

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

Our Ref: N:\Policy
Committee\Agenda\170717.doc
Your Ref:

Direct: ☎ 0118 937 2303
e-mail: simon.a.hill@reading.gov.uk

7 July 2017

Your contact is: Simon Hill - Committee Services

NOTICE OF MEETING - POLICY COMMITTEE - 17 JULY 2017

A meeting of the Policy Committee will be held on Monday 17 July 2017 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 ITEMS	-	-
2. PROPERTY IN CENTRAL READING Councillor Lovelock / Director of Environment and Neighbourhood Services	KATESGROVE	A1
3. WORKS TO CORPORATE BUILDINGS 2017/18 Councillor Lovelock / Director of Environment and Neighbourhood Services	BOROUGHWIDE	A10

CIVIC OFFICES EMERGENCY EVACUATION: If an alarm sounds, leave by the nearest fire exit quickly and calmly and assemble on the corner of Bridge Street and Fobney Street. You will be advised when it is safe to re-enter the building.

- | | | | |
|----|--|-------------|-----|
| 4. | HOMES FOR READING: SHAREHOLDER CONSENT | BOROUGHWIDE | A17 |
| | Councillor Page / Director of Finance & Director of Environment and Neighbourhood Services | | |

ITEMS FOR CONSIDERATION IN PUBLIC SESSION

- | | | | |
|-----|--|-------------|----|
| 5. | CHAIR'S ANNOUNCEMENTS | | |
| 6. | DECLARATIONS OF INTEREST | | |
| | Councillors to declare any interests they may have in relation to the items for consideration in public session. | | |
| 7. | MINUTES | | B1 |
| | To confirm the Minutes of the Policy Committee meeting on 12 June 2017. | | |
| 8. | PETITIONS AND QUESTIONS | | |
| | To receive any petitions from the public and any questions from the public and Councillors. | | |
| 9. | DECISION BOOK REFERENCES | | |
| 10. | BUDGET MONITORING 2017/18 | BOROUGHWIDE | C1 |
| | Councillor Lovelock / Director of Finance | | |
| | This report sets out the budget monitoring position for the Council to the end of May 2017. | | |
| 11. | BRIDGING THE GAP - MEDIUM TERM FINANCIAL STRATEGY | BOROUGHWIDE | D1 |
| | Councillor Lovelock / Corporate Management Team | | |
| | This report presents and seeks agreement for a revised Medium Term Financial Strategy and associated savings proposals. | | |
| 12. | PROPOSED SAVING TO HOMELESSNESS SUPPORT SERVICES: RESPONSE TO CONSULTATION AND PROPOSALS TO RECONFIGURE SERVICES | BOROUGHWIDE | E1 |
| | Councillor Ennis / Director of Environment and Neighbourhood Services | | |
| | The report summarises the key findings from consultation on a proposal to reconfigure Homelessness support services, and seeks approval to implement the proposals and make a budget saving. | | |

- | | | | |
|-----|--|--------------------|-----------|
| 13. | USE OF S106 AND RIGHT TO BUY RECEIPTS TO INCREASE THE PROVISION OF NEW AFFORDABLE HOMES | BOROUGHWIDE | F1 |
| | <p>Councillor Ennis / Director of Environment and Neighbourhood Services</p> <p>This report provides an update on the current Local Authority New Build programme and seeks spend approval for the next phase of the programme.</p> | | |
| 14. | HOMES FOR READING - AMENDMENT TO SHAREHOLDER AGREEMENT | BOROUGHWIDE | G1 |
| | <p>Councillor Page / Director of Environment and Neighbourhood Services & Director of Finance</p> <p>This report proposes an amendment to the shareholder agreement between the Council and Homes for Reading, to increase the threshold at which shareholder consent is required for a transaction.</p> | | |
| 15. | READING'S ARMED FORCES COVENANT AND ACTION PLAN - MONITORING REPORT | BOROUGHWIDE | H1 |
| | <p>Councillor Lovelock / Chief Executive</p> <p>This report presents an annual update on the development of the Armed Forces Community Covenant and progress against the action plan.</p> | | |

WEBCASTING NOTICE

Please note that this meeting may be filmed for live and/or subsequent broadcast via the Council's website. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during a webcast will be retained in accordance with the Council's published policy.

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 - 12 JUNE 2017

Present: Councillor Lovelock (Chair)

Councillors Duveen, Eden, Ennis, Gavin, Hacker, Hopper, Hoskin, Jones, Page, Skeats, Stevens, Terry and White.

2. 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 item 3 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.

3. BERKSHIRE FAMILY HISTORY SOCIETY - RELOCATION

The Director of Environment and Neighbourhood Services submitted a report on a proposal to grant a lease to Berkshire Family History Society of part of the 2nd Floor, Reading Central Library. The report also sought approval to waive 50% of the back rent in relation to BFHS current occupation of part of Yeomanry House.

The proposed terms of the lease agreement were attached to the report at Appendix C and the area of the library to be leased was shown on a plan attached to the report at Appendix D.

Resolved -

- (1) That Berkshire Family History Society be granted a lease of part of the 2nd Floor of Reading Central Library, as shown on the plan attached to the report at Appendix D, on the terms outlined at Appendix C to the report;
- (2) That 50% of the back-rent on West Wing, Yeomanry House be waived, subject to Berkshire Family History Society vacating the West Wing which they currently occupied under a Tenancy at Will since expiry of their lease in May 2013.

(Exempt information as defined in paragraph 3).

4. MINUTES

The Minutes of the meetings held on 10 April 2017 and 24 May 2017 were agreed as a correct record and signed by the Chair.

POLICY COMMITTEE MINUTES - 12 JUNE 2017

5. DRAFT OUTTURN POSITION 2016/17

The Director of Finance submitted a report setting out the draft outturn position for the 2016-17 accounts for the Council, showing budget variances since the report to Council on 23 February 2016 (Minute 46 refers). The following documents were attached to the report:

Appendix A - S106 Receipts to be applied 2016/17

Appendix B - Final Accounts Process

Appendix C - General Debtor Arrears by Service

The report included a table showing the projected outturn position, with a comparison to the budget approved by Council in February 2016, and to the projected outturn position reported to Policy Committee in March 2017 (based on monitoring to the end of January 2017). The report included a commentary that summarised the budgetary position and variances for each of the directorates.

The report also set out information on capital expenditure, and the committee was asked to approve the allocation of s106 receipts and Community Infrastructure Levy (CIL) funding to various capital programme schemes, details of which were set out in a schedule attached to the report at Appendix A.

The report also noted that financial regulations required Committee approval for write offs above £20,000, and set out details of four irrecoverable Business Rates write offs for approval.

Resolved -

- (1) That the projected outturn position for 2016/17 be noted;
- (2) That the use of the S106 Receipts as set out in Appendix A for part financing the capital programme and the allocation of £908k (general) CIL funding be approved;
- (3) That the write off of four irrecoverable debt over £20,000 be approved.

6. SUPPORTED LIVING RENT AND TRANSFER TO HOUSING REVENUE ACCOUNT

The Interim Director of Adult Care and Health Services submitted a report on a proposal to increase rents in 11 Adult Social Care Supported Living properties, and to transfer six one-bedroom flats from the General Fund to the Housing Revenue Account.

The report explained that it was proposed to increase rents in 11 Adult Social Care Supported Living shared properties (equating to 33 tenancies), in line with similar Supported Living provision. These rents were currently well below what was

POLICY COMMITTEE MINUTES - 12 JUNE 2017

expected to be paid for these types of supported living properties, which was typically between £120 and £130 per week, and it was therefore proposed that the rents for the shared houses without an en-suite be increased to £120 per week, and for those with en-suite to £125 per week.

The report explained that, with one exception, the proposed change would not have any impact on the tenants' personal finances, as they were receiving Housing Benefit which would continue to cover the full cost of their rent. Although the proposed rents were above the local housing allowance for the standard shared room rate, there was an exemption that allowed people to claim up to the 1 bedroom rate if the Severe Disability Premium (SDP) was included in their Housing Benefit. This type of accommodation was used to place individuals with needs that would meet the criteria for SDP, and this would ensure that current and future tenants would receive the maximum Housing Benefit to cover the increased rent. For the one tenant who was not currently eligible for Housing Benefit potential transitional arrangements to manage the increase in rent would be discussed.

The report explained that it was also proposed that six one-bedroom flats, which were also used by Adult Social Care to provide supported living, be appropriated to the Housing Revenue Account (HRA). The properties were let on secure tenancies, and housing legislation dictated that local authority-owned properties on these arrangements should be accounted for in the HRA. Rent levels would remain the same as a result of the transfer, and the asset would be transferred from the General Fund to the HRA in a way that was cost neutral to the General Fund.

A review of a sink fund which was used to cover planned and unplanned maintenance on these properties had shown that it was consistently underspent and carried forward an annual surplus. It was therefore proposed that £40,000 of this fund be taken as a saving for the next three years, which could be achieved without detriment to the properties.

Resolved -

- (1) That the proposal to increase the rents in 11 Supported Living properties so that they were in line with other similar Supported Living provision be agreed;
- (2) That the transfer of 6 x 1 bedroom flats from the General Fund to the Housing Revenue Account, and the associated financial realignment between the two accounts, be approved;
- (3) That £40,000 of the existing £160,000 'sink fund' be used as a saving for the next three years.

POLICY COMMITTEE MINUTES - 12 JUNE 2017

7. CONTRACT AWARD - MEASURED TERM CONTRACTS FOR ELECTRICAL TESTING, ELECTRICAL REPAIRS & REWIRES

The Director of Environment and Neighbourhood Services submitted a report seeking authority to award 'measured term' contracts for the provision of electrical testing and electrical repairs & rewiring, relating to the repair and maintenance of the Council's Housing Stock.

Resolved -

That the Director of Environment and Neighbourhood Services, in consultation with the Lead Councillor for Housing, the Head of Finance and the Head of Legal & Democratic Services, be authorised to award a measured term contract for Electrical Testing and a measured term contract for Electrical Repairs and Rewiring, both for a period of three years with an option to extend for two further consecutive periods each of one year.

8. CONTRACT AWARD - CORPORATE MECHANICAL AND ELECTRICAL TERM CONTRACTS

The Director of Environment and Neighbourhood Services submitted a report seeking authority to award contracts for the delivery of mechanical and electrical service contracts to corporate buildings and schools.

Resolved -

That the Director of Environment and Neighbourhood Services, in consultation with the Leader of the Council, the Head of Finance and the Head of Legal & Democratic Services, be authorised to award contracts to contractors providing the best bids for the delivery of mechanical and electrical service contracts to corporate buildings and schools, for an initial period of five years, with an option to extend for two further consecutive years in accordance with the Public Contracts Regulations 2015.

9. APPOINTMENTS TO OUTSIDE BODIES

The Acting Chief Executive submitted a report asking the Committee to make appointments or nominations to outside bodies for the Municipal Year 2017/18, or longer where required. A schedule of outside body appointments showing the Group Leaders' recommendations had been circulated prior to the meeting.

Resolved -

- (1) That the following be nominated or appointed (as indicated) to serve as the Council's representatives on the organisations listed below, for the Municipal Year 2017/18, or longer where indicated:

POLICY COMMITTEE MINUTES - 12 JUNE 2017

<u>OUTSIDE BODY</u>	APPT OR NOM	REPRESENTATIVE	TERM OF OFFICE	EXPIRY
Age UK Berkshire	A	Cllr Khan	Annual	6.2018
Association of Public Service Excellence (APSE)	N	Cllrs Gittings & Terry	Annual	6.2018
AWE Aldermaston - Local Liaison Committee	A	Cllrs Stanford-Beale & Livingston	Annual	6.2018
Berkshire Community Foundation	N	Cllr Ayub	3 years	6.2020
Berkshire Historic Environment Forum	A	Cllr Hacker	Annual	6.2018
Berkshire Maestros	A	Cllr Livingston	Annual	6.2018
Berkshire Pension Fund Panel	A	Cllr Dennis	Annual	6.2018
Caversham Consolidated Charities	N	Cllr Davies	Annual	6.2018
Caversham Park Village Association	A	Cllr Robinson	Annual	6.2018
Citizens' Advice Bureau Trustee Board	A	Cllrs Duveen, Khan & Robinson	Annual	6.2018
Conservation Area Advisory Committee	A	Cllrs Rodda and Stevens	Annual	6.2018
Earley Charity	N	Mr D Sutton and Ms D Jenkins	4 years	6.2021
Girl's Trust for Educational Excellence and Enterprise	A	Cllr McElligott	Annual	6.2018
Hexham Community Association Management Committee	A	Cllr Gavin	Annual	6.2018
Kenavon Drive Management Company	N	To be confirmed	Annual	6.2018
Kennet and Avon Canal Trust	A	Cllr Gittings	Annual	6.2018
Kennet Day Nursery Association	A	Cllr McElligott	Annual	6.2018
Launchpad Reading	N	Cllr James	Annual	6.2018
Local Government Information Unit Management Committee	A	Cllr Rodda Deputy - Cllr McKenna	Annual	6.2018
Mapledurham Playing Fields Management Committee	A	Cllr Stevens & Cllr Ballsdon (Cllr Hopper appointed until 6.2018)	3 years	6.2020
Pakistani Community Association	A	Cllr Jones	Annual	6.2018
Readibus Board of Directors	A	Cllrs Duveen, Hopper, Khan, Tickner, R Williams	Annual	6.2018
Reading College Business Advisory Board	A	Cllr Pearce	Annual	6.2018

POLICY COMMITTEE MINUTES - 12 JUNE 2017

<u>OUTSIDE BODY</u>	APPT OR NOM	REPRESENTATIVE	TERM OF OFFICE	EXPIRY
Reading Community Welfare Rights Unit Management Committee	A	Cllrs Ayub, Brock & Stanford-Beale	Annual	6.2018
Reading Deaf Centre	A	Cllr James	Annual	6.2018
Reading In Bloom Committee	A	Cllr Gavin	Annual	6.2018
Reading Voluntary Action	A	Cllr Rodda	Annual	6.2018
Riverside Day Nursery	A	Cllr Page	Annual	6.2018
Royal Berkshire NHS Foundation Trust - Governor	A	Cllr Tickner	Annual	6.2018
South East Employers	A	Cllrs Lovelock and Page (substitutes - Cllr Livingston)	Annual	6.2018
South Reading Educational Trust	N	Cllr McKenna	Annual	6.2018
Standing Committee On Archives	N	Cllr Livingston and the Head of Customer Services	Annual	6.2018
University of Reading Court	A	The Mayor	Annual	6.2018

- (2) That the appointments or nominations be made on an "or nominee" basis where the organisation in question was willing to accept this arrangement.

(The meeting started at 6.30pm and closed at 6.50pm).

READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	17 JULY 2017	AGENDA ITEM:	10
TITLE:	BUDGET MONITORING 2017/18		
LEAD COUNCILLOR:	COUNCILLORS LOVELOCK/ PAGE	PORTFOLIO:	FINANCE
SERVICE:	FINANCIAL	WARDS:	BOROUGHWIDE
LEAD OFFICER:	PETER LEWIS	TEL:	01189372058 (x72058)
JOB TITLE:	STRATEGIC DIRECTOR OF FINANCE	E-MAIL:	Peter.Lewis@reading.gov.uk

1. EXECUTIVE SUMMARY

1.1 This report sets out the budget monitoring position for the Council to the end of May 2017.

2. RECOMMENDED ACTION

2.1 To note that based on the position at the end of May 2017 budget monitoring forecasts an overspend of around £1.216m and that plans to address this position (if it persists) will be presented to the Committee in September with the July monitoring report.

3. BUDGET MONITORING

3.1 The results of the Directorate budget monitoring exercises are summarised below.

	Emerging Variances £000	Remedial Action £000	Net Variation £000	% variance budget
Environment & Neighbourhood Services	983	662	321	1.1%
Childrens, Education & Early Help Services/	420	0	420	1.0%
Adults Care and Health Services inc. Public Health	1523	852	671	1.8%
Corporate Support Services	184	(180)	4	0.0%
Directorate Sub total	3,110	1,334	1,416	
Treasury	(200)	0	(200)	-0.2%
Total	2,910	1,334	1,216	1.0%

3.2 Environment & Neighbourhood Services

Based on the information currently available, the directorate is forecasting an overspend against 2017/18 budget of £321k, which is the result of a range of budget variances across the services within the directorate.

The Management Team recognises the seriousness of the current financial situation and will ensure that spending is controlled in such a way as to address the current overspend. Officers are actively reviewing opportunities to mitigate the pressures, including reviewing income streams, and will report back to the next meeting detailed plans to address the overspend.

3.3 Children, Education & Early Help Services

The Directorate is currently projecting an overspend of £420k for the year, which is wholly attributable to external placement of looked after children (LAC) placements. Further work is to be undertaken by the Directorate to mitigate this overspend within year, and these measures will be reported to the next meeting.

The pressure has arisen from increasing LAC numbers since the budget was set, and since the start of the new financial year. In the budget setting process a contingency for 5 new Independent Fostering Placements, was included which amounted to £215k. However placements have increased by 10, and the variance includes the net impact of 3 relatively expensive Residential Placements and 2 additional Independent Fostering Placements.

During the year, investment in the Access to Resources Team to improve the Commissioning of Services will assist in reducing this overspend. In addition the current in house foster carer recruitment will also assist in the reduction of placement costs if there are disruptions to current external placements. An exercise is to be undertaken to further review placements and reduce costs where appropriate.

3.4 Adult Care & Health Services

DACHS Directorate has a projected overspend of £1.523m, which all sits within Adult Services. £0.852m of remedial plans, including reducing inflation and service efficiencies, have so far been identified, which brings the forecast net overspend down to £0.671m. Further plans are being considered and investigated to reduce the net overspend, including demand management and contract management and these measures will be reported in more detail next time.

Within Adult Services there continues to be considerable pressure on care costs and current predicted overspend by primary support reason is Mental Health (£600k), Learning Disability (£161k), OP/PD (£169k) and Social Support (£75k). The overspend occurs across all service groups in Community Services, Residential and Nursing placements. These figures assume that the full savings of £4.067m will be delivered in this financial year and assumes that demographic growth and transitions can be managed within budget (and broadly follow assumptions).

3.5 Corporate Support Services

Following a review of the CSS budgets with budget managers, the directorate is forecasting a minor overspend of £4K based on the position at the end of May.

Whilst this is the overall position, there are underlying pressures on the corporate budget of £150k because the saving around digitisation is under on-going development and there is some pressure on the Finance staffing budget of £20k, due to needing interims to cover vacant posts at this critical time.

Along with other minor adverse variances of £14k, the budget pressure of £184k is mostly offset by a non-recurrent saving on the election budget.

4. TREASURY MANAGEMENT

4.1 Following the review of budgets (being reported elsewhere on the Policy Committee Agenda) it has been possible to reduce the budget to £10m, and currently a possible underspend of £200k is forecast (though there remain several volatile and uncertain factors impacting the budget which may impact during the remainder of the year).

5. FORECAST GENERAL FUND BALANCE

5.1 Based upon the draft accounts for 2016/17, the General Fund Balance at the end of 2016/17 was £5.2m. As indicated in the table above, assuming remedial action highlighted is carried out, there is a forecast overspend on service revenue budgets of £1.416m.

5.2 The pressure on service directorate budgets is likely to be offset by a slightly favourable treasury position (see para 4.1), so there is an overall £1.216m over spend forecast. These will take the General Fund Balance below the minimum forecast, and officers are therefore developing remedial plans to address this projected overspend. Should these plans go beyond management actions and require councillor approval they will be presented to the next meeting in September, as given the wider work on the medium term financial plan, reported elsewhere on the agenda, we cannot afford to overspend the 2016/17 budget.

6. CAPITAL PROGRAMME 2017/18

6.1 To the end of May £2.5m of the c.£121m programme had been spent. Capital spending is normally weighted to the latter part of the year and a full detailed review of the position has yet to be completed

7. HRA

6.1 Operational budgets (for repairs and management costs) at this early stage in the year appear to be broadly on track and no significant variances have been identified.

6.2 An initial review of the likely HRA capital financing position for 2017/18 has identified those costs should be around £400k under spent, and an initial consideration of the prospect for rent income, suggests that actual income

should be at least £300k better than budget, amongst other reasons because of continuing good control of rent arrears.

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 income¹ generation proposals included in the 2017/18 budget are subject to a monthly review. The expanded RAG status in terms of progress is summarised below:

	£000	%
Blue (fully delivered)	5,370	39
Green (on track)	3,342	24
Amber (<10% off track)	3,012	22
Red (>10% off track)	2,034	15
Grey (undeliverable)	20	0
Total	<u>13,778</u>	<u>100</u>

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.

Financial RAG

-  = 100% of savings delivered, and verified by Finance (Directorate/Programme Accountant)
-  = On track to deliver 100% of savings target
-  = Up to 10% at risk, however corrective action in place to deliver 100%
-  = Above 10% of savings at risk, or plans not yet developed and approved, or resource issues
-  = Removal of Savings

1

10. COUNCIL TAX & BUSINESS RATE INCOME

10.1 We have set targets for tax collection, and the end of May 2017 position is:

Council Tax	2017/18 £000	Previous Year's Arrears £000	Total £000
Target	18,667	570	19,237
Actual	18,589	657	19,246
Variance	-78	87	9

10.2 For 2017/18 as a whole the minimum target for Council Tax is 96.5%, (2016/17 collection rate 96.8%). At the end of May 2017, collection for the year was 37.86% compared to a target of 38.18%, and collection is slightly behind 2016/17 (38.16% by end of May 2016).

10.3 Business Rates Income to the end of May 2017

Business Rates	2017/18 £000	2017/18 %
Target	23,212	18.00%
Actual	24,138	19.08%
Variance	926 above	1.08%

The target for 2017/18 as a whole is 98.50%. By comparison, at the end of May 2016, 17.91% of rates had been collected.

11. OUTSTANDING GENERAL DEBTS

11.1 The Council's outstanding debt total as at 31 May 2017 stands at £4.717m in comparison to the 31st March figure of £3.861m. This shows an increase of £0.856m, and we note that £2.652m of the balance as at 31 May 2017 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. The Council’s constitution envisages remedial action is implemented when there are adverse budget variances

16. EQUALITY IMPACT ASSESSMENT

16.1 None arising directly from the report. An Equality Impact Assessments was undertaken for the 2017/18 budget as a whole.

17. BACKGROUND PAPERS

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

READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	17 JULY 2017	AGENDA ITEM:	11
TITLE:	BRIDGING THE GAP: MEDIUM TERM FINANCIAL STRATEGY		
LEAD COUNCILLOR:	COUNCILLOR LOVELOCK	PORTFOLIO:	LEADER / FINANCE
SERVICE:	ALL	WARDS:	BOROUGHWIDE
LEAD OFFICER:	PETER LEWIS	TEL:	0118 9373263
JOB TITLE:	INTERIM STRATEGIC DIRECTOR OF FINANCE	E-MAIL:	Peter.lewis@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report presents and seeks agreement to a revised Medium Term Financial Strategy (MTFS). The budget report to Council in February 2017 identified a substantial gap between expenditure and funding over the medium term to 2019/20. In addition the 2017/18 budget relied on the use of reserves up to £11.1m.
- 1.2. Since the February meeting a range of options have been considered in order to make progress on the MTFS, including:
 - 1.2.1. testing the underpinning assumptions of the budget in areas such as the Council Tax base, interest rates, inflation etc., to ensure that as much funding as possible is directed to the front line services;
 - 1.2.2. using the experience gained from the end of 2016/17 to identify where assumptions may be changed or budgets adjusted;
 - 1.2.3. reviewing the proposals presented to the Council in February 2017 to ensure that they remain robust and deliverable, or are amended/removed if not;
 - 1.2.4. creation of new options to enable service delivery costs to be constrained and/or demand influenced.
- 1.3. The conclusion of this work is a MTFS that is capable of being balanced in 2017/18 with a small residual gap in 2018/19, rising to a gap of £5.331m in 2019/20. It is necessary to use balances over the 3 years but less than was agreed in February to be used in 2017/18, thereby allowing a contribution to later years.. At the current time £11m is the maximum sum that is available, but more is required, so further work is required to address the residual gap and further reduce the strain on hard pressed balances.
- 1.4. However, this MTFS is based upon a number of caveats and assumptions that are set out in this report so there is no opportunity to relax our effort at this time, not least because the proposed budget is only based upon prompt and rigorous action to deliver a range of budget proposals, most of which are challenging. In addition

to the delivery of savings proposals, robust control of all expenditure is required to prevent overspends which will disrupt this balance. Furthermore, there is still a large dependency on one-off solutions such as balances. Further commentary on this is set out in the report below.

2. RECOMMENDED ACTIONS

2.1. That the Policy Committee:

2.1.1. note the financial context and budget outlook;

2.1.2. approves the proposals for change in Appendices A to D and authorises officers to undertake any necessary public consultation and individual equality impact assessments with the outcomes and recommendations being reported back for decision at the relevant committee or sub-committee;

2.1.3. approves the change and improvement cost estimates in Appendix E;

2.1.4. notes that the proposals for change set out in Appendices A to D, as recommended for approval at 2.1.2, will be utilised in order to ensure that the 2017/18 budget agreed by Council in February 2017 can be delivered and to set the conditions for a provisional budget to be prepared for 2018/19, subject to Council approval in February 2018. The impact on the 2017/18 budget is set out in Appendix G;

2.1.5. approves the budget guidelines for the 2018/19-2019/20 planning period in Appendix F;

2.1.6. requests the Corporate Management Team to bring forward in the autumn additional savings and income proposals to bridge the remaining budget gap between 2018-20.

3. POLICY AND STRATEGIC CONTEXT

3.1. The area of Reading Borough Council is home to 161,700 people comprising around 70,800 households. The population is growing, up by 9% over the last 10 years and this is not expected to stop. Reading has a younger population than the average for England and hence a smaller proportion (12%, 19,400) of older adults living in the area compared to other localities.

3.2. Reading's population is ageing in line with the national picture implying increasing demands on care services. The forecast change in those aged over 65 is 9% by 2020. Rising demand for services driven by increased needs through population growth and demographic trends have placed increased pressure on both Children's and Adult Social Care Services. Further commentary on these services is provided below.

3.3. The Council continues to focus on business development to increase income where possible in areas of the Council which operate in a commercial environment. Many of the Council's statutory services are fee-based such as registration, planning and regulatory services and much of the cost of these services is recovered through fee income. Discretionary services, such as leisure and arts facilities are reliant on the income they can generate to fund them and some of the commercial direct services like housing repairs are also sold to others. Further work is currently underway to

explore every opportunity maximise income generation commensurate with our objectives and good commercial practice.

- 3.4. In many of the proposals for bridging the financial gap, there is a continued drive to increase efficiency in service delivery and support functions. The Council will continue to improve the use of technology to both enhance the customer experience and to reduce cost, for example by providing as many services as possible via our website.
- 3.5. Working with partners within our sector and across sectors is increasingly important if we are to meet the public's needs within our limited resources. There are already a variety of shared service relationships with partners across Berkshire, for example in the areas of legal services and waste disposal. Within the proposals now being put forward, further exploration of such partnership arrangements is being promoted. In addition to straight forward public sector partnerships the Council is currently considering the potential for alternative delivery models.
- 3.6. Following the Ofsted report, which judged Children's Services inadequate in August 2016, the Council has been focussing on developing and implementing the improvement plan; seeking to put in place adequate resources to deliver services which keep children safe. Officers and members have been working to move to a steady state with a focus on early help and prevention to address demand pressures in the medium term. The General Election has delayed any announcement from the Minister on the future of Children's Services in the Borough, so the costs associated with any change of direction are as yet uncertain. There may be significant additional costs in 2017/18 and/or later years which the Council will need to budget for or secure from the Government.
- 3.7. While a review of the Council's Corporate Plan is underway, it is expected that the essence of the core service priorities will not change, being: Safeguarding and protecting those that are most vulnerable • Providing the best life through education, early help and healthy living • Providing homes for those in most need • Keeping the town clean, safe, green and active • Providing infrastructure to support the economy • Remaining financially sustainable to deliver these service priorities. In support of these priorities and given the challenging financial environment that this Council, along with others, finds itself in, it is essential that there is a well-considered and deliverable MTFS in place, covering at least three years.
- 3.8. Set out below are some more detailed paragraphs on the core service areas that deliver the Council's services.
- 3.9. Directorate of Adult Care and Health Services (DACHS)
- 3.10. DACHS strategic challenges are based on the delivery of statutory services under the 2014 Care Act and 2012 Health and Social Care Act. In order to support budget efficiencies and continue to provide high quality, cost effective services to meet the needs of our residents, the Directorate has developed a Directorate Strategy. The strategy is supported by our Transformation Plan as the vehicle for the delivery of change and savings.
- 3.11. The strategic themes within the strategy are:
 - Prevention
 - Personalisation
 - Participation and Partnerships

- Integration
- Innovation
- Safeguarding
- Financial recovery and sustainability

- 3.12. Linked to this are the Workforce and Performance Strategy, which we believe is intrinsic in both the delivery of the strategy and the success of the transformation plans. In terms of challenges, there are broadly three, which we are focusing on in the delivery of the transformation plans. As follows:
- 3.13. Workforce - We need to invest in managers, teams, services and individuals to ensure that they are supported and confident in delivering services and making decisions. In particular we need to ensure our staff seek suitable alternatives to residential care and that options for self-help with individuals and within the community are maximised. Recruitment is challenging, as is retention in certain key posts. We believe that the re-structure of operational services will bring into place a more coherent care pathway and the workforce and performance strategy will help improve the outcomes and help deliver more effective outcomes and financial efficiencies.
- 3.14. Market Place - Reading Borough Council is a comparatively small unitary authority and this brings with it considerable challenges in both influencing the market and helping to shape the diversity and choice. We have taken steps to reduce costs and are improving our oversight of contracts. However, unless we can work with our strategic partners from neighbouring authorities and the NHS much of this challenge will remain. A more joined-up integrated commissioning approach will allow for greater influence of the market. This will facilitate continuity of prices and quality across the whole system. The positive effect will be improved service choice for residents and help manage demand and costs, which will support greater financial efficiencies and sustainability.
- 3.15. Partnerships - Reading is an intrinsic part of the whole Health and Wellbeing system and therefore we are dependent on forming and sustaining positive relationships with our partners to ensure positive outcomes and more effective and efficient services. This has not always been the case and has limited our ability to identify and capitalise on potential opportunities. Going forward we believe that integration provides greater opportunities for us as well as supporting better holistic person centred care. Greater partnership working allows us to maximise our input whilst achieving efficiencies. An example of this would be to integrate out approved mental health practitioner service into the current Crisis home treatment service which would reduce the number of approved mental health practitioners by 50% but provide a 24/7 service of integrated holistic care. Closer working arrangements have also had very positive results on the delayed transfer of care figures in the last quarter. We have already had a number of positive and meaningful meetings with our colleagues from the Clinical Commissioning Group and BHFT who are interested in closer working arrangements.
- 3.16. Directorate of Environment and Neighbourhood Services
- 3.17. The income and savings proposals are significant and wide-ranging. The Directorate continues its journey to becoming a more financially self-sufficient and resilient set of services by maximising opportunities to trade and generate income, ensuring as far as practical full cost recovery for all its chargeable services.
- 3.18. The rationalisation of the Council's property estate is making good progress and continues to reduce running costs and future maintenance liability whilst improving

customers' experience and optimising income generation. Assets will continue to be reviewed and, where surplus, disposed of to realise capital receipts. In addition investment property will be acquired where it is financially sustainable to do so in order to secure additional rental income.

- 3.19. Despite an increasingly ambitious range of rationalisation, cost recovery and income generation initiatives, the Directorate also needs to reduce its service offer in order to help close the budget gap, as set out elsewhere in this report. As well as a wide range of universal and fee-based regulatory services, the Directorate has some key demand led services that continue to be challenging, notably homelessness. The current round of proposals focus on reducing reliance on bed and breakfast (B&B) accommodation and builds on previously approved re-commissioning and reduction of housing and homelessness contracts and on-going demand management and intensive case work to reduce expenditure related to homelessness, B&B and temporary accommodation, including the judicious use of additional Government grant funding.
- 3.20. Discretionary services, such as our Leisure, Culture and Arts facilities will continue to look for support from external partners to maintain these offers but increasingly will be provided only where they are commercially viable and run at no cost to the Council. The Council is in the process of securing an external partner to replace/improve and reduce the cost of its principal leisure facilities and swimming pools.
- 3.21. Waste collection and disposal services will continue to transform over the coming years, in order to drive down costs, not least by achieving an ambitious recycling target of 50% by 2020. This builds on previous service efficiencies including redesign of collection rounds, increased enforcement, digital solutions to reduce our back-office activity and increased commercial income targets, all necessary to deliver savings while addressing the growth of the town. Many of the initiatives are expected to be developed and implemented through the Re3 Partnership.
- 3.22. The Council will continue to maintain the Borough's public realm and will seek to secure investment in highway and transportation infrastructure, while continuing to develop strategies to actively manage traffic and parking across the town and in so doing address associated air quality issues.
- 3.23. Directorate of Corporate Support Services
- 3.24. The Directorate delivers a wide range of services, some of which are front line such as Customer Services which incorporates our call centre and customer hub as well as Revenues and Benefits and Registration of Births, Deaths and Marriages and Cemeteries and the Crematorium. Others are closely coupled to the front line (e.g. solicitors for children's cases and procurement of contract arrangements) and some which are supporting the delivery of services (e.g. Finance and Human Resources). However, each of these support services are crucial to the effective operation of the Council and the delivery of its objectives.
- 3.25. Each service within the Directorate must operate to optimum efficiency in order to ensure that support to directorates is delivered effectively but consumes the least amount of resources thereby leaving the maximum amount available for other front line services. Setting aside the Directorate's front line services, the remaining areas are overheads on the business, hence the ambition to constrain this cost.
- 3.26. It should be noted, however, that constraining resources in the Corporate Services Directorate is not necessarily effectively delivered by just taking cash out. In fact,

there can be occasions when investment is the most prudent action. For example, investment in the Procurement and Commissioning function is being actively explored as it is felt that, with some extra capacity, the Team can more quickly identify savings opportunities by smarter contracting and through more effective contract management. In Customer Services, for example, it is felt that adding further services for the service to manage and reducing costs elsewhere in the Council, would be more cost effective than reducing head count and cost.

- 3.27. In addition the Directorate is instrumental in enabling the use of technology across the Council with the aim of maximising self-serve and use of digitisation for both staff and customers to reduce cost while ensuring the customer experience in dealing with the Council is good. Customer Services will reduce in size overall with transactions shifting on-line as much as possible while recognising there will always be a need for some face to face support.
- 3.28. The ICT service will be reviewed as we move towards the end of the contract in 2019 to ensure it meets the needs of a smaller organisation, while ensuring we invest in the right technical support to deliver new ways of working and maximising the use of technology to underpin reduced staffing levels.
- 3.29. We will maintain our organisational change resource over the medium term as this is key to delivering technical investment and support redesign of services to deliver savings.
- 3.30. The Communications function encompasses media, marketing, social media and events functions, as well as Mayoralty and Lord Lieutenant's Office. An increasing focus on 'digital' communications as an effective communication tool has seen the Council's Twitter followers reach 17,500, with a strong residents following on Facebook. The Communications Team will also increasingly play an important role in helping to effectively communicate change to residents. This is particularly the case at a time when service delivery is being transformed as a result of budget savings, with Communications support required across the various budget Council-wide workstreams, both at the planning and implementation stages.
- 3.31. The Corporate Support Services Directorate works well together as a team, supporting and advocating for each other in order to ensure that the best possible support, challenge and insight is offered to the remainder of the Council to enable delivery of key Council priorities as well as providing a range of customer services and our 'front of house' to serve our residents on behalf of the Council.
- 3.32. Directorate of Children, Education and Early Help Services
- 3.33. Reading's Children's Services were categorised as inadequate following the June 2016 Ofsted Inspection of children in need of help and protection. Ofsted identified 18 key areas for development that required action to improve.
- 3.34. As a result of the systemic failure of Reading's Children's Services the Department for Education identified and secured the services of a commissioner in line with the DFE vision for excellence, Putting Children First. The presumption being that the children's services will be placed outside of the Council's control, unless the Commissioner identifies good reasons not to do so.
- 3.35. The Directorate is subject to regular, three monthly Ofsted monitoring visits.
- 3.36. The Directorate's plan for improvement is outlined in the Learning and Improvement Plan, following the June 2016 Ofsted Inspection of Children's

Services. The Plan was approved at full Council on 18 October 2016 and endorsed by the independently chaired Children's Services Improvement Board (November 2016).

