.

1.5 Highways

No proposed increases to commercially sensitive Drainage Work fees in order to remain competitive. The majority of Section 39 Highway Adoption fees will be reviewed outside of this process through a separate Committee report. The schedule also features a number of fees set by statute, which remain unchanged.

An increase of 10% is proposed for the S50 Streetworks licence fee, excluding the inspection fees, which are set by statute. The rationale for this proposal is the extensive benchmarking of charges against those of other local authorities.

The fees for crane/mobile lifting platforms will be reviewed as part of the process for setting Fees and Charges for April 2017.

It is proposed that all remaining Highways fees will be increased by around 0.5 - 1% as a result of rounding to nearest 50p/£1 and to reflect inflation. Proposals follow the benchmarking of charges against other local authorities and market rates.

1.6 Libraries

Library fees have recently been reviewed and are currently top quartile nationally. Previous increases in fees and fines have reduced use or increased compliance (overdue books fines) leading to an overall reduction in income and therefore further increases are not likely to translate to increased income. Note that other options to increase income from rental, sponsorship and donations are being pursued.

1.7 Building Control

Whilst no fee increase is proposed through this process the service intend to undertake a full review of fees and charges this autumn. Delegation exists for the Lead Cllr and Head of Planning, Development and Reg Services to implement a fee increase. Building Control works within a competitive environment and any increase would need to be measured against the fees of approved inspectors.

1.8 New Directions

Fees apply to the academic year September 2016 - July 2017 and were set in April 2016. No proposed change to fees is proposed in recognition of the above and an identified national decline in learner numbers, which will hopefully encourage increased uptake. Market comparison indicates that established fees are in line with competitors.

1.9 Streetcare Services

An increase of around 0.5% is proposed for Wheeled Bin Charges with the exception of Green Waste bins/bags that are currently subject to separate review. No increase proposed for Bulky Waste Collection charges, as new charges were introduced in July 2016 following a wider service review and benchmarking exercise.

The Skip licence fee (initial 2 weeks) has been rounded from £36.97 to £40 with the fee for subsequent weeks rounded from £34.33 to £35.00. These fees have also been benchmarked with other authorities.

No increase is proposed to trade waste fees in order to remain competitive. The Trade Waste service operates in an extremely competitive market place in which the Council wishes to grow market share. The service will continue to monitor the market and continually adjust fees in order to ensure they remain competitive and reflective of an ever changing cost base.

1.10 Public Conveniences

An increase of £0.10 is proposed on the existing £0.20 fee in order to achieve cost recovery. As a result of customer resistance to pay for the use of public toilets, there could be an increase in Antisocial Behaviour and a reduction in use and income. A survey conducted by the British Toilet Association and the leading private providers indicate that the national average fees are £0.20. Providers who

tend to charge more are those in high footfall areas, such as in metropolitan and tourist areas. It is proposed that following an increase in fees, the use of public toilets will be closely monitored.

1.11 Community Safety

No increase proposed to these fees. Over the last three years the charges to the night-time economy members were increased to bring them in line with daytime economy membership. The fees are charged annually and it would be inappropriate to increase them mid-year.

1.12 Regulatory Services

It is proposed to introduce a licence pre application service for £90 and a full service, including a site visit for £144. It is further proposed to increase the licence fees to store explosives by approximately 4%.

A large number of Regulatory Services fees are set by statute and will not change, but fees subject to cost recovery and market forces have been identified and will be subject to a broader review. The resources required will not permit for this exercise to be completed in time for November, but it is intended to be completed for 1st April 2017.

2. Directorate of Customer Support Services

2.1 Bereavement Services

No increase is proposed for bereavement services fees and charges, following rigorous benchmarking against neighbouring crematoria and burial authorities. It would not be appropriate to change cremation fees mid-year as the industry expectation is for an annual fee change which allows funeral directors appropriate time to implement Reading Borough Council's fees.

2.2 Registry Office

It is proposed to

- Increase the fees for Registrar's attendance at an outside church from £80 to £90;
- Increase the fees for face to face/counter replacement certificates from £19 to £20;
- Increase the fees for individual citizenship ceremonies (Monday-Friday) at Yeomanry House from £83 to £95;
- Introduce a separate citizenship ceremony fee for Fridays and Saturdays of £140.

These proposals are based on the findings of an extensive benchmarking exercise and aim to bring Reading Borough Council's charges in line with those of neighbouring authorities, whilst protecting against loss of business.

No further changes are proposed at this time, as benchmarking has identified that remaining fees are in line with other local authorities. Fees are considered price sensitive and a further increase could result in loss of income.

2.3 Customer Services (Blue Badge Scheme)

The proposal to increase the fee for Blue Badges from £5.52 to £10 (including VAT) was approved by Policy Committee in July 2016. An extensive benchmarking exercise showed that all of the other Berkshire councils and Oxfordshire and Hampshire County Councils are charging a £10 fee. It is proposed that the fee increase should be implemented in November 2016, rather than in April 2017, as this would generate an additional income of £3.7K between November 2016 and April 2017.

It is further proposed to start offering the use of the webcams in the Customer Service Hub to take bespoke pictures for Blue Badge/Concessionary Passes against a small charge of £3 (including VAT). This would ensure the picture is of the required standard and would be cheaper for customers than obtaining 4 passport style photos from a photo booth which typically costs around £7.

Early introduction of the revised fees for Blue Badges and introducing a webcam picture service will contribute to cost recovery.

2.4 GIS & Mapping

No increase in fees is proposed through this process. The Council raises income from street naming and numbering mainly through larger development fees, which are currently at the upper range of fees charged by other authorities.

2.5 Legal Services

It is proposed to increase the Right to Buy Engrossment fees (Freehold and Leasehold) by £15 based on a cost recovery analysis. Other legal advice and work is charged at various hourly rates based upon the true cost of resource. A slight drop in transactions for right to buy is anticipated as a result of market fluctuations. This drop in transactions would likely offset any additional income generated by an increase in fees.

2.6 Land Charges

It is proposed to increase the fees for Standard Enquiries (CON29) postal by 16% and Full Search (LLC1 & CON29) by 22.5%. This proposal is based on a cost recovery analysis and is predicted to generate additional income of £8.3K between November 2016 and April 2017.

3. Directorate of Adult Care & Health Services

3.1 Adult Social Care Charges

Services are currently either being re-tendered or reviewed under the Transformation Programme. This process has highlighted a number of potential opportunities for income generation that will be investigated further outside of this process. Identified opportunities will be developed into savings proposals that will be ratified through a separate process via Admin Briefing for implementation 1st April 2017 or sooner.

The following income opportunities are currently being explored:

- The implementation of community reablement charges;
- Charging for carers services is slowly being introduced across the public sector, which is something Reading could consider;
- Fully utilise the respite bed at the Willows, making it available to fee paying external clients at low season (November - March) when there is a large amount of availability;
- Readings Adult Social Care fees and charges policy will be reviewed and consulted on, as part of that we will:
 - Review of arrangement/set up fees;
 - Review of disregard amounts within allowances for financial assessments;
 - Prepare some financial modelling for disability-related expenditure allowance.

The following service efficiency is also being explored:

- Reduce the dependency for external respite provision that Reading has to fund

The detailed review of the Deputies service was reported separately to the previous meeting.

READING BOROUGH COUNCIL
REPORT BY MANAGING DIRECTOR

TO:	POLICY COMMITTEE		
DATE:	31 OCTOBER 2016	AGENDA ITEM:	13
TITLE:	PROPOSED CHANGES: LOCAL COUNCIL TAX SUPPORT SCHEME AND REMOVAL OF COUNCIL TAX DISCOUNT FOR PROPERTIES UNDERGOING MAJOR WORKS AND ARE EMPTY AS A RESULT		
LEAD COUNCILLOR:	COUNCILLOR JO LOVELOCK	PORTFOLIO:	CORPORATE SUPPORT
SERVICE:	CORPORATE SUPPORT SERVICES	WARDS:	BOROUGHWIDE
LEAD OFFICER:	KIRSTY ANDERSON	TEL:	0118 9372144
JOB TITLE:	INCOME & ASSESSMENT MANAGER	E-MAIL:	Kirsty.anderson@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out a range of options to make amendments to the local Council Tax Support Scheme for the 2017/18 financial year. These options would add to the council tax income collected and therefore contribute to closing the budget gap for the period 2017-2020.
- 1.2 The report also proposes the removal of the council tax discount awarded on empty properties undergoing major works from April 2017 which will also contribute to council tax income and be in support of closing the budget gap.
- 1.3 A statutory consultation period is required for changes to the Council Tax Support Scheme and subject to member approval it is proposed to consult for a period of 8 weeks incorporating the removal of the major works council tax discount. The timetable is included in the report.
- 1.4 An equality impact assessment for these proposals has been carried out and is set out in Appendix One.

2. RECOMMENDED ACTION:

- 2.1 Consider the options for changes to the Council Tax Support Scheme for implementation from 1 April 2017.
- 2.2 That option 6 is endorsed as the preferred option for consultation, according to the timetable set out in Para 7.1, which is to implement: the Earned Income disregards and Non-dependant deductions on 25% minimum contribution from the 1st April 2017.
- 2.3 That the Council Tax Support scheme is amended to reflect the changes in Housing Benefit so that if a person is absent from Great Britain for a period of more than four weeks, their benefit will cease.

- 2.4 That the Council Tax Support Scheme is recommended for the next 2 years 2017/18 & 18/19 and is not subject to change unless there are significant changes in the Housing Benefit Scheme that would warrant the same changes needing to be reflected in the Council Tax Support Scheme for ease of administration or unexpected financial implications. This would be subject to further review and a formal decision making process.
- 2.5 Consider the proposal removal of the Council Tax discount for major works to properties while they are empty from 1st April 2017.
- 2.6 It is recommended that the other options proposed in this report are not taken forward.
- 2.7 That councillors approve consultation on the preferred options for changes to the Council Tax Support Scheme and Council Tax Discount to begin on 1st November 2016 for a period of eight weeks.

3. POLICY CONTEXT

- 3.1 In 2013 Council Tax Benefit was abolished and there was then a requirement for all local authorities to put in place a local Council Tax Support Scheme. Each year there is a requirement for the local authority to review the scheme and if amendments are proposed there must be a consultation process and responses duly considered before applying the changes. This report sets out a range of options to amend the scheme. Each proposal has a potential increase in council tax income as a consequence, and will therefore contribute to reducing the budget gap.
- 3.2 In 2013 the Government implemented a Technical Reform of Council Tax which allowed billing authorities to set its own levels of discounts and exemptions on a range of Council Tax properties including empty, second homes and those undergoing major works. The Council introduced a range of changes at that time but we have not yet reviewed our approach to the Major Works discount. We are now proposing to change this discount in line with neighbouring authorities.

4. CURRENT POSITION: COUNCIL TAX SUPPORT

4.1 Our Current Scheme:

In brief our current Council Tax Support scheme for 2016/17 has the following characteristics:

Persons of Working Age

For the billing year 2016/2017, persons of "Working Age", are required to make a minimum contribution of at least 20% towards their Council Tax liability, instead of 15%. In other words, from 1 April 2016, the maximum Council Tax Support available to persons of "Working Age" is based on 80% of their Council Tax liability. %.

