

READING BOROUGH COUNCIL

POLICY COMMITTEE

10 APRIL 2017

(A) PUBLIC QUESTIONS

PUBLIC QUESTION NO. 1

Linda Fort to ask the Lead Councillor for Neighbourhoods:

Use of Household Waste Recycling Centre

Would the Council consider allowing people living outside the three re3 boroughs to use the Smallmead tip for a fee? I live in Burghfield Common, 14 miles from the Newbury tip which I am permitted to use for general domestic waste.

I would be prepared to pay £5 a time or £25 for an annual permit to use Smallmead and I feel sure others living in Calcot, Tilehurst, Mortimer and Pangbourne would too.

A pilot scheme, promoted at no cost on local news websites and social media, would show whether the additional income would outweigh administrative costs.

REPLY by Councillor Terry (Lead Councillor for Neighbourhoods):

re3 took the decision to limit recycling centre access to Bracknell Forest, Reading and Wokingham residents only after West Berkshire Council ended a joint agreement at short notice, which would have resulted in a £500,000 shortfall in waste management funding if re3 had continued to admit West Berkshire residents to the recycling centres.

The residents' permit scheme continues to be successfully implemented and is on target to make the estimated savings. However, I appreciate how this has been a disappointing situation for some non-re3 area residents living on the Reading/Wokingham/West Berkshire border. I will ask re3's Joint Waste Disposal Board to review the scheme and evaluate whether it is financially and operationally viable to re-admit West Berkshire residents - on receipt of a fee - to re3's recycling centres. An update will be provided once that decision is made.

PUBLIC QUESTION NO. 2

Sam Swinerd to ask the Lead Councillor for Children and Families:

Leisure Activities for Young People

Adequate leisure activities often decreases anti-social behaviour amongst young people, what is the council currently doing so that young people are stimulated in Reading?

REPLY by Councillor Gavin (Lead Councillor for Children and Families):

Thank you for your question Mr Swinerd.

I will do my best to answer his question, though I am unclear what evidence he is referring to that there is a direct correlation between leisure provision and levels of youth anti-social behaviour. I am also pleased to report that we experience low levels of youth anti-social behaviour in Reading.

It is not solely the Council's responsibility to ensure that young people are stimulated in Reading, nor indeed is it the only provider of leisure facilities or activities. Reading Family Information Service reports that there are approximately 260 non-council groups offering extra-curricular activities for young people in Reading, including holiday activities. These include: Arts & Crafts, Dance & Drama, Football, Gymnastics, Horse Riding, Language Classes, Leisure Centre activities, Martial Arts, Music, Sports Clubs, Special Needs Activities, Swimming, Uniformed Clubs & Youth Clubs.

I think we also need to acknowledge and applaud the fantastic range of additional activities for young people that are carried out in all the town's schools and early years settings and that are so crucial to the rounded development and well-being of our young people.

In relation to the Council's direct provision, the Council runs a range of leisure centres that are well used and popular across all age groups and it continues to invest in and improve these - for example the new artificial pitches at both Rivermead and South Reading leisure centres and it will shortly be improving outdoor facilities at Prospect Park. To ensure we can continue this investment in leisure facilities at a time when the government is forcing the Council to make huge budget cuts, the Council has also begun a process to procure a new leisure operator. The contract with this new operator will incorporate the building of two new swimming pools to replace outdated and expensive to operate pools at Arthur Hill and Central. The Council is also about to commence the building of a new demountable pool at Rivermead to ensure that there is continuity of swimming provision whilst this procurement process and the building of the new facilities takes place.

In addition to the sports centres, Reading provides an extensive range of additional leisure opportunities within its parks and open-spaces which, being free to use and distributed right across the Borough, are used by a large proportion of our residents, including young people. These facilities include: open space, play areas, outdoor gyms, sports courts and pitches, meeting

shelters and safe travel routes. The Council will be adding to these with an exciting new high ropes and activity centre to be developed on what is currently the golf driving range adjacent to Rivermead. This will be run by the Council's highly regarded Play Service and provide fabulous opportunities for young people in the town to experience stimulating outdoor play.

In other areas of both leisure and cultural activities run or provided by the council for young people we should note the activities run by the libraries service and the youth-focused programming at the Hexagon, South Street and the Museum.

The Council also acts as an enabler to further extend this provision. For example the Council is working with local youth providers such as Reading football club's 'KiCKs', to use our community buildings to provide youth sessions in key communities such as the South of Reading. More discussions are being led by our Neighbourhood Initiatives team to find similar solutions in other communities where the Council has community buildings.