- 3.37. The three fundamental pillars of reform underpinning the learning and improvement plan are people and leadership; practice and systems, and governance and accountability.
- 3.38. It is clear that significant challenges face Children's Services in relation to the recruitment and retention of a social care workforce. High levels of the social care workforce are currently covered via agency staff. Previous national and international recruitment campaigns have failed to meet the vacancies across the service. A revised campaign of recruitment and an updated retention strategy, focussing on workforce development form part of the learning and improvement plan.
- 3.39. The service faces significant challenges in relation to demand management and the application of thresholds. Increased numbers of children are entering the whole system, this places pressure at all levels and particular challenges through the court system and the increasing numbers of children becoming looked after by the local authority. Increases in volume and costs place additional pressures on the Children's Services budget.
- 3.40. Across the service increasing numbers of Education, Health, and Care Plans place additional pressures on alternative and specialist provision for children with additional needs. The application of education funding, (particularly that allocated for high needs from the Dedicated Schools Grant (DSG)) cannot fully meet the levels of delivery across the current system. A full review of the allocation and application of the DSG is required to ensure a system wide review to achieve delivery within budget.

4. THE MEDIUM TERM FINANCIAL STRATEGY 2017-2020

- 4.1. In the Budget 2017-2020 report to the Council meeting of 21 February 2017, it was noted that, "having used reserves of £11.1m to set the budget, only £13m of savings have actually been made in 2017/18, so from the original £44m gap there remains a total gap of £31.0m before savings required for 2018/19 and 2019/20 combined. Savings planned in those years of £12.3m are at an early stage of implementation with a significant amount still to be found of £18.7m, £13.7m in 2018/19 and £5.0m in 2019/20."
- 4.2. The report further noted that "the development and delivery of a fundamental review of the Council's service offer and how the Council operates is crucial to deliver a sustainable position from 2018 onwards. The recourse set out above for 2017/18, which is drawn from one off measures, has exhausted reserves except for maintaining the absolute minimum level."
- 4.3. This left the Council needing to produce a realistic plan for 2017/18 (to reduce the strain on balances) and future years to enable delivery of its ambitions and key services within the available resources. The February report to Council indicated that this plan would be needed by quarter 2 of 2017/18; i.e. by July 2017. Since March 2017 officers and Administration Councillors have been working together under the programme title "Bridging the Financial Gap" to deliver a robust MTFS for the years 2017/18, 2018/19 and 2019/20 with the focused determination to present a deliverable MTFS to the July Policy Committee.

- 4.4. To produce the proposed MTFS illustrated in the table below, officers and the Administration have reviewed all previous proposals for deliverability, timing and quantum, removed or amended any that are no longer deliverable in the same way and identified new options to fill the gap. The impact on the 17/18 budget is set out in Appendix G. In addition, there has been a rigorous review of base budget assumptions around areas such as interest rates, borrowing, inflation, etc.
- 4.5. The review of existing savings and income proposals and creation of new ones has been intense over recent weeks. The result of this effort is set out in the appendices as follows:
- Appendix A Summary of savings and income options. This shows the movement from the February 2017 proposals, through removal of undeliverable proposals, allocation of the contingency and addition of new proposals. This summary shows that £36.1m of savings have been identified over the period from 2017/18 to 2019/20. The summary position by directorate is also presented.
- Appendix B Summary of new (post Feb 2017) savings and income options by category. During the process of developing options it was appropriate to categorise them for discussion and subsequent implementation. Of the £11.251m of new proposals; £2.410m are viewed as for management action, £5.848m are presented to this Committee for approval, and a further £2.993m are presented to the Committee for approval for further work on the implications and feasibility.
- Appendix C Brief description, by directorate, of the new savings proposals.
- Appendix D Detailed proposals for change for the new savings.
- Appendix E Estimates of the cost of change and implementation. It is recognised that many of the proposals require investment and/or additional resources to implement, hence this schedule of costs including provision for corporate capacity.
- 4.6. Currently, if all the savings proposals are agreed and delivered and all other finances are brought under control then the MTFS has a much reduced gap by the end of 2019/20. However, it must be noted that there are several underpinning assumptions and caveats that must remain true in support of this budget. The assumptions and caveats are set out below:
- 4.6.1. a number of proposals are at an early stage of development. Hence, the confidence levels for some proposals are quite low, but are being developed through the creation of suitable proposals for change. In addition, the most effective way to gain confidence is to begin delivery;
- 4.6.2. there will be ongoing review of the most appropriate contingency to set. Currently £2.3m is allowed in 2017/18 with a further £1m in each of 2018/19 and 2019/20 and this is allowed for in the savings line in the table below. Hence the contingency rises to £4.3m by 2019/20, which is logical given the greater gap and lesser certainty of proposals in that year;
- 4.6.3. funding is required to deliver some proposals and this is built into the figures in this report (Appendix E);

- 4.6.4. enough capital receipts are collected in order to provide for the base budget and release of the equal pay provision. In addition, it is hoped that receipts can be generated to support change work. If these do not materialise then the current budget strategy is at risk;
- 4.6.5. the residual gap depends on all proposals being accepted through the democratic process, and then delivered. In addition, there have been some revised assumptions around interest rates and debt, for example, that will need to continue to be monitored to ensure that the judgements now made are not adversely influenced by national and international events;
- 4.6.6. the balanced budget in 2017/18 still depends on the use of £4.451m of reserves and has a £5.331m gap in 2019/20, and considerable work will need to continue to deliver a “balanced and sustainable” budget.

	2017/18	2018/19	2019/20
	£000's	£000's	£000's
Gross Budget	£ 142,765	£ 141,071	£ 136,887
Funding	-£ 125,327	-£ 128,927	-£ 124,670
Savings	-£ 12,987	-£ 11,923	-£ 6,886
Cumulative Base gap	£ 4,451	£ 221	£ 5,331
Use of balances for ongoing spend	-£ 4,451	-£ 221	-£ 5,331
Cost of implementation - one-off *	£ 3,175	£ 2,760	£ 1,815
Organisational change funding (revenue)	-£ 800	-£ 800	-£ 800
Total use of balances **	£ 6,826	£ 2,181	£ 6,346
* no allowance yet made for any costs of redundancies			
** maximum available £11m dependant on incoming capital receipts			

- 4.7. In carrying out this review of the MTFs, the proposals and base budget for 2017/18 have also been checked. Some of the previous proposals are amended, while there are also some new ones.
- 4.8. The base budget challenge has also revealed opportunities to release funds from corporate headings. Key changes currently are:
- 4.8.1. Treasury Management: a review of actual capital spend in 2016/17 and likely spend in 2017/18 and of forecast interest rates , together with agreeing beneficial arrangements with the actuary and Pension Fund about the timing of contribution payments, has led to a reduction of about £3.3m in 2017/18, £2.7m in 2018/19 and £2.8m in 2019/20. This area will be kept under review, especially as the Capital Programme is also being reviewed (see 4.10.2. below);
- 4.8.2. Council Tax base: the gap between planning permissions and the number of properties in the base has been reviewed and is likely to add about £100k to the base budget;

- 4.8.3. National Non-Domestic Rates & the NNDR Levy: a review of this has taken place taking account of the actual 2016/17 position and forecast inflation. This has allowed for a slightly improved income assumption for 2018/19 and 2019/20 of about £1m in each year, which has eased some pressure on those budget years. In addition, additional collection in 2016/17 flows through into an estimated £3.6m benefit for Reading Borough Council in 2018/19. This is a one off collection fund surplus, which is not available in years beyond 2018/19. In parallel we have reviewed the forecast NNDR Levy on business rates growth. Whilst we will keep this under review, we have not changed assumptions at this stage.
- 4.8.4. Better Care Fund: some later information has enabled an increase of £300k in 2018/19 as well as factoring in the £1.6m of transitional grant for 2017/18 and 2018/19, reducing to £800k in 2019/20;
- 4.8.5. National Insurance: in light of the first month's payroll it has been possible to review the average percentage calculation used for NI. The assumption used for the budget was a little high and reducing it has produced savings of around £1.0m;
- 4.8.6. National Living Wage: an initial provision for increases totalling £1m in each of 2018/19 and 2019/20 had been made. However, further detailed work has now been carried out and the Council's commitment to the National Living Wage can be delivered with substantially less additional funding than the earlier estimates;
- 4.8.7. Staff Terms & Conditions: following an initial review of staff terms and conditions, the modelling of the MTF5 has included a proposal to review terms and conditions in 2018/19 and 2019/20 with an estimated value of £2m overall. It is recognised that more work needs to be undertaken on the review and development of proposals which will be taken forward in discussion with members and in collaboration with staff and their representatives; including formal engagement with the staff side as appropriate.
- 4.9. Some of the above work has strengthened the budget for 2017/18, which still depends on the use of £4.451m of reserves. Furthermore, it remains challenging to deliver all of the savings required in the current year; close monitoring of progress continues.
- 4.10. In addition to the review of assumptions that has already been undertaken, others continue:
- 4.10.1. Fees and charges: while some proposals already include increased fees or wider charging, a more thorough review is underway to identify opportunities where services may become more self-sufficient and where charging for discretionary services might support statutory services. There will be exploration of the potential for in-year implementation as well. This will include reviewing the arrangements around Reading Transport Ltd to identify if this commercial activity could further support the Council's revenue account;
- 4.10.2. Capital Programme: the Council has an ambitious programme that supports its priorities and also includes some income generating initiatives. However, the programme does imply an increasing level of debt and hence an impact on the revenue budget for interest and debt repayments. The impact of

this is being constrained at the current time by low interest rates and short term borrowing. In due course, as interest rates rise, the burden of debt will inevitably increase. Therefore the review of capital plans is going to challenge the appropriateness of all of the schemes taking account of expenditure already incurred, grant funding, income generation and/or whether the scheme will enable a revenue budget saving (e.g. by reducing the Council's own footprint). Initial scrutiny has indicated that there are few options for reducing as a number of schemes have beneficial impacts on revenue spending, grants or service outcomes;

4.10.3. Workforce Planning: in addition to the development of proposals around staff Terms and Conditions opportunities will be explored for ensuring that we are able to recruit employees we need and reduce reliance on interim and agency staff;

4.10.4. Procurement: there is currently a £1m savings target against this heading without identifying where precisely the savings are to come from. A programme of work is underway to ensure that not only is this target achieved, but that it is stretched. This will include work around consolidating low value spend, avoiding/recovering duplicate payments and renegotiating existing major contracts.

5. CONCLUSION AND NEXT STEPS

5.1. Since March 2017 considerable work has been undertaken to identify opportunities to bridge the financial gap. This included development of proposals to deliver different ways of working, efficiencies, savings, to generate income and manage demand.

5.2. The collection of changes and proposals to date present an optimistic position for the MTFS and an encouragement to continue in the same manner. It is requested that Policy Committee considers the overview contained in this paper as well as the detailed proposals in the context of the overall financial challenge. Together these proposals begin to form the foundations of a robust MTFS and hence a sustainable financial future for Reading Borough Council. However, there must be continued work through the remainder of 2017 to not only ensure successful delivery of the 2017/18 budget but to further improve the proposals for 2018/19 and 2019/20. Consideration will also need to be given to the development of the MTFS beyond 2019/20 once more clarity is received from Government about their plans for future local government financing.

6. CONTRIBUTION TO STRATEGIC AIMS

6.1 A robust MTFS is essential to ensure that funding is in place to support the delivery of the Council's Corporate Plan priorities:

1. Safeguarding and protecting those that are most vulnerable;
2. Providing the best start in life through education, early help and healthy living;
3. Providing homes for those in most need;
4. Keeping the town clean, safe, green and active;
5. Providing infrastructure to support the economy; and
6. Remaining financially sustainable to deliver these service priorities.

6.2 This MTFS has been created with a clear focus on the demands being placed upon Council services and the priorities of the Council as expressed by the people of Reading.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 Local authorities are under a Duty to Consult¹ representatives of a wide range of local persons. Authorities must consult representatives of Council Tax payers, those who use or are likely to use services provided by the authority and those appearing to the authority to have an interest in any area within which the authority carries out functions. Authorities should include local voluntary and community organisations and small businesses in such consultation. This should apply at all stages of the commissioning cycle, including when considering the decommissioning of services.

7.2 Consultation and community engagement will take place on individual savings proposals as appropriate.

8. EQUALITY IMPACT ASSESSMENT

8.1 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.

8.2 Assessment of Equality impact will take place on individual savings proposals as appropriate.

9. LEGAL IMPLICATIONS

9.1 There is a legal requirement for the Council to set a balanced budget, normally by 17 March each year. While this was done, this report sets out a revised budget for 2017/18 and beyond.

10. FINANCIAL IMPLICATIONS

10.1 The financial implications of these proposals are set out in detail throughout this report.

10.2 The council's constitution envisages that budget guidelines will be approved by Policy Committee at this time of year and revised guidelines for 2017/2018 to 2019/20 are attached at Appendix F for approval.

11. BACKGROUND PAPERS

11.1 The most significant background document is the report to the Council meeting 21 February 2017 entitled Budget 2017 - 2020.

¹ Best Value Statutory Guidance, Department for Communities and Local Government, September 2011

APPENDIX A- SAVING AND INCOME OPTIONS SUMMARY

ALL	£'000's			
	2017/18	2018/19	2019/20	TOTAL
Savings already agreed up to and including February 2017 Policy Committee	20,743	7,805	4,448	32,997
Directorate view of agreed savings that will be delivered	13,718	8,149	3,006	24,874
Gross impact on budget gap of proposed variation to agreed savings	7,025	-344	1,442	8,123
Allocation of savings contingency included in February 2017 budget	5,378	0	0	5,378
Savings net of allocation of contingency	1,647	-344	1,442	2,745
NEW Saving options included in this report	1,596	4,775	4,880	11,251
<i>TOTAL SUM OF EXISTING SAVINGS & NEW OPTIONS TO REDUCE BUDGET GAP</i>	15,314	12,924	7,886	36,124

DACHS	£'000's			
	2017/18	2018/19	2019/20	TOTAL
Savings already agreed up to and including February 2017 Policy Committee	7,378	389	200	7,967
Directorate view of agreed savings that will be delivered	4,007	1,187	215	5,409
Gross impact on budget gap of proposed variation to agreed savings	3,371	-798	-15	2,558
Allocation of savings contingency included in February 2017 budget	2,378			2,378
Savings net of allocation of contingency	993	-798	-15	180
NEW Saving options included in this report	60	652	948	1,660
<i>TOTAL SUM OF EXISTING SAVINGS & NEW OPTIONS TO REDUCE BUDGET GAP</i>	4,067	1,839	1,163	7,069

CSS (incl. Corporate and cross cutting)	£'000's			
	2017/18	2018/19	2019/20	TOTAL
Savings already agreed up to and including February 2017 Policy Committee	3,223	1,755	1,424	6,402
Directorate view of agreed savings that will be delivered	2,182	778	785	3,745
Gross impact on budget gap of proposed variation to agreed savings	1,041	977	639	2,657
Allocation of savings contingency included in February 2017 budget	1,000			1,000
Savings net of allocation of contingency	41	977	639	1,657
NEW Saving options included in this report	369	1,792	1,881	4,042
<i>TOTAL SUM OF EXISTING SAVINGS & NEW OPTIONS TO REDUCE BUDGET GAP</i>	2,551	2,570	2,666	7,787

DCEEHS	£'000's			
	2017/18	2018/19	2019/20	TOTAL
Savings already agreed up to and including February 2017 Policy Committee	3,977	2,920	1,100	7,997
Directorate view of agreed savings that will be delivered	1,934	2,700	0	4,634
Gross impact on budget gap of proposed variation to agreed savings	2,043	220	1,100	3,363
Allocation of savings contingency included in February 2017 budget	2,000			2,000
Savings net of allocation of contingency	43	220	1,100	1,363
NEW Saving options included in this report	0	219	524	743
<i>TOTAL SUM OF EXISTING SAVINGS & NEW OPTIONS TO REDUCE BUDGET GAP</i>	1,934	2,919	524	5,377

DENS	£'000's			
	2017/18	2018/19	2019/20	TOTAL
Savings already agreed up to and including February 2017 Policy Committee	6,165	2,741	1,724	10,631
Directorate view of agreed savings that will be delivered	5,595	3,484	2,006	11,086
Gross impact on budget gap of proposed variation to agreed savings	570	-743	-282	-455
Allocation of savings contingency included in February 2017 budget	0			0
Savings net of allocation of contingency	570	-743	-282	-455
NEW Saving options included in this report	1,167	2,112	1,527	4,806
<i>TOTAL SUM OF EXISTING SAVINGS & NEW OPTIONS TO REDUCE BUDGET GAP</i>	6,762	5,596	3,533	15,892

APPENDIX B - NEW SAVING AND INCOME OPTIONS BY CATEGORY

ALL	£'000's			
	2017/18	2018/19	2019/20	TOTAL
1. To be implemented as Management Action	439	1234	737	2410
2. Detailed proposals for consideration by this Policy Committee (see Appendix D)	1127	2903	1818	5848
3. Outline proposals for detailed development	30	638	2325	2993
	1596	4775	4880	11251

DASCH	£'000's			
	2017/18	2018/19	2019/20	TOTAL
1. To be implemented as Management Action	0	40	0	40
2. Detailed proposals for consideration by this Policy Committee (see Appendix D)	60	312	18	390
3. Outline proposals for detailed development	0	300	930	1230
	60	652	948	1660

DCEEHS	£'000's			
	2017/18	2018/19	2019/20	TOTAL
1. To be implemented as Management Action	0	219	524	743
2. Detailed proposals for consideration by this Policy Committee (see Appendix D)	0	0	0	0
3. Outline proposals for detailed development	0	0	0	0
	0	219	524	743

CSS (including corporate and cross cutting)	£'000's			
	2017/18	2018/19	2019/20	TOTAL
1. To be implemented as Management Action	256	252	77	585
2. Detailed proposals for consideration by this Policy Committee (see Appendix D)	113	1540	1469	3122
3. Outline proposals for detailed development	0	0	335	335
	369	1792	1881	4042

DENS	£'000's			
	2017/18	2018/19	2019/20	TOTAL
1. To be implemented as Management Action	183	723	136	1042
2. Detailed proposals for consideration by this Policy Committee (see Appendix D)	954	1051	331	2336
3. Outline proposals for detailed development	30	338	1060	1428
	1167	2112	1527	4806

APPENDIX C - NEW SAVING AND INCOME OPTIONS (by Directorate)

Key:		
Status	Flag	
1	●	To be implemented as Management Action
2	✓	Detailed proposals for consideration by this Policy Committee
3	●	Outline proposals for detailed development

Directorate of Adult Care and Health Services

NEW SAVINGS PROPOSALS

SAVINGS

£'000's

Theme	Proposal for Change	Portfolio	DIR	Service (1)	Service (2)	SAVINGS AND INCOME PROPOSAL	TOTAL	SAVINGS			% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	Impact
								2017/18	2018/19	2019/20			
DACHS5	Reductions in Services; Service Delivery Models	Leader	DACHS	Adult Social Care		Review of the Performance Function across the Council	40	0	40	0	50%	Proposal to centralise the Performance Function within the Council	This proposal seeks to explore the principle of centralising functions which may result in efficiencies.
DACHS2	Managing Demand; Service Delivery Models; Reductions in Services	Health	DACHS	Public Health & Commissioning		Undertake a commissioning exercise with the voluntary sector to secure Preventative and non-prescribed (non mandated) Public Health Services at a reduced rate	97	0	79	18	75%	Using the principles of the Narrowing the Gap Framework undertake a commissioning exercise with the voluntary sector to secure Preventative and non-prescribed (non mandated) Public Health Services at a reduced rate	Adult Social Care investment in preventative and public health services has already been reduced. The Public Health Ring Fenced Grant allocation has been reduced year on year since 2015. These reductions have already placed the Council under pressure to meet its duties to protect and promote the health of the Reading population.
DACHS3	Managing Demand; Service Delivery Models	Health	DACHS	Public Health & Commissioning		Continuation of review of current delivery models for Wellbeing Public Health (Mandated Services) contracts	135	35	100	0	75%	Adopting a phased approach to review the needs outlined in the Joint Strategic Needs Assessment against the available resources	Changes in models of delivery may impact on the health of Reading population which could increase the burden across the whole health and social care economy. Along with possible negative impact on Partnership working. The Council are responsible for the allocation for the Public Health Grant however a proportion of the large contractual services are commissioned across 3/6 Berkshire local authorities - reducing funding could incur costs locally to fulfil responsibilities within the shared agreement. If the Grant isn't spent in line with Public Health conditions we will be subject to scrutiny from Public Health England, which may result in loss of grant.
DACHS7	Service Delivery Models	Adult Social Care	DACHS	Adult Social Care Operations		Further development of Maples Day Opportunities	158	25	133	0	50%	This project will seek to further develop the Maples Day opportunities offer including reviewing other successful delivery models available within the market. This could pose opportunities to potentially share provision with similar services.	Service users could be offered an alternative service offer in line with the personalisation agenda, which or may not be acceptable to them.
DACHS1	Reductions in Services; Service Delivery Models	Health	DACHS	Commissioning		Delivery Models for Commissioning, Prevention & Quality Services	800	0	300	500	30%	Review and explore alternative delivery models of Care Act commissioning including preventative services and quality standards whilst maintaining a focus on delivering services to meet the needs of the residents of Reading.	In the short term minimum efficiencies would not be gained in terms of the cost of provision, however this could be realised medium term as synergies are formed. Alternative models may impact on the ability to grow and develop local markets. This may result in impact costs and impact on our ability to meet our statutory obligations of meeting care needs for eligible service users.
DACHS4	Reductions in Services; Service Delivery Models	Health	DACHS	Public Health		Review of alternative delivery models for Public Health	430	0	0	430	30%	This proposal will review a variety of models in collaboration with the Strategic Director of Public Health for delivering Public Health functions and monitoring of the Reading mandated contracts, whilst maintaining a focus on delivering services to meet the needs of the residents of Reading.	This proposal will review a variety of models for delivering the Public Health functions and monitoring of the Reading mandated contracts. Change may result in a reduction of local intelligence and control over the delivery of mandated services to meet the needs of Reading citizens. There could be an impact on the other Berkshire local authorities in terms of the shared agreement.
TOTAL							1,660	60	652	948			

NEW SAVINGS PROPOSALS

SAVINGS

£'000's

Theme	Proposal for Change	Portfolio	DIR	Service (1)	Service (2)	SAVINGS AND INCOME PROPOSAL	TOTAL	2017/18	2018/19	2019/20	% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	Impact
-------	---------------------	-----------	-----	-------------	-------------	-----------------------------	-------	---------	---------	---------	--------------	---	--------

Directorate of Children, Education and Early Help Services

DCEEHS1	Service Delivery Models	●	Children's Services & Families	DCEEHS		Deletion of post within Parent Partnership team.	30	0	30	0	100%	Deletion of post.	Work in progress impact being prepared.
DCEEHS2	Reductions in Services	●	Children's Services & Families	DCEEHS		Reduction in Reading Children's & Voluntary Youth Service Contract from July 17.	28	0	28	0	100%	Reduction in contract costs.	Work in progress impact being prepared.
DCEEHS3	Managing Demand; Service Delivery Models	●	Education	DCEEHS		School Improvement Advisors & Running Costs.	161	0	161	0	100%	To be 100% funded by schools.	Work in progress impact being prepared.
DCEEHS4	Reductions in Services	●	Children's Services & Families	DCEEHS		Deletion of Rapid English post within Youth Offending team.	24	0	0	24	100%	Deletion of post.	Work in progress impact being prepared.
DCEEHS5	Service Delivery Models	●	Children's Services & Families	DCEEHS		Current level of additional investment will no longer be required following delivery of Improvement Plan	500	0	0	500	50%	Result of establishing workforce via recruitment drive.	Work in progress impact being prepared.
TOTAL							743	0	219	524			

NEW SAVINGS PROPOSALS

SAVINGS

£'000's

Theme	Proposal for Change	Portfolio	DIR	Service (1)	Service (2)	SAVINGS AND INCOME PROPOSAL	TOTAL	2017/18	2018/19	2019/20	% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	Impact
-------	---------------------	-----------	-----	-------------	-------------	-----------------------------	-------	---------	---------	---------	--------------	---	--------

Corporate Support Services (including corporate and cross cutting options)

CSS4		●	Leader	CSS	Customer Services	Income and Assessment	Revenue & Benefits IT Contracts - Reduce budget to match expenditure	120	40	40	40	50%	Contract has been renegotiated with Northgate and Capita. Needs to estimate likely costs based on release roadmap for coming year. Academy support from Northgate beyond existing support and maintenance contract	No impact
CSS9		●	Leader	CSS	Customer Services	Income and Assessment	Increase in year collection of Council Tax	150	0	150	0	90%	Employ additional Council Tax Officer to encourage faster turnaround on new registration and changes.	
CSS10		●	Leader	CSS	Customer Services	Policy and Voluntary	Reduction in hours	76	53	23	0	90%	Reduction in working hours across the Policy Unit	Some services have moved to DENS
CSS13		●	Leader	CSS	Customer Services	Registration and Bereavement	Stretch income target	60	60	0	0	65%	A combination of the 2017/18 pricing structure and recruitment of a part-time marketing officer increases the opportunity to cross-sell products at the cemetery.	No impact
CSS14		●	Leader	CSS	Customer Services	Registration and Bereavement	EU Settlement card service - started January 2017 so should get FYE in 2017/18	81	27	27	27	50%	Home Office continues to use Register offices as a Trusted Partner. This a new service offered to EU nationals on behalf of the Home Office. Demand for this service will be robust	No impact
CSS16		●	Leader	CSS	Customer Services	Corporate Improvement	Fund change post through capital	36	36	0	0	100%	Service improvement officer - Reduction in revenue cost of staffing (transfer to organisational change reserve)	No impact
CSS17		●	Leader	CSS	Communications	Communications	Reappoint Marketing & Communications Manager at lower grade/Spinal Column Point	22	0	12	10	100%	Retirement of current post holder on 31st December 2018	No Impact
CSS21		●	Leader	CSS	Finance	Audit	Additional resource to increase recovery of Council assets / monies	40	40	0	0	100%	Invest to save, by recruiting additional resource to increase recovery of Council assets/monies through criminal confiscation proceedings	Although it is difficult to quantify the loss of fraud, we anticipate we have delivered notional savings in the region of £180k this financial year. Budget £150k. The employment of an additional member of staff will be in the region of £40k including on-costs, but this should result in a return of investment of £40K. However, this is difficult to qualify, given notional (£) recovery values used.
CSS1	Service Delivery Models	✓	Leader	CSS	Customer Services	Income and Assessment	Engagement of transformation partner to drive process efficiency and cost reduction in parallel with market testing of service.	654	0	287	367	75%	Engagement of transformation partner to drive process efficiency and cost reduction with market testing of service at end of the period. Saving in 2020/21 would rise to £492k.	Overall there should be no direct impact on residents, businesses or other organisations provided that the new alternative service delivery model is effectively implemented and that the service specification ensures that key outcomes and deliverables from the service, including advice, support and monitoring are accurately specified and managed
CSS2	Reductions in Services	✓	Leader	CSS	Customer Services	Income and Assessment	Housing Benefit overpayment recovery	345	100	120	125	50%	Investing in additional resources to improve recovery levels. Income generation for recovery of overpayments. Additional resources required to review and consider what is recoverable. Additional cost of 2 officers needed based on similar council. Modelling needs to be carried out by Reading Borough Council	Collecting additional income from housing benefits overpayment recovery to reduce revenue cost
CSS3	Service Delivery Models	✓	Leader	CSS	Customer Services	Income and Assessment	Civil penalties for non-disclosure of change of circumstances	15	5	10	0	70%	Implementation of Civil Penalties in Housing Benefit, Council Tax Support and Council Tax cases	It is anticipated that these changes would increase customer demand in the short term as they would be keen to advise us of all changes at the time that they happen. There is also the possibility of additional financial hardship in cases where customers have failed to notify us of changes which may impact on their ability to keep up with other bills such as rent or Council Tax. However, as the recovery of the Housing Benefit Civil Penalty would sit alongside standard overpayment recovery, this is expected to be minimal

NEW SAVINGS PROPOSALS

SAVINGS

£'000's

Theme	Proposal for Change	Portfolio	DIR	Service (1)	Service (2)	SAVINGS AND INCOME PROPOSAL	TOTAL	SAVINGS			% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	Impact
								2017/18	2018/19	2019/20			
CSS11	Service Delivery Models / Reduction in Service / Increasing Productivity	Leader	CSS	Customer Services	Policy and Voluntary	Realignment of commissioned Tackling Poverty, Thriving Communities and Community Buildings services	100	0	83	17	95%	The potential realignment of service specifications and apportionment of the Narrowing the Gap Commissioning Framework budget would be developed in consultation with the voluntary sector through the re-commissioning process. This would involve discussion on which areas are in a better position to secure alternative sources of funding so that we can protect those areas of our priorities least able to attract alternative sources of funding.	The Narrowing the Gap Commissioning Framework includes services for individuals supporting those who are vulnerable, marginalised or in poverty, or supports the infrastructure required for a healthy voluntary sector e.g. support for volunteering, community buildings, and community capacity-building. A full Equality Impact Assessment will be undertaken in relation to any area where this Proposal for Change is likely to lead to a reduction in service in that area.
CSS15	Service Delivery Model	Leader	CSS	Customer Services	Registration and Bereavement	Direct cremations	8	8	0	0	75%	There is a small but growing demand for direct cremations. To continue to meet the needs of customers direct cremations will be included in the offer mix.	No impact
CSS22	Increasing Productivity	Leader	ALL	ALL	Terms and Conditions	A range of proposals relating to changes to staff terms and conditions	2,000	0	1,040	960	70%	Average of options to reduce. Overall staffing cost to be developed in collaboration with staff and their representatives.	To be determined depending on proposals identified.
CSS5		Leader	CSS	Customer Services	Income and Assessment	Review and improve council tax collection, discounts, etc.	335	0	0	335	90%	Further options for increasing Council Tax collection to be developed.	To be determined once further options are developed.
TOTAL							4,042	369	1,792	1,881			

NEW SAVINGS PROPOSALS

SAVINGS

£'000's

Theme	Proposal for Change	Portfolio	DIR	Service (1)	Service (2)	SAVINGS AND INCOME PROPOSAL					% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	Impact
						TOTAL	2017/18	2018/19	2019/20				

Directorate of Environment and Neighbourhood Services

DENS1	Reduction in Services	●	Strategic Environment, Planning & Transport	DENS	Directorate Management Team		Reduce Personal Assistant support to Directorate of Environment and Neighbourhood Services (DENS) Management Team.	25	0	25	0	90%	Deletion of post	Reduction in support to managerial team.
DENS3	Reduction in Services	●	Strategic Environment, Planning & Transport	DENS	Planning, Development and Regulatory Services	Regulatory Services and Planning	Merger of Regulatory Service Manager and Planning Manager posts.	0	0	0	0	100%	Deletion of post (alternative method of delivering an agreed saving)	Loss of high level professional expertise capacity
DENS4	Reduction in Services	●	Strategic Environment, Planning & Transport	DENS	Planning, Development and Regulatory Services	Valuations	Property Investment and continued rationalisation of property assets	500	0	500	0	70%	Further analysis of property assets to identify potential revenue savings and further rental income opportunities.	Increased borrowing required to purchase additional investment properties and capital investment in retained property assets to unlock other assets for disposal.
DENS6	Increasing Productivity	●	Strategic Environment, Planning & Transport	DENS	Planning, Development and Regulatory Services	Valuations	Increased income from Section 106 negotiations	12	0	12	0	100%	Increased income via provision of viability advice to developers.	Limited/none
DENS8	Reduction in Services	●	Strategic Environment, Planning & Transport	DENS	Planning, Development and Regulatory Services	Sustainability	Deletion of part time post within Sustainability team.	10	0	10	0	100%	Reduction in team by 1 post (part time).	Reduction in service in relation to corporate property and or housing / Home Energy Conservation Act work
DENS9	Reduction in Services	●	Culture, Sport & Consumer Services	DENS	Economic and Cultural Development	Town Hall and Museum	Deletion of Programme Development Officer post.	25	15	10	0	100%	Do not fill and delete the currently vacant post.	Post is essential to the development and deliver of the exhibition programme at the Museum. This is key to generating footfall and secondary income. Mitigated via retention of part of the salary budget to deliver a reduced programme.
DENS10	Reduction in Services	●	Culture, Sport & Consumer Services	DENS	Economic and Cultural Development	Town Hall and Museum	Further efficiencies in Cultural Services	40	0	0	40	60%	With demanding income targets and a range of efficiencies already implemented, including the Programme Development Officer post at the Museum (see above), there is limited scope to find further savings. However, with judicious use of external funding and ongoing review of staff roles and responsibilities it is considered that a £40k saving is possible.	Will increase pressure on existing staff and potentially reduce capacity to generate secondary income and external funding, although this is difficult to quantify.
DENS12	Service Delivery Models	●	Culture, Sport & Consumer Services	DENS	Economic and Cultural Development	Arts Venues	Introduce 'Live Screening' of high profile performances.	20	0	10	10	80%	Enhanced service offer via provision of live screening.	Positive additional offer. £50k capital investment required - to be sought initially as a grant from Arts Council England. (risk on not securing grant funding but could choose as an invest to save)
DENS13	Service Delivery Models	●	Culture, Sport & Consumer Services	DENS	Economic and Cultural Development	Arts Venues	Develop room hire option at the Hexagon	10	0	10	0	90%	Further opportunities to utilise rooms in the Hexagon for hire options.	Positive additional offer.
DENS14	Service Delivery Models	●	Education	DENS	Economic and Cultural Development	New Directions	Reduce New Directions subsidy.	50	50	0	0	100%	Restructure of New Directions has already been completed and will be implemented for the 2017/18 Academic Year. The service will no longer require subsidy other than a £20k contribution to support its role in managing the Apprenticeship Levy (£400k +) on behalf of the Council.	Core service provision unaffected and will have a positive impact in relation to integration with other services.
DENS15	Reduction in Services	●	Strategic Environment, Planning & Transport	DENS	Transport and Streetcare	Strategic Transport	Review hosting of travel information data.	7	0	7	0	100%	Stop hosting the site, instead, transferring content on to the corporate website and Reading Buses website.	Officers have discussed the proposed changes with Reading Buses, and they have confirmed they will be able to replicate the data on their new website ready for implementation of the change on 1st April 2018. Therefore, there will be no impact on the public.