Where a person of "Working Age" is entitled to Council Tax Support of £5 per month, (equivalent to £1.15 p/w) or less, they no longer qualified for any Council Tax Support from 1 April 2016.

From 1 April 2016, the maximum amount of Council Tax Support than can be awarded is based upon the Council Tax charge for a Band D property, properties in bands above band D are automatically restricted.

Persons of "Working Age" making a new claim for Council Tax Support after 1 May 2016 no longer qualified for a "Family Premium" within the calculation of their claim.

There are no backdating provisions within our Council Tax Support Scheme.

There are no second adult rebate provisions within our Council Tax Support Scheme for persons of "Working Age".

A person's monthly Universal Credit payment will also be treated as part of their overall income in the calculation of their Council Tax Support assessment.

Persons of Pension Age

Persons of "Pension Age" are largely protected by the Government prescribed default scheme and continue to have their entitlement to Council Tax Support calculated on 100% of their Council Tax liability.

Persons of "Pension Age" are entitled to have their Council Tax Support assessment based on their Council Tax liability for the actual band of property that they are occupying. In other words, a person of "Pension Age" will not have their Council Tax Support calculation capped to a Band D property, if they happen to occupy a property in Bands E, F, G or H.

Non-dependant deductions

Deductions are made from an applicant's Council Tax Support for any persons aged over 18 who normally live with them, or for whom they do not receive Child Benefit, subject to certain exclusions. Non-dependants are typically grown up children or elderly relatives.

There are 4 levels of deductions

Less than £195	£3.77 per week
Between £195 and £388	£7.58 per week
Between £388 and £420	£9.56 per week
Over £420	£11.45 per week

There are certain categories that attract no deduction and these remain in place for both working age and pension age customers.

4.1 Council Tax Support Scheme options:

Option 1: Reduce the current capital limit for Council Tax Support from £6,000 to £3,000 leaving the minimum contribution at 20%

This this would generate a potential income of circa £60,000

Option 2: Remove earned income disregards from our scheme and amend level of Non-dependent deductions leaving the minimum contribution at 20%

This would reflect the changes of earned income disregards within the Tax Credits & Universal Credit changes which now incentivise working in their schemes; we are in effect replicating this DWP benefit feature into our Council Tax Support Scheme.

In addition to this change we could change the number of non-dependant deductions from 4 rates as above to two. This would introduce 2 flat rates:

£7.50 per week for non-working/low income
£12.50 per week for working

These changes modelled together would generate a potential income of circa £575,000

Option 3: Introduce Options 1 and 2 whilst retaining the minimum contribution at 20% would generate an additional income of circa £635,000

Option 4: Increase the minimum contribution to 25% for all working age customers

Based on our current calculations, by increasing all current working age customers minimum contribution to their Annual Council Tax Liability to 25% based on current caseload would generate a further potential income of circa £382,000

Option 5: Reduce the capital from £6,000 to £3,000 based on 25% minimum contribution

Removes a larger number of customers from the scheme as no they will no longer qualify, this generates a potential income of £437,000

Option 6: Apply the proposed changes on Earned Income disregards and Non-dependant deductions on 25% minimum contribution

These combined would see more customers not qualifying based on their income and household circumstances this generates a potential income of circa £930,000

Option 7: Apply all as above to the 25% minimum contribution

Applying Options 4, 5 and 6 combined would generates circa £970,000

Option 8: Apply options 5 and 6 but increasing the minimum contribution to 22.5%

Increasing the minimum contribution to 22.5% and implementing changes to the capital limit, earned income disregards and non-dependent deductions would create a potential income of £779,000

It is recommended that Option 6 is the preferred option for the following reasons:

- This would reflect the changes of earned income disregards within the Tax Credits & Universal Credit changes which now incentivise working in their schemes; we are in effect replicating this DWP benefit feature into our Council Tax Support Scheme.
- In applying 2 flat rates for non-dependants this introduces more clarity and simplification to the Scheme making it easier to understand from a customer perspective.
- A 25% minimum contribution supports generating the savings required to help meet in part the required savings in our overall budget position.

4.2 Other Options:

We are unable to model the following proposals, these are administrative easements that would enable easier assessment and ensure our LCTS scheme remains aligned to other features of the national benefit system, that will cause less confusion to customers and raise small amounts of extra income.

Consider Changing Temporary Absence Rules

Within the current scheme, customers can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting their Council Tax Support award. This replicates the rule within Housing Benefit. Housing Benefit legislation has been changed so that if a person is absent from Great Britain for a period of more than four weeks, their benefit will cease. It is proposed that the Council Tax Support scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as mariners and the armed forces. The four weeks can be extended to eight weeks in special circumstances.

It is recommended that this option is included in the consultation for consideration to be included in the scheme from April 2017.

Removal of the Third Child Allowance

Within the current scheme, customers who have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant's allowances that can be awarded. From April 2017 Central Government will be limiting dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1st April 2017. The Council Tax Support scheme could be amended to reflect the changes in Housing Benefit and Central Government Benefits. However this is not recommended for inclusion in the options for consultation since it is believed that this would unduly impact on families with 3 or more children.

- 4.3 It is recommended that the Council Tax Support Scheme implemented in 2017 is for a 2 year period 2017/18 & 18/19 and is not subject to change unless there are significant changes in the Housing Benefit Scheme that would warrant the same changes needing to be reflected in the Council Tax Support Scheme for ease of administration or unexpected financial implications. This would be subject to further review and a formal decision making process.
- 4.4 We have carried out a short survey with other Unitary Authorities on proposed changes to their schemes:

Below is a table of their current schemes and proposed changes for 17/18 *

Out of 18 Local Authorities 7 propose an increase to their current minimum contribution.

Local Authority	LA area	Minimum council tax payment level 16/17	Proposed minimum council tax payment level 17/18
Southampton	Unitary Authority	25.0%	No change
Torbay	Unitary Authority	25.0%	45.0%
West Berkshire	Unitary Authority	25.0%	30.0%
Telford and Wrekin	Unitary Authority	21.0%	25% or 30%
Bracknell Forest	Unitary Authority	20.0%	Introduce Income Band Scheme
Brighton and Hove	Unitary Authority	20.0%	Increase taper 25%
Darlington	Unitary Authority	20.0%	No change
Derby	Unitary Authority	20.0%	25% 30% or 35%
Isle of Wight	Unitary Authority	20.0%	25% or 30%
Milton Keynes	Unitary Authority	20.0%	No change
Plymouth	Unitary Authority	20.0%	No change
Poole	Unitary Authority	20.0%	No Information
Portsmouth	Unitary Authority	20.0%	25% - 30% Working / 0- 10% limited Capacity
Reading	Unitary Authority	20.0%	No Change or 22.5% -25%
Slough	Unitary Authority	20.0%	No change
Swindon	Unitary Authority	20.0%	No change
Windsor and Maidenhead	Unitary Authority	10.0%	No change
Wokingham	Unitary Authority	10.0%	20.0%

*The data provided by these authorities was based on current proposals in each authority which are subject to approval and confirmation and are therefore provided as an indication of intention at the time of writing. They are subject to their own consultation and approval process.

5. Current Position Major Works discount

We currently offer a major works discount of 50% for 12 months followed by a full charge. At this present time there are 115 major works discounts on our system at an annual cost of £35,000. This is fairly typical at any point in time.

Proposed change:

We propose to remove this discount entirely in line with many other local authorities which would generate a potential £35,000 additional income.

6. CONTRIBUTION TO STRATEGIC AIMS

6.1 This proposal will contribute to the following key priority set out in the Council's Corporate Plan 2016-19:

Remaining financially sustainable to deliver the Council's service priorities.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 There is a statutory requirement to carry out consultation on a Local Council Tax Support Scheme. The guidance recommends that public consultation should be carried out as early as possible to ensure feedback can influence the scheme and allow sufficient time for the feedback to be gathered, impacts to be understood, and a scheme to be shaped.

Although Government's code of practice on consultation states that normally 12 weeks is appropriate, billing authorities may wish to consider the appropriate length of their consultation depending on the impact of their proposals and the ability to complete the consultation exercise within budgetary timetables.

The code of practice indicates that where timing is restricted, for example, due to having to meet a fixed timetable such as a budget cycle, there may be good reason for a shorter consultation, and any documentation should be clear for the reasons for the shorter.

We propose to carry out our consultation by having an on line survey within our website detailing our proposed options. This on line survey will also include the changes approved on the 18th July 2016 to our Council Tax discounts schemes on second homes, vacant properties class c, and major works proposed in this report.

We will specifically consult key stakeholders: Voluntary Sector Organisations, Advice and Support Agencies, Private Landlords, Housing Associations and other stakeholders, including our preceptors.

Publish Consultation on the Council's website	01/11/2016
Consult with key stakeholders	November/December
Review Consultation Feedback	28 th - 31st December
Make amendments subject to consultation	Early January
Publish Final Proposal in Policy Committee Report for January	5/1/2017
Policy Committee Recommends Final Scheme to Council	15/01/2017
Software Changes start to be made to Test Environment	16/01/2017
Council Decides 2017/18 Scheme (Legal Deadline is 31/1/17 or scheme remains same as 2016/17 and no saving is realised)	24/01/2017
Testing on the system	27/01/2017
CTRS Scheme sent to DCLG	30/01/2017
Council Tax Set / Budget Setting at Council	24/02/2017
Bills issued reflecting revised LCTS Scheme	March 2017
Formally Implement Change	01/04/2017

8. EQUALITY IMPACT ASSESSMENT

8.1 A Full Equality Impact Assessment is set out at Appendix 1.

All of the current options impact negatively on all customers of working age currently in receipt of Council Tax Support. Those that also have non-dependants living with them will also see a further reduction in the amount of Council Tax support they receive and will have to pay an increase in Council Tax.

Pensioners remain unaffected by these proposals.

In the situation where a customer presents in hardship or financial difficulty as a result of these combined changes, we will continue to consider the award of discretionary Council Tax Support in order to mitigate this effect on their household, pending a full financial disclosure of the household. We will specifically target the use of discretionary Council Tax Support where the non-dependant deductions are causing the greatest impact to households and are causing exceptional hardship.

9. LEGAL IMPLICATIONS

9.1 In 2013 the Government Abolished Council Tax Benefit and replaced it with a

requirement for Local Authorities to set their own Council Tax Support Scheme. Authorities must do this by 31 January each year or the scheme they had in the year before continues.

The Scheme explained here is proposed as the CTS Scheme for Reading Borough Council in its capacity as a Billing Authority, under Section 13A (1) (a) of the Local Government Finance Act 1992 (as amended by section 10 of the Local Government Finance Act 2012).

This proposed CTS Scheme would apply from 1st April 2017.

The Council's CTS Scheme is subject to the Council's duties for local welfare support under provisions including:

- The Welfare Reform Act 2012;
- The Localism Act 2011;
- The Equalities Act 2010;
- The Local Government Finance Act 1992 and 2012;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 SI 2012/2885 (as amended);
- Other legislation in relation to Vulnerable Groups including but not limited to the Child Poverty Act 2010;
- The Social Security Contributions and Benefits Act, 1992 and the Social Security Administration Act 1992;
- Data Protection Act 1998;
- The Housing Benefit Regulations 2006 (The HB Regulations)
- The Council Tax Reduction Schemes (Default Scheme)(England) Regulations 2012 (The Default Scheme)
- The Welfare Reform and Work Act 2016

9.2 The decision about the scheme is linked to the decision that is reserved to Council to set the tax base for tax setting purposes, as effectively reducing council tax support increases the tax base, so more money is collected for each £1 of council tax that is set in February 2017.