These activities are complemented by the Council's own youth service that, despite the need to reduce past levels of expenditure, continues to target support to the most vulnerable young people in our town, including young people that are more likely to commit crime or get involved in anti-social behaviour. This includes both one to one and group provision that incorporates positive leisure activities for these vulnerable young people at key times, such as school holidays, led by our targeted youth workers.

In short, despite the huge reductions in funding from Central Government, this Council remains committed to providing and enabling an extensive range of leisure opportunities for young people, recognising both the contribution to safer and stronger communities and the clear health benefits of physical activity for all.

(B) COUNCILLOR QUESTIONS

COUNCILLOR QUESTION NO. 1

Councillor Hopper to ask the Leader of the Council:

Changes In Legislation For Off-Payroll Workers

As members may be aware, changes in legislation for off-payroll workers in the public sector (Government departments, NHS, Police, Local authorities, Education, Housing associations etc started on the 6th of April this year. From that point onwards:

- The organisation which pays the Personal Service Company used by most contract staff (the “fee-payer”) which is usually their recruitment agency, will become legally responsible for ensuring the correct tax and National Insurance Contributions are paid when paying the individual's PSC.
- The new legislation says the hirer (RBC, in this case) must provide their decision on whether a public sector assignment is inside or outside the IR35 legislation by either the date of contract signature or the contract start date (whichever is later).
- The public body must now take “reasonable care” in making their decision on whether an assignment is inside or outside of IR35.
- **If the information is not provided by the public body, or the public body has not taken reasonable care, they (the Council, in this case) become the fee payer and become liable for the IR35 decision and any tax payments.**
- Unless the public body has not taken reasonable care, the agency as fee payer has the financial risk associated with the correct IR35 decision and also the correct taxes being deducted.

Would the Leader of the Council please update me on the expected impact on this authority of the new “off-payroll” regulations, specifically:

- What systems has the Council put in place to ensure that information is provided on the IR35 status of each individual in a timely fashion?
- To what extent does the Council feel that it is at risk of becoming the fee payer, and therefore responsible for tax and NI for the large number of contract staff working for RBC and what would the financial impact of this be on the authority?
- What risk is there that contractors working for the Council who are judged by to be inside IR35, and who therefore find their tax bill rise, will decide to request an increase in their daily rates OR leave the authority, and how will the Council mitigate this risk?

REPLY by Councillor Lovelock (Leader of the Council):

- What systems has the Council put in place to ensure that information is provided on the IR35 status of each individual in a timely fashion?

The Council has maintained a central list of interim managers, agency staff and self-employed contractors for the past two years in order to ensure that spend in this area is monitored and that the contractual arrangements are properly negotiated, agreed and documented. This central register has been very helpful in ensuring that all potentially affected workers were contacted in good time to prepare for the change.

Officers have convened a working group of staff from the HR, Procurement, Payroll and Payments teams to co-ordinate the implementation of the new arrangements. CMT have taken an active role in overseeing the plans and endorsing those decisions which present a potential financial or service risk, or cost, to the Council. These are where:

- A role is identified as being outside the Scope of IR35
- A role is identified as inside IR35 but the worker disagrees with the assessment
- A worker is seeking to negotiate a change in their charge rate to compensate for higher tax and NI payments arising from their role being assessed as inside IR35

CMT have also maintained an overview of the potential for key personnel to terminate their assignments earlier than planned as a consequence of the changes. At the moment, CMT receives a comprehensive weekly update on the preparation for the new arrangements.

All managers were written to in February outlining the changes and were asked to identify any potentially affected roles that they might have, to ensure that any that may have been missing from the central register were picked up in time to be included in the preparations.

HMRC launched an online Employment Status Service (ESS) on March 6th to enable workers and their end users to assess the status of assignments. The vast majority of the affected roles have been assessed using the tool and full records have been retained to support the decisions taken. The last remaining assignments are being assessed and the group overseeing the process will continue to assess all new affected roles in the future. The assessments are conducted jointly by the Council's Category Manager for Agency Temporary Staff in consultation with the relevant hiring manager. Once the assessments have been completed, those requiring CMT endorsement will be submitted for approval.

- To what extent does the Council feel that it is at risk of becoming the fee payer, and therefore responsible for tax and NI for the large number of contract staff working for RBC and what would the financial impact of this be on the authority?

The Council will be the fee payer for a proportion of the assignments where the Council engages the PSC independently without the involvement of an Agency. In these cases, the tax, employers' and employees' NIC will be deducted from the fee paid to the PSC and the total direct cost to the Council will not change

directly as a result of the change. A further financial impact on the Council will be the cost of managing the payroll process and handling the payments due to HMRC. This will be offset by the reduction in the costs of paying the invoices through the Council's Accounts payable system.