NEW SAVINGS PROPOSALS

SAVINGS

£'000's

Theme	Proposal for Change	Portfolio	DIR	Service (1)	Service (2)	SAVINGS AND INCOME PROPOSAL					% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	Impact	
						TOTAL	2017/18	2018/19	2019/20					
DENS23	Reduction in Services	●	Strategic Environment, Planning & Transport	DENS	Transport and Streetcare	Streetcare Services	Highway Asset Management efficiency savings and additional income	60	0	60	0	90%	Highway Asset Management efficiency savings and additional income	Highways Efficiency Savings using Asset Management - No impact - improved more efficient service will be delivered Rationalisation of software systems - There will be no impact on external bodies as the change is only to the systems not the services provided Drainage -Additional income dependant on the delivery of the Highway Asset Management efficiency savings - A targeted approach to cleansing should reduce the number of problematic gullies and incidences of localised carriageway flooding. Reduction in Bus Shelter Maintenance of RBC owned shelters (circa 5% of total bus shelters)
DENS25	Reduction in Services	●	Strategic Environment, Planning & Transport	DENS	Transport and Streetcare	Streetcare Services	Reduce bridge assessments to fall in line with Statutory Duty	50	0	50	0	80%	Reduction in the number of assessments conducted to bring this in line with the Statutory Duty.	No impact on the general public is anticipated. Structures will still be inspected at a level conforming with the code of practice but they will be carried out in a different manner.
DENS30	Reduction in Services	●	Neighbourhoods	DENS	Transport and Streetcare	Neighbourhood Services	Stop the contribution to Reading UK Community Interest Company for hanging baskets and seek alternative sponsorship.	5	0	5	0	100%	Remove current contribution of £5,000 to the Reading CiC hanging basket initiative, and promote alternative sponsorship.	Reading UK CiC will have to find an alternative means of funding the £5K contribution that they currently receive from the Council.
DENS32	Reduction in Services	●	Neighbourhoods	DENS	Transport and Streetcare	Neighbourhood Services	Reduce frequency of public parks grass cutting	32	0	0	32	90%	Prioritisation of grass cutting sites.	The current service and maintenance levels of some Parks will be affected as some areas of grass which are currently cut fortnightly will be cut less frequently and some areas will remain un-cut. In practice this will result in areas of grass around trees, fences and woodlands being long and appearing un-maintained. Areas that are not accessible by tractor (such as fenced off areas, playgrounds etc.) will be cut at a 6 weekly frequency rather than the current 3 weekly frequency. The resulting un-cut areas may trap litter which will place more reliance on litter picking. All public parks are currently cut 17/18 times a year. More intensively used parks will be cut every 3-4 weeks, with those less intensively used parks cut every 6-8 weeks.
DENS34	Increasing Productivity	●	Neighbourhoods	DENS	Transport and Streetcare	Neighbourhood Services	Implement an invest to save for a new tree gang.	23	0	10	13	80%	Invest to save business case to be developed to provide an arboricultural service.	Residents and businesses will have a reliable arboricultural contractor available.
DENS36	Increasing Productivity	●	Housing	DENS	Housing and Neighbourhood Services	Housing Needs	Office Budgets- miscellaneous	4	4	0	0	100%		None
DENS41	Reduction in Services	●	Housing	DENS	Housing and Neighbourhood Services	Housing Needs	Deletion of one Full Time Equivalent post in Housing Needs	41	0	0	41	100%	Reduced capacity in 19/20 - required to deliver change through 17/18 and 18/19.	Reduction in capacity to develop housing solutions and partnerships to address need
DENS42	Reduction in Services	●	Housing	DENS	Housing and Neighbourhood Services	Housing Needs	Delete temporary post in Rent Guarantee Scheme.	0	15	-15	0	100%	Deletion of post with remainder of team to absorb priority tasks.	The post was implemented as part of the revised Rent Guarantee Scheme offer on a fixed term basis to develop the scheme. Post-holder seconded and has a substantive post. No redundancy.
DENS46		●	Housing	DENS	Housing and Neighbourhood Services	Supporting People	Transfer of Supporting People budget to Housing Services	50	50	0	0	100%	Confirmation of £50k unallocated to any contract provision.	None
DENS49	Increase Productivity	●	Culture, Sport & Consumer Services	DENS	Library Service	Central Library	Increased rental income from Family History Society.	18	14	4	0	100%	Family History Society to move to Central Library from July 2017 leading to increased rental income.	Positive; takes space at Central Library which could be an issue in the event of significant reduction in branches.
DENS50	Increase Productivity	●	Culture, Sport & Consumer Services	DENS	Library Service	Whole Service	Additional savings achieved through new library service offer.	60	35	25	0	90%	Additional savings achieved via reduced revenue cost of recently procured Library Management System; additional efficiencies through stock procurement and management systems etc.	No further impact
DENS2	Reduction in Services	✓	Neighbourhoods	DENS	Planning, Development and Regulatory Services	Regulatory Services	Changes to the Animal Warden service.	15	0	15	0	100%	Reduce staffing costs by stopping discretionary services.	Loss of advice, education and enforcement as well as licensing role. Statutory strays service to be continued through different delivery model.
DENS11	Reduction in Services	✓	Culture, Sport & Consumer Services	DENS	Economic and Cultural Development	Arts Venues	Cease the classical programme season at the Hexagon.	50	0	25	25	100%	Cease the classical programme provision.	No large scale orchestras performing regularly in Reading with a potential impact on the profile and reputation of the town. Less access to local classical music performances for a core loyal audience and the numerous schools and students that benefit. Loss of partnership working with our resident orchestra the Royal Philharmonic.

NEW SAVINGS PROPOSALS

SAVINGS

£'000's

Theme	Proposal for Change	Portfolio	DIR	Service (1)	Service (2)	SAVINGS AND INCOME PROPOSAL	TOTAL	2017/18	2018/19	2019/20	% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	Impact	
DENS19	Increasing Productivity	✓	Strategic Environment, Planning & Transport	DENS	Transport and Streetcare	Network and Parking Services	Introduce weekend charging for Hospital & University Pay & Display (P&D)	50	0	50	0	80%	Extension of existing Pay & Display scheme to cover weekends.	The existing Royal Berkshire Hospital and University Area on-street Pay and Display scheme is currently operational Monday to Friday with residents protected through residents permit parking. Extending on-street Pay and Display to cover weekends will provide more short term parking for the area but will impact on some residents who currently use those parking areas during the weekends for free. If accepted, the weekend charging will manage parking in the pay and display areas in the same way that Monday to Friday is managed.
DENS20	Service Delivery Models	✓	Strategic Environment, Planning & Transport	DENS	Transport and Streetcare	Network and Parking Services	Seek alternative funding for Real Time Passenger Information	50	0	30	20	70%	Seek alternative funding for the existing Real Time Passenger Information system, potentially replacing the Reading Borough Council core system with a feed from an alternative provider (such as Reading Buses).	If alternative funding is agreed, there will be no impact on RTPi information.
DENS22	Increasing Productivity	✓	Strategic Environment, Planning & Transport	DENS	Transport and Streetcare	Network and Parking Services	Review of off-street parking contract and budget to identify additional income .	100	0	100	0	80%	Additional income from parking contract review.	None
DENS29	Increase Productivity	✓	Neighbourhoods	DENS	Transport and Streetcare	Re3	Explore utilisation of Re3 facilities to introduce trade use of the public recycling centre to generate income	50	0	50	0	80%	Subject to agreement with re3 partners. Additional income to be generated from dedicated trade access arrangements.	Increase use of recycling centre by trades people.
DENS31	Reduction in Services	✓	Neighbourhoods	DENS	Transport and Streetcare	Neighbourhood Services	Reduce children's playgrounds maintenance regime	20	0	20	0	90%	Reduce the Children's Playground maintenance budget by £20K per annum. (current budget is £120k per annum).	Reducing the maintenance budget for children's playgrounds (CPG) will mean that equipment is painted and repaired less frequently than at present.
DENS33	Increase Productivity	✓	Neighbourhoods	DENS	Transport and Streetcare	Neighbourhood Services	Review and increase all allotment rental charges and review plot sizes.	35	0	9	26	60%	Comprehensive review of allotment services, including regulising plot sizes, simplifying and increasing charges comparable with other providers and improved enforcement to optimise use of plots.	Existing plot holders will see increased changes. This may affect plot availability.
DENS39	Managing Demand	✓	Housing	DENS	Housing and Neighbourhood Services	Housing Needs	Reduce expenditure on homelessness, Bed and Breakfast and temporary accommodation	1,490	890	350	250	70%	Reduction in expenditure.	Targets to reduce expenditure on Bed & Breakfast are included across three years from 17/18 (below). These targets and underpinning actions build on progress made to date to reduce the number of households and length of stay in Bed & Breakfast. A new virtual 'Homefinder Team' will work intensively with families in Bed & Breakfast providing intensive, personalised support to find accommodation. Two additional posts have been employed as part of the team on an 'invest to save' basis. Officers are reviewing current homelessness policy and practice to inform proposals to reduce future placements into Bed & Breakfast. Additional funding secured through the redistribution of a national pot has also benefitted Reading and alleviated some budget pressure.
DENS40	Reduction in Services	✓	Housing	DENS	Housing and Neighbourhood Services	Housing Needs	Staffing reduction in Housing Needs Service	32	0	32	0	100%	Reduction in staffing numbers by 1 Full Time Equivalent (FTE) from 18/19.	Staffing reduction by 1 Full Time Equivalent but increased investment in new delivery approach as per DENS39.
DENS43	Increase Productivity	✓	Housing	DENS	Housing and Neighbourhood Services	Housing	Transfer of shops and garages from Housing Revenue Account to General Fund	300	0	300	0	70%	Transfer shops and garages held under the Housing Revenue Account to the General Fund in order to generate an income to the General Fund - net of maintenance, management and capital financing costs.	No significant impact.
DENS44	Increase Productivity	✓	Housing	DENS	Housing and Neighbourhood Services	Housing Needs	Increased income through further increase in rents for Reading Borough Council owned/managed temporary accommodation.	129	49	70	10	80%	Homelessness: temporary accommodation rent. Further increase rents for Reading Borough Council owned/managed temporary accommodation units for homeless households up to 90% of LHA (Local Housing Allowance - the limit which Housing Benefit will pay up to) at re-let.	No impact for existing temporary accommodation occupants. Households that are subject to the Benefit Cap are supported by a specialist team to access employment; review options that may exempt them from the cap; or budget within their new income in a manner that prioritises rent payments. Where necessary Discretionary Housing Payment (DHP) will be paid to avoid hardship.
DENS47	Reduction in Services	✓	Housing	DENS	Housing and Neighbourhood Services	Winter watch	Reduce budget for Winterwatch (Public Health Funding)	15	15	0	0	100%	Reduce budget.	Less funding available for repairs and home improvements - minimal impact, service underspent in 2016/17 by £10k.
DENS5	Reduction in Services	🟡	Strategic Environment, Planning & Transport	DENS	Planning, Development and Regulatory Services	Planning	Planning Fees	75	0	75	0	70%	Additional income from planning fees	Maintains the service at current resource levels

NEW SAVINGS PROPOSALS

SAVINGS

£'000's

Theme	Proposal for Change	Portfolio	DIR	Service (1)	Service (2)	SAVINGS AND INCOME PROPOSAL	TOTAL	SAVINGS			% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	Impact
								2017/18	2018/19	2019/20			
DENS16	Reduction in Services	Strategic Environment, Planning & Transport	DENS	Transport and Streetcare	Strategic Transport	Review of the discretionary elements of the Concessionary Fares Scheme	140	0	80	60	80%	This proposal is to further review the discretionary elements of the current scheme and potentially revert to the standard English National Concessionary Travel Scheme for access (disabled) pass holders.	To be determined - subject to review and outcome of consultation.
DENS18	Managing Demand	Strategic Environment, Planning & Transport	DENS	Transport and Streetcare	Network and Parking Services	Develop and implement a new borough-wide Car Parking Strategy and associated action plan.	0	0	0	0	80%	Within the context of a new Local Transport Plan (LTP4), review, develop and consult on a comprehensive borough-wide Car Parking Strategy, to include future management and charging initiatives, as part of a wider set of proposals to address future network capacity and the Council's air quality targets.	To be determined once a new strategy has been developed
DENS28&35	Alternative Delivery Model	Neighbourhoods	DENS	Transport and Streetcare	Re3	Review of waste collection delivery models.	1,000	0	0	1,000	60%	Review delivery models to increase efficiency and increase recycling rates, including potential introduction of food waste collection for example.	To be determined - subject to outcome of review.
DENS37	Reduction in Services	Housing	DENS	Housing and Neighbourhood Services	Housing Needs	Review and recommission young people's supported housing services	45	11	34	0	80%	Review and recommission young people's supported housing services - with a reduced contract value.	To be determined - subject to review; aim to optimise use of commissioned services and secure efficiency savings.
DENS45	Reduction in Services	Housing	DENS	Housing and Neighbourhood Services	Supporting People	Review historic Supporting People funding arrangements	53	19	34	0	70%	Review funding for intensive housing support paid to external providers of Sheltered and Extra Care Housing Accommodation	To be determined - services needed can now be provided through different funding streams such as Housing Benefit or commissioned as part of a care contract (this will depend on the nature of the support provided). Other providers are reconfiguring services.
DENS53	Reduction in Services	Culture, Sport & Consumer Services	DENS	Library Service	Whole Service	Reduce costs further in library services	115	0	115	0	75%	Seek further reductions based on the new service model implemented in April 2017 retaining a service offer in all areas through: - further reductions in branch opening hours - reducing to single staffing in additional branches through co-location/partnership models	To be determined - will depend on final options. Reduced access/choice for public if opening hours reduce further; there is potential for a volunteer run service outside of and extending LA staffed opening hours which would enhance the statutory offer however. E-book/online offer has been improved and elderly & housebound service would continue. Partnership models could add value.

NEW SAVINGS PROPOSALS

SAVINGS

£'000's

Theme	Proposal for Change	Portfolio	DIR	Service (1)	Service (2)	SAVINGS AND INCOME PROPOSAL	TOTAL	SAVINGS			% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	Impact
								2017/18	2018/19	2019/20			
DENS54	Service Delivery Models	Culture, Sport & Consumer Services	DENS	Economic and Cultural Development	Culture	Review option of trust model for Arts						Examine possibility of developing a trust model for the delivery of Arts and Culture.	
DENS55		Leader	ALL			Review of Fees and Charges						Review all fees and charges to identify opportunities to maximise income.	Part of on-going twice-yearly review of fees and charges.
TOTAL							4,806	1,167	2,112	1,527			

Appendix D- Proposals for Change

Directorate of Adult Care And Health Services (DACHS)	
DACHS2 - Preventative and non-prescribed (non-mandated) Public Health services	2
DACHS3 - Review of current delivery models for Public Health prescribed and other mandated services	9
DACHS7 - Further development of Maples Day opportunities	14
Corporate Support Services (CSS)	
CSS1 - Engagement of transformation partner to drive process efficiency and cost reduction in parallel with market testing	17
CSS2 - Housing Benefit overpayment recovery	23
CSS3 - Civil Penalties for non-disclosure of change of circumstances	29
CSS11 - Realignment of commissioned Tackling Poverty, Thriving Community and Community Buildings services from 2018/19	35
CSS15 - Direct Cremations	40
CSS22 - Proposal to develop a range of options for changes to staff terms and conditions	45
Directorate of Environment and Neighbourhood Services (DENS)	
DENS2 - Changes to the Animal Warden Service	49
DENS11 - Cease the Classical Season at the Hexagon	52
DENS19 - Introduce weekend charging for Hospital & University Pay & Display (P&D)	62
DENS20 - Seek alternative funding for Real Time Passenger Information	65
DENS22 - Review of off-street parking contract and budget to identify additional income	68
DENS29 - Utilisation of re3 Facilities to introduce Trade use of the Public Recycling Centre	71
DENS31 - Reduce children's playgrounds maintenance regime	74
DENS33 - Increase all allotment rental charges by 100% and review plot sizes.	77
DENS39&40 - Homelessness Support Grant/Reducing Bed & Breakfast expenditure	82
DENS43 - Transfer of Shops and Garages from the Housing Revenue Account to the General Fund	87
DENS44 - Housing and Neighbourhoods- Increasing rent in Temporary Accommodation	91
DENS47 - Housing and Neighbourhoods - Winter Watch	101

Proposal for Change: (DACHS 2)

DACHS 2: Preventative and non-prescribed (non-mandated) Public Health services

Directorate: DACHS
Head of Service: Jo Hawthorne

Delivery Unit Ref: DACHS2

1. The proposal is to:	
✓	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
✓	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
✓	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
<p>The Directorate of Adult Care and Health Services (DACHS) commissions a number of services to enhance health and wellbeing within the local population and so prevent health needs from developing/escalating. The proposal is to review these services to:</p> <ul style="list-style-type: none"> - Identify which services evidence the greatest impact on population health and evidence the greatest impact on reducing demand for formal care services (e.g. more costly Council support); - Ensure that the public health funding of local services has regard to the need to reduce inequalities between the people in its area in line with grant conditions. - Explore options for reconfiguring services; and - Identify how to mitigate against the adverse impact of reducing services. <p>Services will then be re-commissioned to deliver improvements in population health and deliver savings, principally through a second iteration of the Narrowing the Gap Bidding Framework for community services.</p> <p>(NB: This Framework will also be used to re-commission services funded from the Corporate Support Services budget and to deliver any agreed savings against that budget line)</p> <p>In recognition of the need to rationalise officer input, the proposal is to award future funding agreements on an annually renewable basis for a period of up to four years. This would give providers greater stability but retain flexibility from the Council's perspective to withdraw from arrangements if required, e.g. in the event</p>

of needing to adapt to further central government cuts.

The proposal will deliver a net saving of £79k in 2018-19 then an additional £18k in 2019-20 making £97k per annum recurrent from 2019/20, £26k of which is from the Public Health Grant.

The table below outlines the current breakdown of funding:

<i>17-18 Service</i>	<i>17-18 funding</i>	<i>Public Health Grant contribution (17-18)</i>
Care navigation	57,000	
Self advocacy (LD)	29,000	
Reducing social isolation (LD)	17,000	17,000
Peer support (dementia)	15,000	
Peer support (visual impairment)	15,000	
Reducing social isolation (visual impairment)	22,000	22,000
Peer support (hearing impairment)	15,000	
Reducing social isolation (hearing impairment)	22,000	22,000
Peer support (autism)	15,000	
Peer support (MS)	15,000	
Peer support (Parkinsons)	15,000	
Reducing social isolation (PD)	15,000	15,000
Reducing social isolation (Black and Minority Ethnic communities)	37,000	37,000
Reducing social isolation (frail including elderly & Long Term Conditions)	72,000	72,000
Peer support (MH)	76,000	
Carers breaks	70,000	
Home from hospital	34,000	
Home handyhelp	20,000	
Samaritans volunteer recruitment & training	2,025	2,025
Bespoke adaptations	500	
Culturally sensitive listening & integration support	21,000	
Mental Health First Aid Training	7,000	7,000
Making Every Contact Count	10,000	10,000

Adult condom distribution and HIV peer support	52,000	52,000
HIV testing	1,000	1,000
Breast feeding peer support	30,000	30,000
Implementation of Healthy Weight Strategy	40,000	40,000
Carers Information & Advice Service	90,000	
Flu vouchers for frontline staff	5,000	5,000
Smoking Cessation	355,000	355,000
Children's Weight Management - Let's Get Going	22,000	22,000
Adult Weight Management - Eat 4 Health	46,203	46,203
IT Platform for Genito-urinary Medicine (Sexual Health) Services	3,000	3,000
Child Death Overview Panel Berkshire	7,590	7,590
Library	1,000	1,000
Web system for Pharmacy contracts	3,193	3,193

The final suite of services to be commissioned via the Narrowing the Gap II framework, which could include new service areas, and those which will need to be re-commissioned separately, is to be determined following the review.

2a. Confidence level

75 % will vary across individual programmes - see below.

Explanation:

The first Narrowing the Gap Framework has proved successful in re-focusing the Council's investment in community provision and managing residents' needs with reduced recourse to the Council. The proposal is to build on this by bringing additional funding lines into the next iteration of the framework, and applying the same principles to Wellbeing commissioning which continues to sit outside that framework. An initial review has identified some further areas where funding could be better targeted than now, areas where reduced funding is most easily mitigated against, but also areas where maintaining or increasing investment in voluntary community sector/preventative provision is likely to be the most cost effective way of meeting the Council's objectives and delivering on statutory

functions.

Reducing the overall level of funding for preventative and non-mandated Public Health functions, however, would expose the Council to the risk of an inability to deliver on joint priorities, e.g. per Health & Wellbeing Strategy, an increase in the incidence of communicable disease, poor lifestyle choices and an increase in long term health conditions such as diabetes and coronary heart disease. This could manifest itself as increased demand on social care services with potentially a huge impact on the wider health and social care economy.

Although the local authority has discretion to how to meet the requirements, there are statutory duties to ensure that preventive support for wellbeing is available to residents. These are set out in:

Local Authority Circular 15/12/16 - Public Health Ring Fenced Grant 2017/18 - categories for reporting against Public Health spend Annex C
Care Act 2014 Section 2

3. Impact on residents, businesses and other organisations:

Residents:

Adult Social Care investment in preventative services was reduced by 30% in 2016 at the time when new Care Act duties to ensure the provision of such services came into force. The Public Health Ring Fenced Grant has been subjected to year on year grant reductions since 2015. A further reduction will be imposed in 2017/18 by £250,000. These reductions already place the Council under severe pressure to meet its duties to protect and promote the health of the Reading population. Furthermore, a failure to meet these duties will lead to an increase in the need for health and social care services.

Cuts to population health services across Reading aimed at tackling smoking, obesity, sexually transmitted infections and protecting the public from harm will impede our ability to impact on the main causes of death and premature mortality across the Borough. Reductions in preventative support will have an adverse impact on residents' ability to stay well and independent. Cuts are likely to mean we see inequalities in Reading widen which would inevitably impact disproportionately upon the health of some of the most vulnerable in the Borough, who are also disproportionately represented in the user groups of other Council services.

Other organisations:

Many of the community services commissioned to support wellbeing work closely with other organisations commissioned by the Council per the first Narrowing the Gap framework. A reduction in the capacity of community groups to deliver wellbeing outcomes will have an adverse impact on the ability of partners to tackle poverty and to support thriving communities and vice versa. This budget proposal therefore needs to be considered alongside the Corporate Support Services proposal to reduce their investment in Narrowing the Gap II.

Reducing investment from Reading could de-stabilise services in neighbouring boroughs, particularly as commissioning for wellbeing is often carried out across the county or several boroughs within the county via the Public Health Shared Services Team for Berkshire.

4. Impact on other services we provide

See Section 3 above regarding the inter-relationship between non-mandated Wellbeing investment and Corporate Support Services investment.

Cutting public health services directly undermines the Council's efforts in relation to improving the public's health and keeping the pressure off Reading's social care services. Cutting public health services is likely to cost the Council more money further down the line as it makes it more likely that people will need health services and social care in the future - the very outcome we are striving to avoid.

5. Impact on staff

The proposal would lead to a focused period of officer input from Summer 2017 to put in place new funding agreements, and thereafter a commissioning programme which rationalises officer input, e.g. developing monitoring frameworks with very clear outcomes and using longer contract periods where appropriate to reduce the frequency of tender exercises.

The number of FTE that might be lost is:	FTE: 0
The number of posts that might be lost is:	FTE: 0

6. Resources and support needed to make the change

Wellbeing / Commissioning Officer time to:

- Review all current commissioning arrangements to identify what can be brought into Narrowing the Gap Mk II
- Review and develop Wellbeing themes and service descriptions for Narrowing the Gap Mk II, based on agreed strategic priorities
- Engage with the public and potential providers on the format of the new framework
- Run the Narrowing the Gap II tender process
- Develop appropriate processes for re-commissioning outside the new framework
- Prepare recommendations to Members, including equality analyses where appropriate

There may be a need for support from Corporate Procurement and Legal at various stages of the re-commissioning processes.

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Project Lead and associated colleagues identified	24.05.2017
Review of existing contracts to determine which vehicle will be used to recommission or de-commission	24.05.2017
Prepare Project Initiation Document and Project Plan for approval at Adult Social Care Transformation Board & Children's Directorate Management Team	31.07.2017
Consultation on overall preventative / community services budget and proposed Narrowing The Gap (NTG) II themes and approach	Aug-Sep 2017
Commence Equality Analyses	01.08.2017
Confirm preventative / community services budget from 18-19	31.10.2017

Publish draft NTGII framework for (provider) feedback	01.11.2017
Secure authorities to extend /award contracts	31.12.2017
Open NTGII for bids	05.01.2018
Close NTGII bidding	09.02.2018
New / revised contracts in place to achieve 2018-19 (recurrent) savings	31.05.2018

8. Risks and Opportunities

Risks as described in sections 3 and 4.

Re-commissioning as per this proposal offers opportunities to build on the successes of the first Narrowing the Gap framework and to apply a more strategic, planned and rigorous approach across the breadth of preventative services being commissioned.

There are opportunities to collaborate with the Berkshire West Clinical Commissioning Groups and neighbouring authorities on this approach, all of which could strengthen our integrated care approach. Priorities for prevention across these various bodies are quite similar. However, with the various organisations currently working to different timescales and processes for allocating funding, moving towards collaborative arrangements is potentially quite complex. Committing to collaboration therefore carries a risk of compromising individual organisation deadlines or targets.

9. Dependencies

See section 8 regarding cross boundary contractual arrangements.

See Policy and Funding Budget Proposal which will also use the Narrowing the Gap Framework.

10. Initial Equality Impact Assessment

Equality Impact Assessments will need to be undertaken in relation to any area where this Proposal for Change is likely to lead to a reduction in service in that area.

All care and support services, including preventative ones, are used more by older people or by people with disabilities than by the general population. It follows that, because of their greater longevity and higher likelihood of taking on a caring role, the same services are used more by women than by men. Historically, take up of care and support services has been lower from minority and ethnic communities, and targeted approaches may be needed to address this.

This proposal therefore has the potential to impact disproportionately in relation to age, disability, gender and race. Any report setting out recommendations for funding against bids received should therefore include a full equality analysis.

11. Consultation and Communications plans:

A consultation and communication plan will need to be completed for the services funded in both directorates if the decision was made to withdraw the funding and no alternative funding was available resulting in the services stopping.

Full consultation and communication plans will need to be developed to ensure the Council's investment in preventative / wellbeing support remains relevant to local need and is informed by local communities.

12. Legal Implications

The Council could be at risk of legal challenge in the event that it ceased to commission services to prevent the development / escalation of health needs. The Care Act 2014 placed new duties on local authorities regarding preventing the need for care and support and the promotion of the efficient and effective operation of the market for adult care.

The Public Health grant should be spent in line with the grant conditions and is routinely scrutinised by Public Health England. Any mismanagement of funds or use of budget that is not considered to be in line with grant conditions could result in the grant being withdrawn; could leave the Council vulnerable to legal challenge and/or could lead to an additional £10m budget pressure for the Council to deliver its public health service and additional services currently funded from the grant.

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£	-£	£
2018/19	£79	£	-£	£79
2019/20	£18	£	-£	£18
Total	£97	£	-£	£97

13.b One off project costs and income (not included in above)

£'000's		
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£0
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£0
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£0
	TOTAL	£0

Proposal for Change: (DACHS 3)

DACHS 3: Review of current delivery models for Public Health Prescribed and other mandated services

Directorate: DACHS
Head of Service: Jo Hawthorne

Delivery Unit Ref: DACHS3

1. The proposal is to:	
✓	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
✓	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
<p>The purpose of the Public Health grant is to provide local authorities in England with the funding required to discharge public health responsibilities and must be used only for meeting eligible expenditure incurred as defined by the grant conditions. The public health grant in Reading is currently used to fund a range of mandated public health services as prescribed under the 2012 Health and Social Care Act as well as non-mandated services.</p> <p>The Council is also obliged to make available advocacy support under prescribed circumstances in order to support adults' engagement in health or social care processes. These services must be independent of the Council and are commissioned from external bodies in order to meet the Council's statutory obligations under the Mental Capacity Act (2005), the Mental Health Act (2007), the Health and Social Care Act (2012) and the Care Act (2014).</p> <p>In addition, the Council is also required to establish a Local Healthwatch delivering prescribed functions in order to fulfil a health and social care watchdog function.</p> <p>This proposal consists of two phases:</p> <p>Phase 1: The proposal is to realise £135K savings across two financial years (2017/8 & 2018/19) across three areas:</p> <ul style="list-style-type: none"> • Savings generated as a result of the robust re-procurement of the Reading

Public Health Nursing Service for 0-19(25s). The next stage in the delivery of the mandated universal health visitors and school nurses programme was considered by the Adult's, Children's and Education Committee on the 13th December 2016. It was agreed to bring the health visitors service and school nursing service together into a single contract with associated budget. It was further agreed that the service would be commissioned from an external partner for 2 years with an option of a 1 year extension, with effect from 1st October 2017. An outcomes-based commissioning approach was taken in regards to the new specification and tender for this service. Following competitive procurement, where both cost and quality were considered as part of contract award, a contract award letter has been issued and, under the new contract terms, savings will be realised in year with effect from 1st October 2017.

- Re-commission Independent Mental Health Act, Independent NHS Complaints Advocacy and Care Act advocacy under a single contract to streamline the service and deliver efficiencies.
- Re-commission the Local Healthwatch function to rationalise the service and deliver efficiencies where possible, considering a joint contract with neighbouring authorities.

Phase 2: Having realised savings in 2017/18 and planned for additional savings in 2018/19 the second phase proposal is to undertake a comprehensive review of the arrangements for the commissioning of all mandated services for which the Wellbeing Team is responsible.

It is proposed to continue with the already commenced work on reviewing each of the mandated contracts - including reviewing arrangements for commissioning and procurement. It is proposed that options for future commissioning of mandated services include consideration of greater co-operation and sharing of commissioning and procurement resource and expertise between and across Reading Borough Council and our partners, NHS Clinical Commissioning Groups and the voluntary and community sector. All contractual and commissioning arrangements will be reviewed in respect to e.g. contract duration and pricing and with consideration of what arrangement would maximise cost effectiveness and best value. It is proposed that discussions are held with our partners regarding the timetable for procurement across our mandated services and how the associated procurement workload could be organised in a way that delivers efficiencies across the piece.

2a. Confidence level

75

% will vary across individual programmes

Explanation:

The Public Health Grant has dealt with centrally imposed year on year grant reductions since 2015 and will be forced to further reduce, stop or secure alternative funding to manage this budget pressure and manage within its grant allocation.

3. Impact on residents, businesses and other organisations:

Phase 1:

- Re-commissioning cost effect public health services could result in changes to services without compromising our statutory public health function
- By re-commissioning Independent Mental Health Advocacy, Independent Complaints Advocacy Service and Care Act advocacy under a single contract, there are opportunities to achieve efficiencies and make savings without compromising on the quality of service or compromising the Council's discharge of its statutory duties.
- Reducing spend on the Local Healthwatch function will reduce its reach and may confine the service to its statutory minimum. In particular, the non-statutory advocacy function would be lost with greater risk of local residents failing to be connected with the right part of the health and social care system at the right time.

Phase 2:

- There should be minimal impact on local residents at the point of delivery as a result of any changes to the way in which mandated services might be commissioned in the future. Residents should benefit from efficiencies realised as a result e.g. economies of scale and strengthened purchasing power which could drive down costs and improve quality of services purchased.

4. Impact on other services we provide

At the moment we are unable to specify what impact this change will have on other Directorates as it entirely depends on the options chosen. It is assumed that local provision will continue although potentially at a reduced rate to fit in with the grant reduction. However as the Public Health funding supports the achievement of Public Health outcomes in other Directorates the funding reduction could impact on their bottom line.

This could lead to an increase of complex cases not only within social care and housing but also the wider health and social care economy.

5. Impact on staff

The proposal would lead to a focused period of officer input to review all arrangements for the commissioning of prescribed contracts.

The number of FTE that might be lost is:	0
The number of posts that might be lost is:	0

6. Resources and support needed to make the change

Officers' time to work through commissioning arrangements across prescribed (mandated) programmes. Should changes to arrangements be proposed and/or reducing or stopping any area be identified it is likely the following resource may be required:

- Legal: support would be required to establish the Council's legal position with delivering its mandated Public Health functions and as a number of the services have contracts linked to delivery - some of these are jointly held with other Berkshire Local Authorities.
- Finance: resource may be required if any services within this proposal are still to be delivered then alternative budgets would need to be identified.
- Procurement time to tender for new services.
- Support from the Director of Public Health to ensure that public health commissioning has the required clinical oversight.

7. Timescale to deliver and major milestones	
Planned accomplishments to track progress [Milestone]	[Date]
Project Lead and associated colleagues identified	24.05.2017
Verify mechanism for capturing Year 1 savings	June 2017
Prepare an overview of all mandated/statutory contracts to determine timescales and resource requirements for recommissioning	June 2017
Prepare Project Initiation Document and Project Plan for approval at Adult Social Care Transformation Board	June 2017
Publish Single Adult Advocacy tender	30.06.2017
Commence conversations with other local authorities to share procurement activity	June 2017
Present and agree approach to contract renegotiations	July 2017
Select contracts for re-specification led by Reading (earlier if contract end date allows)	July 2017
Develop timetable/schedule for contract negotiation	
Award Single Adult Advocacy contract	30.09.2017
Publish Local Healthwatch tender	30.09.2017
Award Local Healthwatch contract	31.03.2018

8. Risks and Opportunities
There are opportunities to collaborate with the Berkshire West Clinical Commissioning Groups and neighbouring authorities to increase purchasing power and maximise efficient use of the commissioning and procurement expertise across local authority boundaries. This approach could strengthen our integrated health care approach. Priorities for prevention across these various bodies are quite similar. However, with the various organisations currently working to different timescales and processes for commissioning mandated services, moving towards collaborative arrangements will be challenging and complex.

9. Dependencies
See section 4 regarding cross boundary contractual arrangements
<ul style="list-style-type: none"> • That the appropriate local authorities and the Director of Public Health are engaged in the process • That resources are available both in officer time and internal support from HR, Legal and Finance

10. Initial Equality Impact Assessment

Equality Impact Assessments would to be undertaken in relation to any service where budgets were proposed to be further reduced or stopped.

11. Consultation and Communications plans:

Full consultation and communication plans will need to be developed to ensure the Council's investment in preventative / wellbeing support remains relevant to local need and is informed by local communities.

12. Legal Implications

The Public Health grant should be spent in line with the grant conditions and is routinely scrutinised by Public Health England. Any mismanagement of funds or use of budget that is not considered to be in line with grant conditions could result in the grant being withdrawn.

The Council is required to commission independent advocacy services for adults under the Mental Capacity Act (2005), the Mental Health Act (2007), the Health and Social Care Act (2012) and the Care Act (2014). The Council is also required to establish a Local Healthwatch under the Health & Social Care Act.

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£35	£	-£	£35
2018/19	£100	£	-£	£100
2019/20	£TBC	£	-£	£
Total	£135	£	-£	£135

13.b One off project costs and income (not included in above)

£'000's		
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
TOTAL		£

Proposal for Change: (DACHS 7)

DACHS 7: Further development of Maples Day Opportunities

Directorate: DACHS
 Head of
 Service/Lead:
 Graham Wilkin
 (Interim Director of
 Adult Care &
 Health Services)

Delivery Unit Ref:
 DACHS 7

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
✓	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
<p>The Maples Day Service has recently undergone service development resulting in a streamlined wellbeing service in a new location.</p> <p>This project will seek to review alternative delivery models for the service in line with ongoing market development, including the potential to explore shared provision with similar services.</p>

2a. Confidence level
<div style="border: 1px solid black; display: inline-block; padding: 2px 10px;">50</div> %
<p><i>Explanation:</i></p> <p>This project is dependent on further market development. This is a second phase of this project as part of the Adult Social Care Transformation Programme. It is still being scoped.</p>

3. Impact on residents, businesses and other organisations:**Residents:**

The impact of Phase 1 has been positive. Eligible service users enjoy an extended choice of activities within the new Maples environment. Phase 2 would seek to enhance the offer and provide tailored support to meet their needs.

Businesses/Other Organisations:

Based on the agreed options businesses/other organisations may have a greater share of the market by offering viable day opportunities.

4. Impact on other services we provide

Social care staff will have the ability to potentially refer to a wider range of day opportunities

5. Impact on staff

This is unknown at this stage until the review of the alternative delivery models is undertaken.

The number of FTE that might be lost is:

The number of posts that might be lost is:

6. Resources and support needed to make the change

A Project Manager would be required to support the Locality Manager to deliver the change. Project Manager support is required to develop plans, facilitate conversations with the market, capture risks and issues, and develop and deliver a robust communications strategy.

Possible Legal support dependent on the chosen model.

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Appoint Project Lead	July 2017
Develop Project Initiation Document & Project Plan for Approval at Adult Social Care Transformation Board	August 2017
Further milestones to be developed once chosen option is agreed	TBC

8. Risks and Opportunities**Risks:**

- Staff morale could be affected in the light of any changes
- Market not robust enough to meet demand and provide new opportunities

Opportunities:

- Increased range of day opportunities options available to meet the needs of eligible service users

9. Dependencies

Market testing results in viable options
Resource are available within the Directorate to scope and develop plans

10. Initial Equality Impact Assessment

Full Equality Impact Assessment will be completed once options appraisal has been completed.