10. FINANCIAL IMPLICATIONS

10.1 There are a range of financial implications as stated above, these however are all income generation rather than loss to the Local Authority. However, we do have to consider the likely collection rate on any of these proposed changes.

Our analysis over the current % collected on CTS cases, demonstrates around an 84% collection rate in year therefore any assumptions above need to be reduced by this rate; it should be noted that the arrears from a current financial year continue to be collected in future years:

Option	Income £	Net Income (84% collection)
1. Capital Reduction to £3000	£60,000	£50,000
2. Income & Non-dep	£575,000	£483,000
3. Combine 1 & 2	£635,000	£533,000
4. Raise min 25%	£382,000	£321,000
5. Raise Min to 25% & reduce capital	£437,000	£367,000
6. Raise Min to 25% & apply non-dep &	£930,000	£726,000

remove EI		
7. Combine 5 & 6 & capital	£970,000	£815,000
8. Apply EI, capital & non-dep to Min of 22.5%	£779,000	£654,000

The other options within this paper do present further income generation opportunities however we are unable to model them as they are unknown but relatively low quantities at this time which will not make a material difference to our wider tax base estimate.

11. BACKGROUND PAPERS

- 11.1 *CTRS Scheme* http://www.reading.gov.uk/media/1779/Council-Tax-Reduction-Scheme-Policy/pdf/Shortened_Council_Tax_Reduction_Scheme_for_2016-2017.pdf
- 11.2 Appendix one Equality Impact Assessment
- 11.3 Appendix two Case Studies and further detailed analysis



Provide basic details

Name of proposal/activity/policy to be assessed

1. Council Tax Support Scheme 2017/18 introduction of higher non-dependant deductions, removal of earned income disregards in our calculations, changes to temporary absence, limit the number of dependent children in the calculation of CTS to 2 from April 17 , and an increase to a minimum 25% contribution

Directorate: Corporate Resources Chief Executive's

Service: Customer Services / Corporate Resources

Name and job title of person doing the assessment

Name: Kirsty Anderson

Job Title: Income & Assessment Manager

Date of initial assessment: 5th September 2016

Scope your proposal

What is the aim of your policy or new service?

In 2013/14 the government abolished council tax benefit and local authorities were required to introduce local schemes. Overall funding was cut by 10% and there was a proviso that pensioners would be protected and made no worse off. The local scheme we introduced was designed to cost the Council the same as when we received Revenue Support Grant which meant requiring a contribution of 15% from residents assessed as eligible for support. We increased the minimum contribution to 20% for the 2016 /17 year and restricted the support to a Band D to continue to offset the reduction of grant funding.

However with continued budget pressures, and having to find further income streams to fund our budget position, we are proposing to increase the minimum contribution and change other aspects of the scheme. It is still however our intention is to ensure the Local Council Tax Support scheme continues to provide support to low income households in Reading, whilst managing the decrease in funding.

The aims of this policy are:

- to manage the cost of the scheme within the available funds, ensuring that

additional burdens are not put upon the general fund at further cost to local taxpayers;

- to maintain a scheme that meets the requirements of the Local Government Finance Act, the Equality Act 2010, the Child Poverty Act 2010, and the Housing Act 1996
- to ensure that the scheme is clear and easy to understand for applicants and to simplify administration where possible.

We are proposing that the application and calculation process used by the existing council tax support scheme will remain much the same but there will be some changes as follows:

- Working age benefit claimants would face a 25% minimum contribution in respect of their contribution to their Council Tax liability.

Currently we have 10,771 customers receiving Council Tax Support, 6879 are working age and 3892 pension age.

Our proposals also aim to ensure that the protection already offered to vulnerable claimants as part of the original Council Tax Support Scheme is retained, along with work incentives created through the award of extended payments for those going into work.

As our Council Tax Support scheme continues to follow the calculation routes originally designed in the Council Tax Benefit Scheme, our scheme is still based on the award of premiums and applicable amounts that reflect disability and age. Therefore it continues to protect those of pensioner age and those in receipt of disability benefits by offsetting by ways of a means test in the main.

However we also propose to introduce a change to the level of Council Tax Support non -dependant deductions, remove the earned income disregards in line with the changes in Universal Credit, and reflect the changes to temporary absence in the Housing Benefit Rules in to the scheme.

There is not specific data available to be able to identify on a case by case basis the impact on each individual claim. We will continue to use the discretionary Council Tax Support fund as part of our local council tax support scheme to help people who may face exceptional and extraordinary difficulties in paying their council tax.

This could include those people who are disproportionately affected by these changes other changes under welfare reform agenda.

Who will benefit from this proposal and how?

The Council faces significant challenges over the next few years, as it continues to receive reductions in grant funding, and increasing demands on service delivery.

This proposal forms part of the ongoing work that is being undertaken to address the Council's budget position.

Everyone who currently receives Council Tax Support, except pensioners, will be affected in a negative way by these changes in that they will receive less financial support. Those with non-dependant working adults forming part of their makeup will be effected more by these changes and they will need to seek additional contributions from the working adults living with them. However to continue to provide Council Tax Support at the level currently provided would cause such a shortfall in the authority's budget and the budget of those that levy a precept to it (Fire and Police Authorities) that could not be met without ceasing, reducing or seeking additional charges for services - also likely to have disproportionate effect on the most vulnerable.

What outcomes will the change achieve and for whom?

The Council's budget cannot cover a continuing shortfall in Government funding without increasing the Council Tax for all residents, or reducing the cost of statutory services or cutting or reducing non-statutory Services. This mitigates an element of the cost of the Council Tax Support Scheme across working age customers in receipt of Council Tax supports.

Who are the main stakeholders and what do they want?

70,000 Council Tax payers including 10,771 in receipt of Council Tax Support

Preceptors

Neighbouring Councils

Special interest organisations such as Citizens Advice Bureau, Welfare Rights, Housing Associations, National Federation of Landlords

Organisations representing vulnerable groups

Disabled people

Low income out of work

Low income in work

Homelessness prevention.

Consultation

Relevant groups/experts	How were/will the views of these groups be obtained	Date when contacted
Members / Senior Officers	Series of meetings regarding budget saving proposals summer 2016,	Commenced September 2016

<p>Consultation</p> <p>We will consult on our proposals through November and December 2016. Feedback will contribute to the Equality Impact Assessment which will be updated once we have received the feedback in early January 2017.</p>	<p>Web on line survey</p>	<p>Nov -December 2016</p>
<p>Targeted invitation to participate in on line consultation:</p> <p>Preceptors</p> <p>Neighbouring Councils</p> <p>Special interest organisations such as Citizens Advice Bureau, Welfare Rights, Housing Associations, National Federation of Landlords</p> <p>Organisations representing vulnerable groups</p> <p>Disabled people</p> <p>Low income out of work</p> <p>Low income in work</p> <p>Homelessness prevention.</p>	<p>Email including Web on line survey link</p>	<p>Nov -December 2016</p>

Collect and Assess your Data

Describe how this proposal could impact on Racial groups

Data regarding ethnicity is not available from the Council Tax Support Database
However, the 2011 census confirms the following on data on ethnicity in Reading:

Ethnicity Group	Reading 2011
White British	66.9%

Other White	7.9%
Mixed	3.9%
Indian	4.2%
Pakistani	4.5%
Other Asian	3.9%
Black Caribbean	2.1%
Black African	4.9%
Black Other	0.7%
Chinese	1.0%
Other ethnic group	0.9%

National studies show that children from Black and Minority Ethnic communities face a particularly high risk of growing up in poverty. In Reading a higher proportion of Mixed race and children from Black communities are eligible for free school meals (an indicator of poverty) than White children, but a lower proportion of Asian and Chinese children are.
Source: RBC school census 2015

Therefore Black and Minority Ethnic households could be disproportionately affected by reductions in CTS

Data provided in relation to customers in receipt of JSA in Reading who would by default be entitled to Council Tax Support in July 2015 show that the proportions of JSA claimants are broadly representative across ethnicity:

63% of the 1470 people claiming JSA are white British people and 355 BME claimants

Is there a negative impact? Not sure

Describe how this proposal could impact on Gender/transgender (cover pregnancy and maternity, marriage)

Specific data is not available on those protected characteristics for the Council Tax Support client base

Is there a negative impact? Not sure

Describe how this proposal could impact on Disability

The number of working age customers currently in receipt Council Tax Support with disability premiums (disability, enhanced disability, severe disability, disabled child) continue to receive a level of protection as their benefit calculation continues to reflect an allowance for disability. If they are in receipt of qualifying benefits which the majority are; they do not attract a non-dependant deduction therefore will be not be affected by the changes to the non-dependant amounts.

However If they are working they will be effected by the earned income disregards. These customers would see a small increase in their contribution.

However this is not disproportionate across the other working age customers in receipt of Council Tax support. In fact they still remain to have more of their total income disregarded in the calculation so are affected to a much lesser extent.

Is there a negative impact? Not sure

Describe how this proposal could impact on Sexual orientation (cover civil partnership)

Civil Partnership is reflected and recognised within the overall benefits system, therefore these customers are affected in the same way as all customers There are no differences in the calculations.

Is there a negative impact? No

Describe how this proposal could impact on Age

Pensioners will be protected from any increase in contribution as they have been protected by the Government advising that they cannot be asked to contribute any additional amount therefore their Council Tax Support entitlement remains the same.

For households of working age where the customer is not on passported benefits which means they are working or in receipt of work related benefits, these customers are affected by the changes, we have identified there are 271 customers who are likely to receive the largest reduction of up to 30% in lost council tax support. This should not cause financial difficulties if the customer seeks to pass on this loss to the working non-dependants within the household and asks them for a greater contribution to the household bills. However should this continue to cause the customer hardship we will consider the use of the discretionary Council Tax Support Scheme to mitigate in part this loss.

Is there a negative impact? Yes

Describe how this proposal could impact on Religious belief?

Specific data is not available on those protected characteristics for the Council Tax Support client base

Is there a negative impact? No

Make a Decision

If the impact is negative then you must consider whether you can legally justify it. If not you must set out how you will reduce or eliminate the impact. If you are not sure what the impact will be you MUST assume that there could be a negative impact. You may have to do further consultation or test out your proposal and monitor the impact before full implementation.

Tick which applies

1. No negative impact identified Go to sign off
2. Negative impact identified but there is a justifiable reason X

Reason

The Council's budget cannot continue to cover a continuing shortfall in Government funding without increasing the Council Tax for all residents, or reducing the cost of statutory services or cutting or reducing non- statutory Services. This mitigates an element of the cost of the Council Tax Support Scheme across working age customers in receipt of Council Tax supports.

The options proposed have been identified to have the least impact on equality groups based on an affected customer base of working age and therefore more likely to have the opportunity to make life choices that will improve their financial positions. These include taking on more hours, better positions, or requiring additional adults within the household to contribute more to living expenses.

How will you monitor for adverse impact in the future?