We believe that the risk that the Council will become the fee payer where a recruitment agency is involved as a result of failing to notify the IR35 status decision is extremely low. We anticipate that the recruitment agency will be notified of the IR35 status of any new role prior to the stage where candidates are submitted. In some cases there may be a need to revisit the assessment once the contractor has been appointed but we will ensure that the final position is determined before the contract starts.

For assignments that were started before April 6th the Council has a period of 30 days to notify the decision to the agency from the point they request one. We do not anticipate any difficulty in meeting this deadline for existing placements.

- What risk is there that contractors working for the Council who are judged by to be inside IR35, and who therefore find their tax bill rise, will decide to request an increase in their daily rates OR leave the authority, and how will the Council mitigate this risk?

CMT are monitoring this situation closely. At this stage, we are not aware of any worker terminating their assignment early as consequence of the changes to the IR35 regulations. A small number have asked to negotiate an increase in their charge rate and those discussions are ongoing. As the majority of assessments have been made and the results notified to the workers involved, we would expect that any major negative impact would have been noticeable by now. CMT will continue to monitor the situation closely and take appropriate action if needed to maintain the required skills and expertise that temporary staff provide.

The longer term impact that the changes will have on market rates is not yet known. A large majority of the roles where tax and NI payments will increase from the beginning of April are Qualified Social Workers where pay rates are subject to a Memorandum of Understanding (MOU) between authorities in the South East. The MOU is helpful in preventing upward pressure on pay rates in the short term, but the longer term position will depend on the willingness of the participating authorities to maintain the current position.

COUNCILLOR QUESTION NO. 2

Councillor White to ask the Lead Councillor for Children's Services and Families:

Ofsted Concerns About Reading Council's Children's Services

Reading Council's children services were damningly rated inadequate by Ofsted last year. Concerns were raised that children in Reading were being left too long in situations of unknown and acute risk.

Ofsted conducted a recent monitoring visit. Following this visit they wrote a critical letter to the council dated March 24, 2017. In the letter Ofsted did welcome some improvements. However the overall tone was negative. A main concern included the pace and scale of changes for children in need being "too slow".

Does the Lead Councillor believe improvements to children's services in Reading are happening quickly enough for our children, and quickly enough to prevent children's services being taken away from the council?

REPLY by Councillor Gavin (Lead Councillor for Children's Services and Families):

We accept the position captured in the Ofsted monitoring visit letter published on 24th March 2017. We agree that the improvements required by children's services have been too slow. We do though recognise that some progress has been made and that Ofsted found that there are no children at immediate risk or requiring an urgent response from senior managers.

Ofsted identify and noted that management understand the service and the workforce welcome the 'culture change' of the last few months. It is reasonable to be disappointed with the pace of previous progress but we should take confidence that this evidence suggests there is a firm foundation on which to gain greater momentum.

Ofsted identified that there has been a concentration on process compliance and the service has therefore failed to deliver adequate improvement to the quality in social work practice. It was essential as we progressed on our improvement journey that we built sustainable change for Reading's children. To that end we have been careful to ensure that the processes that have been introduced and embedded since the publication of the original report during summer 2016 provide a firm base for improved performance. This has been the early focus in terms of delivering improvement.

However, it is a focus on quality that will deliver greater evidence of improvement across all services. We and Ofsted will then be more assured that the improvement we require for Reading's children is being delivered at greater pace. I am confident that the service and the independent children's services improvement board now have a focus on quality of delivery as well as compliance at all levels.

The service under the leadership of our Director is committed to the quality of all they do in improving the lives of Reading's children. We want to ensure that

officers at all levels of the services care and want the best for Reading's children.

It is our expectation that when Ofsted return in three months' time that they will see a greater focus on quality of intervention and service delivery and this will assist in evidencing greater pace in our improvement journey. They will evidence that the service have increased their focus on quality and that they accept that compliance is not enough to drive improvement.

It is important to understand that the decision of the commissioner is not solely based upon the speed at which children's services improve. There are a number of factors that will influence the commissioner's recommendation to the minister.

The commissioner has expressed confidence in the current senior leadership in children's services, both from an officer point of view and politically. The Commissioner is also considering the financial sustainability of the children's services department and the wider Local Authority. Additional consideration is also being given to the ability of corporate relationships in supporting the development required in Children's Services.

We have developed a positive and cooperative relationship with the Commissioner and have taken on board his advice and guidance, he is actively supporting the Directorate Management Team in driving forward improvements with greater pace. The Commissioner is due to report to his recommendations to the Minister at the end of April.