11. Consultation and Communications plans:

Consultation and robust communications plans will be developed (if required) once options have been defined.

12. Legal Implications

Scope of project will identify legal implications, these are currently not fully identified

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£25	£	-£	£25
2018/19	£133	£	-£	£133
2019/20	£	£	-£	£
Total	£158	£	-£	£158

13.b One off project costs and income (not included in above)

£'000's		
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£20
	<i>Sub-total</i>	-£20
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£20
	<i>Sub-total</i>	-£20
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£0
	TOTAL	-£40k

Proposal for Change: (CSS1)

CSS 1: Engagement of transformation partner to drive process efficiency and cost reduction in parallel with market testing

Directorate: CSS

Delivery Unit Ref: CSS1

Head of Service:
Zoe Hanim

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
✓	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change

In March 2016, an options appraisal report was produced reviewing several Alternative Service Delivery Models available for the management and delivery of the Revenue and Benefits Services. This options appraisal concluded that either an outsourcing solution or the use of a transformation partner offered the greatest potential opportunity for savings and improved service delivery¹. Further work has been undertaken on both models, including a soft market testing exercise, to identify potential costs and savings of each option. Both options have been previously presented to Members.

Following a further recent assessment, a proposed change in service delivery is recommended which identifies the use of an external transformation partner to drive potential efficiency and reduce cost, with a further assessment planned at an agreed milestone point to assess progress against savings targets and to benchmark against externally provided service comparators. This will ensure progress on service transformation and cost reduction whilst retaining options to consider other delivery models, if performance or savings realisation is insufficient.

¹ Also considered was in-house transformation but discounted due to timescales to deliver savings

2. Outline of the proposed change

1. The opportunity to deliver an estimated £300k - £500k of savings (net of costs over a three-year period) through a significant programme of transformation using an external transformation partner and the implementation of new technology.

Scope

The scope of these proposals is intended to apply to the whole of the Council's Revenue and Benefits service and associated customer services functions (excluding Financial Assessment and Benefits and Licensing. Potentially in scope are:

- Administration of Housing Benefits
- Collection of Council Tax
- Collection of Business Rates
- Collection of Sundry Debts
- Revenue and Benefits Customer Services functions via telephone and face-to-face*

*The scope of the proposals currently limits the customer service functions to those related to Revenue and Benefit services. However, the scope could be extended to include other customer services functions and wider transactional finance functions if required.

Revenue and Benefits External Service Transformation Partner

The benefits of an external transformation partner are the skills, capacity and experience they bring which is not available in the in-house team. Such partners have generally delivered transformation of the service areas in other authorities and will understand the challenges. They will also have access to the latest technology to support transformation, change and performance management. It is likely an external service transformation partner would support the Council in a radical redesign of the current Revenue and Benefits Service and associated Customer Services functions.

This approach will develop further a 'digital by design' model whereby the majority of customers will access and transact with customer services on-line. Under this approach, a likely scenario is that an external transformation partner will enter a contract with the Council to deliver an agreed level of savings over an agreed period (typically between 3 and 5 years).

To achieve the savings the transformation partner 'will embed' their own team resources alongside the existing Revenue and Benefits staff and will work to identify process improvements and performance improvements. However, the most significant impact and transformation will be using modern technology to move many of the services delivered face-to-face or by telephone to a self-serve model. In some cases, this will require the introduction of new technology and the transformation partner will either enable or deliver elements of this depending on the scope of the contract. It is possible that instead of one transformation partner an arrangement which involves several 'best of breed' partners may prove best and this will be tested as part of the procurement process necessary to establish the external transformation arrangements.

The proposal also recommends setting an agreed milestone point within the transformation programme to test progress against agreed performance and savings targets. Should performance prove that progress is insufficient to meet key

2. Outline of the proposed change

required savings then recommendations and proposals will be made to develop other alternative delivery models for the service. Further details on this process will be brought before Members at this stage.

2a. Confidence level

Revenue and Benefits Outsourcing Service Delivery Model

75

%

Explanation:

Work has been undertaken to qualify the benefits from an external transformation partner. Several tried and tested transformation approaches have been reviewed and discussions undertaken with potential transformation partners. Confidence levels reflect the fact that ultimately savings need to be made by the Council based on recommended changes made by the Transformation Partner and these may not always be realised. However, there is high confidence in the delivery capability of the transformation partner working with the in-house Revenue and Benefits team.

3. Impact on residents, businesses and other organisations:

The use of a Transformation Partner may have a short-term impact on service performance whilst mobilisation is underway.

If potential outsourcing service delivery arrangements were to be agreed in the future (following assessment at the agreed milestone point), it would be important to ensure that access to advice and support in relation to Benefits, Council Tax Support, Council Tax and Business Rates remains fully accessible to the complete range of customer groups within our community. However, overall there should be no direct impact on residents, businesses or other organisations provided that the new alternative service delivery model is effectively implemented and that the service specification ensures that key outcomes and deliverables from the service, including advice, support and monitoring are accurately specified and managed.

4. Impact on other services we provide

Further work will be required on assessing the impact on staff. In particular, the Customer Services function (telephone and face-to-face) provides advice and services for a wide range of council services. Any proposal to make changes to these services (as a result of transformation or alternative delivery arrangements) would require consultation with services impacted.

5. Impact on staff	
<p>Should this proposal proceed it is likely that between 70 - 90 staff could be impacted. The exact number of staff involved will depend on a number of decisions regarding the scope, size and shape of the transformation programme. Further work is required to address these decisions and create a proposed approach and structure if this proposal is approved. Staff consultation will be required on this proposal depending on the scope and details of the transformation programme.</p> <p>* An estimate of staff reductions is made depending on scope and approach taken in each model. These changes would wherever possible be made by natural wastage and reductions in temporary posts.</p>	
The number of FTE that might be lost is:	5 - 15*
The number of posts that might be lost is:	5 - 15*

6. Resources and support needed to make the change
<p>If a service transformation approach is agreed work will include the development and agreement of a service specification and procurement activity to procure and negotiate a contract with the service transformation partner. Due to limited internal resources this is likely work which will need to be resourced either through a temporary appointment or external contractor.</p> <p>If following assessment of progress a decision were to be made to proceed with an outsourcing model, a significant amount of effort is required to ensure this is successful. Costs will include development of a service specification, procurement of the service in accordance with requirements of the public procurement regime, legal advice, Transfer of Undertakings (TUPE) staff transfer or secondment, IT advisory support, project and programme management. Much of this work will need to be undertaken prior to realisation of the saving. Once again, because of limited internal resources and capacity it is envisaged that this work will require the appointment of additional programme resources either as fixed term appointments or using external contractors. For some of the specialist legal and technical advice this will require access to relevant external professional services. A full resource impact assessment will be made as part of any proposals to implement this approach.</p>

7. Timescale to deliver and major milestones	
<i>Planned accomplishments to track progress [Milestone]</i>	<i>[Date]</i>
External Transformation Partner	
0. Approval to proceed (assumed)	July 2017
1. Develop requirements specification and tender documents	October 2017
2. Undertake procurement (assumes through framework agreement)	January 2018
3. Contract Award	March 2018
4. Transformation Partner mobilisation	April 2018

8. Risks and Opportunities

Further detailed work on risks, issues and opportunities is required depending on the scope of the transformation programme. The following generalised risks and opportunities can be identified:

Risks

- Savings are not delivered in time to meet Council budget requirements (bulk of savings delivered in 2019/20 and 2020/21 after taking account of investment to achieve them)
- Lack of internal resources to undertake a successful project in the timescales required
- Lack of delivery or under delivery from future transformation partner
- Difficulty in developing a service specification and clear outcomes in an area such as Revenues and Benefits which is subject to such a wide range of legislative changes
- The envisaged savings do not materialise
- Drop in staff morale and staff disruption/concern
- Significant change required in an environment which has already made cuts

Opportunities

- To deliver significant savings
- To gain innovative ideas and better ways of delivering the service
- To develop a contract which provides the opportunity to 'bolt on' transformation support for other services in the future
- Training and development investment by transformation partner for Council staff
- Improved service levels and better performance
- Resilience provided by an external bigger organisation

9. Dependencies

This proposal is dependent on implementing the overall vision for customer services which includes implementing the IT and Digital Strategy 2017-2020 designed to support the delivery of transformed electronic services.

The proposal is also dependent on ensuring that resources are made available to support with the implementation and delivery of the project (as indicated in this proposal).

10. Initial Equality Impact Assessment

Yes

No negative impacts identified

11. Consultation and Communications plans:

No public consultation is required

Formal staff consultation is required depending on the scope and nature of the

transformation programme. Consultation will be carried out with staff and unions as part of the timetable outlined above and in accordance with the agreed procedures.

Consultation with key external housing, social welfare agencies and the relevant voluntary sector partners is also recommended

12. Legal Implications

Staff consultation is required

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£	-£	£
2018/19	£287	£	-£	£287
2019/20	£367	£	-£	£367
Total	£654	£	-£	£654

* Costs include transformation partner input to deliver savings. The business case needs to be considered over a minimum of three years for it to be viable. When taking account of savings in year 3, potential savings after transformation partner could reach £500k for the cumulative three-year period depending on the scope of the transformation programme.

13.b One off project costs and income (not included in above)

£'000's		
2017/18	Capital Costs	-£50
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£75
	<i>Sub-total</i>	-£125
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£450
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£140
	<i>Sub-total</i>	£
	TOTAL	-£715

Proposal for Change: (CSS2)

CSS2: Housing Benefit overpayment recovery

Directorate: Corporate Resources

Delivery Unit Ref:
CSS2

Head of Service: Zoe Hanim

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
✓	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change

Housing Benefit overpayments occur for a variety of reasons:

- Customers failing to report changes in circumstances
- Delays in awarding or processing changes by our department
- People joining or leaving the household
- Changes in income or benefits
- Household members joining or leaving
- Children being born or leaving
- Birthdays and other significant events

The level of overpayments impacts on our capacity to act upon reported changes in time. This contributes to loss of Housing Benefit government subsidy due to administration delay, which is then classed as local authority error/delay overpayments.

For all of the Housing Benefit we pay out to our customers, we are reimbursed by the Department for Work and Pensions (DWP) up to 100%. However, where an overpayment occurs we only receive 40% for identified overpayments caused by customers and we receive 0% for those caused by authority error (above a very low threshold figure).

Overpayments caused by fraud are reimbursed at 40% and given the cause of such overpayments, there is an expectation that the overwhelming majority of cases should be considered recoverable from the persons who have either committed or significantly contributed to the fraud.

The Council is entitled to keep 100% of the income collected from overpayments

recovery in addition to any subsidy claimed.

Overpayments of benefit regularly occur in respect of claimants who still remain on very low incomes. The potential for successful recovery is often very low and any repayments are often extremely long term arrangements at a very low payment rate. Therefore the sooner overpayments are dealt with, the more successful recovery can be acted upon.

The current breakdown of our outstanding Housing benefit debt is
£7.8 million

Of that debt amount the following is:

- £1.9 Million is in agreement
- £2.2 Million is being clawed back from on-going Housing Benefit entitlement
- £1.2 Million is awaiting next action /review by the team (2 officers)
- £0.5 Million with Legal
- £0.5 Million needs preparing for legal action
- £1.1 Million (waiting to come back on to Housing Benefit)
- £300k being collected through DWP attachments of benefits
- £100k on attachment of earnings

Of this debt the age profile is as follows

2014	£1,053,910.29
2015	£2,157,428.93
2016	£2,067,423.41
2017	£ 585,483.63

(the remaining balances spread back to and including 2000 but do have active recovery going on against balances)

When it comes to tackling the issue we need to look at the causes, we know that a key cause is our lack of capacity to action changes in reported circumstances quickly. This is why we have been using a resilience contract to supplement the number of housing benefit assessors available to action the work, we have also trained front line staff in customer services to recognise what would cause an overpayment and suspend customers benefit, however we know that this is still not enough.

To concentrate on prevention as well as collection we need to have additional Housing Benefit Officers processing changes, or continue with our resilience contractors to stop overpayments occurring in the first place and additional Housing Benefit Overpayment officers concentrating and reviewing the pre-existing arrangements in place in the historic debt as well as reviewing overpayments as and when customers are no longer in receipt of on- going benefits.

We propose in the first instance concentrating on the £1.2 Million of debt sat in awaiting next action by employing 2 additional staff on fixed term contracts to focus specifically on the collection of overpaid Housing Benefit.

In addition employ two additional staff in the Housing Benefit team to ensure that customers are contacted straight away to discuss any overpayments that have occurred on the day their change takes place- or a combination of both. This would

require a business process change moving the initial recovery of debt decisions from the overpayment officers to the assessment officers. This works well at other local authorities but would slow down the assessor's capacity to deal with incoming Housing Benefit assessments, hence the need to resource this further to maintain current performance.

We would run this as a pilot initially to measure which approach worked best and produced the better results.

The cost of employing the additional 4 staff would be circa £120k per annum and the target would be to double the investment cost, whilst reducing the ongoing subsidy loss which this year was £525,062 of a total subsidy for £78,183,804. However, it should be noted this remains high risk to us, such is the nature of the subsidy regime, small errors can still result in large losses to the local authority.

This option would have minimal start-up costs, aside from recruitment and some possible training costs, and would be comparatively quick to get off the ground, if there are suitable officers on the market willing to work in Reading on fixed term 3 year contracts.

There is a risk as experienced officers have been difficult to recruit, in addition we are also carrying a Housing Benefit Officer vacancy.

The further risk is that the DWP have also initiated WURTI - 'Wider Use of Real Time Information' that is creating more overpayments on a month by month basis as it directly takes earned income and pension details from HMRC, and informing us of these changes on a monthly basis. Whilst we have had additional funding for WURTI changes all local authorities are reporting that they are receiving far more than the DWP had forecasted and therefore capacity to process these is a challenge.

The further risk to overpayment recovery is that we are trying to recover more money from people with very limited disposable income, who are seeing their benefits / incomes being reduced because of the wider welfare reform agenda, including our own reduction in Council Tax Support.

Our current performance on Housing Benefits overpayments raised and collected in 2016/17 is 62.43%.

National Picture Of Housing Benefits Overpayment Levels Source:



National Office Of Statistics

Main stories

During the first half of 2016/17:

- £455 million Housing Benefit overpayments identified.
- £337 million Housing Benefit overpayments were recovered.
- £40 million Housing Benefit overpayments were written off.

The total value of outstanding Housing Benefit overpayments continues to follow an increasing trend.

At July 2016 (the beginning of quarter 2, 2016/17) the total value of outstanding

debt was around £1.94 billion, an increase of £240 million (14%) on this point the previous year.

At July 2016 the largest average Housing Benefit outstanding debt amount per claimant was in London (£ 243 per claimant) while the smallest was in Wales (£ 72 per claimant.)

The average Housing Benefit overpayment outstanding per claimant in Great Britain was £137 at July 2016.

According to the National Office of Statistics the total value of Housing Benefit overpayments outstanding in Great Britain is steadily increasing.

Our aim is to collect an additional 10% each year of the £1.2 million currently in decide next action with the use of the two additional officers and prevent further overpayments and subsidy loss entering the system by the use of two additional Housing Benefit officers or the continued use of the resilience contractors.

We believe with additional resources the additional income recovery could be achievable based on a feasibility study carried out by a similar size local authority with a caseload demographically similar to Reading in the South.

We are being encouraged by the DWP that once our Housing Benefits customers start to migrate over to Universal Credit (UC), recovering from on-going Housing Benefit will no longer be available to us for working age customers. Therefore it is imperative that we attempt to maximise recovery now prior to full UC migration.

With this in mind we have been offered some additional help from the DWP's Performance and Improvement Team who believe they can share some further best practice with us. The Performance Development Team (PDT) consultants have visited a number of local authorities in recent months to undertake debt assignments. They have found that performance can be improved by introducing some of their recommendations. We have therefore in anticipation of this proposal being approved, contacted them to ask for their assistance.

We propose if 4 officers are agreed only 2 are fixed term for 3 years and 2 are 12 month, the effect of this pilot then can be reviewed to see what the impact has been on recovery and subsidy loss.

2a. Confidence level

50 %

Recruiting additional resource maybe a challenge. Collecting additional monies from those already on a low income may be difficult. Additional changes to on-going benefits and welfare reform may impact our ability to recover larger overpayments in short time frames. Therefore whilst we may get low level arrangements in place they may not be realised within a financial year and therefore whilst the debt is in an arrangement we may not achieve 100% collection in year.

3. Impact on residents, businesses and other organisations:	
Increase in enquiries from customers: Citizens Advice Bureau / Welfare Rights Debt Advise Agencies Housing Associations / Private landlords as we increase recovery rates	
4. Impact on other services we provide	
Housing Rents - Arrears may be impacted Council Tax - Collection maybe impacted	
5. Impact on staff	
Additional Posts x2	
The number of Full Time Equivalent staff that might be lost is:	0
The number of posts that might be lost is:	0
6. Resources and support needed to make the change	
Additional Housing Benefit or Housing Benefit Recovery Officers Training / Monitoring Additional IT kit Desks	
7. Timescale to deliver and major milestones	
<i>Planned accomplishments to track progress [Milestone]</i>	<i>[Date]</i>
Recruit / Interview	June/ July
Train	August
Effective	September
8. Risks and Opportunities	
Housing Benefit overpayments continue to rise Missed opportunity to maximise collection Universal Credit	
9. Dependencies	
Recruitment Agreed Housing Benefit Officers available Capacity of Legal Services Team if next stage becomes legal action rather than arrangement.	
10. Initial Equality Impact Assessment	
N/A (these debts are legally recoverable and legislative process already in place)	
11. Consultation and Communications plans:	
N/A	

12. Legal Implications

13.a Financial implications - net change to service budget in each year				
£'000's	Savings	Income	Growth/Costs	Total
2017/18	£ Improvement on subsidy loss not possible to estimate	£100	-£	£100
2018/19	£	£120	-£	£120
2019/20	£	£125	-£	£125
Total	£	£345	-£	£345

13.b One off project costs and income (not included in above)				
£'000's				
2017/18	Capital Costs		-£	
	Capital Receipts		£	
	Estimate of redundancy costs		-£	
	Estimate of resource costs to deliver		-£110	
	<i>Sub-total</i>			-£110
2018/19	Capital Costs		-£	
	Capital Receipts		£	
	Estimate of redundancy costs		-£	
	Estimate of resource costs to deliver		-£60	
	<i>Sub-total</i>			-£60
2019/20	Capital Costs		-£	
	Capital Receipts		£	
	Estimate of redundancy costs		-£	
	Estimate of resource costs to deliver		-£60	
	<i>Sub-total</i>			-£60
		TOTAL		-£230

Proposal for Change: (CSS3)

CSS3: Civil Penalties for non-disclosure of change of circumstances

Directorate: CSS
Head of Service:
Zoe Hanim

Delivery Unit Ref: CSS3

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
✓	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
<p>Implementation of Civil Penalties in Housing Benefit, Council Tax Support and Council Tax cases.</p> <p>Civil Penalties, particularly in Council Tax, are currently in use in at least 5 of the 10 authorities contacted, with a number of others actively considering introducing these. Other authorities currently imposing the penalty for Council tax include West Oxfordshire, South and Vale and Cherwell and South Northants Shared Service.</p> <p>The appropriate legislation for each of the three areas in which Civil Penalties could be introduced does differ and so has been set out separately below.</p> <p>Housing Benefit:</p> <p>The Social Security (Civil Penalty) Regulations 2012 (SI 2012/190) and the Welfare Reform Act 2012, section 116, amended the Social Security Administration Act 1992 to insert sections 115C and 115D to introduce Civil Penalties in cases of claimant error from 1 October 2012.</p> <p>The Civil Penalty is a flat penalty of £50, set by legislation (Statutory Instrument S.I 2012/1990). It may be given to claimants who incur an overpayment caused by either negligently making incorrect statements or negligently giving incorrect information and failing to take reasonable steps to correct the error, or failing, without reasonable excuse, to provide information or to disclose relevant changes in their circumstances.</p>

The penalty is only for cases of claimant error which is where the claimant was responsible for the failure to notify as opposed to a landlord or an error made by a Local Authority in dealing with a change.

Each instance of claimant error identified needs to be considered individually before determining that a claimant has been negligent or there is no reasonable excuse to account for their failings.

This means that for cases of claimant error where the claimant has been negligent or failed to report changes of circumstances when they knew they should have and have no reasonable excuse there is now:

- Recovery of the overpayment
- A Civil Penalty of £50 imposed but with
- A right of appeal against the decision including the decision to impose the Civil Penalty.

In cases where the decision maker for the appropriate authority (Secretary of State or a local authority) satisfies themselves that an overpayment has arisen as a result of the claimant's culpable failure or negligence, they may impose a Civil Penalty as well as recovery of the overpayment.

The penalty is added to the overpayment total and notified at the same time to the claimant and recoverable by the same means. It is possible to invoice separately for the penalty but it is anticipated that this would increase costs associated with the process.

Where an appeal against an overpayment decision results in there being no overpayment then the associated Civil Penalty will no longer apply and any monies already recovered of the Civil Penalty and overpayments are repaid.

Where the appeal is against the Civil Penalty only, and it is decided no grounds for the Civil Penalty exist, the penalty will no longer apply and any monies already recovered of the Civil Penalty are repaid. It is important to explain however that a customer does not agree to a penalty, it is imposed and therefore there is no agreement necessary which is different to the administration penalty which can be applied by Department of Work and Pensions.

The aim of the £50 Civil Penalty is to deter claimants from negligent behaviour in the future and increase their personal responsibility for keeping claims correct.

Any income generated by the introduction of Civil Penalties in Housing Benefit would be kept by Reading Borough Council and could be invested into maximising recovery of overpayments and administration of benefit cases and reviews.

It is anticipated that subject to the penalty being approved by Policy Committee, it should be administered by the Housing Benefit Team and any case considered for a penalty, should be approved by a Senior Officer. We need to prepare a policy on the application and purpose of Civil Penalties which would become a public document and we may be asked to report details of these in subsequent Freedom of Information Requests. However, it is anticipated the number of such requests being limited and we could meet these demands without any additional resource.

In terms of income we could realise, if we take West Oxfordshire as an example.

They applied 111 penalties in 2016/17 all of which were repaid by customers. This resulted in £5,550 additional income. West Oxfordshire has a considerably smaller caseload and due to the demographics of the area, these customers have fewer changes as they have a lower in work population than Reading. It is therefore anticipated that if the policy were approved and implemented, it is anticipated that we could realistically generate c.£10,000 additional income per annum with minimal investment or risk.

Council Tax Support (CTS):

For CTS cases, we do not currently include or publish details about sanctions which may be imposed by any subsequent investigation process. However, the Welfare Reform Act 2012 introduced new regulations under Sections 14a to 14C of the Local Government Finance Act 1992 which make provision for powers to require information, the creation of offences and powers to impose penalties in connect with Council Tax Reduction Schemes. (The Council Tax Reduction Schemes (Detection of Fraud & Enforcement) (England) Regulations (2013))

It could therefore be argued that as the above regulations are part of the Local Government Finance Act 1992, they are an intrinsic part of our scheme but I would recommend including these in our scheme for 2018/19 and including them in any consultation in relation to this. This income would only become available to the authority in 2018/19 and subsequent years and could not be realised in this financial year.

Regulations 12 and 13 of the Council Tax Reduction Schemes. (The Council Tax Reduction Schemes (Detection of Fraud & Enforcement) (England) Regulations (2013)) enable a billing authority to impose a Civil Penalty of £70 (S.I 2013/501) on a person in circumstances where they negligently make an incorrect statement in connection with an application for a reduction under a Council Tax Reduction Scheme, or where a person fails to notify a change of circumstances where required to do so. The £70 penalty is a fixed amount and would not be reduced.

Council Tax:

The Council has powers under the Local Government Finance Act 1992 (Schedule 3) to impose civil penalties to those charge payers who wilfully neglect to inform the Council of changes which affect their Council Tax liability.

Introduction of a penalty scheme will encourage customers to inform the Council of changes as soon as possible thus reducing collection costs.

These penalties would be applied using a consistent approach to those proposed in receipt of Housing Benefit and Council Tax Support.

It is proposed the Council would impose a penalty when a charge payer fails to report a change in their circumstances or provide information requested within 21 days, and has not provided a reasonable explanation for the delay in reporting the change resulting in excess discount or incorrect Council Tax liability.

The Council may impose a penalty of £70 where a person fails to:

- Notify the council without reasonable excuse on any matter which affects entitlement to a discount
- Notify that their dwelling is no longer an exempt dwelling
- Supply relevant information requested after the issue of a liability order has

been obtained. Failure to supply could lead to a criminal prosecution and a fine

- Notify the council of a change of address within 21 days or as soon as practicable
- Notify the council of a change in liability party.
- Notify the Council that Council Tax Support should have ended

Where a penalty has already been applied and further requests for the same information are made additional penalties of £280 may be applied.

Guidelines for the application of penalties and an internal review procedure for dealing with any appeals will be required to ensure consistency between the officers responsible for imposing the penalties for both Council Tax and Local Council Tax Benefit Scheme. An increase in reviews of discounts and exemptions will also need to be adopted therefore it is not foreseen that any income will be generated from Council Tax penalties in 2017/18.

2a. Confidence level

70 %

The implementation of the policy would increase work for all teams initially and therefore may reduce current clearance rates thereby increasing customer dissatisfaction and corresponding risk may be seen as too high.

Council Tax -

There are no adverse financial implications associated. It is however not possible to estimate the value of penalties that might be applied and collected during 2018/19. All penalty income collected does not form part of the collection fund. The management information collected during the year will enable a decision to be made as to how much should be added to the Medium Term Financial Plan for future years.

3. Impact on residents, businesses and other organisations:

It is anticipated that these changes would increase customer demand in the short term as they would be keen to advise us of all changes at the time that they happen rather than now, which is far more re-active.

There is also the possibility of additional financial hardship in cases where customers have failed to notify us of changes which may impact on their ability to keep up with other bills such as rent or Council Tax. However, as the recovery of the Housing Benefit Civil Penalty would sit alongside standard overpayment recovery, this is expected to be minimal.

Introducing a penalty is unlikely to be supported by agencies in the 3rd sector but it should be noted that these are in place in other authorities and there is even a section on Civil Penalties on the Citizens Advice Bureau website so this is not unknown territory.

Council Tax - The Council will exclude taxpayers from the imposition of a penalty where they have relevant mitigating family/personal circumstances, for example recent bereavement or serious illness. Council Tax payers who are severely mentally impaired are also excluded from the penalty scheme.

Exclusion from a penalty will also be considered in cases where the customer or their partner has a significant degree of physical or mental infirmity, such as a

terminal illness, severe clinical depression, and hearing/sight/speech problems, learning difficulties or frailty due to old age.
All identified exceptional cases will be passed to a Revenues Team Leader or the Revenues and Benefits Manager for a decision to be made.

4. Impact on other services we provide

There may be increased pressure on overpayments teams working within the Council and on appeals teams within Benefits.

5. Impact on staff

The number of FTE that might be lost is:	0
The number of posts that might be lost is:	0

6. Resources and support needed to make the change

No additional funding would be required for Housing Benefit changes.

Council Tax Support would need to be included in the 2018/19 scheme for which we pay a small fee to an external agency to prepare for us and which we consult upon each year.

We would need sign off from the Head of Audit and I would suggest our Section 151 Officer, and would need a policy approved by Members.

Council Tax - An increase in Council Tax officer roles will be requires ensuring the correct resource is available to undertake Council Tax reviews.

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress [Milestone]</i>	<i>[Date]</i>
Report to be drafted for Corporate Management Team (CMT)	Apr / May 2017
CMT to consider and approve / reject	May 17
If approved, policy to be drafted by service	May 17
Policy to be signed off by Section 151 Officer and Head Auditor	Jun 17
Policy Committee to sign off policy	Jul 2017
Service to introduce Housing Benefit and Council Tax Civil Penalty	July 2017
Civil Penalty to be introduced in Council Tax Support scheme	April 2018

8. Risks and Opportunities

- Risk to income via rents team as overpayments would be increased and recovery would be for longer period
- Risk to reputation as may not be considered supportive of residents or of adding debt to generate income
- Risk of increased complaints, appeals for team to manage
- Opportunity for real and permanent change in customer behaviour
- Opportunity for income generation to assist with overpayment recovery and administration of benefit

Council Tax - There may be challenges to the imposition of penalties increasing the number of appeals; however a right of appeal to an independent Valuation Tribunal

exists. Staff will be fully trained in the administration of this policy to ensure fairness and consistency. Any penalty will be applied to the Council Tax liability and recovered through the usual means.

9. Dependencies

Council Tax ICT configuration and Systems Support Team resource

10. Initial Equality Impact Assessment

These changes will affect all customers regardless of any other factors.

11. Consultation and Communications plans:

Message on benefit and Council Tax pages of Reading Borough Council website
Section added to Benefit application form to advise this is happening

12. Legal Implications

- There is no duty to consult for Housing Benefit / Council Tax changes
- There is a duty to consult if significant changes are made to Council Tax Support scheme
- If Policy is approved by Section 151 Officer and Head of Audit, will be accepted by Department for Work and Pensions

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£5	-£	£5
2018/19	£	£10	-£	£10
2019/20	£	£	-£	£
Total	£	£15	-£	£15

13.b One off project costs and income (not included in above)

£'000's		
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
	TOTAL	£

Proposal for Change: (CSS11)

CSS11: Realignment of commissioned Tackling Poverty, Thriving Communities and Community Buildings services from 2018/19

Corporate Plan Priority: Safeguarding and protecting those that are most vulnerable

Directorate: CSS Delivery Unit Ref: CSS11

Head of Service: Zoe Hanim

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
✓	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
✓	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
✓	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
<p>From 2016/17 a proposal was implemented to generate a saving of £963,000 in voluntary sector grants budgets over a 2 year period, reducing expenditure from £1.963m in 2015/16 to £1m in 2016/17 and creating a better alignment with priorities set out in the Corporate Plan. The majority of these savings have been achieved via the implementation of the Narrowing the Gap Commissioning Framework from 1 June 2016 with 2 year agreements in place expiring 31 May 2018.</p> <p>The first Narrowing the Gap framework contained seven commissioning themes - developed in consultation with community organisations - related to tackling poverty, supporting thriving communities, and promoting wellbeing. The framework was designed to enable community organisations to apply for funding to deliver services in support of corporate priorities. Narrowing the Gap commissioning is funded through Adult Social Care and Corporate Support Services budgets.</p> <p>The voluntary sector is a key partner that adds significant financial value through volunteering contributions and their ability to lever in external funding; as well a social value via service delivery reaching out to vulnerable groups. Historically, this partnership way of working has been supported by Reading Borough Council through a mixture of grant aid; contractual arrangements; and help in kind through subsidised lease arrangements for our properties.</p>

The current position in 2017/18 already reflects new partnership arrangements and new ways of working that have been made in the voluntary sector to support service delivery within a reduced budget framework.

The Narrowing the Gap Corporate Support Services budget is for commissioning Tackling Poverty and Thriving Communities services and the Community Buildings transition scheme.

The current Narrowing the Gap Commissioning Framework contracts end in June 2018. The process of recommissioning for a new set of contracts to start in June 2018 is proposed to commence with consultation with the voluntary sector in August 2017. Due to the resource involved in commissioning it is expected that new contracts would run for 4 years.

Through the recommissioning process for the Narrowing the Gap Framework, to provide services that support those who are vulnerable and in greatest need and maintain a strong and sustainable voluntary sector, it is proposed that specifications for future Narrowing the Gap services would be reviewed to obtain best value for money. The potential realignment of service specifications and apportionment of the Narrowing the Gap Commissioning Framework budget would be developed in consultation with the voluntary sector through the re-commissioning process. This would involve discussion on which areas are in a better position to secure alternative sources of funding so that we can protect those areas of our priorities least able to attract alternative sources of funding.

2a. Confidence level

95 %

It would be possible to implement any savings decision by June 2018 which is when recommissioned serviced would commence.

3. Impact on residents, businesses and other organisations:

The Narrowing the Gap Framework provide services that support those who are vulnerable and in greatest need and maintain a strong and sustainable voluntary sector. A reduction in budget could impact on the viability of some voluntary organisations and services provided to vulnerable people and those in greatest need. There are also opportunities for bringing in alternative or additional funding which could benefit the local community.

4. Impact on other services we provide

Services provided through the Narrowing the Gap framework support homeless and housing services and council tax collection.

Support for participation and engagement provided through the Narrowing the Gap framework impacts on the work of neighbourhood teams in terms of engagement with local residents in a structured way.

Community Buildings - The capacity to manage the centres is variable, and in local neighbourhoods there is a dependency on council officers to support committees and to provide both continuity and funding support.

5. Impact on staff

The number of Full Time Equivalent staff that might be lost is:	0
---	---

The number of posts that might be lost is:	0
--	---

6. Resources and support needed to make the change

The resource to carry out this proposal will be provided through the Narrowing the Gap commissioning process which involves Policy, Commissioning, Legal, Procurement and is already provided for in mainstream service planning.

7. Timescale to deliver and major milestones

To include key decision points and governance meetings

<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Consultation on CSS Narrowing the Gap (NTG) budget and proposed NTG II themes and approach	August to September 2017
Equality Analyses	August to September 2017
Confirm CSS Narrowing the Gap budget 18-19	31.10.2017
Publish draft NTGII framework for (provider) feedback	01.11.2017
Secure authorities to extend /award contracts	31.12.2017
Open NTGII for bids	05.01.2018
Close NTGII bidding	09.02.2018
New / revised contracts in place to achieve 18-19 (recurrent) savings	31.05.2018

8. Risks and Opportunities

A review of specifications for Narrowing the Gap services in the light of emerging needs, performance, outcomes and continual improvement would bring opportunities to reduce contract costs and direct resources more effectively along with potential for obtaining additional funding which could benefit the local community.

9. Dependencies

Adult Social Care Narrowing the Gap promoting wellbeing strands form part of the Narrowing the Gap Framework. The cross council impacts of the Adult Social Care Preventative and non -prescribed (non-mandated) Public Health services should be considered in the context of this proposal and vice versa.

10. Initial Equality Impact Assessment

The Narrowing the Gap Commissioning Framework includes services for individuals supporting those who are vulnerable, marginalised or in poverty, or supports the infrastructure required for a healthy voluntary sector e.g. support for volunteering, community buildings, and community capacity-building. A full Equality Impact Assessment will be undertaken in relation to any area where this Proposal for Change is likely to lead to a reduction in service in that area.

11. Consultation and Communications plans:

Full consultation and communication plans will be developed as part of the Narrowing the Gap re-commissioning process to ensure that new arrangements are in place from 1 June 2018.

Consultation will be required with all groups responsible for managing community buildings.

12. Legal Implications

Individual properties owned by Reading Borough Council and managed by voluntary organisations have leases in place with appropriate break clauses.