Listen to customer feedback and comments / complaints as changes are proposed and or implemented

We will provide updates on known impacts as the changes are implemented through the officer welfare & poverty steering group

Signed (completing officer) Kirsty Anderson
(reviewed)

Date 21st Oct 2016

Signed (Lead Officer) Zoe Hanim

Date 21st Oct 2016

Explanatory Note and Modelling information regarding Council Tax Support Scheme

The report includes a number of options for changes to our Council Tax Support Scheme. This note explains the proposed changes together with the associated customer and financial impacts. A number of case studies are also included to help illustrate this.

Option 1: Reduce Capital Limit from £6,000 to £3,000 - Minimum contribution remains at 20%

Under the 2016/17 scheme, customers of working age who have capital which includes money in current or savings accounts, stocks and shares and cash holdings above £6,000 are not entitled to any assistance with their Council Tax through the Council Tax Support Scheme.

The average Band D Charge is £1,647.82 per year so under this option someone with savings of £3,000 or more would be considered able to meet their liability in full for at least 12 months

It is considered that this would generate an additional saving of circa £60,000

Option 2: Remove earned income disregards from our scheme and amend level of non-dependent deductions- Minimum Contribution remains at 20%

Within the current scheme we ignore a certain amount of earnings from the calculation of a customer's weekly income. This disregard varies depending on the claimant's personal circumstances but at least one disregard applies to everyone in employment, no matter how many hours per week. The levels of income disregarded are set out in the table below.

Single Claimant	£5 per week of earnings disregarded
Couple	£10 per week of earnings disregarded
Disabled / Carer	£20 per week of earnings disregarded
Lone Parent	£25 per week of earnings disregarded

Case Study 1:

Mr B is a single customer working 20 hours per week on the National living wage, currently £7.20 per hour. He lives in a Band D property and receives a 25% Single Person Discount.

Under the 2016/17 scheme, Mr B would have been entitled to £303.16 per year in Council Tax Support leaving him £932.71 to pay which would be approximately £77.23 per month if paid over 12 instalments.

Under the proposed scheme removing earnings disregards, Mr B would be entitled to £251.16 a year in Council Tax Support leaving him £984.71 to pay which would be approximately £82 per month if paid over 12 instalments.

Case Study 2:

Mr and Mrs C are both in work. Mr C works 40 hours per week for £320 and Mrs C works 6 hours for £60 per week. They have 2 children of school age and live in a Band E property.

Under the 2016/17 scheme, Mr and Mrs C would have been entitled to £237.64 per year in Council Tax Support leaving them £1,776.35* to pay which would be approximately £148 per month if paid over 12 instalments.

** Mr and Mrs C already capped to a Band D under the 2016/17 scheme*

Under the proposed scheme removing earnings disregards, Mr and Mrs C would be entitled to £133.64 a year in Council Tax Support leaving them £1,880.35 to pay which would be approximately £157 per month if paid over 12 instalments.

Case Study 3:

Miss A is a lone parent working 16 hours per week. She earns £130 per week and her other income (Tax Credits) used in the calculation is £80 per week. She lives in a Band D property and receives a 25% Single Person Discount.

Under the 2016/17 scheme, Miss A would have been entitled to £702 a year in Council Tax Support leaving her £533.87 to pay which would be approximately £45 per month if paid over 12 instalments

Under the proposed scheme removing earnings disregards, Miss A would be entitled to £546.52 a year in Council Tax Support leaving her £689.35 to pay which would be approximately £57 per month if paid over 12 instalments.

Within the current scheme there are also a number of levels of non-dependent deduction which can apply depending on the non-dependent's income and in some cases, the circumstances of the customer.

It is important to note that where Attendance Allowance, Personal Independence Payments Daily Living Component, or Disability Living Allowance Care Component is paid to the customer or partner of the customer, no non-dependent deduction applies regardless of the non-dependents income.

It is proposed that we replace the current 5 bands with 2 new band levels

£7.50 for non-dependents in work or on a gross income below £195 per week

£12.50 for those working and earning in excess of £195 per week.

It is considered that the changes to earned income disregards and non-dependent deductions would together generate additional income of £575,000

Option 3: Introduce Options 1 and 2 whilst retaining minimum contribution at 20%

It is estimated that introducing the changes to capital and to earnings disregards and non-dependent deductions, would generate additional income of circa £635,000

Option 4: Increase the minimum contribution to 25% for all Working Age Customers

Based on current calculations, an increase of the minimum contribution to the Annual Council Tax liability of the current caseload from 20% to 25% would generate potential additional income of circa £382,000.

The table below sets out minimum contributions at 20% and 25% levels for each property banding.

Band	Current Annual Charge	20% minimum Contribution	25% minimum contribution
A	£1,098.54	£219.71	£274.64
B	£1,281.64	£256.33	£320.41
C	£1,464.73	£292.95	£366.18
D	£1,647.82	£329.56	£411.96
E	£2,013.99	£402.80	£503.50
F	£2,380.18	£476.04	£595.05
G	£2,746.36	£549.27	£686.59
H	£3,295.64	£659.13	£823.91

Option 5: Reduce Capital Limit from £6,000 to £3,000 - Minimum contribution increased to 25%

Make changes to capital as detailed in Option 1 but based on an increased minimum contribution to 25% would generate an additional saving of circa £437,000

Option 6: Remove earned income disregards from our scheme and amend level of non-dependent deductions.

Introduce the changes to earned income disregards and non-dependent deductions as set out in Option 2 but based on a 25% minimum contribution.

It is estimated that implementing these changes to earned income disregards and non-dependent deductions would generate an additional circa £930,000

Case Study 1:

Mr B is a single customer working 20 hours per week on the National living wage, currently £7.20 per hour. He lives in a Band D property and receives a 25% Single Person Discount

Under the 2016/17 scheme, Mr B would have been entitled to £303.16 per year in Council Tax Support leaving him £932.71 to pay which would be approximately £77.23 per month if paid over 12 instalments.

Under the proposed scheme removing earnings disregards and increasing minimum contribution to 25%, Mr B would be entitled to £189.80 a year in Council Tax Support leaving him £1,046.07 to pay which would be approximately £87 per month if paid over 12 instalments

Case Study 2:

Mr and Mrs C are both in work. Mr C works 40 hours per week for £320 and Mrs C works 6 hours for £60 per week. They have 2 children of school age and live in a Band E property.

Under the 2016/17 scheme, Mr and Mrs C would have been entitled to £237.64 per year in Council Tax Support leaving them £1,776.35* to pay which would be approximately £148 per month if paid over 12 instalments.

** Mr and Mrs C already capped to a Band D under the 2016/17 scheme*

Under the proposed scheme removing earnings disregards and increasing minimum contribution to 25%, Mr and Mrs C would be entitled to £50.96 a year in Council Tax Support. As the weekly award would be less than £1, under changes made in 2016/17, Mr & Mrs C would not meet the minimum award test (£5 per month or more in CTS) and therefore would have no entitlement to any assistance leaving them £2,013.99 to pay which would be approximately £168 per month if paid over 12 instalments.

Case Study 3:

Miss A is a lone parent working 16 hours per week. She earns £130 per week and her other income (Tax Credits) used in the calculation is £80 per week. She lives in a Band D property and receives a 25% Single Person Discount.

Under the 2016/17 scheme, Miss A would have been entitled to £702 a year in Council Tax Support leaving her £533.87 to pay which would be approximately £45 per month if paid over 12 instalments

Under the proposed scheme removing earnings disregards and increasing minimum contribution to 25%, Miss A would be entitled to £380.12 a year in Council Tax Support leaving her £751.23 to pay which would be approximately £71 per month if paid over 12 instalments.

Option 7: Introduce Options 4, 5 and 6

By introducing the changes to the capital limit, earnings disregards and non-dependent deductions and raising the minimum contribution of 25%, it is estimated that this would generate circa £970,000

Option 8: Introduce Option 7 but with an increase to the minimum contribution to 22.5% for all Working Age Customers

Band	Current Annual Charge	20% minimum Contribution	22.5% minimum contribution
A	£1,098.54	£219.71	£247.17
B	£1,281.64	£256.33	£288.37
C	£1,464.73	£292.95	£329.56
D	£1,647.82	£329.56	£370.76
E	£2,013.99	£402.80	£453.15
F	£2,380.18	£476.04	£535.54
G	£2,746.36	£549.27	£617.93
H	£3,295.64	£659.13	£741.52

Changes to the earned income disregards as set out at Option 2 would lead to lower awards for customers than at present and case studies are shown below for the purpose of demonstration.

Case Study 1:

Mr B is a single customer working 20 hours per week on the National living wage, currently £7.20 per hour. He lives in a Band D property and receives a 25% Single Person Discount

Under the 2016/17 scheme, Mr B would have been entitled to £303.16 per year in Council Tax Support leaving him £932.71 to pay which would be approximately £77.23 per month if paid over 12 instalments.

Under the proposed scheme removing earnings disregards and increasing minimum contribution to 22.5% , Mr B would be entitled to £220.48 a year in Council Tax Support leaving him £1015.39 to pay which would be approximately £84.62 per month if paid over 12 instalments

Case Study 2:

Mr and Mrs C are both in work. Mr C works 40 hours per week for £320 and Mrs C works 6 hours for £60 per week. They have 2 children of school age and live in a Band E property.

Under the 2016/17 scheme, Mr and Mrs C would have been entitled to £237.64 per year in Council Tax Support leaving them £1,776.35* to pay which would be approximately £148 per month if paid over 12 instalments.

** Mr and Mrs C already capped to a Band D under the 2016/17 scheme*

Under the proposed scheme removing earnings disregards and increasing minimum contribution to 22.5%, Mr and Mrs C would be entitled to £92.56 a year in Council Tax Support leaving them £1,921.43 to pay which would be approximately £160 per month if paid over 12 instalments.

Case Study 3:

Miss A is a lone parent working 16 hours per week. She earns £130 per week and her other income (Tax Credits) used in the calculation is £80 per week. She lives in a Band D property and receives a 25% Single Person Discount.

Under the 2016/17 scheme, Miss A would have been entitled to £702 a year in Council Tax Support leaving her £533.87 to pay which would be approximately £45 per month if paid over 12 instalments

Under the proposed scheme removing earnings disregards and increasing minimum contribution to 22.5%, Miss A would be entitled to £411.32 a year in Council Tax Support leaving her £824.55 to pay which would be approximately £69 per month if paid over 12 instalments.

Implementing the changes to the capital limit, earned income disregards and non-dependent deductions and raising the minimum contribution to 22.5% would generate potential income of circa £779,000

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	31 OCTOBER 2016	AGENDA ITEM:	14
TITLE:	JOINT MINERALS AND WASTE LOCAL PLAN - JOINT WORKING ARRANGEMENTS		
LEAD COUNCILLOR:	COUNCILLOR PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	PLANNING	WARDS:	BOROUGHWIDE
LEAD OFFICER:	KIARAN ROUGHAN	TEL:	0118 9374530
JOB TITLE:	PLANNING MANAGER	E-MAIL:	Kiaran.roughan@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the arrangements that are being made for the preparation of a statutory Minerals and Waste Local Plan for the Central and Eastern Berkshire area covering the Districts of Windsor and Maidenhead, Bracknell Forest, Wokingham and Reading. The report sets out a proposal for the preparation of the plan, led by Hampshire County Council's Minerals and Waste Team. It seeks agreement to the Joint Working Agreement which has been led by officers of Reading Borough Council.
- 1.2 The production of a minerals and waste plan is a statutory requirement. The failure to have an adopted minerals and waste plan in place or an agreed timetable to deliver a plan in the future will be a factor in establishing whether the Council's emerging replacement Borough Local Plan can be found sound when it is examined in the future.

2. RECOMMENDED ACTION

- 2.1 Committee are asked to note the content, timeframe and cost of the HCC proposal to prepare a Minerals and Waste Local Plan for the Central and Eastern Berkshire area;
- 2.2 That the proposed Joint Agreement between Royal Borough of Windsor and Maidenhead, Wokingham Borough Council, Bracknell Forest District Council and Reading Borough Council with Hampshire County Council under Section 113 Local Government Act, 1972, be approved and that delegated authority be given to the Director of Environment and Neighbourhood Services in consultation with the Deputy Leader and Lead Member for Strategic Environment Planning and Transport, Head of Finance and the Head of Legal and Democratic Services, to finalise the detailed arrangements and enter into the necessary agreement/s.

3. POLICY CONTEXT

- 3.1 The six unitary authorities in Berkshire have responsibility for planning for the management of waste and the production of minerals within the Berkshire area. The existing saved separate Replacement Minerals Local Plan for Berkshire (Adopted in 1995 but subject to Alterations in 1997 and 2001 and the Waste Local Plan For Berkshire (1998) were prepared and adopted by the former Berkshire County Council and are now somewhat out of date. The policies in the existing Minerals and Waste Plans for Berkshire were designed to guide development until 2006. Although the 'saved' policies are still used, their effectiveness is reducing.
- 3.2 Large amounts of development and infrastructure provision are taking place, and will continue to take place, within the County. This requires proper planning for the extraction of minerals and the disposal of waste. A Draft Minerals and Waste Local Plan was prepared during 2008/2009 by the former Berkshire Joint Strategic Planning Unit. Issues with the evidence base for the plan were found by the Planning Inspector when the draft plan was submitted for examination. As a result, the draft plan was withdrawn. The disbanding of the Joint Strategic Planning Unit in 2010/11 has meant that the plan has not been progressed. The existing plans have therefore become even more out of date.
- 3.3 In terms of mineral production it is clear that Berkshire has seen significant increases in mineral extraction since 2008 as the economy has improved. This increase will result in new planning applications to ensure that an adequate supply of sites is made available to the market to maintain economic growth within and around Berkshire.
- 3.4 It is essential that there are an appropriate number of facilities to ensure effective waste management to also support the economy of the area. To deliver this, the authorities need to define the existing permitted sites and future need forecasts which in turn will allow the authorities to understand the need for new facilities.
- 3.5 Minerals and Waste is an area of planning which is strategic in nature and as such is better planned for on a larger geography than an individual unitary authority. As such Bracknell Forest, Reading, the Royal Borough and Wokingham Councils are pursuing a joint Minerals and Waste Local Plan. This would be produced on the four authorities' behalf by an alternative provider, who would have experience in this area of work. Slough Borough Council does not wish to take part in this joint arrangement, but will have a watching brief. West Berkshire Council is currently preparing a Minerals and Waste Local Plan for the area of their district.
- 3.6 Hampshire County Council (HCC) is the Minerals and Waste Authority for Hampshire and has a dedicated in-house team of specialist planners. The team have a track record of the successful completion and adoption of local plans on behalf of groups of authorities in Hampshire.
- 3.7 It is proposed that the costs of the service will be shared equally between the four authorities. A Joint Working Agreement is being drafted between the four Berkshire Authorities and HCC that sees HCC carrying out most of the work to

prepare and progress a joint Minerals and Waste Local Plan (MWLP) to a point where it can be adopted by each of the participating authorities. This report outlines a timeframe and cost proposal from Hampshire County Council for undertaking the work and seeks endorsement to commission the work for the Central and Eastern Berkshire area through a Joint Working Agreement. It also outlines governance arrangements including joint management arrangements and a proposal to establish a Joint Committee to oversee the production of the Central and Eastern Berkshire Waste and Minerals Plan.

- 3.8 The production of the MWLP follows the same processes of plan production as other recently adopted Development Plans / Local Plans documents.

4. THE PROPOSAL

- 4.1 Following an initial view from the Berkshire Leaders Group, officers have sought to source providers to undertake the work on behalf of the authorities and achieve best value in terms of costs and timescale for delivery. In seeking out alternative providers, the authorities have had productive dialogue with Hampshire County Council which has a trading element to enable parts of the organisation to undertake work for other local authorities. Officers have been unable to find a private company who could run the whole Minerals and Waste Plan and has experience of the democratic process involved with the production of this type of plan.
- 4.2 HCC have recently adopted a Minerals and Waste plan covering large parts of Hampshire. Their team has extensive in-house experience of managing and producing a plan. Due to the nature of Hampshire, HCC undertook the work on behalf of the County, Southampton, Portsmouth and the South Downs National Park, so they are well versed in producing a plan which has complex governance arrangements.
- 4.3 Officers believe that this option provides a safe approach to developing the plan with an experienced team in place.
- 4.6 The HCC proposal sets out the following timetable:

Plan-making Stage	Timetable
LDS (Section 15 of PCPA 2004) <ul style="list-style-type: none"> • Preparation and Sign-off • Call for Sites 	June – Sept 2016
Regulation 18 (Stage One - Issues & Options Preparation) <ul style="list-style-type: none"> • Draft Plan Vision & Objectives • Proposed content and evidence base • Evidence Base (Initial findings only) <ul style="list-style-type: none"> ○ Initial review of sites 	Sept 2016 – March 2017
<ul style="list-style-type: none"> ○ Scoping Report (SA/SEA) ○ Screening (HRA) ○ Draft Minerals Background Study ○ Draft Waste Data 	
Regulation 18 (Issues & Options Consultation) <ul style="list-style-type: none"> • Sign-off • Consultation* 	March – Sept 2017
Regulation 18 (Stage Two - Preferred Options Preparation) <ul style="list-style-type: none"> • Draft Evidence Base • Draft Plan 	July 2017 – Dec 2017
Regulation 18 (Preferred Options Consultation) <ul style="list-style-type: none"> • Sign-off • Consultation* 	Jan – May 2018
Regulation 19 (Preparation) <ul style="list-style-type: none"> • Update Evidence Base • Revise Plan 	May 2018 – Oct 2018
Regulation 19 (Consultation) <ul style="list-style-type: none"> • Sign-off • Consultation* 	Nov 2018 – March 2019
Regulation 22 (Preparation) <ul style="list-style-type: none"> • Update Evidence Base • Proposed Modifications 	March – Sept 2019
Regulation 22 (Submission to SoS)	Winter 2019
Regulation 24 (Public Examination)	Spring 2020
Regulation 25 (Inspector's Report)	Summer 2020
Regulation 26 (Adoption)	Winter 2020

4.7 The cost for HCC to undertake these works on behalf of the four authorities will be somewhere between £900,000 and £1.13 million over the four year period. This equates to a figure in the region of £56-70k per authority per annum, which is close to the figure which officers had estimated at the outset. These costs are lower than those quoted in an earlier proposal by a different partner. It is proposed that the authorities enter into an agreement with HCC under S113 Local Government Act 1972. S113 Local Government Act 1972 provides a power to obtain professional services from another local authority by borrowing the use of its staff for its own work. The proposal is that this route is used to appoint Hampshire County Council to provide the minerals and waste plan services by their staff. Discussions on a draft agreement, involving officers representing each of the parties are underway with a view to being in a position to sign the agreement shortly.

4.8 The management of the contract will be dealt with jointly by officers of the four authorities. The Leaders of the four authorities have discussed

governance matters including the possibility of the setting up of a Joint Committee to act either as a sounding board or have more extensive powers be able to agree documents at the key milestones. It is acknowledged that whatever arrangement is put in place the final adoption of the plan would need to be by each Council. This matter will be discussed and resolved following the appointment of HCC to undertake this work.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The preparation of a Minerals and Waste Local Plan will contribute to achieving the Council's Corporate Plan objectives in particular "Keeping the town clean, safe, green and active."

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 Consultation, carried out in accordance with will form part of the process of producing a local plan under the Planning Acts. Responses received as a result of consultation will be taken into account in the preparation and examination of the draft plan.

7. EQUALITY ASSESSMENT

- 7.1 A scoping assessment and Equality Impact Assessment (EqIA) will be undertaken as part of the preparation of the Minerals and Waste Local Plan.

8. LEGAL IMPLICATIONS

- 8.1 S113 Local Government Act 1972 provides a power to obtain professional services from another local authority by borrowing the use of its staff for its own work and the proposal is this route is used to appoint Hampshire County Council to provide the minerals and waste plan services by their staff. Such an arrangement would not be required to be advertised in the Official Journal of the European Union.
- 8.2 Details are yet to be finalised as to whether there will be a separate joint agreement between the 4 Berkshire local authorities as to the management and governance of the process with Hampshire and a separate agreement with Hampshire regarding the services or it may be that all 4 Berkshire authorities are directly parties to one agreement with Hampshire - therefore draft resolution 2.2 refers to agreement singular and agreements plural to give the necessary authority.

9 FINANCIAL IMPLICATIONS

- 9.1 As indicated at paragraph 4.7 above, HCC has estimated that the cost to undertake these works on behalf of the four authorities will be somewhere between £900,000 and £1.13 million over the four year period. This equates to a figure in the region of £56-70k per authority per annum which has been agreed by the other 3 authorities. Our share will be paid from the current Planning budget.

Value for Money

- 9.2 The preparation of up to date minerals and waste local plans for an area are a statutory requirement under the Planning Acts. The failure to have up to date adopted plans in place could potentially compromise the provision of minerals and future planning for waste in the area. It could also directly affect whether the emerging replacement Borough Local Plan can be found sound when examined as the Council is not complying fully with its statutory duties.
- 9.3 This proposal involves the preparation of a single local plan to cover both minerals and waste planning for the period up to 2036. This will significantly reduce the costs compared to providing two separate plans as has occurred in the past.

Risk Assessment

- 9.4 The proposal prepared by HCC sets out various risks associated with the project. These mainly revolve around the potentially contentious nature of planning proposals which can introduce delays into the process. These may have an impact on costs but careful monitoring should ensure proper management of any direct financial risks associated with the project.

READING BOROUGH COUNCIL
REPORT BY MONITORING OFFICER

TO:	POLICY COMMITTEE		
DATE:	31 OCTOBER 2016	AGENDA ITEM:	15
TITLE:	CHANGE OF SUB-COMMITTEE NAME		
LEAD COUNCILLOR:	COUNCILLOR	PORTFOLIO:	LEADERSHIP
SERVICE:	LOVELOCK	WARDS:	MAPLEDURHAM
	CORPORATE		
LEAD OFFICER:	CHRIS BROOKS	TEL:	0118 937 2602 / 72602
JOB TITLE:	HEAD OF LEGAL & DEMOCRATIC SERVICES	E-MAIL:	Chris.brooks@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To consider a proposal to change the name of 'The Heights Free School Sub-Committee' to 'The Mapledurham Playing Field Trustees Sub-Committee'.

2. RECOMMENDED ACTION:

- 2.1 That 'The Heights Free School Sub-Committee' be renamed 'The Mapledurham Playing Fields Trustees Sub-Committee', to exercise the functions set out in paragraph 3.3 of the report and in Article 7 of the Council's Constitution.
- 2.2 That the Council's Constitution be updated to reflect the change in name of the Sub-Committee as set out in 2.1 above.