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£	-£	£
2018/19	£83	£	-£	£ 83
2019/20	£17	£	-£	£ 17
Total	£100	£	-£	£ 100

13.b One off project costs and income (not included in above)

£'000's		
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£

2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
	TOTAL	£

Proposal for Change: (CSS15)

CSS15: Direct Cremations

Directorate: CSS
Head of Service:
Zoe Hanim

Delivery Unit Ref: CSS15

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
✓	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change							
<p>This proposal sets out consideration for including “Direct Cremations” as an additional service the Cemetery & Crematorium team is able to provide families. This service will provide a new income stream.</p> <p>What is a Direct cremation? A direct cremation is a disposition option in which the body is cremated in the days immediately following the death, without a funeral service beforehand. Direct cremation is the most economic (affordable) option for disposition.</p> <p>Basic Features Of Direct Cremation: Because direct cremation does not include a formal funeral or any pre-funeral events, many of the costs of a traditional funeral are avoided.</p> <p>Why would a family choose this option?</p> <ul style="list-style-type: none"> • The express wishes of the deceased. • Keeping costs to a minimum • Funeral poverty and the steep increase in funeral costs <p>In 2014 the cost of dying rose seven times faster than the cost of living. The cost of an average, basic funeral in the UK has increased from £3,562 then to £3,675 in 2016. This is an increase of 3.2%, over three times higher than the rate of UK inflation. (Quaker Social Action - Funeral Poverty Briefing, November 2016)</p> <p>Current pricing structure</p> <table border="1"> <tbody> <tr> <td>Reading Borough Council set Cremation fee</td> <td>£745 Includes chapel of £275</td> </tr> <tr> <td>Cost of the average funeral in Reading (Hearse, service, Bearers & Celebrant)</td> <td>£3250* (*includes Cremation fee above)</td> </tr> <tr> <td>Average Local offer for Direct Cremation</td> <td>£1250</td> </tr> </tbody> </table>		Reading Borough Council set Cremation fee	£745 Includes chapel of £275	Cost of the average funeral in Reading (Hearse, service, Bearers & Celebrant)	£3250* (*includes Cremation fee above)	Average Local offer for Direct Cremation	£1250
Reading Borough Council set Cremation fee	£745 Includes chapel of £275						
Cost of the average funeral in Reading (Hearse, service, Bearers & Celebrant)	£3250* (*includes Cremation fee above)						
Average Local offer for Direct Cremation	£1250						

Table 1

Competition

Most Funeral Directors locally now have a “direct” or online offer and the trend is for all Funeral Directors to include this option in their service mix. Reading Crematorium does not currently offer a “direct” fee, and understands that a Local Funeral Director who offers the “direct” service travels to an out-of-borough crematorium offering a lower fee and by doing multiple coffin deliveries achieves economy of scale.

It is therefore important that as a Borough, Reading presents a “direct” fee attractive to local Funeral Directors to ensure they too can keep their costs down and retain business within the borough.

Most importantly, this fee will go a long way in supporting local residents afford the cost of laying their loved ones to rest.

There are number of considerations in implementing this service:

1. Proposed fee: £460 (Cremation fee -chapel fee of £275)

This does imply a loss of income of £275 for non-use of the chapel; however, it is unlikely that Reading Borough Council would have obtained this additional business given the price sensitivity. This would be considered new business.

		Proposed income 2017-18	Proposed income 2018-19	Proposed income 2019-20
The Reading Borough Council proposed Fee per Direct Cremation	£460 (Current Crematorium fee £745 - £275 Chapel fee)	£8.2k (-£2.7k costs)	£11.3k	£12.3k
Number of Cremations		18	22	30

Table 2

2. Capacity:

The current daily cremation capacity: 10 cremations/ day using 2x cremators; however, this capacity level is principally attained and sustained between Mid-December and April. This implies for the remaining 7.5 months of the year, the service could increase “production” without requiring significant changes to resources.

Given this capacity restriction, there is a recognition that Reading Crematorium will only be able to accept “direct” where the service can cremate within the limits of its resource and storage base.

The current storage infrastructure meets the needs of the service; however, to meet the future “direct” need, additional racking will be acquired at a one-time cost of £2.5k.

There is no fear yet that demand for this service will hamper the traditional route as highlighted in Table 3, only a small number of families will choose this route.

3. Staffing costs:

This is yet an unknown and will be dependent on service pressures particularly in the Winter months when demand for funeral services is highest. There may be a need for staff to either stay late to complete cremations where “carrying over” is not an option.

Additional resource cost: £1200 /year of overtime working on the assumption of 5 operational Saturdays/ year.

This cost would only be incurred if the demand supersedes the weekly production capacity and would require management approval to ensure efficiency.

2a. Confidence level

75	%
----	---

Explanation: - Market position:

Direct cremations are a niche but growing area of the funeral business highlighted under the heading “Basic Features of Direct Cremation”

There is a strong online presence for direct cremations and local business now offer this service at an average cost of £1250.

Having stated the above position, it is, however, important to note this service will continue to be niche as The National Association of Funeral Directors (NAFD) estimates that direct cremations and the rarer burials without ceremonies follow less than 3% of the 480,000 or so annual deaths that occur in England & Wales. (<http://www.bbc.co.uk/news/magazine-35812014>) Reading’s bereaved population who would choose this service option amounts to less than 1% of all cremations at the crematorium. The NAFD goes on to say “Funerals are acknowledged as an important step in the grief journey as we learn to come to terms with life without someone in it.” (<http://nafd.org.uk/2016/10/19/impact-direct-cremation-grieving-process/>)

3. Impact on residents, businesses and other organisations:

Positive impact as customers will have more choice.

More attractive offer for funeral directors to keep business local.

4. Impact on other services we provide

This offer could help to reduce the demand for local authority funded public health funerals and provide additional savings.

5. Impact on staff

Possible Ad hoc requirement to increase hours to meet demand.

The number of Full Time Equivalent staff that might be lost is:

0

The number of posts that might be lost is:

0

6. Resources and support needed to make the change

Additional resource cost: £1200 /year of over-time working on an assumption of 5 operational Saturdays a year.

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress [Milestone]</i>	<i>[Date]</i>
Business case approval to include fee in current year	June 2017
Update all fee charts	July 2017
Brief Funeral Directors	July /August 2017

8. Risks and Opportunities

Opportunity: Strong and steady demand albeit the small volume.

Risk: Demand may be too high at critical times putting a strain on the current resource pool. A resourcing review may require appointing additional casual resource to manage the ebbs and flow. Could result in Funeral Directors losing faith in Reading Cremation's ability to deliver.

9. Dependencies

None

10. Initial Equality Impact Assessment

This is a discretionary and non-discriminatory service accessible to all members of the public.

11. Consultation and Communications plans:

Consultation is not required as this is a discretionary service which the public may choose to purchase.

12. Legal Implications

Prior to each cremation, all medical and legal paperwork must be completed and checked.

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£ 8.2	-£	£ 8.2
2018/19	£	£	-£	£
2019/20	£	£	-£	£
Total	£	£ 8.2	-£	£ 8.2

13.b One off project costs and income (not included in above)

£'000's		
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£

		<i>Sub-total</i>	£
2019/20	Capital Costs		-£
	Capital Receipts		£
	Estimate of redundancy costs		-£
	Estimate of resource costs to deliver		-£
		<i>Sub-total</i>	£
		TOTAL	£

Proposal for Change: (CSS22)

CSS22: Proposal to develop a range of options for changes to staff terms and conditions

Directorate: CSS
Head of Service: Chris Brooks

Delivery Unit Ref: CSS22

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
✓	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
<p>The Council is working to close its financial gap and it is proposed that in line with other councils managing through austerity, avoiding growth in employee costs in the medium term is important if job losses and service cuts are to be minimised.</p> <p>It is proposed that the Council seeks to reduce the increase in the pay bill of non-schools staff over the next 2 financial years by £2m.</p> <p>The main measure proposed for consideration is going ahead with the annual pay rise agreed as part of the national agreement but pausing incremental progression within grades. This is proposed because it does not reduce pay but delays a pay rise until after the Council's financial position has been stabilised.</p> <p>There are a number of other proposals which could be considered. Throughout the process all options will be considered, including alternative suggestions that staff and trade unions may have.</p>

2a. Confidence level

70 %

The confidence level reflects the fact that delivering the cost reductions to the timetable proposed through the inclusive, collaborative approach proposed will require the engagement of all parties and timely agreement of the measures to be implemented.

3. Impact on residents, businesses and other organisations:

It is not anticipated that there will be any impacts of this proposal on residents, businesses or other organisations.

4. Impact on other services we provide

This proposal is intended to help close the budget gap without making reductions in services.

5. Impact on staff

This proposal is designed to achieve a reduction in staff costs without additional staff losses.

The impact on staff will be dependent on the nature of the proposals that are implemented. The consultative approach proposed and level of engagement with staff and their representatives will inform which options are taken forward to deliver the level of saving required.

The number of FTE that might be lost is: 0

The number of posts that might be lost is: 0

6. Resources and support needed to make the change

The development of options, engagement with staff and their representatives and implementation will require support from internal resources including HR, Legal, Communications and Finance.

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress [Milestone]</i>	<i>[Date]</i>
The process will be consultative and iterative with a view to reaching agreement in order for implementation in April 2018.	1/4/18

8. Risks and Opportunities

The key risk is that any proposed cost saving amendments to our Terms and Conditions of Service may have an adverse impact on staff morale and/or impact on recruitment and retention.

The proposal provides an opportunity to agree ways to reduce staff costs to help stabilise the finances of the Council without directly affecting front line services or creating additional job losses.

The proposal also provides an opportunity to extend the conversation with staff and Trade Unions beyond Terms and Conditions to establish a new partnership approach including areas such as learning and development, career development, management practice and processes etc.

9. Dependencies

N/A

10. Initial Equality Impact Assessment

An Equality Impact Assessment will be undertaken as specific proposals are developed and informed consultation processes.

11. Consultation and Communications plans:

A collaborative and consultative approach to identifying and agreeing options is proposed to include:

- An open discussion with Trade Unions and local branch representatives;
- All staff meetings outlining the Council's financial situation;
- A sharing of all the options and a discussion to establish the Unions' preferred options;
- A proposed joint Trade Union, management consultation exercise on the options for change;
- A negotiation informed by these exercises;
- Completion of an Equalities Impact Assessment and Low Pay impact assessment for any proposed package; and
- A consultative ballot of all staff on any proposal.

12. Legal Implications

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£	-£	£
2018/19	£ 1,040	£	-£	£ 1,040
2019/20	£ 960	£	-£	£ 960
Total	£ 2,000	£	-£	£ 2,000

13.b One off project costs and income (not included in above)

£'000's		
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2018/19	Capital Costs	-£

	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
	TOTAL	£

Proposal for Change: (DENS2)

DENS2: Changes to the Animal Warden Service

Delivery Unit Ref: DENS 2

Directorate: DENS

Head of Service: Giorgio Framaliccio

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
✓	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
<p>The Animal Wardens Service is currently staffed by one officer covering the statutory function of collection of strays and discretionary functions including targeting reductions in dog fouling, licensing of animal boarding establishments (home boarding, kennels etc) and also supports noise nuisance case work where dogs are involved.</p> <p>This proposal sets out options to reduce the staffing costs by stopping discretionary services. The statutory function for the collection of strays will be outsourced and consideration will be given to outsourcing animal boarding establishment work on a cost neutral basis.</p>

2a. Confidence level	
100%	The provision of the discretionary elements of the current service is completely within the control of the Council.

3. Impact on residents, businesses and other organisations:
<p>Residents should not see a change in the strays service and the contractor may also be able to provide out of hours cover. There is however less control over fees unless the Council chooses to maintain control over these.</p> <p>Key impacts will be reduced service for animal nuisance cases; no RBC (Reading Borough Council) officer conducting licensing of animal boarding establishments; no lead officer for dog behavioural issues and public space protection orders; loss of Facebook page which manages a range of customer contacts and helps to re-unite owners with their lost</p>

dogs.

4. Impact on other services we provide

There is likely to be an increase in complaints to Parks and through 'Love Clean Reading' requesting cleansing in affected areas.
There will be a loss of income from animal establishment licensing.

5. Impact on staff

There will be a reduction in staff.

The number of FTE that might be lost is:	1
--	---

The number of posts that might be lost is:	1
--	---

6. Resources and support needed to make the change

- Contract support
- Human Resources support for redundancy/TUPE (Transfer of Undertakings (Protection of Employment) Regulations)

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Consult with staff	September - December 2017
Contract discussions related to strays service	September - December 2017
Savings achieved	1 April 2018

8. Risks and Opportunities

- Loss of control over fee setting
- Reduced service level offered by strays contractor (slower response etc)
- Increase in workload in street cleaning due to unchecked fouling
- Lost expertise on dog behavioural issues contributing to noise nuisance
- Loss of RBC licensing expertise and income

9. Dependencies

Availability of contract support for strays.

10. Initial Equality Impact Assessment

If the answer is Yes to any of the below, and if accepted, a full EQIA will be completed as part of the consultation process.

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others?	Yes		No	✓
Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.	Yes		No	✓

11. Consultation and Communications plans:

Consultation with staff will be required. A communications plan is not required.

12. Legal Implications

TUPE / contract matters may apply.

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£0	£0	-£0	£0
2018/19	£15	£0	-£0	£15
2019/20	£0	£0	-£0	£0
Total	£15	£0	-£0	£15

13.b One off project costs and income (not included in above)

		£'000's
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
TOTAL		£

Proposal for Change: (DENS11)

Cease the Classical Season at the Hexagon

Directorate: DENS

Delivery Unit Ref:
DENS11

Head of Service:
Grant Thornton

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
✓	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
<p>The Classical Season at the Hexagon is the only regularly loss-making element of the overall programme. The costs of putting on the classical concerts are greater than the returns generated through box-office and secondary income is relatively limited. The season is essentially subsidised by the Council (this is reflective of a national picture where both classical and opera receive significant levels of public subsidy in one way or another).</p> <p>The proposal is to curtail the classical 'season' of 6-8 concerts. This will remove the losses currently sustained and also free up additional dates for programming shows / performances that do not lose money.</p> <p>Some small scale concerts could continue at the Concert Hall in the Town Hall & Museum where these can break even.</p> <p>It is the intention to have occasional large scale concerts at the Hexagon if of sufficient profile to secure a larger audience to achieve break-even or better and to explore maintaining a relationship with our resident orchestra the Royal Philharmonic Orchestra (RPO). This will include retention of the annual 'Noisy Kids' concert which has high attendances.</p>

2a. Confidence level

100 %

In terms of the action required to implement the proposal there are no identified issues.

3. Impact on residents, businesses and other organisations:

Loss of large scale orchestras regularly performing in Reading, with the possible loss of profile and reputation for the cultural offer in the town. A relatively small, although numerous, proportion of the public would lose local access to frequent larger scale classical concerts.

We would lose our long-standing partnering relationship with the Royal Philharmonic Orchestra and associated educational programmes. Discussions are though underway to establish whether it will be possible to retain a connection to the RPO based on a very much more limited number of performances.

Impact on the schools and students that visit the venue for these concerts at discounted rates.

4. Impact on other services we provide

No major impacts identified.

5. Impact on staff

Minimal as capacity would be absorbed in developing alternative programme.

The number of FTE that might be lost is:

The number of posts that might be lost is:

6. Resources and support needed to make the change

No major resources needed

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Stop programming any new classical concerts at the Hexagon (from the date of in principle decision - July Policy Committee.	17/07/17
Commence Public Consultation	19/07/17
Complete Public Consultation	13/09/17
Confirm Decision	30/10/17
2017/18 Classical Season completes	30/06/18
Reduced Season for 2018/19 completes	30/06/19
Full-year saving delivered in 19/20	31/03/20

8. Risks and Opportunities

Reputational damage and public reaction.

Will remove large scale orchestras performing regularly from the town for the foreseeable future, once Reading is off the touring map for orchestras.

Risk of potential press stories, more likely in specialist trade media such as The Stage and Arts Professional.

The freeing up of dates in the programme calendar will provide an opportunity to substitute more profitable shows or performances.

9. Dependencies

None identified

10. Initial Equality Impact Assessment

The classical audience has a skewed demographic profile towards the more elderly. An Equality Impact Assessment is required as whilst this would be a commercial decision we would be stopping a 'service' currently provided.

11. Consultation and Communications plans:

User engagement exercise to be explored.

Consultation with the Royal Philharmonic Orchestra to explore potential for ongoing albeit more limited collaboration.

12. Legal Implications

None provided existing contractual commitments are honoured.

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£	-£	£
2018/19	£20k	£5k	-£	£25k
2019/20	£20k	£5k	-£	£25k
Total	£40k	£10k	-£	£50k

13.b One off project costs and income (not included in above)

£'000's		
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£

2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
	TOTAL	£

Provide basic details

Name of proposal/activity/policy to be assessed

Budget Saving Proposal - Curtailing the Classical Music Season at the Hexagon

Directorate: DENS

Service: Economic & Cultural Development

Name and job title of person doing the assessment

Name: Grant Thornton

Job Title: Head of Economic and Cultural Development

Date of assessment: 23 June 2017

Scope your proposal

What is the aim of your policy or new service/what changes are you proposing?

This is a savings proposal in the context of severe financial constraints facing the Council. The Classical Season at the Hexagon currently comprises around 6-8 concerts per year and is the only element of the overall programme that consistently loses money year on year. The costs of putting on the classical concerts with large orchestras are high and greater than the returns generated through box-office and secondary income is relatively limited. There is a loyal core of regular attenders but overall numbers attending classical concerts have gradually diminished over time. It is not possible to recoup losses through increasing ticket prices as the cost increase would further drive down attendance. The season is essentially subsidised by the Council and over recent years this level of subsidy has ranged between £40k and £60k per annum. It is proposed to curtail the programme other than possibly one or two high profile concerts per year that have the capacity to break even or make a modest surplus. Smaller scale classical music performances would still be offered at the Concert hall in the Town Hall & Museum, again subject to an assessment of likely viability.

Who will benefit from this proposal and how?

The primary beneficiary is the Council as the proposal supports the need to make substantial savings. Insofar as this enables the Council to continue to deliver other statutory and high priority services there are a range of indirect beneficiaries.

What outcomes does the change aim to achieve and for whom?

The outcome is simply that of reducing costs borne by the Council through subsidising performances and thus enabling scarce resources to be directed to higher priority services and needs.

Who are the main stakeholders and what do they want?

Primary stakeholders are the audiences for the Classical Season; the Royal Philharmonic Orchestra as our 'resident' orchestra and other classical performers. None of these stakeholders would wish to see the curtailment of the Classical Season.

Assess whether an EqIA is Relevant

How does your proposal relate to eliminating discrimination; promoting equality of opportunity; promoting good community relations?

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others? (Think about your monitoring information, research, national data/reports etc.)

Yes

Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.

No

If the answer is Yes to any of the above you need to do an Equality Impact Assessment.

If No you **MUST** complete this statement

An Equality Impact Assessment is not relevant because:

Signed (completing officer) As below

Date

Signed (Lead Officer)	GRANT THORNTON	Date 23.06.2017
-----------------------	----------------	-----------------

Assess the Impact of the Proposal

Consultation

The proposal relates to the programming of the Hexagon as a commercial operation and the need to ensure that it is as cost-effective as possible. Programming at the Hexagon is not and has not been subject to public consultation, although the venue does seek to provide a varied programme with wide-ranging appeal to different audiences. The proposal is an adjustment to current programming to make the venue more cost effective and consultation is not required, although known customers for the classical season will be contacted and informed. The proposal forms part of the Council's overall budget savings that are required in order to be able to set a legal budget in the context of severe reductions in Government funding.

Initial discussions with the resident orchestra, the Royal Philharmonic, have taken place with a view to establishing whether and how a relationship can be maintained with a greatly reduced programme of concerts. These discussions will continue.

Collect and Assess your Data

The Hexagon collects relatively detailed, although completely anonymised, data on the demographics, geographic distribution (postcodes) and socio-economic classification (Mosaic Groups) of audiences attending performances of all types at the theatre. For the last two classical concerts at the Hexagon 51% and 47% of the audience were over 65, 75% and 76% were over 55. This is far more skewed towards older age-groups than audiences for other elements of the programme.

It is clear that curtailing the Classical Season will therefore have a disproportionate impact on those over 55 years of age compared to other age-groups.

Equally, however, the numbers impacted as a proportion of all those in the Borough who are over 55 is relatively modest.

In addition, Mosaic data would indicate that the audience is predominantly a relatively affluent one with over 50% falling into the 'Symbols of Success' grouping. Whilst acknowledging that this does not apply to all attendees, it does imply that a high proportion of the audience would be able to access alternative classical performances in other regional venues such as Basingstoke, albeit less conveniently and at additional cost.

Describe how this proposal could impact on Racial groups

Is there a negative impact? No

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

Is there a negative impact? No

Describe how this proposal could impact on Disability

Is there a negative impact? No

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

Is there a negative impact? No

Describe how this proposal could impact on Age

Is there a negative impact? Yes

Describe how this proposal could impact on Religious belief?

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 (Please delete relevant ticks)

1. No negative impact identified Go to sign off

2. Negative impact identified but there is a justifiable reason

Yes

You must give due regard or weight but this does not necessarily mean that the equality duty overrides other clearly conflicting statutory duties that you must comply with.

Reason

As outlined above the demographic of the audiences for classical music at the Hexagon is skewed towards more elderly age-groups. However, the Council is being forced into making significant budget reductions due to both reductions in Government funding and increasing demands on its services. Increasing demand and cost is particularly acute for both children's and adult social care, including looking after the most vulnerable elderly in the town. In these circumstances it is not considered appropriate to provide public subsidy for a relatively small proportion of the Borough's population to regularly access classical concerts locally.

3. Negative impact identified or uncertain

What action will you take to eliminate or reduce the impact? Set out your actions and timescale?

Discussions will continue to take place with the RPO to consider maintaining a local relationship and staging one or two high profile concerts every year that will continue to provide more limited opportunities to attend large orchestral performances.

Smaller scale classical concerts will continue to be programmed at the Concert Hall in the Town Hall & Museum.

There will continue to be a range of local amateur orchestral and classical performing groups in Reading who will continue to provide opportunities to experience classical music.

The separate proposal to introduce live screenings at the Hexagon will also provide opportunities to offer an alternative classical music experience that is likely to appeal to current audiences.

Reading Arts will continue to publicise and market classical performances in the town.

How will you monitor for adverse impact in the future?

We will continue to engage with the audience for classical music and endeavour to provide access where it is cost-effective to do so.

Signed (completing officer)	As below	Date
Signed (Lead Officer)	GRANT THORNTON	Date 23.06.2017

Proposal for Change: (DENS19)

DENS19: Introduce weekend charging for Hospital & University Pay & Display (P&D)

Delivery Unit Ref: DENS 19

Directorate: DENS

Head of Service: Cris Butler

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
✓	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
Introduce weekend charges to the Royal Berkshire Hospital and University on-street Pay & Display.

2a. Confidence level	
80%	This is a change to the current scheme where there are no charges currently at weekends - expected income £50K.

3. Impact on residents, businesses and other organisations:
The existing Royal Berkshire Hospital and University Area on-street Pay and Display scheme is currently operational Monday to Friday with residents protected through residents permit parking. Extending on-street Pay and Display to cover weekends will provide more short term parking for the area but will impact on some residents who currently use those parking areas during the weekends for free. If accepted, the weekend charging will manage parking in the pay and display areas in the same way that Monday to Friday is managed.

4. Impact on other services we provide
There will be no Impact on other services we provide.

5. Impact on staff	
There will be no impact on staff.	
The number of FTE that might be lost is:	0
The number of posts that might be lost is:	0

6. Resources and support needed to make the change

Staff time in Network Management and Legal Services to promote the proposed changes and complete the Statutory Consultation.
Support from the Councils' Direct Labour Organisation will be required to make changes to the on-street parking signs.

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress</i> [Milestone]		[Date]
Reports to Traffic Management Sub-Committee seeking authority to advertise and make the relevant Traffic Regulation Order (TRO)		September and/or Nov 2017
Prepare TRO		January 2018
Statutory consultation		February 2018
Objections to Traffic Management Sub-Committee		March 2018
Implement change		April 2018

8. Risks and Opportunities

There may be residual impact on residents, although most of the risks have been realised through the introduction of the Monday to Friday scheme.

9. Dependencies

The internal legal team will be required to support the legal process to produce the TRO(s).

10. Initial Equality Impact Assessment

If the answer is Yes to any of the below, and if accepted, a full EQIA will be completed as part of the consultation process.

A full EIA has already been completed as a part of the main Monday to Friday scheme but will require reviewing for Saturday and Sunday.

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others?	Yes		No	ü
Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.	Yes		No	ü

11. Consultation and Communications plans:

A Statutory Consultation will have to be completed before any changes can be made to the existing Pay and Display scheme. If accepted, approval will be sought at the September 2017 Traffic Management Sub-Committee to complete the statutory consultation, with any objections reported to a future Traffic Management Sub-Committee.

12. Legal Implications

Local Authorities are required to promote Traffic Regulation Orders in order to create and enforce waiting restrictions.

13.a Financial implications - net change to service budget in each year				
£'000's	Savings	Income	Growth/Costs	Total
2017/18	£0	£0	-£0	£0
2018/19	£50	£0	-£0	£50
2019/20	£0	£	-£0	£0
Total	£50	£0	-£0	£50

13.b One off project costs and income (not included in above)		
		£'000's
2017/18	Capital Costs	-£5
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	<i>Sub-total</i>	-£5
2018/19	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	<i>Sub-total</i>	£0
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	<i>Sub-total</i>	£0
TOTAL		-£5

Proposal for Change: (DENS20)

DENS20: Seek alternative funding for Real Time Passenger Information

Delivery Unit Ref: DENS 20

Directorate: DENS

Head of Service: Cris Butler

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
✓	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
Seek alternative funding for the existing Real Time Passenger Information system, potentially replacing the Council core system with a feed from an alternative provider (such as Reading Buses).

2a. Confidence level
70% The approach of transferring costs to an alternative provider will need to be agreed with the company.

3. Impact on residents, businesses and other organisations:
If alternative funding is agreed, there will be no impact on Real Time Passenger Information. However, it may limit the potential for other bus operator's information to be displayed at bus stops.

4. Impact on other services we provide
N/A

5. Impact on staff	
No internal staff impact - this is a contracted service.	
The number of FTE that might be lost is:	0
The number of posts that might be lost is:	0

6. Resources and support needed to make the change
Financial resource will be required to reconfigure the existing system to align with the alternative providers tracking system (estimated to be £20k).

7. Timescale to deliver and major milestones	
<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Policy Committee decision	17/07/17
Liaison with an alternative provider and RTPi provider	01/09/17
CMT	25/09/17
Budget Sub-Group	02/10/17
Labour Group	16/10/17
Policy Committee decision	30/10/17
Implementation of proposal project timeline (provide notice to system supplier and system reconfiguration)	31/10/17
Savings achieved (linked to existing contract)	18/07/18

8. Risks and Opportunities
There is a risk that an alternative provider will not agree to this proposal. There is a risk that an alternative provider will not agree to continue to maintain all of the current bus stop displays, therefore there will be a reduction in the number of stops with Real Time Passenger Information provision.

9. Dependencies
An alternative provider agrees to this proposal.

10. Initial Equality Impact Assessment				
If the answer is Yes to any of the below, and if accepted, a full EQIA will be completed as part of the consultation process.				
Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others?	Yes		No	✓
Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.	Yes		No	✓

11. Consultation and Communications plans:
Consultation not required.

12. Legal Implications
When making a decision about these proposed recommendations, Members will need to take account of the requirements of the Council's duty under the Transport Act 2000 to ensure that appropriate public transport information is made available to the public. Reading Borough Council has an existing contract with the Real Time Passenger Information supplier, therefore notice will need to be given in line with the contract.

13.a Financial implications - net change to service budget in each year				
£'000's	Savings	Income	Growth/Costs	Total
2017/18	£0	£0	-£0	£0
2018/19	£30	£0	-£0	£30
2019/20	£20	£0	-£0	£20
Total	£50	£0	-£0	£50

13.b One off project costs and income (not included in above)		
		£'000's
2017/18	Capital Costs	-£20
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	<i>Sub-total</i>	-£20
2018/19	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	<i>Sub-total</i>	£0
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	<i>Sub-total</i>	£0
TOTAL		-£20

Proposal for Change: (DENS22)

DENS22: Review of off-street parking contract and budget to identify additional income

Delivery Unit Ref: DENS 22

Directorate: DENS

Head of Service: Cris Butler

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
✓	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
Review the existing off-street parking contract to identify additional income

2a. Confidence level	
80%	This is subject to a positive outcome following the review of the contract.

3. Impact on residents, businesses and other organisations:
None

4. Impact on other services we provide
There will be no impact on other services we provide.

5. Impact on staff	
There will be no impact on staff.	
The number of FTE that might be lost is:	0
The number of posts that might be lost is:	0

6. Resources and support needed to make the change
Staff time in Network Management and Legal Services to review and amend the existing contract.

7. Timescale to deliver and major milestones	
<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Review contract with Local Government Association expert and Legal Services	July 2017 - December 2017
Draft contract variation and approvals	January 2018 - March 2018
Implement change	April 2018

8. Risks and Opportunities
Contract savings are not found.

9. Dependencies
The internal legal team will be required to support the review of the contract.

10. Initial Equality Impact Assessment				
If the answer is Yes to any of the below, and if accepted, a full EQIA will be completed as part of the consultation process. A full EIA has already been completed as a part of the main Monday to Friday scheme but will require reviewing for Saturday and Sunday.				
Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others?	Yes		No	✓
Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.	Yes		No	✓

11. Consultation and Communications plans:
None

12. Legal Implications
Legal support in reviewing and proposing variations to the existing contract

13.a Financial implications - net change to service budget in each year				
£'000's	Savings	Income	Growth/Costs	Total
2017/18	£0	£0	-£0	£0
2018/19	£100	£0	-£0	£100
2019/20	£0	£0	-£0	£0
Total	£100	£0	-£0	£100

13.b One off project costs and income (not included in above)		
		£'000's
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	-£
2018/19	Capital Costs	-£
	Capital Receipts	£

	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
TOTAL		£

Proposal for Change: (DENS29)

DENS29: Utilisation of re3 Facilities to introduce Trade use of the Public Recycling Centre

Delivery Unit Ref: DENS 29

Directorate: DENS

Head of Service: Cris Butler

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
✓	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
<p>The re3 Partnership procured a Private Finance Initiative (PFI) contract in 2006 which incorporated the construction and redevelopment of facilities in both Reading and Bracknell. With specific reference to the facility in Reading, there is potential for increased commercial utilisation at the facilities.</p> <p>The proposal involves change at the public Recycling Centre ('tip') in order to utilise the facility for the disposal, and recycling, of waste from local traders. This might involve a reduction in opening hours for the delivery of household (non-trade) waste to facilitate separate receipt of trade waste. Charges for trade waste could be levied via either a charge on the gate or a season-ticket arrangement for a manageable number of customers.</p> <p>The proposal has been considered and approved for further development by the joint re3 Board. If approved, and also subject to agreement of the joint re3 Board, possible opening hours would be 8am to 4pm for public access and 4.30pm to either 6pm or 8pm (winter/summer) for trade.</p>

2a. Confidence level	
80%	The concept of a trade service at the Recycling Centres has been considered elsewhere and was referenced in Government's recent Litter Strategy for England. The re3 Board has recently considered and approved further work on this initiative to develop a proposal and ascertain the potential for this form of service within the local waste market.

3. Impact on residents, businesses and other organisations:

This proposal will require the cooperation of our PFI contract, private sector partner, FCC. To some extent, this proposal is likely to impact on FCC trade business.

4. Impact on other services we provide

The proposal will lead to a reduced service at the Recycling Centre (principally hours of opening) for residents. Assessment has shown that there is some scope for reduced hours. The impact would be in a potential reduction of service to a minority of users who visit the site outside of core hours.

5. Impact on staff

No impact on council staff.

The number of FTE that might be lost is:	0
--	---

The number of posts that might be lost is:	0
--	---

6. Resources and support needed to make the change

As this proposal falls within the re3 Partnership, the benefits and costs will be shared (to some extent tbc) between the partners. Accordingly, officers have assumed that the resources of the partnership will be used in developing and promoting the proposals. Additional advice likely to be needed from: Legal and Finance.

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress</i>		[Milestone]	[Date]
1. Investigation and proposal of preferred delivery model for trade service at Recycling Centre.			10/2017
	Formal Contract Change Notice		12/2017
	Approval by re3 Board		01/2018
	Advertising (both to public and traders)		01/2018
	Commencement		04/2018

8. Risks and Opportunities

Risks - That demand for the respective services does not meet expectations.
That commercial activities require greater input than expected.

Opportunities -Increased revenue
Increased utilisation of publicly funded facilities for local benefit.

9. Dependencies

Collaboration of re3 PFI Contractor

10. Initial Equality Impact Assessment

If the answer is Yes to any of the below, and if accepted, a full EQIA will be completed as part of the consultation process.

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others?	Yes	✓	No	
Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.	Yes	✓	No	

11. Consultation and Communications plans:

Consultation on this proposal, initially with re3 Partners and thereafter, as appropriate, with residents and stakeholders, to be undertaken prior to commencement.

Consultation (marketing) on service cost and offer for trade service at Recycling Centres also to be undertaken, ideally with the support of the Contractor. As described above, communications will be managed by the re3 Project Team.

12. Legal Implications

N/A

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£	-£	£
2018/19	£	£ 50	-£	£ 50
2019/20	£	£	-£	£
Total	£	£ 50	-£	£ 50

13.b One off project costs and income (not included in above)

		£'000's
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£2
	<i>Sub-total</i>	-£2
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£5
	<i>Sub-total</i>	-£5
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
TOTAL		-£7

Proposal for Change: (DENS31)

DENS31: Reduce children's playgrounds maintenance regime

Delivery Unit Ref: DENS 31

Directorate: DENS

Head of Service: Cris Butler

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
✓	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change
Reduce the Children's Playground maintenance budget by £20K per annum. (Current budget is £120k per annum).

2a. Confidence level		
<table border="1" style="width: 100%;"> <tr> <td style="width: 20%; text-align: center;">90%</td> <td>These budgets can be reduced at any time.</td> </tr> </table>	90%	These budgets can be reduced at any time.
90%	These budgets can be reduced at any time.	

3. Impact on residents, businesses and other organisations:
Reducing the maintenance budget for children's playgrounds (CPG) will mean that equipment is painted and repaired less frequently than at present.

4. Impact on other services we provide
None

5. Impact on staff	
None	
The number of FTE that might be lost is:	0
The number of posts that might be lost is:	0

6. Resources and support needed to make the change
Communications Team

7. Timescale to deliver and major milestones	
<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Inform staff of reduction in the budget	01.08.17
Implement change	01.08.17

8. Risks and Opportunities

Risks:

- Potential reduction in residents' satisfaction levels
- Potential increase in complaints
- Potential reduction in corporate credibility
- Potential loss of highly qualified playground technician

9. Dependencies

None

10. Initial Equality Impact Assessment

If the answer is Yes to any of the below, and if accepted, a full EQIA will be completed as part of the consultation process.

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others?	Yes		No	ü
Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.	Yes		No	ü

11. Consultation and Communications plans:

Internal staff consultation required.

12. Legal Implications

All operations relating to the maintenance of children's playgrounds are subject to the Health and Safety at Work Act 1974.

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£	-£	£
2018/19	£20	£	-£	£20
2019/20	£	£	-£	£
Total	£20	£	-£	£20

13.b One off project costs and income (not included in above)

		£'000's
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£

	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
TOTAL		£

Proposal for Change: (DENS33)

DENS33: Increase all allotment rental charges by circa 100% and review plot sizes.

Delivery Unit Ref: DENS 33

Directorate: DENS

Head of Service: Cris Butler

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
✓	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change

Increase current allotment rental charges by circa 100%, carry out a review of the current plot sizes in order to simplify the offer and review the current system of concessions to simplify the system. If accepted, the proposal will also include improvements to enforcement to ensure facilities are optimised.

Reading has 20 allotment sites spread throughout the Borough with a total of 1416 plots varying in size from 25m² to 250m². Plots were originally 250m² but smaller plots, in multiples of 25m² are now offered in order to reduce waiting lists.

Table 1

Allotment Site	Category	No. of Plots	No. of vacancies*	No. on waiting list	No. of weedy letters sent	No. of eviction letters sent
Ardler Road	C	6	0	55	0	0
Ashampstead Road	C	13	1	16	0	2
Baltimore	A	34	8	90	3	2
Bulmershe	A	285	84	0	0	36
Caversham Court	A	30	1	97	0	0
Circuit Lane	B	55	10	8	13	6
Coley Park	B	55	13	20	6	10
Emmer Green	A	64	4	67	4	2
George Street	C	12	2	54	1	0
Goddards Farm	B	71	9	26	3	7
Henley Road	B	121	9	26	10	11
Lower Southcote	B	74	32	11	7	6
Meadway	C	32	5	19	3	3
Mockbeggar	C	24	3	75	0	6

Newcastle Road	B	41	10	24	8	6
Oakley Road	A	35	7	71	3	0
Oaktree Road	A	119	13	35	9	6
Scours Lane	A	221	43	36	0	22
Victoria Road	B	27	4	17	1	3
Waterloo Meadows	A	97	28	14	14	16

* Vacancies are offered to waiting list holders who have a certain amount of time to accept or reject the offer of a plot, the numbers in this column reflect the number of vacancy offers that are in process.