3. POLICY CONTEXT

- 3.1 The Mapledurham Playing Fields are the subject of a Charitable Trust Scheme which was entered into in September 1985. Article 6 of the Scheme sets out the objectives of the Charity as follows:

- (1) The provision and maintenance of a recreation ground for the benefit of the inhabitants of the Parish of Mapledurham and the Borough of Reading without distinction of political, religious or other opinions
(2) The said land shall be held upon trust for use for the object of the Charity.

- 3.2 Under Article 7.12 1(6) of the Council Constitution, the Council had delegated the function of Trustee of the Trust to the Policy Committee.

- 3.3 At the Policy Committee on 1 December 2014 (Minute 55 refers) it was agreed to establish a sub-committee to discharge the Council's functions as trustee and landowner of sites which the Education Funding Agency (EFA) had

identified as possible sites for The Heights Free School, with the following terms of reference:

(1) That a Heights Free School Sub-Committee be set up under Section 101 of the Local Government Act 1972, with the following delegated powers in respect of any proposal that may be made by the Education Funding Agency (EFA) as its preferred site for The Heights free school on land owned by the Council in west Caversham:

(a) If the EFA recommend Mapledurham Playing Fields:

- i) To exercise the function of the authority as Trustee of the Mapledurham Playing Fields, and to oversee and promote the objectives of the charitable trust, ie the provision and maintenance of a recreation ground for the benefit of the inhabitants of the Parish of Mapledurham and the Borough of Reading without distinction of political, religious or other opinions;
- ii) To consider and respond, as trustee, to any proposal made by the EFA, or any other body including the authority, which might touch upon the objectives of the charitable trust in relation to this matter;

(b) If the EFA recommend Albert Road Playing Fields:

- i) To exercise the function of the authority as Trustee of Albert Road Playing Fields, and to oversee and promote the objectives of the charitable trust, ie to provide a public ground for the Borough of Reading for the purposes of the Recreation Grounds Act 1959;
- ii) To consider and respond, as trustee, to any proposal made by the EFA, or any other body including the authority, which might touch upon the objectives of the charitable trust in relation to this matter;

(c) If the EFA recommend the Council's land at Shipnell's Farm, Bugs Bottom:

To represent the Council's interest as landowner in the land which by the covenant is expressly held as public open space; and in this respect to consider and respond to any proposal made by the EFA, or any other body, including the authority, which might touch upon the covenant in relation to this matter.

4. THE PROPOSAL

4.1 Current Position:

The Heights Free School Sub-Committee has met three times, most recently on 11 October 2016 to consider a proposal from the EFA to site The Heights Free School at Mapledurham Playing Fields.

4.2 Options Proposed

4.2.1 As the proposal before the Sub-Committee from the EFA relates solely to the Mapledurham Playing Fields and does not affect the other potential sites within its terms of reference, it is proposed to change the name of the Sub-Committee from 'The Heights Free School Sub-Committee' to 'The Mapledurham Playing Fields Trustees Sub-Committee'.

4.2.2 It is anticipated that the change of name will better reflect the current purpose of the Sub-Committee to consider a proposal from the EFA in relation to its role as trustee of the Mapledurham Playing Fields.

4.3 Other Options Considered

Do nothing.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 This is a process report regarding decision-making by the authority and as such it does not directly affect the Council's Corporate Plan Priorities.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way".

6.2 This is a process report regarding decision-making by the authority and as such it does not require any public consultation.

7. EQUALITY IMPACT ASSESSMENT

7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2 As this is a process report it does not have a differential impact on: racial groups; gender; people with disabilities; people of a particular sexual orientation; people due to their age; people due to their religious belief. As such it does not require an equality impact assessment.

8. LEGAL IMPLICATIONS

8.1 The Sub-Committee is set up under Section 101 of the Local Government Act 1972, in accordance with the Committee system of governance adopted by the Council in May 2013, to exercise the functions set out in paragraph 3.3 above and Article 7 of the Council's Constitution.

9. FINANCIAL IMPLICATIONS

9.1 This report does not give rise to any immediate financial implications other than the cost of holding additional meetings.

10. BACKGROUND PAPERS

10.1 None

READING BOROUGH COUNCIL
REPORT BY MONITORING OFFICER

TO:	POLICY COMMITTEE		
DATE:	31 OCTOBER 2016	AGENDA ITEM:	16
TITLE:	DELEGATIONS REGISTER - STRATEGIC FINANCE DIRECTOR (SECTION 151 OFFICER)		
LEAD COUNCILLOR:	JO LOVELOCK	PORTFOLIO:	LEADERSHIP
SERVICE:	ALL	WARDS:	BOROUGH-WIDE
LEAD OFFICER:	CHRIS BROOKS	TEL:	9372602 / 72602
JOB TITLE:	HEAD OF LEGAL & DEMOCRATIC SERVICES	E-MAIL:	Chris.brooks@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Personnel Committee, at its meeting on 6 October 2016 (Minute 10 refers), noted the engagement of Rachel Musson as interim Strategic Finance Director and formally appointed her as the designated Section 151 Officer.
- 1.2 As a result of this appointment, and to reflect the new management structure within the Finance Service, the Committee is asked to approve that all references in the Council's Delegations Register to the 'Head of Finance' be replaced with the 'Strategic Finance Director', as being the proper officer to discharge the functions contained within the Delegations Register currently assigned to the 'Head of Finance'.
- 1.3 The Council's Constitution will also need to be updated to reflect the appointment of a Strategic Finance Director as the Section 151 Officer with the Head of Finance acting as the Deputy Section 151 Officer.

2. RECOMMENDED ACTION:

- 2.1 That, acting on behalf of all Committees of the Council and full Council itself:

All references to the 'Head of Finance' within the Council's register of functions delegated by it and its Committees to officers be replaced with the 'Strategic Finance Director', as being the proper officer to discharge the functions contained within the Delegations Register currently assigned to the 'Head of Finance'.

- 2.2 That the decision in 2.1 above be taken in accordance with Article 7 (paragraph 7.7) of the Council's Constitution.

2.3 That the Monitoring Officer arrange for the Council's Constitution to be updated to reflect the appointment of a Strategic Finance Director as the Section 151 Officer with the Head of Finance acting as the Deputy Section 151 Officer.

3. POLICY CONTEXT

3.1 The Delegations Register was last reviewed comprehensively in 2013, when the Council adopted a Committee system of governance. Since that date it has been periodically updated on a piecemeal and ad hoc basis, as new legislation has emerged and changes have been made to senior management structures.

3.2 The current need to update the Delegations' Register has resulted due to a change in the Council's senior management structure.

4. THE PROPOSAL

4.1 The new post of Strategic Finance Director has led to the the need to review the Council's Delegations Register to bring it into line with the new senior management structure within the Finance Service. In order to achieve this aim, it is proposed that the Delegations Register should be amended to replace references to the Head of Finance with the Strategic Finance Director.

4.2 The changes to the senior management structure and the appointment of the Strategic Finance Director as Section 151 Officer will also necessitate changes to the officer titles within the Council's Constitution. These changes will occur most notably in Article 12 'Officers' and Part 4 'Rules of Procedure (Budget and Policy Framework Procedure Rules; and Financial Procedural Rules/ Financial Regulations)'.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The Delegations Register records those functions of the authority which the Council and its committees have agreed to delegate to officers to exercise. Many of these functions will relate directly to the Council's strategic aims.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way".

6.2 This report is concerned with the transfer of functions delegated to officers to bring them into line with new arrangements. There is no requirement for external consultation.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 This report is concerned with transferring functions delegated to the Head of Finance to the Strategic Finance Director to bring them into line with the revised management arrangements and the appointment of a new Section 151 Officer. This does not have a differential impact on: racial groups; gender; people with disabilities; people of a particular sexual orientation; people due to their age; people due to their religious belief. As a result, there is no requirement for an equality impact assessment to be undertaken.

8. LEGAL IMPLICATIONS

- 8.1 The Section 151 Officer has responsibilities under the Local Government Act 1972 and the Responsible Officer under Section 113 of the Local Government Finance Act 1992. This person is also described in the Council's Constitution as the Chief Finance (or Financial) Officer.
- 8.2 Following the adoption of a committee system of governance, at the Annual Council Meeting, on 22 May 2013, all officer delegations are now made under Section 101 of the Local Government Act 1972. The functions delegated by Council to Committees and Sub-Committees, and their arrangements for exercising them, are set out in Article 7 of the Constitution.
- 8.3 Article 13 of the Council's Constitution sets out the responsibility for decision making under the committee system of governance. Full Council is responsible for the exercise of all functions of the authority. It may delegate functions to be exercised by individual Committees or Sub-Committees, or by a senior officer(s). Committees in turn may delegate any of their functions to be exercised by a Sub-Committee of Members, or by a senior officer; and a Sub-Committee in turn may delegate any of its functions to be exercised by a senior officer.

9. FINANCIAL IMPLICATIONS

- 9.1 The proposals made in this report are budget-neutral and will not involve the authority in any additional expenditure or savings.

10. BACKGROUND PAPERS

- 10.1 Constitution of the Council
10.2 Delegations Register

READING BOROUGH COUNCIL

REPORT BY HEAD OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	31 OCTOBER 2016	AGENDA ITEM:	17
TITLE:	HOMES FOR READING - BOARD AUTHORITY TO ALLOT SHARES		
LEAD COUNCILLOR:	COUNCILLORS	PORTFOLIO:	FINANCE
SERVICE:	LOVELOCK/ PAGE FINANCIAL	WARDS:	BOROUGHWIDE
LEAD OFFICER:	ALAN CROSS	TEL:	01189372058 (x72058)
JOB TITLE:	HEAD OF FINANCE	E-MAIL:	Alan.Cross@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 Further to the report to Council last March setting out the arrangements for the establishment of Homes for Reading Ltd, and the Shareholder Agreement, this report sets out arrangements for the initial capitalisation of the company, prior to purchasing its first property, and in particular authorises the board to allot shares.

2. RECOMMENDED ACTION

- 2.1 That Homes for Reading be authorised to increase its share capital by 5 million £1 shares
- 2.2 That Homes for Reading be permitted to issue the 5 million part paid by 1p each shares to the Council, so the company is initially capitalised to the sum of £50,000.
- 2.3 Authority to Allot

That, in accordance with section 551 of the Companies Act 2006 (CA 2006), the Directors (Directors) be generally and unconditionally authorised to allot shares in the Company to the Council up to an aggregate nominal amount of £5,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 31 March 2018 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This This authority revokes and replaces all unexercised authorities previously granted to the Directors.