Current charging structure is shown in table 2. There are 3 different cost categories depending on the facilities offered:

Table 2

Category	Facilities	Current Price per 25m ² plot per year			Price per 25m ² plot per year after proposed increase.		
		NO CONCESSION	General YRP 10% Discount	OAP with YRP 84% Discount	NO CONCESSION	General YRP Discount	OAP with YRP Discount
A	Water within 30m of each plot.	£7.36	£6.62	£1.18	£15	£13	£2
A. Cost of 125m plot pa		£36.80	£33.10	£5.90	£75	£65	£10
B	Water on site.	£5.51	£4.96	£0.88	£11	£10	£2
B. Cost of 125m plot pa		£27.55	£24.80	£4.40	£55	£50	£10
C	No water.	£3.68	£3.31	£0.59	£8	£7	£1
C. Cost of 125m plot pa.		£18.40	£16.55	£2.95	£40	£35	£5

(YRP - Your Reading Passport)

(OAP - Old Age Pensioner)

Concessions: Currently discounts are given to two categories of YRP holders:

1. General non - OAP holders who receive a 10% discounted rate
2. OAP YRP holders who receive an 84% discounted rate.

It is recommended that the current concession scheme is reviewed and brought in line with the Green waste concession scheme which offers a 25% discount to residents on Council Tax Support, with no specific discount for OAP's and no discount for YRP holders. This change could be introduced for new applicants from 1st April 2018 with existing plot holders retaining the current discount.

Current revenue Per Annum is £35,600. Maintenance costs for allotments are in the region of £70,000 Per Annum. The proposed increase will therefore cover the Council's maintenance costs.

We have recently rationalised the administrative procedures to make it less onerous and we are looking to transact as many applications on-line as possible.

Benchmarking

Plot sizes and facilities offered by other Town and Borough Councils vary widely.
 Swindon Borough Council - £5.10 per month (£61.20 per annum) for a 125m plot
 Wokingham Town Council - £3.71 per month (£44.55 per annum) for a 125m plot
 Basingstoke and Deane - £3.72 per month (£44.75 per annum) for a 125m plot

2a. Confidence level

60%

The proposals will be subject to public consultation and any changes will be subject to the current allotment holder's agreement, the current legal framework and Housing, Neighbourhoods and Leisure (HNL) Committee resolution.

3. Impact on residents, businesses and other organisations:

Plot holders and residents on the waiting list for certain sites will be affected and some tenants will be adversely affected.

4. Impact on other services we provide

None

5. Impact on staff

None

The number of FTE that might be lost is: 0

The number of posts that might be lost is: 0

6. Resources and support needed to make the change

- Web team support
- Neighbourhood Support staff time
- Some evening working by Parks staff.
- Geographic Information System and Mapping
- Call Centre
- Customer Services
- Councillor Services
- Legal Services

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Carry out plot review	01.08.17
Work with Reading Borough Council Legal Department	01.08.17
Create communications plan.	01.08.17
Prepare consultation including letters to all users, on-line and public meetings	01.09.17
6 week public consultation starts	15.01.18

Consultation results report to Highways, Neighbourhood and Leisure Committee	14.03.18
Agree new charging and plot structure and new charges introduced	01.04.18
Invoices for 2019 sent out	01.11.18

8. Risks and Opportunities

- Tenant numbers may drop, leaving some of the less popular sites with vacant plots.
- Increased maintenance input by Reading Borough Council for vacant plots.

9. Dependencies

- Web team
- Neighbourhood Support team
- Call Centre
- Customer Services
- Councillor Services

10. Initial Equality Impact Assessment

If the answer is Yes to any of the below, and if accepted, a full EQIA will be completed as part of the consultation process.

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others?	Yes		No	ü
Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.	Yes		No	ü

11. Consultation and Communications plans:

This will be subject to a public and tenant consultation and a communications plan will be required.

12. Legal Implications

Any changes would be subject to the conditions of the tenant agreement and the relevant allotment legislative framework and Reading Borough Council duty of care.

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£	-£	£
2018/19	£	£9	-£	£9
2019/20	£	£26	-£	£26
Total	£	£35	-£	£35

13.b One off project costs and income (not included in above)

	£'000's
2017/18	
Capital Costs	-£5
Capital Receipts	£
Estimate of redundancy costs	-£
Estimate of resource costs to deliver	-£
<i>Sub-total</i>	-£5

2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
TOTAL		-£5

Proposal for Change: (DENS39&40)

DENS 39&40: Homelessness Support Grant/ Reducing Bed & Breakfast Expenditure

Corporate Plan Priority: Providing homes for those in most need.
Safeguarding and protecting those that are most vulnerable.

Directorate: DENS

Delivery Unit Ref:
DENS 39&40

Head of Service: Sarah Gee

1. The proposal is to:	
✓	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
✓	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change

This proposal sets out ambitious targets to reduce expenditure on emergency accommodation for homeless households and make the best use of resources.

Background

Over the past few years Reading has seen a sharp rise in the number of households approaching the Council for assistance who are accepted as homeless. Subsequently the use of temporary accommodation, including placements in Bed & Breakfast (B&B) establishments, has risen. This has significantly increased pressure on the General Fund budget. The Housing service has, over the past year, contained B&B growth (in terms of numbers placed at any one time and unit costs) in spite of rising homelessness acceptances.

Reducing B&B use and length of stay is a key priority for the Council to deliver the best outcomes for homeless families and to reduce expenditure in this area. Ambitious targets have therefore been set over a period of the next three years to reduce B&B usage.

As documented in previous reports, the Housing Service has implemented a wide range of measures both to prevent homelessness and to increase access to affordable accommodation to improve outcomes for homeless families and to reduce the budget pressure in this area including (in brief):

1. Developed a more commercial Rent Guarantee Scheme (RGS) to secure vetted and affordable private rented sector (PRS) housing.
2. Further strengthened prevention activity with enhanced training for specialist staff in preventing homelessness and a new frontline triage system introduced.
3. 35 temporary accommodation units refurbished and brought back into use over 2 years and 40 flats vacated as part of a regeneration brought back into use as pending redevelopment.
4. Developing 28 new Reading Borough Council units of modular construction temporary accommodation to be let in Autumn 2017.
5. Implemented the Private Sector Offer to discharge homelessness duty from Summer 2017.
6. Incorporated Homes for Reading Ltd to purchase and responsibly let private rented housing.
7. Development of 57 new Council homes at Conwy Close.
8. Regular monitoring of supply and demand - reforecasting and refocusing activity.
9. Working across services to ensure a collaborative/targeted case management approach to support families affected by the Benefit Cap
10. Developing a package of support to help people to move out of area where they are interested in doing so and promoting this opportunity.

Proposal

Targets to reduce expenditure on B&B are included across three years from 2017/18 (below). These targets and underpinning actions build on progress made to date but changes in policy and practice and some investment will be required to secure real traction.

In the past year the service engaged an officer to work intensively with families in B&B to secure PRS accommodation. The Council's highly regarded Rent Guarantee Scheme accommodates over 300 families in vetted PRS accommodation (at rents up to the Housing Benefit limit payable) but our ability to secure properties is limited in a highly competitive market. The authority is now additionally, outside of this scheme, working proactively with individual households to secure accommodation. This includes help to source accommodation and arranging viewings; financial assistance to pay for deposits or rent in advance and if necessary with costs of attending viewings.

This approach is meeting with some success and the service proposes to extend this by engaging 2 additional posts for a fixed term of 2 years, as an invest to save proposal. These posts will form part of a new virtual 'Homefinder Team' to reduce the backlog of cases in B&B and to avoid admission to, and to reduce length of stay in, B&B in the future. The new Homefinder Team will provide intensive, personalised support to find accommodation through a dedicated team with a key worker approach.

A number of local authorities secured 'trailblazer' funding and have been trialling new approaches to homeless prevention through the Department of Communities and Local Government (DCLG) Homelessness Prevention Programme funding - including to support planning for, and impact assessment of, the Homelessness Reduction Act. The Housing Needs service has been researching lessons learnt thus far. Officers are reviewing current homelessness policy and practice and changes will be proposed to reduce future placements into B&B.

Additional funding secured through the redistribution of a national pot has also benefitted Reading and alleviated some budget pressure.

Finally there is a proposal to reduce staffing in Housing Needs by one Full Time Equivalent (FTE) staff member from 2018/19.

2a. Confidence level

70%

Explanation:

See risks below.

3. Impact on residents, businesses and other organisations:

If successful this will have a positive impact as homeless families will spend less time in B&B.

4. Impact on other services we provide

Positive if the use of B&B is avoided or lengths of stay reduce for families with complex or additional needs.

5. Impact on staff

Reduction of one post in Housing Needs from 2018/19.

The number of FTE that might be lost is:	1
The number of posts that might be lost is:	1

6. Resources and support needed to make the change

As above, 2 additional Full Time Equivalent staff members will be engaged for a fixed term of 2 years to work intensively to reduce the use of B&B and to procure additional private rented housing, on an invest to save basis. Key functions of these roles are set out below as part of an intensive case management approach to reduce the backlog of cases in B&B and reduce future use:

- Accommodation Procurement - working alongside the existing Rent Guarantee Scheme team to procure private rented accommodation inside and outside of the borough at market rent. Carrying out market assessment and scanning. Completing property suitability checks.
- Personalised intensive advice and support to households to find accommodation provided through a dedicated resource.
- Providing financial assistance and/or offers of financial incentive and assistance to move.
- Relocation support through Homefinder to deliver out of area social housing prevention options.
- Welfare benefit, budgeting and money advice.
- Advice and support regarding retraining and getting back to work.
- Support to attend specialist appointments

7. Timescale to deliver and major milestones	
<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Determining team requirements and role functions for Rent Guarantee Scheme	November 2017
Completing necessary HR requirements - including staff consultation as required.	January - February 2018
Post-deletion	April 2018

8. Risks and Opportunities

The pressure on services is likely to increase significantly in 2018 with the introduction of the Homeless Reduction Act, likely to be implemented early in the year (with guidance potentially in Autumn 2017 - subject to confirmation). The Act will place new responsibilities on local authorities for providing prevention options and accommodation relief to single people. The DCLG is predicting that local authorities will experience a 26% increase in caseloads as a result of this legislation. This is likely to lead to increased costs which will be covered only in part by Government 'new burdens' funding. Allocation of new funding at a local level has yet to be determined but the funding is intended to cover the costs of additional staffing only - not any increase in placement related costs.

Social housing turnover and new lettings continue to decline year on year and are at the lowest they have ever been. The local authority loses c. 40 units of temporary accommodation in the period as these are in use pending regeneration. However, new Council permanent and temporary accommodation will come on stream over the next two years at Conwy Close and Lowfield Rd and the Council is planning the next phase of its local authority new build housing programme - maximising funding streams available.

Demand has been increasing through homelessness acceptances year on year - as this is demand-led budget there are factors impacting outside of the authority's control. In late 2017 Universal Credit will be introduced in Reading and this is likely to lead to rising arrears as households are paid benefit 6 weeks in arrears (a matter which has been the focus of significant national lobbying), and will trigger an increase in evictions.

9. Dependencies

Member endorsement of any policy/procedural changes proposed to manage and reduce demand will be required. This will include a thorough review of our social housing allocation scheme which is linked to the Council's broader housing strategy and consideration of overall housing demand in the borough. This is likely to be a substantive element of work.

10. Initial Equality Impact Assessment

There would be a need for an Equality Impact Assessment (EIA) in respect of policy changes which may be proposed. No EIA otherwise required.

11. Consultation and Communications plans:

Any significant change to Local Authority Allocation Schemes is accompanied by a requirement to consult. The Code of Guidance issued by the Government sets out expectations in respect of consultation.

Staff consultation necessary for reduction of one Full Time Equivalent staff member.

12. Legal Implications

Policy needs to be compliant with Homelessness legislation including case law in respect of placements of homeless families.

13.a Financial implications - net change to service budget in each year

£'000's	Savings	Income	Growth/Costs	Total
2017/18	£300	£667	-£77	£890
2018/19	£282	£100	-£	£382
2019/20	£250	£	-£	£250
Total	£832	£767	-£77	£1,522

13.b One off project costs and income (not included in above)

£'000's	INCLUDED ABOVE - FIXED TERM POSTS x2	
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£tbc - 1FTE
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
	TOTAL	£tbc - 1FTE

Proposal for Change: DENS43

Transfer of shops and garages from the Housing Revenue Account (HRA) to the General Fund

Corporate Plan Priority: Remaining financially sustainable.

Directorate: DENS

Delivery Unit Ref:
DENS 43

Head of Service: Sarah Gee

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
✓	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>
2. Outline of the proposed change	
<p>Background The Housing Revenue Account (HRA) deals with all the finances associated with the housing stock in the ownership of the Council. The main income is housing rent, and all expenditure related to council housing (such as dealing with lettings; managing, maintaining and repairing the stock; collecting rent) is charged to this account. The Council's 'General Fund' covers the rest of the Council's business.</p> <p>Currently shops and garages which are not linked to Council homes but form part of the Council's housing estates are accounted for and managed within the HRA. The Council lets out 1,070 garages currently to Reading residents - only 11% are let to Council tenants.</p> <p>Proposal The proposal is to transfer shops and garages held under the Housing Revenue Account to the General Fund in order to generate an income to the General Fund.</p> <p>This proposal would involve the appropriation of assets (garages and shops) out of the HRA and moving the capital financing and MRP (minimum revenue provision - repayment of the capital) costs to the General Fund accordingly. The total income accruing to the General Fund would be <u>net</u> of the costs of maintenance, management and the capital financing and MRP costs. Costs are estimated as below.</p> <p>The transfer of assets would, on this basis, result in an estimated net income to the General Fund of £251k per annum. However, a review of Council owned</p>	

garages is underway to review void levels and opportunities to increase income. There is potential to increase the level of income if voids (empty garages) are reduced and a review of charges may yield further improvement on income. Maximising income may necessitate some one-off investment in estate improvements.

This is only possible for those that are independently let (in a small number of cases the garage is linked to a specific house under a tenancy agreement).

	General Fund		HRA
Garage Income	-£444,720	2016/17 actual uplifted by 2% (garage rent increase)	-£444,720
Shop Income	-£186,000	2016/17 actual	-£186,000
Maintenance	£90,000	2016/17 actual spend (budget 2017/18 is £110k)	£90,000
Management	£35,000	1 Full Time Equivalent Officer	£35,000
Interest (on debt)	£143,476	Based on 15/16 rates plus adjustment	£179,388
MRP (debt repayment)	£110,880	2%	£110,880
Total	£251,364		£215,452

2a. Confidence level

70%

Income included is an estimate as above. The garage review will inform opportunities to exceed current income. There is no legal impediment to transfer of the assets that officers are aware of but the process is being determined.

3. Impact on residents, businesses and other organisations:

Transfer of the assets will have a minimal impact on the HRA Business Plan.

4. Impact on other services we provide

None identified. The Housing Service will continue to maintain and manage the shops and garages and costs will be financed through the General Fund.

5. Impact on staff

None

The number of Full Time Equivalent staff that might be lost is:	0
The number of posts that might be lost is:	0

6. Resources and support needed to make the change

Possible external valuations capacity - substantial work will be involved at initial scope in valuing assets and there may not be capacity to complete in-house. The estimated cost would be borne by the General Fund.

Legal advice/support to transfer the assets.

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Process and timescales not yet determined	To be confirmed

8. Risks and Opportunities

Impact on the 30 year HRA Business Plan has been appraised as minimal. There are a range of risks to HRA income as a result of welfare reform (impacting on rent collected); national rent policy; and other Government plans. However, income into the HRA has increased over the past year by circa £400k through substantively improving void turnaround on Council housing and there is a drive to achieve further gains in the current year.

9. DependenciesShops

Most of the units have separately let council tenanted flats above them. This would require a partial transfer (of the shops only and not the flats).

Garages

A strategic review of garages is currently underway to consider the future of sites including investing to improve 'letability' (improved lighting; closure of alleyways etc. - to increase income) or for redevelopment (this could be for parking or homes). Data is up to date on garages which are sold, leased, tenanted, vacant or demolished.

The assets will need to be valued for transfer.

Secretary of State approval may be required in some circumstances.

10. Initial Equality Impact Assessment

An Equality Impact Assessment is not relevant in respect of asset transfer.

11. Consultation and Communications plans:

Any wider plans to develop or improve garage sites are likely to require consultation but that is linked to this option not part of it.

12. Legal Implications

Secretary of State approval may be required in some circumstances.

13.a Financial implications - net change to service budget in each year NB estimated income as above pending detailed valuations/other work.				
£'000's	Savings	Income	Growth/Costs	Total
2017/18	£	£	-£	£
2018/19	£	£251 - 300	-£	£251 - 300
2019/20	£	£-	-£	£
Total	£	£251 - 300	-£	£251 - 300

13.b One off project costs and income (not included in above)		
£'000's		
2017/18	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£tbc
	<i>Sub-total</i>	£
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	<i>Sub-total</i>	£
TOTAL		£

Proposal for Change: (DENS44)

DENS 44: Housing and Neighbourhoods - Increasing rent in Temporary Accommodation.

Corporate Plan Priority: Providing homes for those in most need.
Safeguarding and protecting those that are most vulnerable.

Directorate: DENS

Delivery Unit Ref:
DENS44

Head of Service: Sarah Gee

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
✓	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change

At the start of 2017/18 the Housing Service transferred three blocks of Temporary Accommodation (84 flats) from the Housing Revenue Account (HRA) in to the Housing General Fund (GF). In addition 28 new units of Temporary Accommodation are due to come on line on in October 2017 at Lowfield Road, creating a total of 112 units.

The rents for these properties were set at a flat rate of £120 per week across all unit sizes on transfer. This is below the maximum rent income we can charge - 90% of Local Housing Allowance (LHA - this is the maximum amount which Housing Benefit will pay for rental and it differs by property size). This creates an opportunity to increase income to the General Fund by increasing the rents charged for these units, as shown in the table below:

Unit size	Number of units	Current rent	Proposed rent	Difference per week	Additional income per week	Additional income per year
1 bed	72	£120.27	£137.72	£17.45	£1,256	£65,325
2 bed	39	£120.27	£169.50	£49.23	£1,919	£99,832
3 bed	1	£120.27	£199.61	£79.34	£79	£4,125
Total	112				£3,255	£169,283
Total additional income net of voids and bad debt allowance (7.5%)						£156,587

With an allowance for voids and bad debt, the projected income to the General Fund would be £156,587, full year effect - net of costs below.

It is proposed that the new rent levels would be implemented at re-let, existing tenants would remain on the current rent levels. This means that the increased income will be staggered over an 18 month period.

A further consideration is that for some households reliant on Housing Benefit, rent at this level would increase their benefit income to above that of the Benefit Cap. Households that are subject to the Benefit Cap are supported by a specialist team within the Housing Service in order to support them to either take steps to access employment; review options that may exempt them from the cap; or budget within their new income in a manner that prioritises rent payments. However, for some households there will be no alternative but to apply for a Discretionary Housing Payment (DHP) at least in the short term to cover the gap. Any additional pressure on the DHP budget will need to be funded from the additional income set out above. The exact amount of pressure on the DHP budget will fluctuate depending on the circumstances and family makeup of the households in the units at any one time. However, further analysis of the current occupiers of temporary accommodation indicate the following:

- 55% will not be impacted by the Benefit Cap at the proposal rent levels.
- 20% will be potentially be impacted the benefit cap (if not exempt for other reasons) by between £8 and £17 per week at the proposed rent levels.
- 25% will *already* potentially be impacted by the benefit cap (if not exempt for other reasons) so will have the additional pressure of the rent increase, an average of £29.32 per property.

If all households impacted by the Benefit Cap required an additional DHP to cover the increased rent, and assuming that these payments were made for 6 months (most households on DHP are supported for 13 weeks), this would be an estimated total cost of £27,284 to the DHP budget.

Therefore the net saving from this proposal is expected to be c.£129k full year effect. As noted above this may fluctuate depending on the circumstances of those accommodated at any one time.

2a. Confidence level

80 %

Explanation: Unable to definitively predict the individual circumstances of the tenants and therefore an accurate level of income until there is trend data.

3. Impact on residents, businesses and other organisations:

As above - all Reading residents impacted by the Benefit Cap are supported, regardless of tenure. Occupants of temporary accommodation impacted by the cap will be supported as above. Whilst a greater number of occupants of temporary accommodation would be impacted by the cap at increased rent levels, the rental would still be below that payable for most in private rented housing - where many homeless households will be accommodated. The Housing Service takes a proactive casework approach to ensure as far as possible that households are in a financially sustainable situation.

4. Impact on other services we provide

Increased rent levels will impact on the DHP expenditure as outlined above but the saving proposed is net of this additional cost so that the DHP budget is 'compensated' and the ability of the service to support residents is not impacted by this proposal.

It will also have the potential to increase pressure on the Benefit Cap team and the rents team (prevention of bad debt).

5. Impact on staff

N/A

The number of FTE that might be lost is: 0

The number of posts that might be lost is: 0

6. Resources and support needed to make the change

Finance input would be required to support the IT changes required to set the new rent levels, however, this would be minimal.

No other resources required as rents will be set at re-let and before tenancy sign up.

7. Timescale to deliver and major milestones

<i>Planned accomplishments to track progress [Milestone]</i>	<i>[Date]</i>
Obtain approval in increase rent levels - Policy Committee	July 2017
IT system changes	Aug-Sept 2017
Start to implement higher rent levels at re-let of existing stock	1 st October 2017
Implement higher rent levels for new units when they come on line	1 st October 2017

8. Risks and Opportunities

Opportunity to increase General Fund income with minimal detriment to vulnerable groups.

9. Dependencies

None identified.

10. Initial Equality Impact Assessment

An Equality Impact Assessment is required (attached) - the proposed rent increase will directly affect people who are accepted as homeless and are placed in Reading Borough Council temporary accommodation. Although the policy will be implemented universally across all of the six protected groups should they be a licensee, a snapshot review of residents in the temporary accommodation units on the 29th June 2016 suggests that women, adults under the age of 45 and households from the Black and Minority Ethnic community are disproportionately represented within these households.

11. Consultation and Communications plans:

None - increased rent would only be implemented at re-let so no communication with existing tenants is required.

12. Legal Implications

None

13.a Financial implications - net change to service budget in each year

£'s	Savings	Income	Growth/Costs	Total
2017/18	£	£ 58,946	-£ 10,268.41	£48,677.69
2018/19	£	£ 84,743	-£ 14,762.18	£69,980.55
2019/20	£	£ 12,898	-£ 2,246.89	£10,651.43
Total	£	£ 156,587	-£ 27,277.48	£129,309.66

13.b One off project costs and income (not included in above)

£'000's	N/A
---------	-----

Equality Impact Assessment

Provide basic details

Name of proposal/activity/policy to be assessed:

Increasing Temporary Accommodation Rents

Directorate: DENS

Service: Housing

Name and job title of person doing the assessment

Name: Sarah Tapliss

Job Title: Housing and Neighbourhoods Service Development Officer

Date of assessment: 20/6/17

Scope your proposal

What is the aim of your policy or new service/what changes are you proposing?

The Housing Service has three blocks of Temporary Accommodation (84 flats in the Housing General Fund (GF). In addition 28 new units of Temporary Accommodation are due to come on line on in October 2017 at Lowfield Road, creating a total of 112 units.

The rent for these properties is set at a flat rate of £120 per week across all unit sizes on transfer. This is below the maximum rent income we can charge - 90% of Local Housing Allowance (LHA - this is the maximum amount which Housing Benefit will pay for rental and it differs by property size). This creates an opportunity to increase income to the General Fund by increasing the rents charged for these units, as shown in the table below:

Unit size	Number of units	Current rent	Proposed rent	Difference per week	Additional income per week	Additional income per year
1 bed	72	£120.27	£137.72	£17.45	£1,256	£65,325
2 bed	39	£120.27	£169.50	£49.23	£1,919	£99,832
3 bed	1	£120.27	£199.61	£79.34	£79	£4,125
Total	112				£3,255	£169,283
Total additional income net of voids and bad debt allowance (7.5%)						£156,587

With an allowance for voids and bad debt, the projected income to the GF would be £156,587, full year effect.

It is proposed that the new rent levels would be implemented at re-let, existing tenants would remain on the current rent levels. This means that the increased income will be staggered over an 18 month period.

A further consideration is that for some households reliant on Housing Benefit, rent at this level would increase their benefit income to above that of the Benefit Cap. Households that are subject to the Benefit Cap are supported by a specialist team within the Housing Service in order to support them to either take steps to access employment; review options that may exempt them from the cap; or budget within their new income in a manner that prioritises rent payments. However, for some households there will be no alternative but to apply for a Discretionary Housing Payment (DHP) at least in the short term to cover the gap. Any additional pressure on the DHP budget will need to be funded from the additional income set out above. The exact amount of pressure on the DHP budget will fluctuate depending on the circumstances and family makeup of the households in the units at any one time. However, further analysis of the current occupiers of temporary accommodation indicate the following:

- 55% will not be impacted by the Benefit Cap at the proposal rent levels
- 20% will be potentially be impacted the benefit cap (if not exempt for other reasons) by between £8 and £17 per week at the proposed rent levels
- 25% will already potentially be impacted by the benefit cap (if not exempt for other reasons) so will have the additional pressure of the rent increase, an average of £29.32 per property.

If all households impacted by the Benefit Cap required an additional DHP payment to cover the increased rent, and assuming that these payments were made for 6 months (most households on DHP are supported for 13 weeks), this would be an estimated total cost of £27,284 to the DHP budget.

Therefore the net saving from this proposal is expected to be c.£129k full year effect. As noted above this may fluctuate depending on the circumstances of those accommodated at any one time.

Who will benefit from this proposal and how?

The benefit from this proposal is an increase of income of c.£129k (full year effect) in to Reading Borough Council's General Fund.

What outcomes does the change aim to achieve and for whom?

Increased income to Reading Borough Council to support public service provision and reduce the impact of funding cuts.

Who are the main stakeholders and what do they want?

Assess whether an EqIA is Relevant

How does your proposal relate to eliminating discrimination; promoting equality of opportunity; promoting good community relations?

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others? (Think about your monitoring information, research, national data/reports etc.)

Yes - the proposed rent increase will directly affect people who are accepted as homeless and are placed in Reading Borough Council temporary accommodation. Although the policy will be implemented universally across all of the six protected groups should they be a licensee, a snapshot review of residents in the temporary accommodation units on the 29th June 2016 suggests that women, adults under the age of 45 and households from the Black and Minority Ethnic (BME) community are disproportionately represented within these households.

Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.

No

If the answer is Yes to any of the above you need to do an Equality Impact Assessment.

If No you MUST complete this statement

An Equality Impact Assessment is not relevant because:

Signed (completing officer) Sarah Tapliss

Date 23/6/17

Signed (Lead Officer) Sarah Gee

Date 23/6/17

Consultation

As the increased rent will apply to new tenants, and not the existing tenants, no consultation is proposed.

Describe how this proposal could impact on Racial groups

Is there a negative impact? Yes - indirectly

The rent increase would be implemented across all households accessing temporary accommodation, however a snap shot completed on the 29th June 2016 indicates that 49% of households define themselves as being from a BME community. This compares to 35% of Reading residents as recorded in the 2011 census (note this may have changed since). Therefore this change in policy would have a disproportionate impact on this protected group.

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

Is there a negative impact? Yes - indirectly

The rent increase would be implemented across all households accessing temporary accommodation, however a snap shot completed on the 29th June 2016 indicates that 69% of households registered as paying rent are women. Therefore this change in policy would have a disproportionate impact on women.

Describe how this proposal could impact on Disability

Nationally it is recorded that a substantially higher proportion of individuals who live in families with disabled members live in poverty, compared to individuals who live in families where no one is disabled. 19% of individuals in families with at least one disabled member live in relative income poverty, on a before housing costs basis, compared to 15% of individuals in families with no disabled member. 21% of children in families with at least one disabled member are in poverty, a significantly higher proportion than the 16% of children with no disabled member. As this proposal has a negative impact on those on a lower income, the protected group may be disproportionately impacted. 15% of those in temporary accommodation have a disability. Therefore this proposal has a disproportionate impact on this protected group.

Is there a negative impact? Yes

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

Is there a negative impact?

No

Describe how this proposal could impact on Age

Is there a negative impact?

Yes - indirectly

The rent increase would be implemented across all households accessing temporary accommodation, however a snap shot completed on the 29th June 2016 indicates that 82% of households are 44 years old or younger. Therefore this change in policy would have a disproportionate impact on younger age groups.

Describe how this proposal could impact on Religious belief?

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 (Please delete relevant ticks)

1. No negative impact identified Go to sign off

2. Negative impact identified but there is a justifiable reason

You must give due regard or weight but this does not necessarily mean that the equality duty overrides other clearly conflicting statutory duties that you must comply with.

Reason

The negative impact flagged is indirect and is the result of a disproportionate representation of some parts of our community as licensees of temporary accommodation. It is classed as a negative impact as it will result in an increased rent for the residents. However, it is believed that for the majority of residents the increase will be absorbed as part of their Housing Benefit entitlement, and mitigations will be put in place for those affected by the Benefit Cap. Equally the 9% who pay rent will have recourse to Housing Benefit should the rent levels become unaffordable.

It is felt that the negative impact will be mitigated and is therefore justifiable.

How will you monitor for adverse impact in the future?

Signed (completing officer) Sarah Tapliss	Date	23/6/17
---	------	---------

Signed (Lead Officer)	Sarah Gee	Date	23/6/17
-----------------------	-----------	------	---------

Proposal for Change: (DENS47)

DENS47: Housing and Neighbourhoods - Winter Watch

Corporate Plan Priority: Providing homes for those in most need.
Safeguarding and protecting those that are most vulnerable.

Directorate: DENS

Delivery Unit Ref:
DENS47

Head of Service: Sarah Gee

1. The proposal is to:	
	Managing Demand <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, How could we work across the wider local system with partners? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models <i>Are you aware of any alternative delivery models that could work in Reading to deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19</i>
✓	Reductions in Services <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change

Proposal

The proposal is to reduce the Winter Watch repairs/emergency intervention budget by £15k. The repairs and emergency intervention part of the budget was underspent by c.£10k in 2016/17 due to the visiting officer finding alternative solutions to address needs identified. With careful management it is felt that this can be increased to £15k for 2017/18.

Background

Winter Watch is a Public Health funded scheme with the objective of supporting vulnerable people to avoid fuel poverty and keep their home adequately heated. In England, estimates suggest that some 10% of excess winter deaths are directly attributable to fuel poverty; that 1 in 10 households are currently living in fuel poverty, and this rises to 1 in 5 in the private rented sector; and 35% of all single pensioner households are thought to be in fuel poverty, and 25% of pensioner couples.

Winter Watch tackles fuel poverty through a range of interventions. Home visits are completed with almost all clients referred (210 in the 2016/17 winter period) with advice and emergency interventions delivered where appropriate. Support is provided to switch fuel companies and also to apply for grants and loans to complete home improvements. Minor repairs (such as draught excluders and window repairs) are funded through the scheme or completed directly by the Winter Watch visiting officer.

In 2017/18 the scheme has a budget of £60k, reduced from £75k in 2016/17. This funds the cost of a visiting officer (£33k), and the repairs/emergency interventions (£27k) - this would reduce to £12k for future years.

2a. Confidence level

100%

As above this change can be implemented with minimal impact whilst sustaining a scheme.

3. Impact on residents, businesses and other organisations:

Very little impact is anticipated as alternative solutions for residents are being identified. The Council will continue to take a multi-agency approach to addressing needs identified and to assist clients to access available grant funding and other assistance. This includes optimising benefit income; negotiating to write-off energy company debts; applying for Warm Home discounts; securing grants for insulation, replacement boilers etc; and referring on to other sources of advice and support including Fire Service risk assessments for vulnerable households. A small pot will continue to be available to fund emergency heating appliances, bedding, fit smoke alarms and carry out minor repairs for instance.

4. Impact on other services we provide

No significant impact anticipated.

5. Impact on staff

None.

The number of FTE that might be lost is:	Nil
The number of posts that might be lost is:	Nil

6. Resources and support needed to make the change

None.

7. Timescale to deliver and major milestones	
<i>Planned accomplishments to track progress</i> [Milestone]	[Date]
Can be implemented with immediate effect	August 2017

8. Risks and Opportunities
None.

9. Dependencies
None.

10. Initial Equality Impact Assessment
A reduction in budget will have a limited impact on the service delivered so no Equality Impact Assessment is required.

11. Consultation and Communications plans:
None.

12. Legal Implications
None.

13.a Financial implications - net change to service budget in each year				
£'000's	Savings	Income	Growth/Costs	Total
2017/18	£15	£	£	£15
2018/19	£	£	£	£
2019/20	£	£	£	£
Total	£15	£	£	£15

APPENDIX E - Change and Improvement Cost Estimates

Change and Improvement Cost Estimates

Already Agreed

Change Funding already agreed for period April 17 - September 17

		£'000's	17/18	18/19	19/20	Description
a.1	Corporate Programme of Change Programme Manager		80			Programme Manager to support □ the programme of work to deliver existing savings and to identify further savings to bridge the financial gap. □ provide skills transfer to in-house resources
b.1	Revenues and Benefits		100			Backfill to maintain service levels during in house work on service improvement and redesign: 1 x backfill for 6 = £24k 2 x assessment temps for 6 months to maintain service performance (£40k and additional overtime across the service - averaged at £6k per month = £36k to maintain service performance
c.1	MOSAIC - Electronic Social Care record		265			Investment in continuing programme of work including specialist support to drive and implement improvements in the MOSAIC system essential to adopting improved ways of working in Children's and Adult Services and to support improved social care practice in Children's Services. Resources requirement comprises: □ Senior consultant to act as System Owner □ Interim Business Systems Manager leading business process review and MOSAIC improvement for Children's services □ Programme Management funding to complete current phase ("16/17 Programme") □ Early Help implementation □ Interim reporting post in Children's Services
d.1	MOSAIC - Reporting		150			Implementation of a new reporting system to ensure high quality and accurate data to inform decision making in Children's and Adults services.
e.1	Adult Social Care Transformation		105			To continue funding of Project Managers and Project Support needed to deliver service transformation to deliver savings and improved outcomes for elderly and vulnerable residents.
f.1	Children's Services Transformation		80			Programme manager with senior Children's Services experience who will drive the delivery of currently required and additional savings.
e.1	DENS Savings Programme		20			To provide Project Officer support for DENS savings beyond March 17.
TOTAL ALREADY AGREED			800	-	-	800

Estimated further funding requirement to March 2020

1. Estimate of implementation costs arising directly from saving proposals

		£'000's	17/18	18/19	19/20	Description
1.a	Savings already agreed		505	585	175	Project costs to deliver saving and income proposals that have already been agreed by Committee
1.b	New savings		610	905	500	Project costs to deliver saving and income proposals that are currently being considered by Cllrs. Does not include capital requirement costs for property investment work.
1.c	10% Contingency		110	150	70	
			1,225	1,640	745	3,610

2. Estimate of other change costs to deliver the savings and Programme of Change

		£'000's	17/18	18/19	19/20	Description
2.a	Legal		30	55	55	Estimate of additional legal support required across the Corporate Programme of Change
2.b	HR		30	110	85	Estimate of additional HR support required across the Corporate Programme of Change
2.c	Finance		55	110	110	Estimate of additional Finance support required across the Corporate Programme of Change
2.d	Procurement		30	55	55	Estimate of additional Procurement support required across the Corporate Programme of Change
2.e	Programme Management		135	225	225	Programme Management required incl. Corporate Programme Manager and Programme Management for Children's, Adults and Customer Service's Programmes
2.f	Performance Analyst		50	75	50	Estimate of Performance Analyst support required across the Corporate Programme of Change
2.g	Programme Support, including NMTs		45	95	95	Continued funding of full NMT complement and programme support for Adults and DENS
2.h	Communications		20	45	45	Communications officer to backfill senior role who will be freed up to support change programme communications
2.i	Service Specialist - Finance Director		100	-	-	Part funding of FD in 17/18
2.j	MOSAIC Programme - Specialist Support		225	-	-	Consultant System Owner to oversee MOSAIC Programme and establish sustainable support model. Specialist input to reporting configuration and management and finance support.
2.h	Adult Social Care mobile working		80	-	-	Estimate of hardware costs
2.i	System and process support and improvement		250	250	250	Support and improvement of key corporate systems and ways of working.g. MOSAIC, I-Trent, Fusion
			100	100	100	
			1,150	1,120	1,070	3,340
TOTAL NEW			2,375	2,760	1,815	6,950

TOTAL INCLUDING AMOUNTS AGREED IN MARCH 2017	3,175	2,760	1,815	7,750
---	--------------	--------------	--------------	--------------

**FINANCIAL GUIDELINES FOR SETTING THE REVENUE BUDGET
2017-18 TO 2019-20
(Covering 2017-18 revision and 2018-19 budget in particular)**

1. Introduction

- 1.1 In setting the budget over the medium term, it is important that individual service budgets are drawn up in accordance with a common and transparent framework, owned by services and directorates and approved by the Policy Committee.