- 2.4 Disapplication of Pre-Emption Rights

That, subject to the passing of resolution 1 and in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 1, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall:

be limited to the allotment of equity securities up to an aggregate nominal amount of £5,000,000; and expire on 31 March 2018 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

3. BACKGROUND

- 3.1 At the meeting of Council in March 2016 you agreed to establish Homes for Reading Ltd and you set out the Shareholder Agreement.
- 3.2 Whilst you authorised the Head of Finance to make funding available to the company, the Shareholder agreement restricted the effective operation of that delegation in that it provided that the company could not without Shareholder Agreement
 - increase the amount of its issued share capital except as provided in the agreement, grant any option or other interest over in its share capital, redeem or purchase any of its own shares or effect any other reorganisation of its share capital; or
 - issue any loan capital;
- 3.3 The Company Board has now formed, and is moving towards being able to begin to trade (effectively by buying and letting its first homes). Prior to being able to do that the company needs some share capital to cover its initial administrative and set up costs.
- 3.4 The outline business plan envisages that the company will fund dwelling purchases from a mix of equity (share) and loan finance, with the loans being secured on the property. Until the company has purchased a property it is therefore not reasonable for the Council to offer loan finance, as it would not be secured. It is however reasonable to provide some initial capital and £50,000 is suggested.
- 3.5 The structure of the business plan will require regular increases in share capital.
- 3.6 To address both issues above the following solution is proposed;

- 3.6.1 The Council authorises the company to increase its share capital by 5 million £1 shares
- 3.6.2. The Council authorises the company to issue these 5 million £1 shares part paid to the value of £1 each
- 3.6.3 The Council purchase these shares for £50,000, by part paying 1p each for the shares
- 3.6.4 As the company begins to buy property it asks for an appropriate number of shares to be fully paid (i.e. the remaining 99p would be paid, so for example if the company were buying a property for £250,000 it might ask for 93,500 shares to be paid up to receive £92,565 and ask for £157,600 of loan finance)
- 3.6. By issuing part paid shares in this way, which become fully paid when the company purchases property, Homes for Reading should be in a position to purchase its first c. 50 properties without needing to revert to Policy Committee for authority to issue and allot further shares. This should enable a reasonably efficient purchase process for property.

4. CONTRIBUTION TO STRATEGIC AIMS

- 4.1 Homes for Reading has been set up to contribute to both the Council housing aims, and in due course to contribute to financial stability.

5. COMMUNITY ENGAGEMENT AND INFORMATION

- 5.1 None arising directly from this report.

6. LEGAL IMPLICATIONS

- 6.1 As set out in the report to Council in March.

7. FINANCIAL IMPLICATIONS

- 7.1 The purchase of shares scores as capital expenditure against the budget approved by Council in March.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 None arising directly from the report.

9. BACKGROUND PAPERS

Council Report - March 2016

READING BOROUGH COUNCIL
REPORT BY HEAD OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	31 OCTOBER 2016	AGENDA ITEM:	18
TITLE:	BUDGET MONITORING 2016/17		
LEAD COUNCILLOR:	COUNCILLORS LOVELOCK/PAGE	PORTFOLIO:	FINANCE
SERVICE:	FINANCIAL	WARDS:	BOROUGHWIDE
LEAD OFFICER:	RACHEL MUSSON & ALAN CROSS	TEL:	01189372058 (x72058)
JOB TITLE:	INTERIM DIRECTOR OF FINANCE & HEAD OF FINANCE	E-MAIL:	Rachel.musson@reading.gov uk/ Alan.Cross@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report set out the budget monitoring position for the Council to the end of August 2016.

2. RECOMMENDED ACTION

- 2.1 To note that based on the position at the end of August 2016 budget monitoring forecasts an overspend of around £7.49m which is an increase of £0.65m from the July position.

3. BUDGET MONITORING

- 3.1 The results of the Directorate budget monitoring exercises are summarised below. There is also further detail for Directorates at Appendix 1 to this report.

	Emerging Variances £000	Remedial Action £000	Net Variation £000	% variance budget
Environment & Neighbourhood Services	2,796	(2,810)	(14)	0%
Childrens, Education & Early Help Services/	6,691	(0)	6,691	19.7%
Adults Care and Health Services Inc. Public Health	3,919	(2,994)	925	2.3%
Corporate Support Services	759	(679)	80	0%
Directorate Sub total	14,165	(6,483)	7,682	
Treasury	(196)	0	(196)	-
Total	13,969	(6,483)	7,486	

3.2 Environment & Neighbourhood Services

- 3.2.1 Despite increasing this year's budget for Bed and Breakfast costs, there is a significant risk for the budget to be exceeded based on current trend (higher numbers but lower cost than budgeted), even with the mitigations planned being put in place. Forecasting outturn at this stage of the year is extremely challenging as this is a demand led budget - with a range of factors impacting beyond our control demand does not follow predictable patterns. However, projections (and scenarios) are being recast regularly based on latest actual figures and an assessment of demand forecasts and project delivery plans. Currently there are 154 households in B&B and a forecast overspend of £100k is reported based on this rising to around 200 by the financial year end. Both the numbers in B&B and forecast overspend have reduced, and the position is being closely monitored as placement numbers fluctuate.
- 3.2.2 All of the services directly delivered within Economic & Cultural Development generate significant levels of income to offset operational costs and this is the key unpredictable variable in delivering to budget. Based on the information currently available a potential income shortfall of £310k is reported this month relating to known pressures, offset with £90k savings. Officers will be reviewing any opportunities to mitigate these pressures through alternative income streams in the coming months.
- 3.2.3 Overall, the Directorate is now able to report a slight underspend £14k, as the above pressures are offset by overall underspends of £233k within Transport and Streetcare, (largely arising from additional income) and £101k in Planning Development & regulatory Services, both arising from a range of variances within those service areas.

3.3 Children, Education & Early Help Services

3.3.1 Since the July report the forecasted overspend has risen by just over £1m. Detail regarding the full overspend is provided below.

3.3.2 A new structure was agreed in February for Children's Social Care based on the need of having manageable caseloads. This structure cost £750k more than the existing budget and remains unfunded. Currently the majority of the structure is filled with Agency workers whilst the service is going through a continuous recruitment campaign. Recruitment to some of the vacant posts has been achieved through recruitment of overseas applicants. However this process has had problems in regards to start dates due to visa applications and therefore the use of agency has been extended. The current predicted overspend based upon staffing is £2.8m (including the unfunded £750k). This estimate is based upon predicted start dates of overseas workers and handover time for agency workers. There is a risk with this forecast in that it is based on currently known recruitment information. If the recruitment plan changes and agency staff usage continues, this could lead to the forecast overspend increasing.

3.3.3 Service demand pressures continue for the service with external placements currently predicted to be overspent by £2.4m. This estimate is based upon current usage and estimated further demand to year end. However, due to the uncertainty of demand this estimate cannot be guaranteed, but there is on-going work by the service to try and manage this and keep within this estimate.

3.3.4 There is also a saving of £545k allocated against the service which is currently unachievable due to the recent OFSTED report, as reported in July. With regard to other services areas there continues to be a pressure on Education with regard to home to school transport unachieved savings of £500k. Within Early Help services there is a pressure of £228k. This is due to the LDD service which transferred from Adults this financial year. Costs in association with external placements/short breaks are currently overspent by £510k. Other Early Help services are underspent by £282k. There is a pressure of £230k within Governance and Transformation all in relation to staff costs. £160k of this is through the need to use agency to cover vacant posts along with a further £70k of unfunded costs within the Structure for DMT.

3.3.5 Whilst the above represents the position with regard to the General Fund, we are forecasting a £3.6m pressure on the high needs block as was reported to Schools Forum in July.

3.4 Adult Care & Health Services

3.4.1 During the last month the year end forecast Directorate overspend has increased by £200k (from £725k to £925k). The change has been due to the value of 15/16 costs being higher than the accrual at year end and Adults continuing to experience demand pressure in excess of available budgets (forecasting outturn is challenging due the unpredictability of demand, specifically in winter) in both nursing and community based services.

Projections are regularly reviewed based on latest known figures and an assessment of demand forecasts and project delivery plans.

3.4.2 There are a number of transformation and deficit reduction projects currently being run in order to ensure that the service achieves savings targets, but to achieve this, there are also transformation costs that need to be absorbed.

3.4.3 A key issue to note is the current dispute with the two local CCG's around Continuing Health Care Funding (including Section 117 and Free Nursing Care). The current prediction assumes the known disputed cases of £500k between the Council and CHC, are funded by the CCG. However, if this challenge were unsuccessful, the overspend would increase.

3.5 Corporate Support Services

3.5.1 At the end of August the Directorate is forecasting an overspend of £80k. In previous months the Directorate had forecast a breakeven position. The reason for the change is that whilst the Directorate has identified a number of potential in year savings, there is demand pressure in both childcare lawyers and this month the Directorate has also been able to quantify that there will be a loss of Housing Benefit subsidy of around £300k.

4. TREASURY MANAGEMENT

4.1 The review of the capital financing budget has identified a potential under spend of £196k. In terms of treasury activity, we have arranged up to £70.8m of temporary borrowing during the year (with £174m borrowed for various periods from various other local authorities (or similar) for various periods to manage the cash flow) and this should ensure we have enough cash available until at least the autumn. The impact of this has been to reduce the average interest rate we are paying from 3.6% to around 3.2%. The forecast incorporates our latest estimates of the capital programme and it's financing for the year.

5. FORECAST GENERAL FUND BALANCE

5.1 Based upon the provisional outturn, the General Fund Balance at the end of 2016/17 was just over £5m. As indicated in the table above, assuming remedial action highlighted is carried out, there is now expected to be a net overspend on service revenue budgets of £7.7m.

5.2 The pressure on service directorate budgets is offset by a favourable treasury position (see paragraph 7.1), so there is an overall £7.5m over spend forecast.

6. CAPITAL PROGRAMME 2016/17

6.1 To the end of August £13.2m of the c£70m programme had been spent. Capital spending is normally weighted to the latter part of the year, except

for significant parts of the schools building programme which is September. On this the Primary School Expansion Programme has so far spent £9.1m spent against budget of £16.0m.

7. HRA

- 7.1 There are currently projected to be small under and overspends within the repairs and maintenance budgets but it is currently projected these costs will be managed to budgeted amount.
- 7.2 An initial review of the likely HRA capital financing position for 2016/17 has identified those costs should be around £300k under spent. Actual rent income is currently projected to be at least £100k better than budget, amongst other reasons because of continuing good control of rent arrears and lower than budgeted void loss.

8. RISK ASSESSMENT

- 8.1 There are risks associated with delivering the Council's budget and this was subject to an overall budget risk assessment. At the current time those risks are being reviewed as part of budget monitoring and can be classed as follows:

- High use of agency staffing & consultants;
- Pressures on pay costs in some areas to recruit staff or maintain services;
- In year reductions in grant;
- Demand for Adult Social Care;
- Demand for Children's Social Care;
- Increased requirement for childcare solicitors linked to activity on the above;
- Homelessness, and the risk of a need for additional bed & breakfast accommodation;
- Demand for special education needs services;
- Housing Benefit Subsidy does not fully meet the cost of benefit paid

9. BUDGET SAVINGS RAG STATUS

- 9.1 The RAG status of savings and income generation proposals included in the 2016/17 budget are subject to a monthly review. The RAG status in terms of progress is summarised below:

	£000	%
Red	2,175	18
Amber	5,815	48
Green	4,141	34
Total	12,131	100

- 9.2 The RAG status of budget savings supplements the analysis in budget monitoring above and the red risks do not represent additional pressures to those shown above.

10. COUNCIL TAX & BUSINESS RATE INCOME

- 10.1 We have set targets for tax collection, and the end of August 2016 position is:

Council Tax	2016/17 £000	Previous Year's Arrears £000	Total £000
Target	40,754	1,340	42,094
Actual	40,778	979	41,757
Variance	24 above	361 below	337 below

- 10.2 For 2016/17 as a whole the minimum target for Council Tax is 96.5%, (2015/16 collection rate 96.8%). At the end of August 2016, collection for the year was 47.2% compared to a target of 47.0%, and collection is slightly ahead of 2015/16 (46.9% by end of August 2015).