These guidelines have been set for three years from 2017-18 to 2019-20, to help the Council develop a strategy to develop its budget process for the medium term. This will be reviewed by Councillors and corporate directors at least annually.

Officers are required to develop proposals for setting budgets over a medium term cycle which match the Council's priorities.

In developing savings proposals, consideration should be given to the impact in future financial years.

1.2 Guiding Principles

These budget guidelines have been developed to:

- Allocate resources to Council priorities;
- Link the budget setting process to business and service planning, and the requirement to consider value for money and efficiency
- for the identification of options, which will produce efficiency savings;
- Minimise inappropriate competition between services for resource allocations and avoid one service making a budget saving at the expense of another;
- Enable a cross-service and partnership approach to be taken (e.g. where there is a shared customer base or areas of commonality); and
- Ensure that where services are provided to other Directorates (including the provision to schools); there is a transparent method for charging a fair cost;
- Implement agreed savings and efficiency proposals as part of the budget setting process

The guidelines are intended to encourage managers to:

- Bring forward innovative ideas and options to make more effective use of existing resources, clearly identifying how the ideas may develop over the medium term, including any requirements for pump priming money;
- Focus attention on corporate and service priorities and improving performance.

Appendix F - Financial Guidelines for setting the Revenue Budget 2017/18-2019/20

1.3 Service Guidelines

The base budget for services for 2017-18 has been taken from the 2016-17 “Approved Budget” and adjusted to take account of the full year effect of future agreed savings, and will include those being agreed by Policy Committee in July 2017, along with the removal of any one off savings (in 2016-17). A similar process, starting with the 2017-18 approved budget is being used to establish the 2018-19 base budget.

It is important that all budget holders identify and estimate the potential impact on their respective budgets of pay awards, inflation, other expenditure and income variations. However, these variations will not be added to the Base Budget until they have been considered and approved by Lead Councillors. Therefore budget holders should not assume that in setting the 2018-19 budget there will be any automatic increase in the adjusted Approved Budget for 2017-18.

2. Corporate Financial Guidelines

Corporate financial guidelines must be used in estimating changes in expenditure and income over the medium term.

2.1 Employee Budgets

The Council will continue to implement nationally agreed pay awards.

A two year pay deal has been agreed for employees on National Joint Council contracts for 2016-17 and 2017-18, ongoing public sector pay restraint and government policy continues to require restraint in public sector pay.

- Salaries have been uprated by 1% for 2017-18 with additional supplements for staff on scale points 11 and 12 to take their pay up to the Living Wage level.
- The cost of increments has been identified, budgeting for vacant posts at the bottom of their grade. This will require managers to make some judgment as to the proportion of staff that might be eligible and meet the performance criteria to be offered an increment.
- With regard to salary on costs the following rates should be used in 2017-18 and 2018-19 (all percentages to be confirmed):

	Teachers	All other staff
Employers National Insurance	By service (Typically 10-12%)	By Service (Typically 10-12%)
Superannuation Fund Rate	16.4%	21.9%
Total On Costs	By service (Typically 26.4-28.4%)	By Service (Typically 31.9-33.9%)

Appendix F - Financial Guidelines for setting the Revenue Budget 2017/18-2019/20

2.2 Other Costs

- A schedule of non-pay budgets where there is a legal or contractual commitment to an inflationary increase should also be identified within each Directorate and agreed with the Head of Finance.
- The general rule is that no allowance will be made for uncommitted inflation and a general uplift in budgets for inflation.
- For employees not in the Pension Scheme then no budget for Superannuation Contribution Rate should be applied. (Care should be taken to ensure that employees who have joined because of auto enrolment are properly budgeted for.)
- The Director of Finance will consider, with each directorate whether to provide for a vacancy factor on staffing costs. The following table gives the default rates for inflation and other costs to be used in forecasting budgets over the medium term.

	2017-18	2018-19	2019-2020
Pay award	1%	1%*	1%*
Increments and other pay claims e.g. long service award	As due	As due	As due
Employers Pension Contributions Rate (Teachers)	16.4%	16.4%	16.4%
All other employees	21.9%	21.9%	21.9%
Employers National Insurance	By Service (Typically 10-12%**	By Service (Typically 10-12%)**	By Service (Typically 10-12%)**
Inflation default for forecasting purposes	Lower of 2.5% or CPI Sep or as contracted	Lower of 2.5% or CPI Sep or as contracted	Lower of 2.5% or CPI Sep or as contracted
Fees and Charges default guidelines#	RPI Sep	RPI Sep	RPI Sep

* This is an estimated figure as the actual figures have not yet been agreed/published

** Individual staffing budgets have been reviewed by accountants and the appropriate percentage applied based on average grade of staff in service area (The rate varies because the proportion of pay that is “National Insurance free” varies depending upon pay levels)

There will be a separate process for formally setting fees & charges

2.3 Income

In building income budgets it is essential that a realistic assessment of income achievement is undertaken. Budget holders should use their knowledge of past trends and current market conditions in assessing income levels for the future and the scope for increases in fees and charges.

It is important to not only look at financial information, but also non-financial information such as activity data on customer usage and trends over time to help build realistic income estimates.

Variations to the existing approved budget for income must be clearly identified and explained.

Variations in Fees and Charges need to be considered taking into account the Council's priorities and objectives to ensure that proposals are consistent with these priorities and objectives.

Where increases in fees and charges are proposed which may affect other service budgets then the Director proposing the increase is responsible for bringing this to the attention of other Directors so overall income and expenditure budget assumptions are consistent.

2.4 Variations in Income and Expenditure or Existing Service Levels/Policies

The general rule is that there should be no allowance made for service growth, being the provision of a new service or an increase in the standard of an existing service. However, it is expected that demographic, legislative, grant change or demand led issues will be fully estimated and considered as part of assessing the overall budget requirement.

2.5 Establishment Control

The Council has introduced establishment control. The initial establishment was built to match the agreed 2016/17 budget and variations, and the establishment control process includes managing variations and their financing.

2.6 Demographic & Demand Issues (excluding schools)

It is important that Directorates produce robust forecasts of the impact of future demand and demographic changes. Services which identify increases in demand should bring forward a clear statement of the assumed demand, and its likely variation (e.g. the central projection is there will be 100 clients, but

Appendix F - Financial Guidelines for setting the Revenue Budget 2017/18-2019/20

we anticipate this may vary between 90 and 120), how that projection varies from historical levels and proposals. Directorates should demonstrate that there has been full consideration of:

- Options for changing existing policies so that the service can be managed within the Directorate budget (as set out in the forward plan);
- Alternative provision of the service at a lower cost together with a transparent statement of the effect of the change in demand on the base budget; and
- If the first two steps described above are not appropriate, full justification as to why to be produced for consideration by Councillors before any increase is included in the base budget.

2.7 Savings

For the past two years, savings have been agreed over the medium term looking forward three years. The savings that relate to 2017-18, 2018-19 & 2019-20 have already been taken out of the base budget (though following the review in early 2017-18 some undeliverable savings have been restored).

Directorates have worked up a full range of budget savings options for consideration by Councillors. The initial round of savings will be taken to Policy Committee on 17th July 2017. In year savings identified for 2017-18 have been built into the revised base budget for 2017-18, and future year agreed savings through to 2019-20 have also been removed (unless the review completed in Q1 of 2017-18 has identified they are no longer deliverable).

Directorates have been asked to draw up proposals which:

- Identify opportunities for efficiency savings;
- Challenge current methods of service delivery and identify alternative ways of providing services;
- Challenge existing policies and service levels so a complete range of service reductions are identified; and
- Consideration of whether some services should continue, or not.

All options need to be considered in the light of the statutory requirement to provide the service and at what minimum level, or whether the service is discretionary.

In addition, the Corporate Management Team will be working to consider across the Council savings themes, including a consideration of procurement, apparent value for money outliers when the Council's costs are compared to others and the opportunity for further management and back office savings so as to protect front line services.

2.8 Schools Budgets

The schools budget should be drawn up in line with the requirements of the Dedicated Schools Grant and the framework agreed with the Schools Forum. The following will need to be taken into account in drawing up individual school budgets:

- The impact of school pupil demographic changes;
- Pay and price variations;
- Opportunities for achieving efficiencies; and
- Changes the Department for Education requires to the Education funding regime

As far as is practical the principles outlined above should be applied.

2.9 Risk Management

In drawing up revenue budget proposals, risk assessments should be undertaken to test the robustness of proposals and to identify key factors which may impact on the proposals put forward. Where appropriate action plans should be put in place to manage or mitigate the risks identified.

2.10 Overall Approach

It is intended that detailed budgets are prepared for 2 forward years; i.e. for 2018/19 and 2019/20.

3. CAPITAL PROGRAMME GUIDELINES AND PROCESS

3.1 Officer arrangements for drawing up and monitoring the capital programme and generation of resources are via the Capital Programme and Infrastructure Group.

The work and suggestions for drawing up the capital programme and its funding are the subject of briefings to Lead Councillors and the Administration, with the programme periodically being considered by Policy Committee.

3.2 Overall Control

The development of a three year rolling capital programme and resources should be drawn up within the context of the following objectives:

Appendix F - Financial Guidelines for setting the Revenue Budget 2017/18-2019/20

- (a) minimising the impact on reserves and balances, with appropriate contingencies.
- (b) The opportunities to invest to save and/or to reduce revenue running costs of the Council's estate along with generating capital receipts.
- (c) Maintaining Council assets and the Borough's infrastructure to agreed standards.

The Capital Strategy, Asset Management Plans, and Capital Guidelines are consistent with these aims.

3.3 Capital Programme Guidelines

The capital programme should be drawn up within an overall framework of forecast resources available.

Within the overall framework of forecast resources available, service and/or Programme planning totals should be set which recognise:

- Existing commitments;
- Government allocation and expectations;
- Approved strategies and plans (e.g. Local Transport Plan);
- Council priorities and objectives;
- Cross cutting proposals; and
- Invest and Save.

3.4 Criteria for Prioritising Individual Schemes

Within service or programme area planning totals scheme priorities should be drawn up consistent with the achievement of the Directorate's Service Plans, priorities, policies and objectives, and in accordance with:

- Health & Safety requirements;
- Generation of school places;
- Leverage for External Funding opportunities;
- Invest to save opportunities;
- The need to maintain assets identified from Asset Management Plans;
- Service development aspirations; and
- Schemes linked to specific grant funding allocations.

Services should only put forward priorities in the light of service reviews where completed, or following formal option appraisals of the best way of securing the outcomes intended by the proposed investment. Such appraisals should include a thorough consideration of the revenue impact (e.g. higher

Appendix F - Financial Guidelines for setting the Revenue Budget 2017/18-2019/20

costs of maintenance, protecting trading income) of investing or not investing.

The Capital Programme and Infrastructure Group will manage the process of drawing up capital programme options which match the capital guidelines and the likely level of resources available over the next five years.

Capital Programme options to match the likely resources available will be presented against the background of this schedule, to give Councillors the full picture on corporate investment demand and show them what would not be funded as well.

When drawing up Capital Schemes, Directorates should ensure that robust cost estimates, validated by Building Services/External Consultants, as appropriate, are produced.

3.5 Planned or Capital Maintenance Needs

As part of the budget process, each Directorate is requested to identify planned/capital maintenance needs, in particular Health and Safety requirements.

Where Directorates identify such needs a full explanation of the requirement, including alternative funding sources, should be given so they can be assessed for inclusion in to the Capital Grid maintained by the Capital Programme and Infrastructure Group and also Asset Management Plans.

3.6 Generating Capital Receipts

In order to assist longer term planning of the capital programme and the certainty of resources, officers will be working towards generating capital receipts options over a five year period, so that a realistic and sustainable capital programme can be set which strike the right balance between resources for capital and reducing the need for borrowing that is not sustained by the benefits of the investment itself. A £20m target has been established as part of the Council's financial plans.

3.7 Risk Management

In drawing up the capital programme and individual scheme proposals, a risk assessment should be undertaken to test the robustness of proposals and to identify key factors which may impact on the proposals put forward. Action plans should be put in place to mitigate/manage risk identified. Project

Appendix F - Financial Guidelines for setting the Revenue Budget 2017/18-2019/20

officers should be appointed for all schemes within the capital programme. Project officers need to ensure that proper arrangements are in place to manage and monitor the project(s) under their control and ensure that Council's rules and procedures are correctly followed (standing orders, procurement, Council and other approvals etc.).

4. PROCUREMENT

When setting future years' budgets, regard should be given to the Corporate Procurement Strategy and the Council's Contract Procedure rules. In particular, budgets and projections should be based on Corporate and agreed framework contracts. Further advice and guidance can be found in the Procurement Toolkit (available on the intranet).

5. BUDGET MANAGEMENT - ESSENTIAL PRACTICE FOR BUDGET MANAGERS

- 5.1 Ensure for each cost centre there is one person (budget manager) who is clearly accountable for 2 to 7 below even if that person has delegated responsibility to one or more people for committing expenditure on that cost centre. (This is normally the person who will receive the monthly cost centre report automatically from Oracle Fusion)
- 5.2 Ensure as Budget Manager you know the budget you have for the year (track it to the financial system).
- 5.3 Ensure you know what spend has been committed on your budget(s) (continually update forecast for the year and beyond - raising purchase orders creates commitments; paying them properly replaces the commitment with actual expenditure).
- 5.4 Ensure you know the financial impact of the commitment you are about to undertake (for this year and beyond - is there budget available to meet it; if not, how is it being funded?).
- 5.5 Ensure you have considered value for money in respect of this commitment (is this the most effective, efficient, economical way of delivering the service).
- 5.6 If insufficient budget - secure additional budget or cease commitment process.
- 5.7 If you are the budget manager you are accountable for all the above. Your Service Accountant will play an essential support role in this process and must be informed of all variations to budget.

CORPORATE SUPPORT SERVICES DIRECTORATE

	2017-18 Budget Breakdown					2018-19 Budget Breakdown				
	Employee	Running	Gross	Income	Net Budget	Employee	Running	Gross	Income	Net Budget
	Costs	Costs	Expenditure			Costs	Costs	Expenditure		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>MANAGING DIRECTOR & CUSTOMER SERVICES</u>										
Managing Directors Office	256	5	261	0	261	259	5	264	0	264
Business Improvement	1,650	115	1,765	-353	1,412	1,649	85	1,734	-359	1,375
Registration and Bereavement Services	631	394	1,025	-2,514	-1,489	637	400	1,037	-2,541	-1,504
Voluntary Sector and Grants	83	565	648	0	648	85	376	461	0	461
IT Services	308	4,381	4,689	-156	4,533	311	4,623	4,934	-156	4,778
Entitlement and Assessment	2,654	648	3,302	-2,239	1,063	2,423	609	3,032	-2,249	783
Corporate Customer Services	1,155	214	1,369	-140	1,229	1,174	214	1,388	-140	1,248
Housing Benefit and Subsidy	0	78,200	78,200	-77,930	270	0	78,080	78,080	-77,930	150
MANAGING DIRECTOR & CUSTOMER SERVICES TOTAL	6,737	84,522	91,259	-83,332	7,927	6,538	84,392	90,930	-83,375	7,555
<u>FINANCIAL SERVICES</u>										
Accountancy	1,772	722	2,494	-60	2,434	1,683	736	2,419	-60	2,359
Accounts Payable	177	30	207	0	207	178	30	208	0	208
Audit	374	23	397	-40	357	379	23	402	-40	362
Corporate Investigations Team	145	14	159	0	159	147	14	161	0	161
Procurement Services	221	7	228	-52	176	223	7	230	-52	178
FINANCIAL SERVICES TOTAL	2,689	796	3,485	-152	3,333	2,610	810	3,420	-152	3,268
<u>LEGAL, HUMAN RESOURCES & DEMOCRATIC SERVICES</u>										
Legal and Landcharges	3,130	1,778	4,908	-2,752	2,156	3,183	1,743	4,926	-2,752	2,174
Elections and Electoral Registration	204	321	525	-103	422	208	321	529	-103	426
Democratic Services	311	31	342	-8	334	315	31	346	-8	338
Human Resources	1,103	372	1,475	-218	1,257	1,124	299	1,423	-218	1,205
Corporate Learning and Workforce Development	567	5	572	-19	553	571	5	576	-19	557
LEGAL, HUMAN RESOURCES & DEMOCRATIC SERVICES TOTAL	5,315	2,507	7,822	-3,100	4,722	5,401	2,399	7,800	-3,100	4,700
<u>COMMUNICATION</u>										
Marketing and Public Relations	350	37	387	0	387	346	37	383	0	383
Mayoralty and Lord Lieutenant	63	40	103	-54	49	66	40	106	-55	51
COMMUNICATION TOTAL	413	77	490	-54	436	412	77	489	-55	434
Recharge to Non-General Fund Services	0	0	0	-3,340	-3,340	0	0	0	-2,881	-2,881
CORPORATE SUPPORT SERVICES DIRECTORATE TOTAL	15,154	87,902	103,056	-89,978	13,078	14,961	87,678	102,639	-89,563	13,076

DIRECTORATE OF ENVIRONMENT & NEIGHBOURHOOD SERVICES

	2017-18 Budget Breakdown					2018-19 Budget Breakdown				
	Employee	Running	Gross	Income	Net Budget	Employee	Running	Gross	Income	Net Budget
	Costs	Costs	Expenditure			Costs	Costs	Expenditure		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>TRANSPORTATION AND STREET CARE</u>										
Neighbourhood Services	4,274	1,531	5,805	-2,454	3,351	4,348	1,207	5,555	-2,473	3,082
Streetcare Services	2,825	2,556	5,381	-2,486	2,895	2,892	2,315	5,207	-2,698	2,509
Network and Parking Services	1,141	4,623	5,764	-10,328	-4,564	1,163	4,447	5,610	-10,902	-5,292
Strategic Transportation	1,050	7,037	8,087	-933	7,154	1,067	6,554	7,621	-933	6,688
Waste Disposals	229	25,352	25,581	-17,608	7,973	234	25,417	25,651	-17,658	7,993
TRANSPORTATION AND STREET CARE TOTAL	9,519	41,099	50,618	-33,809	16,809	9,704	39,940	49,644	-34,664	14,980
<u>PLANNING, DEVELOPMENT & REGULATORY SERVICES</u>										
Sustainability	144	45	189	-238	-49	136	45	181	-238	-57
Facilities Management	2,310	4,725	7,035	-3,200	3,835	2,323	4,773	7,096	-3,250	3,846
Land and Property Development	277	243	520	-2,827	-2,307	282	243	525	-3,679	-3,154
Regulatory Services	2,113	204	2,317	-1,205	1,112	2,150	153	2,303	-1,205	1,098
Planning	1,183	264	1,447	-949	498	1,213	264	1,477	-1,094	383
Building Control	497	54	551	-429	122	504	54	558	-429	129
Health and Safety	194	63	257	-35	222	181	0	181	-55	126
Public Conveniences	1,271	106	1,377	-1,313	64	1,276	108	1,384	-1,313	71
Property Development Service	291	220	511	-500	11	298	220	518	-557	-39
Joint Arrangement	531	780	1,311	-971	340	547	780	1,327	-1,041	286
PLANNING, DEVELOPMENT & REGULATORY SERVICES TOTAL	8,811	6,704	15,515	-11,667	3,848	8,910	6,640	15,550	-12,861	2,689
<u>HOUSING & NEIGHBOURHOOD SERVICES</u>										
Libraries	905	471	1,376	-224	1,152	918	336	1,254	-228	1,026
Community Safety	577	46	623	-541	82	558	46	604	-549	55
Housing Building Maintenance	1,457	758	2,215	-2,212	3	1,489	747	2,236	-2,233	3
Housing General Fund	1,062	8,230	9,292	-5,184	4,108	1,075	7,279	8,354	-5,214	3,140
HOUSING & NEIGHBOURHOOD SERVICES TOTAL	4,001	9,505	13,506	-8,161	5,345	4,040	8,408	12,448	-8,224	4,224
<u>ECONOMIC & CULTURAL DEVELOPMENT</u>										
Sports & Leisure	1,842	1,014	2,856	-2,208	648	1,887	1,047	2,934	-2,208	726
Arts Venues	1,170	2,761	3,931	-3,556	375	1,183	2,770	3,953	-3,616	337
Town Hall and Museum	1,164	735	1,899	-1,074	825	1,187	753	1,940	-1,214	726
New Directions	1,156	304	1,460	-1,433	27	1,169	304	1,473	-1,433	40
Business Development	224	120	344	-500	-156	221	120	341	-675	-334
Records and Archives	619	367	986	-897	89	636	373	1,009	-897	112
ECONOMIC & CULTURAL DEVELOPMENT TOTAL	6,175	5,301	11,476	-9,668	1,808	6,283	5,367	11,650	-10,043	1,607
<u>DENS Directorate</u>										
DENS Directorate	661	8	669	-146	523	696	66	762	-146	616
DENS Training	131	0	131	0	131	131	0	131	0	131
DENS DIRECTORATE TOTAL	792	8	800	-146	654	827	66	893	-146	747
DIRECTORATE OF ENVIRONMENT & NEIGHBOURHOOD SERVICES TOTAL	29,298	62,617	91,915	-63,451	28,464	29,764	60,421	90,185	-65,938	24,247

<u>DIRECTORATE OF CHILDREN, EDUCATION & EARLY HELP SERVICE (DCEEHS)</u>										
	2017-18 Budget Breakdown					2018-19 Budget Breakdown				
	Employee Costs	Running Costs	Gross Expenditure	Income	Net Budget	Employee Costs	Running Costs	Gross Expenditure	Income	Net Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>CHILDREN'S SERVICES</u>										
Children's Social Care General	1,775	295	2,070	0	2,070	715	295	1,010	0	1,010
Family Placement	2,934	329	3,263	-70	3,193	2,964	331	3,295	-70	3,225
Locality Teams	2,918	572	3,490	0	3,490	2,947	572	3,519	0	3,519
Children's Placement	0	13,596	13,596	-157	13,439	0	13,695	13,695	-157	13,538
Service Improvement	2,707	306	3,013	-80	2,933	2,734	309	3,043	-80	2,963
Asylum Seekers	34	123	157	-114	43	34	123	157	-114	43
CHILDREN'S SERVICES TOTAL	10,368	15,221	25,589	-421	25,168	9,394	15,325	24,719	-421	24,298
<u>EDUCATIONAL SERVICES</u>										
Education General	1,102	586	1,688	-81	1,607	1,150	283	1,433	-81	1,352
Early Years	1,489	9,320	10,809	-1,021	9,788	1,504	9,320	10,824	-1,021	9,803
School Improvement	1,090	572	1,662	-724	938	1,098	572	1,670	-724	946
Special Education Needs	385	16,237	16,622	-245	16,377	390	16,237	16,627	-245	16,382
School Support Services	654	334	988	-712	276	662	334	996	-712	284
EDUCATIONAL SERVICES TOTAL	4,720	27,049	31,769	-2,783	28,986	4,804	26,746	31,550	-2,783	28,767
<u>SCHOOLS</u>										
Schools Block	0	51,515	51,515	-76,728	-25,213	0	51,515	51,515	-76,728	-25,213
Schools - Individuals Schools Budget	2,130	484	2,614	-2,614	0	2,143	484	2,627	-2,614	13
SCHOOLS TOTAL	2,130	51,999	54,129	-79,342	-25,213	2,143	51,999	54,142	-79,342	-25,200
<u>EARLY HELP</u>										
CYPDT 0-17 Support Costs	830	1,803	2,633	-150	2,483	839	1,803	2,642	-150	2,492
General	318	172	490	0	490	21	0	21	0	21
Children's Action Teams and Children's Centres	4,706	129	4,835	-1,470	3,365	4,754	129	4,883	-1,470	3,413
Intensive Support	964	471	1,435	-1,201	234	974	472	1,446	-1,201	245
EARLY HELP TOTAL	6,818	2,575	9,393	-2,821	6,572	6,588	2,404	8,992	-2,821	6,171
<u>DCEEHS DIRECTORATE</u>										
DCEEHS DIRECTORATE TOTAL	3,583	424	4,007	-125	3,882	3,220	189	3,409	-125	3,284
DIRECTORATE OF CHILDREN, EDUCATION & EARLY HELP SERVICE TOTAL	27,619	97,268	124,887	-85,492	39,395	26,149	96,663	122,812	-85,492	37,320

DIRECTORATE OF ADULT SOCIAL CARE & HEALTH SERVICES (DACHS)

	2017-18 Budget Breakdown					2018-19 Budget Breakdown				
	Employee	Running	Gross			Employee	Running	Gross		
	Costs	Costs	Expenditure	Income	Net Budget	Costs	Costs	Expenditure	Income	Net Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ADULT SERVICES										
Adult Social Care Management	508	838	1,346	-2,032	-686	514	956	1,470	-1,999	-529
Group Homes and Properties	19	83	102	-275	-173	19	83	102	-342	-240
Adult Social Care Activities	8,923	620	9,543	-4,621	4,922	8,970	8	8,978	-4,621	4,357
Safeguarding Adults	352	219	571	-225	346	357	219	576	-250	326
Mental Health Support	414	2,222	2,636	-354	2,282	418	2,305	2,723	-362	2,361
Learning Disability Support	1,205	14,134	15,339	-1,377	13,962	1,216	14,503	15,719	-1,386	14,333
Older People/ Physical Disability Support	0	19,070	19,070	-5,301	13,769	0	19,637	19,637	-5,319	14,318
ADULT SERVICES TOTAL	11,421	37,186	48,607	-14,185	34,422	11,494	37,711	49,205	-14,279	34,926
WELLBEING										
Commissioning and Improvement	1,205	27	1,232	-80	1,152	937	25	962	-80	882
Public Health	738	8,129	8,867	-9,202	-335	743	8,029	8,772	-9,202	-430
Preventative Services	114	1,151	1,265	-651	614	115	1,072	1,187	-651	536
WELLBEING TOTAL	2,057	9,307	11,364	-9,933	1,431	1,795	9,126	10,921	-9,933	988
DIRECTORATE OTHER										
Transformation	58	0	58	0	58	58	0	58	0	58
Directorate	474	32	506	0	506	479	37	516	0	516
DACHS Training	100	0	100	0	100	100	0	100	0	100
DIRECTORATE OTHER TOTAL	632	32	664	0	664	637	37	674	0	674
DIRECTORATE OF ADULT SOCIAL CARE & HEALTH SERVICES TOTAL	14,110	46,525	60,635	-24,118	36,517	13,926	46,874	60,800	-24,212	36,588

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	17 JULY 2017	AGENDA ITEM:	12
TITLE:	PROPOSED SAVING TO HOMELESSNESS SUPPORT SERVICES: RESPONSE TO CONSULTATION AND PROPOSALS TO RECONFIGURE SERVICES		
LEAD COUNCILLOR:	COUNCILLOR JOHN ENNIS	PORTFOLIO:	HOUSING
SERVICE:	HOUSING AND NEIGHBOURHOODS	WARDS:	BOROUGHWIDE
LEAD OFFICER:	VERENA HUTCHESON	TEL:	0118 937 4136
JOB TITLE:	HOMELESSNESS AND HOUSING PATHWAYS MANAGER	E-MAIL:	Verena.hutcheson@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 The Council currently commissions a range of homelessness support services - these include Homelessness Pathway accommodation to meet the needs of vulnerable single homeless residents and to support the reduction of rough sleeping numbers in the borough; an outreach service for rough sleeping in Reading and a floating support service to prevent homelessness. These are referred to collectively as 'homelessness support services' and are delivered through contracts to the value of £1.49m.

1.2 In light of Reading Borough Council's (RBC) current financial situation and as part of the identification of revenue savings Council-wide, the budget for the procurement of homelessness support services was reviewed and the option of remodelling and commissioning these services within a reduced budget has been considered. A consultation commenced in February this year on a new service model reflecting delivering a reduction in budget of £245,000 which is approximately 17% of total currently commissioned homelessness support service contract values.

1.3 The consultation proposed, in line with national best practice, a shift in focus and funding towards a more flexible model that provides immediate and emergency responses to those who are homeless or rough sleeping; a more tailored and personalised support service for single homeless people; a stronger multi-agency approach to meeting complex needs and services that pre-empt and prevent homelessness. This reconfiguration will mean a reduction in the overall number of commissioned supported accommodation bed spaces. Currently there are 217 and this is likely to reduce by approximately 40 bed spaces. The new model will feature:

- A hub that brings together services for those who are homeless or rough sleeping, including emergency assessment beds, 24/7 supported hostel accommodation and support services.
- An outreach team focussed on supporting rough sleepers into accommodation and reconnecting those without a local connection to their area of origin.
- A 'No Second Night Out' (NSNO) model to ensure a rapid response for anyone who is sleeping rough for the first time to prevent them sleeping out for a second night.
- Emergency bed spaces for rough sleepers, regardless of their immigration or local connection status, during severe weather.

- Shared supported accommodation for those presently unable to manage independent living and wrap-around support to ensure that if an individual's needs increase moving them is a last resort.
- Some accommodation under 'Housing First' principles where an unconditional offer of independent housing is made alongside intensive support for people with multiple and complex needs where shared supported housing offers have been unsuccessful.
- Cross-tenure floating support service to help people sustain their tenancy.
- No First Night Out (NFNO) preventative approach with those at risk of rough sleeping.

1.4 The report summarises the key findings from the consultation with further detail appended. Following consultation, it is proposed that homelessness support services are reconfigured and that a budget saving of £245,000 is made, reducing the total budget for these services from £1.49m to £1.25m. A full competitive tender exercise will be undertaken with the implementation of new contracts anticipated from 1 September 2018.

1.5 Appendix 1 - Equality Impact Assessment for options outlined in this report
Appendix 2 - Consultation Summary Report

2. RECOMMENDED ACTION

2.1 That Policy Committee note the summary of the consultation responses.

2.2 That Policy Committee agree to the proposal to reconfigure homelessness support services in Reading based on the principles as set out in Section 4(b) of this report, thus delivering an overall saving of £245,000 per annum.

2.3 That the Director of Environment and Neighbourhood Services, in consultation with the Lead Councillor for Housing, the Head of Finance and the Head of Legal and Democratic Services be delegated to award the contracts for the provision of an outreach service for rough sleeping in Reading; supported accommodation to meet the needs of vulnerable single homeless residents and to support the reduction of rough sleeping numbers in the borough and a floating support service to prevent homelessness in lots to be determined; each for a period of three years, with the option to extend up to a maximum of three years, to the successful tenderers in accordance with the Council's Contract Procedure Rules.

2.4 That the Head of Housing and Neighbourhoods, in consultation with the Lead Councillor for Housing, be authorised to extend interim contracts for all Homelessness Pathway Supported Living Non-Registered Services for a period of five months from 1 April until up to 31 August 2018, with current providers who are Bournemouth Churches Housing Association, Launchpad Reading, Riverside and The Salvation Army.

2.5 That the Head of Housing and Neighbourhoods, in consultation with the Lead Councillor for Housing, be authorised to enter into an interim contract for the Outreach Service for Rough Sleeping for a period of five months from 1 April until up to 31 August 2018 with the current provider, St. Mungo's.

3. POLICY CONTEXT

- 3.1 The Council is committed to reducing homelessness and rough sleeping numbers in Reading as far as possible. The three-stage Homelessness Pathway, for supporting homeless single people through supported accommodation and into independent accommodation, was approved by Cabinet on 28 November 2011 (Minute 110 refers). The Homelessness Pathway approach has been successful in increasing supported accommodation available and in integrating and coordinating services to provide improved outcomes for homeless people whilst achieving efficiency savings.
- 3.2 A review of commissioned services and national/local best practice models has been recently undertaken to ensure that supported accommodation, outreach services for rough sleepers and floating support services meet the needs of single homeless individuals in the most effective and cost efficient way.
- 3.3 At the meeting of Policy Committee on 5 December 2016 it was outlined that further savings needed to be identified to cover the then estimated £18.4m budget gap over the next three years for 2017-20. Continued reduction in Government revenue support grant to Local Authorities coupled with rising demand has placed severe pressure on the Council's budgets. This presents a very significant challenge to the Authority and means that it is facing unpalatable decisions and unprecedented cuts to services. As part of a package of savings across Council departments, savings were identified from homelessness support services of £245,000, approximately 17% of total contract values, provided such saving was consistent with the Council's legal duties.

National Policy Context

- 3.4 Homeless Link's recently published *annual review of support for single homeless people in England 2016* outlines some national issues and trends. The annual review is from a survey of 394 supported accommodation projects across England. Its findings are reflected in the consultation feedback and are consistent with the recommended future provisions of homelessness support services in Reading.
- *Reduced funding for services supporting and housing single homeless individuals*
2015/16 saw 47% of accommodation projects experience a decrease in funding. The average decrease was 19% with just 8% seeing their funding increase.
 - *Difficulty moving clients on from supported accommodation*
A third of people were ready to move on from supported accommodation but had not yet moved and, of this group, 27% had been waiting for six months or longer. A third of projects reported that the main barrier to moving individuals on is a lack of affordable housing. Other reasons included narrowed move on options/assistance due to previous behaviours; being on housing benefit and landlords not accepting this; lack of housing available at the Local Housing Allowance (LHA) rate and lack of accommodation available at the LHA shared accommodation rate.
 - *Reduction in the size and capacity of supported accommodation projects*
Trends show that accommodation projects have been decreasing in size in recognition that smaller projects can offer a more personalised approach with more than half of projects having 20 bed spaces or fewer.
 - *Innovation and changes to homelessness services*
39% of accommodation projects reviewed are using or exploring Housing First; 81% were using or exploring homelessness prevention services; 87% were using or

exploring floating support and 70% were using or exploring shared accommodation schemes.

4. THE PROPOSAL

(a) Current Position

4.1 The Council currently commissions homelessness support services to a total value of £1,489,149. Their current remit and contract values are as follows:

- **Homelessness Pathway accommodation with support**
Comprising 217 bed spaces for individuals and couples who are homeless, made up of 73 Stage 1 bed spaces; 7 Stage 1A bed spaces; 71 Stage 2 bed spaces; 61 Stage 3 bed spaces and 5 complex and multiple needs bed spaces. At Stage 1, individuals are provided with intensive support within a 24-hour staffed environment and at Stages 2 and 3 individuals are supported with the development of basic independent living skills to move on from the Pathway.
Contract value: £901,000
- **Rough sleeper outreach services**
Consistently work with up to 50 found and known rough sleepers by supporting them to access supported accommodation or reconnect to their area of origin.
Contract value: £192,000
- **Cross-tenure floating support**
Deliver 480+ support hours per week to support individuals, couples and families with tenancy sustainment and homelessness prevention.
Contract value: £396,000

4.2 A review of homelessness support services has been undertaken and a full competitive tender exercise will follow with the proposal that new contracts are implemented from 1 September 2018. Homelessness support services will be reconfigured under proposed new principles to offer a more flexible model.