Business Rates Income to the end of August 2016

Business Rates	2016/17 £000	2016/17 %
Target	52,074	45.00%
Actual	50,508	43.65%
Variance	1,566 below	1.35% below

The target for 2016/17 as a whole is 98.50%. By comparison, at the end of August 2015, 44.27% of rates had been collected.

11. OUTSTANDING GENERAL DEBTS

- 11.1 The Council's outstanding debt total as at 31st August stands at £12.078 m in comparison to the 31st March figure of £3.861m. This shows an increase of £8.217m but this includes large amounts due from other public sector bodies and we note that £2.933m of the balance as at 31 August 2016 is greater than 151 days old.

12. CONTRIBUTION TO STRATEGIC AIMS

- 12.1 The delivery of the Council's actual within budget overall is essential to ensure the Council meets its strategic aims.

13. COMMUNITY ENGAGEMENT AND INFORMATION

- 13.1 None arising directly from this report.

14. LEGAL IMPLICATIONS

- 14.1 The Local Government Act 2003 places a duty on the Council's Section 151 Officer to advise on the robustness of the proposed budget and the adequacy of balances and reserves.
- 14.2 With regard to Budget Monitoring, the Act requires that the Authority must review its Budget "from time to time during the year" and also to take any action it deems necessary to deal with the situation arising from monitoring. Currently Budget Monitoring reports are submitted to Policy Committee regularly throughout the year and therefore we comply with this requirement.

15. FINANCIAL IMPLICATIONS

- 15.1 The main financial implications are included in the report.

16. EQUALITY IMPACT ASSESSMENT

- 16.1 None arising directly from the report. An Equality Impact Assessments was undertaken and published for the 2016/17 budget as a whole.

17. BACKGROUND PAPERS

- 17.1 Budget Working & monitoring papers, save confidential/protected items.

DENS - Environment and Neighbourhood Services
Budget Monitoring Overview for the Period: August 2016

This overview provides the key results of the budget monitoring exercise undertaken during August 2016

Approved Budget

The approved budget for the directorate as shown is £32.1m, made up as follows:

	Annual Budget	Budget to date	Actual to date	Commitments	Variance	Projection to Year End
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	34,912	14,398	13,800	0	-598	-49
Running Costs	90,235	25,240	21,952	31,802	28,514	1,985
Gross Expenditure	125,147	39,638	35,752	31,802	27,916	1,936
Income	-92,977	-32,631	-32,890	25	-234	-1,950
Net Expenditure	32,170	7,007	2,862	31,827	27,682	-14

Summary Projection of Year end Position

The results of the budget monitoring exercise indicate a potential net overspend of	£-14k
	0.0%

Directorate Commentary on Budget Monitoring for the Period

Despite increasing this year's budget for Bed and Breakfast costs, there is a significant risk for the budget to be exceeded based on current trend (higher numbers but lower cost than budgeted), even with the mitigations planned being put in place. Forecasting outturn at this stage of the year is extremely challenging as this is a demand led budget - with a range of factors impacting beyond our control demand does not follow predictable patterns. However, projections (and scenarios) are being recast regularly based on latest actual figures and an assessment of demand forecasts and project delivery plans. Currently there are 154 households in B&B and a forecast overspend of £100k is reported based on this rising to around 200 by the financial year end. Both the numbers in B&B and forecast overspend have reduced, and the position is being closely monitored as placement numbers fluctuate.

All of the services directly delivered within Economic & Cultural Development generate significant levels of income to offset operational costs and this is the key unpredictable variable in delivering to budget. Based on the information currently available a potential income shortfall of £310k is reported this month relating to known pressures, offset with £90k savings. Officers will be reviewing any opportunities to mitigate these pressures through alternative income streams in the coming months.

Overall, the Directorate is now able to report a slight underspend £14k, as the above pressures are offset by overall underspends of £233k within Transport and Streetcare, (largely arising from additional income) and £101k in Planning Development & regulatory Services, both arising from a range of variances within those service areas.

Significant Budget Variations - Service & Explanation of Year End Position (>£100k)	Overspend £000	Underspend £000
E&CD - Pressure on agreed saving, potential bad debt write off & an income shortfall partly offset by vacancy saving due to delayed recruitment	310	90
PDRS - Pressure on agreed saving, Regulatory Service pressure (professional support requirement) and maintenance of corporate buildings overspend prediction partly offset by additional sundry property income & additional planning fees	1,120	1,221
T&SC - Unachievable savings offset by additional income and other minor positive variances	1,196	1,429
H&NS - Housing GF - Bed and Breakfast pressure (best estimate based on current projections)	170	70
Total	2,796	2,810
Forecast Net Position (over/-underspend)	-	14

DCEEHS Summary
Budget Monitoring Overview for the Period: August 2016

This overview provides the key results of the budget monitoring exercise undertaken during August 2016

Approved Budget

The Approved budget for the directorate is £33.9m, made up as follows:

	Annual Budget	Budget to date	Spend to date	Commitments	Variance	Projected Year End Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	24,361	10,146	10,113	4,153	-33	2,760
Running Costs	37,515	15,471	15,997	6,903	525	4,047
Gross Expenditure	61,876	25,617	26,110	11,056	492	6,807
Income	-27,910	-4,677	-842	0	3,836	-116
Net Expenditure	33,966	20,940	25,268	11,056	4,328	6,691

Summary Projection of Year end Position

The results of the budget monitoring exercise indicate a potential net overspend of	£6691k
	19.7%

Directorate Commentary on Budget Monitoring for the Period

Since the July report the forecasted overspend has risen by just over £1m. Detail regarding the full overspend is provided below.

A new structure was agreed in February for Children's Social Care based on the need of having manageable caseloads. This structure cost £750k more than the existing budget and remains unfunded. Currently the majority of the structure is filled with Agency workers whilst the service is going through a continuous recruitment campaign. Recruitment to some of the vacant posts has been achieved through recruitment of overseas applicants. However this process has had problems in regards to start dates due to visa applications and therefore the use of agency has been extended. The current predicted overspend based upon staffing is £2.8m (including the unfunded £750k). This estimate is based upon predicted start dates of overseas workers and handover time for agency workers. There is a risk with this forecast in that it is based on currently known recruitment information. If the recruitment plan changes and agency staff usage continues, this could lead to the forecast overspend increasing.

Service demand pressures continue for the service with external placements currently predicted to be overspent by £2.4m. This estimate is based upon current usage and estimated further demand to year end. However, due to the uncertainty of demand this estimate cannot be guaranteed, but there is on-going work by the service to try and manage this and keep within this estimate.

There is also a saving of £545k allocated against the service which is currently unachievable due to the recent OFSTED report, as reported in July.

With regard to other services areas there continues to be a pressure on Education with regard to home to school transport unachieved savings of £500k. Within Early Help services there is a pressure of £228k. This is due to the LDD service which transferred from Adults this financial year. Costs in association with external placements/short breaks are currently overspent by £510k. Other Early Help services are underspent by £282k. There is a pressure of £230k within Governance and Transformation all in relation to staff costs. £160k of this is through the need to use agency to cover vacant posts along with a further £70k of unfunded costs within the Structure for DMT.

Whilst the above represents the position with regard to the general fund, we are forecasting a £3.6m pressure on the high needs block as was reported in Schools Forum in July.

Significant Budget Variations - Service & Explanation of Year End Position (>£100k)	Overspend £000	Underspend £000
Education & Schools	500	
Children's Social Care	5,733	
Early Help	228	
Director & Governance & Transformation	230	
Total	6,691	0
Forecast Net Position (over/-underspend)		6,691

Directorate of Adults, Commissioning and Health Budget Monitoring Report
Budget Monitoring Overview for the Period: August 2016

This overview provides the key results of the budget monitoring exercise undertaken for the end of August 2016

Approved Budget

The approved budget for the Directorate as shown is £39.935m, made up as follows

	Annual Budget	Budget to date	Spend to date	Commitments	Variance	Projection to Year End
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	14,588	6,076	5,504	258	-572	-250
Running Costs	50,923	21,210	16,500	1,767	-4,710	2,338
Gross Expenditure	65,512	27,286	22,004	2,024	-5,282	2,088
Income	-25,577	-10,653	-5,514	0	5,139	-1,163
Net Expenditure	39,935	16,633	16,490	2,024	-143	925

Summary Projection of Year end Position

The results of the budget monitoring exercise indicate a potential net overspend of	£925k
	2.3%

Directorate Commentary on Budget Monitoring for the Period

During the last month the year end forecast Directorate overspend has increased by £200k (from £725k to £925k). The change has been due to the value of 15/16 costs being higher than the accrual at year end and Adults continuing to experience demand pressure in excess of available budgets (forecasting outturn is challenging due the unpredictability of demand, specifically in winter) in both nursing and community based services. Projections are regularly reviewed based on latest known figures and an assessment of demand forecasts and project delivery plans.

There are a number of transformation and deficit reduction projects currently being run in order to ensure that the service achieves savings targets, but to achieve this, there are also transformation costs that need to be absorbed.

A key issue to note is the current dispute with the two local CCG's around Continuing Health Care Funding (including Section 117 and Free Nursing Care). The current prediction assumes the known disputed cases of £500k between the Council and CHC, are funded by the CCG. However, if this challenge were unsuccessful, the overspend would increase.

Significant Budget Variations - Service & Explanation of Year End Position (>£100k)	Overspend £000	Underspend £000
Commission and Performance - This area is expected to breakeven but this area will be changed/merged with Wellbeing and children services in September	0	0
Adult Social Care and Transformation - Care costs commitments show that there is a large pressure within all services, particularly within the residential and community services costs. There are number of transformation and deficit reduction projects currently being run in order to ensure that the service achieves savings targets and also works towards a break even point before year end. Currently a significant risk for the Council is around Continuing Health Care and S117 (this is the section of the Mental Health Act that relates to how services are paid for an individuals being discharged from a Mental Health Hospital stay). The Council current believes that a number of clients that it is funding should actually be funded by the CCG. This could be in excess of £500k. If these placements are not funded by the CCG (CHC/S117), the Adult and Health services current predicted overspend could increase. Directorate and Transformation Costs - the costs of the interim management and transformation project will need to be met through the savings and deficit reduction projects that are underway within Adult Social Care	3,184	2,419
Corporate Training Saving - Training Needs Analyses have indicated that the needs of the services are £250k higher than the available budget, following the agreement of a Council-wide £250k reduction in budgets. CMT have agreed to reduce the requests by 25% and the operational services are currently reviewing how to achieve this target.	275	0
Reading received a cut in the Public Health grant of over £800k in 16/17. In previous months the Council was forecasting an overspend of £460k. With a significant amount of work from the Public Health team, finance and colleagues from around the Council options have been developed to ensure this budget will break even. In doing this the budget now has a high risk attached to a number of the demand lead services and this will require careful monitoring during the course of the rest of the financial year to monitor potential pressures	460	460
Wellbeing (Preventative Services - with the onset of the Narrowing the Gap Framework the expenditure on VCS grants will reduce.	0	25
Commissioning and Improvement	0	90
Total	3,919	2,994
Forecast Net Position (overspend)		925