(b) Options Proposed

4.3 A public consultation has been undertaken on a proposed budget reduction from £1.49m to £1.25m and a new service model for homelessness support services underpinned by the following key principles:

4.4 Principle 1

Immediate and emergency responses to those who are homeless or rough sleeping
Key features of this would be a:

- A hub that centralises accommodation and support services available to those who are homeless or rough sleeping, including emergency assessment beds and hostel accommodation for those that need 24/7 on-site staffing support.
- Rough sleeper outreach team focussed on supporting rough sleepers into accommodation and reconnecting those without a local connection to their area of origin.
- No Second Night Out (NSNO) model to ensure that anyone who is sleeping rough for the first time receives a rapid response offer to prevent them sleeping out for a second night.
- Severe Weather Emergency Protocol (SWEP) to provide emergency bed spaces for rough sleepers, regardless of their immigration or local connection status, during short periods of high risk weather.

4.5 Principle 2

Housing and support offers to address the differing needs of single homeless people

Key features of this would be:

- Shared supported accommodation that provides a high level of support where staff are not on site but available when required 24/7, as well as shared accommodation for people who do not require a high level of support, but are presently unable to manage independent living.
- Some accommodation under Housing First principles where an unconditional offer of stable, independent housing is made alongside intensive support for people with multiple and complex needs where more conventional supported accommodation offers have been unsuccessful.
- A Making Every Adult Matter (MEAM) approach across services for complex individuals that have ineffective contact with statutory and support services where cross-sector partners find shared, flexible solutions and develop a coordinated approach.
- Psychologically and trauma informed practice and principles within all services to take into account the psychological make-up, experiences and needs of its users. This is effective for those who have experienced complex trauma in child or adulthood.
- The delivery of gender informed homelessness support services that understand that women experience homelessness and interact with support in ways that are unique to their gender.
- Wrap-around support to ensure that if an individual's needs increase, a move into alternative accommodation is a last resort.

4.6 Principle 3

Services that pre-empt and prevent homelessness

Key features of this principle would be a:

- Cross-tenure floating support service that offers support to those who are at risk of homelessness, require support sustaining their accommodation or with accessing alternative accommodation.
- No First Night Out (NFNO) approach to explore why individuals are sleeping rough for the first time and create locally tailored pre-emptive measures to identify 'pre-rough sleepers' at a phase of their housing crisis which precedes rough sleeping.

Summary of Consultation Feedback

4.7 There was overall support for the proposed remodelling and the underpinning principles. The main concerns regarding reducing the budget for services that support single homeless individuals and households at risk of homelessness were the potential for:

- Increases in rough sleeper numbers and homelessness generally
- Increases in crime, anti-social behaviour and street based activities such as begging
- Poorer health outcomes/increases in health inequalities
- Increased demand on already overstretched services in homelessness and other sectors
- A reduction in the quality of services

4.8 Some, primarily online, respondents stated that a reduction in homelessness support services would be negative, regardless of how services are remodelled. Their view was that there would be wider impacts on demand for health services and that budgets should be reduced elsewhere before considering reducing the budget for these frontline services. The Council's aim is to reduce these risks as far as possible by remodelling services to meet needs in the more effective and efficient way.

- 4.9 Existing service users welcomed No Second Night Out to prevent entrenched rough sleeping, a one stop central hub, a Housing First approach and flexible support that has a less linear approach. Unanimously service users were keen for there to be increases in support at key times in their support journey, led by the client. Some feedback suggested that service users wanted to be able to represent themselves at professional meetings to influence and be involved with their own housing journey. All agreed that a permanent night shelter in Reading would be beneficial for all. They felt that the faith sector provision (Bed for the Night) B4N has been effective in the months that it had been operating. There was suggestion for there to be several dedicated move-on workers to assist with move-on and create stronger links with the private rented sector. There were concerns that rent levels in supported housing were high and a disincentive to working.
- 4.10 Those currently working in the sector advised that the Access Panel, a weekly partnership meeting with partners where new clients referred are discussed, works very well and provides a collaborative problem solving environment; relationships and communication between commissioned providers is excellent, all of which benefits homeless clients in Reading. Proposed remodelling was received well by provider and sector focus groups including endorsement of an approach which recognises progression and recovery are not linear, including flexible delivery of support and a move away from larger hostel environments. There was a clear message that engagement with reconnection should be part of the offer to rough sleepers. Providers felt that move-on readiness is achievable within shorter timeframes, but finding accommodation to move on into is challenging. There were a number of suggestions explored in the focus groups to expedite move on. There was a call for harmonised, tailored and consistent KPIs across all homelessness support services which support whole system delivery. It was suggested that longer contract periods would encourage providers to invest more into buildings/services and provide greater stability.
- 4.11 It is clear that move-on has been highlighted as a problem for all consultees and that RBC needs to think creatively about how move-on features within KPIs, monitoring and local authority support for services when they are recommissioned to maximise move-on through and from supported accommodation. RBC will also need to think creatively about how to ensure that service users are encouraged and enabled to enter into employment whilst accessing supported accommodation.

(c) Other Options Considered

- 4.12 Committee could determine not to remodel homelessness support services and not to make the saving. However, given current Council financial pressures and the need to make savings, this is an opportunity to model and recommission in a planned way that ensures that a budget reduction has the least possible impact where demands on single homelessness services are increasing.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The proposal will contribute to the service priorities set out in the Council's Corporate Plan 2015 - 18:
- Safeguarding and protecting those that are most vulnerable
 - Providing homes for those in most need
 - Remaining financially sustainable in order to deliver core services

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 Consultation relating to the principles of remodelling homelessness support services and reducing the overall budget for these services to £1.25m ran between 27 February

and 31 March 2017. The consultation included an online public consultation exercise; focus groups with service users and focus groups with current providers and non-commissioned services. Appendix 1 summarises how the consultation was undertaken, the profile of those who responded and a more detailed analysis of the responses.

6.2 Forty online consultation responses were received together with written responses from Berkshire West CCG, Salvation Army Housing Association and Launchpad Reading. Five focus groups were held with staff of all current providers of homelessness support services and a further focus group was held with some key members of the faith and voluntary sector in Reading to seek their views on the proposed changes. 11 service users also attended focus group meetings.

6.2 A Homelessness Forum has been established as part of the Council's approach to implementing its Homelessness Strategy. This shares information, targets resources and ensures multiagency oversight of and engagement with the strategy.

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 The decision to reduce funding will not have a disproportionate effect on any specific group with protected characteristics. However, any reduction in resourcing to homelessness services should be considered in the context of several complex risks to the general characteristics of this client group. Investment in homelessness services is universally recognised to support outcomes for health - most significantly mental health and substance misuse, community safety, social care and offending services. A full Equality Impact Assessment (EIA) is attached at Appendix 1 and has been informed by the consultation outcomes collated.

8. LEGAL IMPLICATIONS

Homelessness Legislation

8.1 Under Part 7 of the Housing Act 1996, as amended, local authorities have a statutory responsibility to secure accommodation for homeless households in priority need who are unintentionally homeless and to whom a homelessness duty has been accepted i.e. a 'main homelessness duty'. This main homelessness duty continues until a settled housing solution is found for the homeless household or until the duty otherwise ends. Local authorities must ensure that advice and assistance is available free of charge to households which are either homeless or threatened with homelessness.

8.2 Where the main homelessness duty is not owed the local authority is required to make an assessment of housing needs and to provide advice and assistance to the homeless household only.

8.3 Under sections 1 and 3 of the Homelessness Act 2002, local authorities must have in place a strategy for preventing homelessness in their district. Such strategy applies to all at risk of homelessness, and not only to those to whom the main homelessness duty is owed. Local authorities are encouraged by the Department for Communities and

Local Government (DCLG) to offer prevention assistance to those at risk of homelessness, including single person households and those not deemed to be in priority need. In July 2016 Policy Committee approved the publication of the Council's final Homelessness Strategy 2016-2021 and a Delivery Plan, following public consultation.

Consultation

- 8.4 The consultation undertaken in respect of this proposal was non-statutory. However, once embarked upon, in order to be fair a consultation must: be undertaken while proposals are at a formative stage; let those with a potential interest in the subject matter clearly know what the proposal of the Council is; explain why the proposal is under positive consideration; give sufficient reason to elicit an informed response; and allow sufficient time for an informed response to be made. In addition, the outcome of the consultation must be conscientiously considered by the decision-maker.

Procurement

- 8.5 The procurement for new homelessness support services will be completed in line with Contract Procedure Rules and the Public Contract Regulations 2015.

9. FINANCIAL IMPLICATIONS

The financial implications arising from the proposed budget saving and remodelling of homelessness support services are set out below:

9.1 Revenue Implications

The proposed savings amount of £245,000 is shown in the following table. This takes into account the current timescales for procurement and implementation. The commissioning budget of £1.49m per annum in 2017/18 will reduce to a full year £1.245m per annum - with the contracts assumed to be let and the new model implemented from September 2018. The saving is therefore profiled over two financial years.

	2016/17 £000	2017/18 £000	2019/20 £000	Total
Saving	£0	£143k	£102k	£245k

- 9.2 The decision to remodel homelessness support services as proposed - which will include the Homelessness Pathway, the provision of outreach services for rough sleeping in Reading and the floating support service to prevent homelessness - gives the opportunity to deliver these services in the most efficient and cost effective way. The re-procurement exercise itself will ensure Value for Money.

10. BACKGROUND PAPERS

- 10.1 Committee Report "Proposed saving to Homelessness Pathway Services", 13 February 2017.

Appendix 1

Equality Impact Assessment for Options Outlined in this Report

Proposed saving to Homelessness Support Services

Directorate: Directorate of Environment and Neighbourhood Services

Service: Housing Needs

Name and job title of person doing the assessment

Name: Verena Hutcheson

Job Title: Homelessness and Housing Pathways Manager

Date of assessment: 14 June 2017

Scope of proposal

What is the aim of your policy or new service/what changes are you proposing?

Reading Borough Council (RBC) currently commissions Homelessness Support Services under seven separate contracts to the amount of £1.49m and includes:

- Homelessness Pathway accommodation with support providing 217 bed spaces for individuals/couples who are homeless, made up of 73 Stage 1 bed spaces; 7 Stage 1A bed spaces; 71 Stage 2 bed spaces; 61 Stage 3 bed spaces and 5 complex and multiple needs bed spaces. At Stage 1, individuals are provided with intensive support within a 24-hour staffed environment and at Stages 2 and 3 individuals are supported with the development of basic independent living skills to move on from the Pathway. The current total contract value is £900,873 per annum.
- Rough sleeper outreach services which supports rough sleepers to access supported accommodation or reconnect to their area of origin. The current contract value is £192,000 per annum.
- Cross-tenure floating support which supports individuals, couples and families with tenancy sustainment and homelessness prevention. The current contract value is £396,276 per annum.

New contract arrangements are due to be implemented in September 2018 where a single procurement exercise will be completed for all homelessness support services contracts. In light of the current financial position of the Council the proposal is to reduce the budget for this by £245,000 (17%) to £1.25m. The specific amounts spent on different services will be finalised via the procurement process.

The proposal suggests that homelessness support services are remodelled to reflect national guidance and best practice from other local authority area models to explore new ways to tackle homelessness. In reshaping and redeveloping these services we are proposing that there will be a central hub that will include emergency assessment beds and hostel accommodation with 24/7 on-site staffing support; a rough sleeper outreach team and emergency provision during severe weather regardless of their immigration and local connection status. There will be shared supported accommodation that provides a high level of support outside of a hostel environment, but that will be linked to the 24/7 support provided by the hub; lower level support for those working towards independence; provision for a Housing First approach to be delivered and a cross-tenure floating support service.

Implications for homelessness support services

RBC currently commissions 217 bed spaces within the Homelessness Pathway. A reduction in budget for homelessness support services will likely result in a reduction of bed spaces and support hours across services. The new model aims to mitigate this for clients by focussing upon more effective and efficient services and directing support hours towards client need.

Who will benefit from this proposal and how?

The reduction in budget will provide savings to the Council and the remodelling of homelessness support services within remaining funding (£1.25m) will provide services that can provide immediate and emergency responses to those who are homeless or rough sleeping; housing and support offers to address the differing needs of single homeless people and services that pre-empt and prevent homelessness.

Some funding will be re-directed specifically towards enabling Housing First; emergency bed spaces/sit-up provision and a dispersed model of support for those that do not benefit from a 24/7 hostel environment, but still require an intensive level of support.

The new model will allow us to be more flexible with support hours which will benefit clients and provide a new range interventions to help those who homeless or threatened with homelessness.

What outcomes does the change aim to achieve and for whom?

The reduction in budget for homelessness support services is required in order to support the Council to deliver services within a significantly reduced budget whilst delivering broadly the same outcomes. The remodelling of services is intended to refocus funding towards targeting rough sleeping, providing housing and support offers that address the differing needs of single homeless people and ensuring that services pre-empt and prevent homelessness for households. The aim is to re-draft and update contracts and KPIs for all homelessness support services to enable more effective and efficient services to be delivered for service users.

Who are the main stakeholders and what do they want?

The main stakeholders are: service users; potential service users; professionals/statutory and voluntary agencies working with those who are single/couples and rough sleeping or precariously housed and individuals and households who are at risk of homelessness.

The consultation completed in March 2017 indicates overall support for the proposed remodelling, underpinning principles and maintaining the Access Panel and quality of professional relationships amongst commissioned services.

There were concerns amongst some respondents regarding the negative effects of reducing the budget for homelessness support services. A third of on-line respondents were concerned that a reduced budget would result in increases in rough sleepers and homelessness generally with 18% of on-line respondents concerned about increases in crime, anti-social behaviour and street-based activities such as begging. An eighth of those that responded on line stated that there would be human costs and increased demand upon already overstretched services in homelessness and other sectors.

However, focus groups with existing providers and service users provided constructive feedback regarding how remaining resources should be used to create more effective and efficient services to most benefit clients.

Assess whether an EqIA is Relevant

How does your proposal relate to eliminating discrimination; promoting equality of opportunity; promoting good community relations?

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others? (Think about your monitoring information, research, national data/reports etc.)

Those that use rough sleeping outreach services and the current Homelessness Pathway are predominantly male and aged between 18 and 35. A quarter of those accessing supported accommodation are female and of the same age range.
 A reduction in homelessness support services that includes a reduction in bed spaces in supported accommodation could have a disproportionate effect on single, homeless men aged 18 - 35 who are not owed a homelessness duty under Part 7 of the Housing Act 1996 and who are affected by LHA rates under welfare reform.

Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.

There is public concern generally about rough sleeping and homelessness. Rough sleeping and begging behaviours are very visible in the borough and there have been increases in reports and enquiries from members of the public, Council Members and statutory sector colleagues in the last 12 - 24 months, particularly during autumn and winter periods.

Official rough sleeping numbers of 22 individuals sleeping rough in the borough on a typical night were submitted to the Department for Communities and Local Government (DCLG) in November 2016.

Assess the Impact of the Proposal

Consultation

The consultation relating to the principles of remodelling homelessness support services and reducing the overall budget for these services to £1.25m ran between 27 February and 31 March 2017.

Views were obtained via:

- Online questionnaire promotion directly to the public and professionals
- Consultation sessions with service users; with staff and managers of current homelessness support services and with faith and voluntary sector services operating in the Reading area

40 online responses were received; five focus groups were held with staff of all current providers of homelessness support services - a total of 21 staff were consulted with and service user focus groups were held with a total of 11 current service users attending. A focus group was held with some key members of the faith and voluntary sector in Reading to seek their views on the proposed changes and also internal Housing Need partners. Official written responses to the consultation, outside of focus groups and the on-line questionnaire, were received from Berkshire West CCG, Salvation Army Housing Association and Launchpad Reading.

How have you consulted with or do you plan to consult with relevant groups and experts?

Relevant groups/experts	How were/will the views of these groups be obtained	Date when contacted

Users of Reading's Homelessness Support Services	Online consultation outline and questionnaire promoted directly to professionals.	Focus groups held on 2 and 3 March 2017
Current providers of Homelessness Support Services in Reading	Local press release and details broadcast on screen in reception for duration.	Various focus group sessions between 28 February - 31 March 2017
Paid staff and volunteers working in single homelessness and homelessness prevention across sectors	Leaflets distributed to RBC breakout areas; commissioned services; The Avenue Centre.	
Internal RBC partners, for example, Adult Social Care, Housing Benefits, Anti-Social Behaviour Team	Use of internal RBC communications e.g. Message of the Day, Inside Reading and Yammer to publicise.	For the period 27 February - 31 March 2017
External partners, for example, Police, faith and voluntary sector services	Two consultation sessions with service users. Five sessions with staff and managers of current Homelessness Support Services.	Focus group held on 29 March 2017
National homelessness organisations	One session with faith and voluntary sector organisations	For the period 27 February - 31 March 2017

Respondents supported the introduction of a more flexible model with more varied supported accommodation options to meet the differing needs of this client group.

Concern about reducing the budget for services mostly came from on-line responses and stated the potential for:

- Increases in rough sleeper numbers and homelessness generally
- Increases in crime, anti-social behaviour and street based activities such as begging
- Poorer health outcomes/increases in health inequalities
- Increased demand on already overstretched services in homelessness and other sectors
- Wider impacts on demands for health and other statutory services

The primary concerns highlighted from focus groups were:

- A reduction in the quality of services
- Less bed spaces affecting move on through and from supported accommodation resulting in fewer opportunities for people to supported accommodation within an already difficult local housing market

Collect and Assess your Data

Due to the complex nature of homelessness it is hard to predict the impact that reduced resources in any area of support services will have on this client group.

Any reduction in resourcing to homelessness support services comes with a complex array of risks due to the general characteristics of this client group. Investment in homelessness services is universally recognised to support outcomes for health (most significantly mental health and substance abuse), community safety, social care and offending services.

Describe how this proposal could impact on racial groups

Currently homelessness support services are predominantly accessed by White British individuals which is reflective of the referrals made to services and census data for the Reading area.

Commissioned homelessness support services will be available to all racial groups and a reduction in the availability of these services will not disproportionately affect any specific racial groups.

Is there a negative impact? No

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

A quarter of those accessing supported accommodation are female. A report from St. Mungo's in 2014 called *Rebuilding Shattered Lives: The Final Report* highlights three themes that specifically affect women who have a history of homelessness: trauma and abuse; relationships with children (often custody of children being removed) and stigma/shame. There is potential for a positive impact for women within the remodelling of homelessness support services. New contracts will have gender informed approaches and staff training around these approaches embedded within them to ensure that women are adequately supported with female specific support needs relating to domestic abuse and loss of custody of children.

Accommodation services within homelessness support services are for single people and couples only where pregnancy meets priority need criteria under Part 7 of the Housing Act 1996 and thus statutory duty thresholds under homelessness legislation. Any commissioned floating support service will continue to work with all types of households. There will be continued commissioning of bed spaces for those who are an established couple or married/in a civil partnership.

The overall reduction in supported accommodation bed spaces could have a disproportionate effect on single, homeless men aged 18 - 35 years old who are not owed a homelessness duty under Part 7 of the Housing Act 1996 as this is the group that predominantly use rough sleeping outreach services and the Homelessness Pathway.

However whilst there may be a reduction in bed spaces, it is the intention that newly modelled homelessness support services will be more efficient and effective with improved throughput.

Commissioned homelessness support services will continue to be available to those with a local connection to Reading, regardless of gender. Therefore no disproportionate negative impact is anticipated.

Is there a negative impact? No

Describe how this proposal could impact on disability

Some bed spaces will be made available for people who have support needs and mobility issues. Contract specifications will be developed to encompass the needs of those with disabilities or mobility problems. Recent data suggests that around two individuals per annum are referred to the Homelessness Pathway requiring ground floor accommodation where they have mobility issues. New contracts will specify a requirement for a larger number of wheelchair accessible and/or adapted properties ensuring that there is more accommodation available to those that have physical disabilities.

Commissioned homelessness support services will continue to be available to those with a local connection to Reading who have disabilities or mobility problems. No disproportionate impact is anticipated for those with learning or physical disabilities are anticipated.

Is there a negative impact? No

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

Commissioned homelessness support services will continue to be available to those with a local connection to Reading, regardless of sexual orientation. No disproportionate impact is anticipated.

There will be continued commissioning of bed spaces for those who are an established couple or in a civil partnership.

Is there a negative impact? No

Describe how this proposal could impact on age

The overall reduction in supported accommodation bed spaces could have a disproportionate effect on single, homeless men aged 18 - 35 years old who are not owed a homelessness duty under Part 7 of the Housing Act 1996 as this is the group that predominantly use rough sleeping outreach services and the Homelessness Pathway. A quarter of those accessing supported accommodation are female and of the same age range.

However whilst there may be a reduction in bed spaces, it is the intention that newly modelled homelessness support services will be more efficient and effective with improved throughput.

Commissioned homelessness support services will continue to be available to those with a local connection to Reading, regardless of their age. Therefore no disproportionate impact is anticipated.

Is there a negative impact? No

Describe how this proposal could impact on religious belief?

Commissioned homelessness support services will continue to be available to those with a local connection to Reading, regardless of their religious beliefs. No disproportionate impact is anticipated.

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.

Negative impact uncertain

What action will you take to eliminate or reduce the impact?

As shown above, the reduction in funding for homelessness support services will have an impact upon the overall number of bed spaces available for single homeless individuals; however, it will not have a disproportionate effect on any specific groups with protected characteristics.

A reduction in the investment of homelessness services has the potential to have a negative impact upon outcomes for health (most significantly mental health and substance misuse), community safety, social care and offending services. Where males aged 18 - 35 who are not owed a duty under Part 7 of the Housing Act 1996 are the primary users of rough sleeper outreach services and the Homelessness Pathway, any reduction in bed spaces or outreach capacity could negatively affect this group if intended improved effectiveness is not achieved.

However, the remodelling of services aims to ensure that remaining resources are targeted at emergency and more immediate responses for those who are sleeping rough and that accommodation responses are more varied and flexible to meet the needs of this client group with more sustainable longer term outcomes.

How will you monitor for adverse impact in the future?

- Annual standardised monitoring for homelessness support services
- Annual rough sleeper headcount data and weekly Street Duty Diary sheet information from street outreach services
- New KPIs and contracts will be monitored quarterly and any management concerns that arise will be addressed in accordance with contract remedies.
- Increased focus on throughput for all groups with protected characteristics.

Signed (completing officer)
Verena Hutcheson

Date
14 June 2017

Signed (Lead Officer)
Sarah Gee

Date
22 June 2017

Appendix 2

Consultation Summary Report: Homelessness Commissioned Services - Future model and budget reduction

Methodology: How we consulted

The consultation relating to the principles of remodelling homelessness support services and reducing the overall budget for these services to £1.25m ran between 27 February and 31 March 2017.

It was an open public consultation, with respondents encouraged to respond online but with opportunities afforded for group discussion including sessions run specifically for service users. The consultation questionnaire, including a description of the proposal, was available on the Council's website and in paper copy upon request.

The following relevant groups and stakeholders were consulted with:

- Users of Reading's homelessness support services
- Current providers of homelessness support services in Reading
- Paid staff and volunteers working in single homelessness and homelessness prevention across sectors
- Internal RBC partners, for example, Adult Social Care, Housing Benefits, Anti-Social Behaviour Team
- External partners, for example, Police, faith and voluntary sector services
- National homelessness organisations

The views of these groups were obtained via:

- Online consultation outline and questionnaire promotion directly to professionals
- Consultation sessions with service users; with staff and managers of current homelessness support services and with faith and voluntary sector services operating in the Reading area

The on-line consultation was publicised via the following means:

- Local press release at the start of consultation which was picked up by Get Reading
- Details of the consultation were broadcast on screen in RBC's reception for the duration
- Leaflets were distributed to RBC breakout areas; commissioned services; The Avenue Centre and all commissioned homelessness support service providers
- Use of internal RBC communications e.g. Message of the Day and Yammer to publicise
- All current providers committed to bringing the consultation to the attention of their service users and staff and the consultation was promoted at all possible cross-sector and multi-agency meetings by colleagues
- Promotional emails were sent to Homelessness Forum attendees and contacts
- All Housing Needs staff were asked to put the details of the consultation at the end of their email address signatures

The table below summarises the consultation sessions organised with stakeholders, partners and service users.

Consultation session
Staff and providers of existing homelessness support services between 28 February - 31 March 2017
Service users on 2 - 3 March 2017
Faith and voluntary sector partners on 29 March 2017
Housing Needs partners between 27 - 31 March 2017

Who responded?

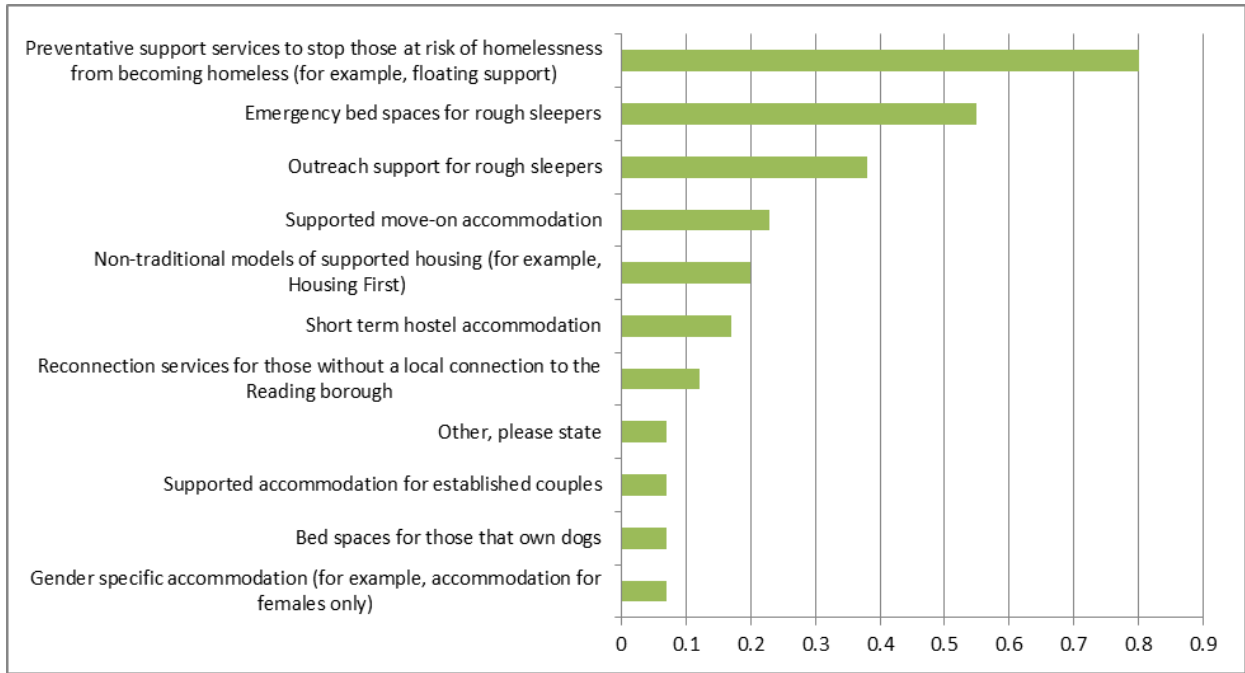
- 40 online responses were received
- Five focus groups were held with staff of all current providers of homelessness support services - a total of 21 staff were consulted with
- Service user focus groups were held with a total of 11 current service users attending
- A focus group was held with some key members of the faith and voluntary sector in Reading to seek their views on the proposed changes and also internal Housing Need partners
- Official written responses to the consultation, outside of focus groups and the on-line questionnaire, were received in from Berkshire West CCG, Salvation Army Housing Association and Launchpad Reading

Online, respondents could choose which parts of the online consultation they responded to. Most people commented within each section online, but there were fewer responses to specific questions about the impact of the proposed remodelling; groups that may be affected by the remodelling/impacts and fewer responses to alternative options/suggestions to the proposed model. However, the focus groups held with those currently working within homelessness support services, other related sectors and with service users concentrated upon these elements to give a rounded overview of opinions.

Detailed demographic analysis is only available from those who responded to the consultation by returning a questionnaire and completing the 'about you' questions, which were optional.

People were invited to identify as a resident, employee of RBC, voluntary organisation, commissioned service provider, family or friend of a service user, business or other.

Of those responding online 38% identified as a local resident or former local resident, 35% identified as an employee of RBC, an RBC commissioned service, other public sector employee or business within Reading, 19% identified as working for or volunteering within a voluntary sector organisation and 8% identified as being a service user or a friend/family member of a service user.



Gender

Of those contributing to the consultation that identified their gender, 50% were female and 33% were male and 18% preferred not to say.

Age

The age of online questionnaire respondents is profiled below:

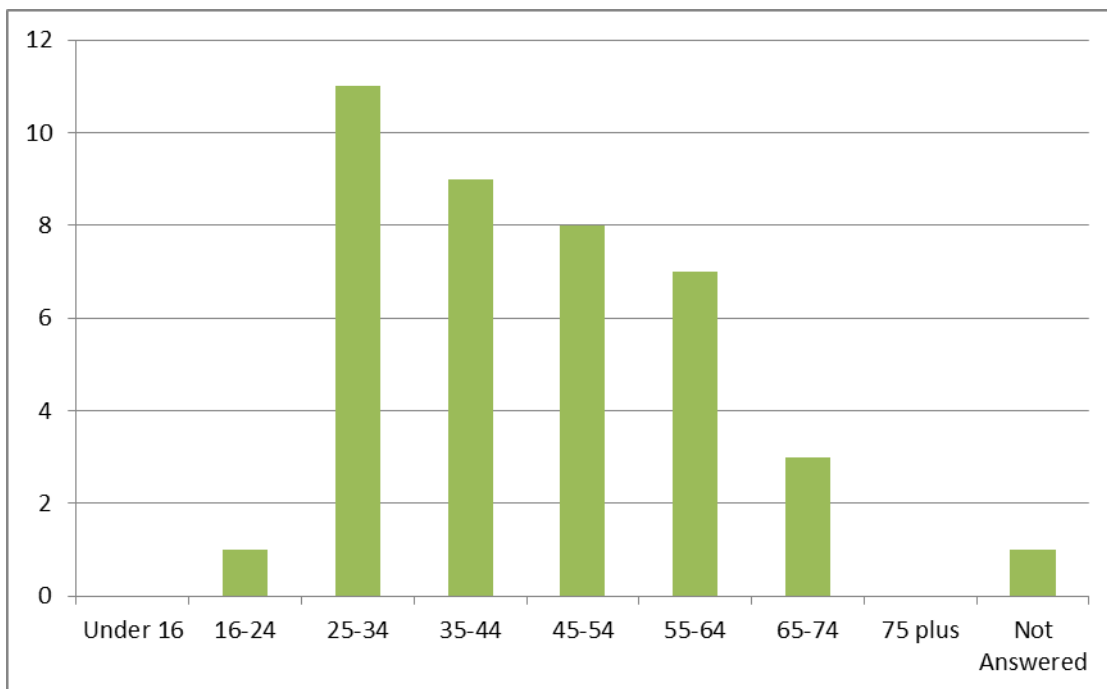


Figure 1: Responses from people online by age.

Most of those who responded were in the 25 - 34 age range, followed by the 35 - 44 age range; however, there were responses across all age ranges from 16 - 74 years old.

Disability and long-term illness

Across all returned online surveys, 13% of people identified as having a disability or long-term illness.

Ethnicity

83% of respondents defined themselves as White British, 2% defined as being from another White background, only 3% defined themselves as within a Black or Minority Ethnic (BME) group and 10% preferring not to say.

Religion or belief

37% of those who responded identified as being Christian, 35% as having no religion or belief and 28% preferred not to say or did not answer.

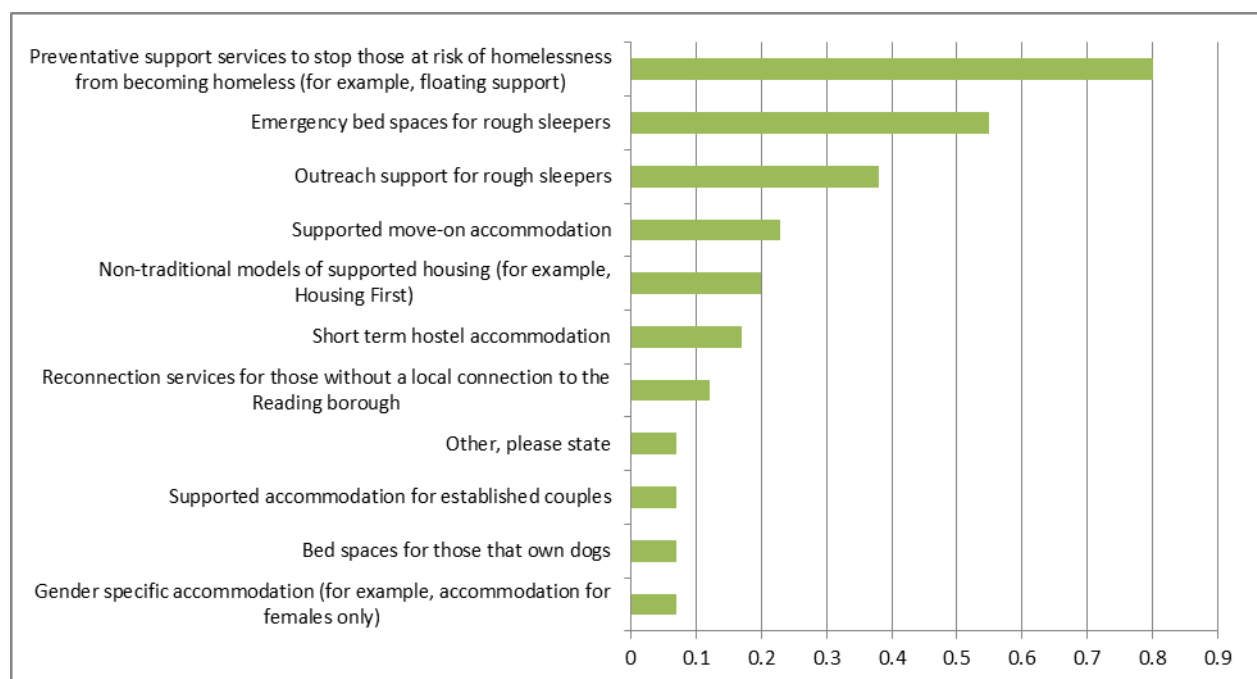
Sexuality

Across all returned online surveys, 65% identified their sexuality as heterosexual or straight whilst 15% identified as gay, lesbian or bisexual and 20% preferred not to say or did not answer.

Key Findings: Summary of all on-line consultation responses

There was overall support for the proposal on how homelessness support services could be remodelled in light of the Council's financial position. Housing First, MEAM, gender informed and personalised approaches in services were positively received. A clear majority of people supported the proposal for a more flexible model of support within supported accommodation, including support for personalisation and choice and a focus upon prevention for at risk households. Respondents clearly stated that street outreach services and floating support services (particularly financial advice, budgeting support and early intervention) were most beneficial to single homeless individuals and families and households at risk of homelessness, respectively. However, the most stated need was affordable and feasible housing and move-on options for both groups.

The following areas were seen as a priority for individuals responding online about homelessness support services:



These priorities are clearly reflected in the proposal for the remodelling of homelessness support services.

The main concerns regarding reducing the budget for services that support single homeless individuals and households at risk of homelessness were the potential for:

- Increases in rough sleeper numbers and homelessness generally
- Increases in crime, anti-social behaviour and street based activities such as begging
- Human costs detailed as deaths on the street and poor health/increases in health inequalities
- Increased demand on already overstretched services in homelessness and other sectors
- A reduction in the quality of services

Some respondents stated that a reduction in homelessness support services would be negative, regardless of how services are remodelled. Their view was that there would be wider impacts upon demand for health services and that budgets should be reduced elsewhere before considering reducing the budget for these frontline services.

Key Findings: Focus group consultation with service users

The following principles under the proposed remodelling were received well by existing service users:

- **No Second Night Out** to prevent entrenched rough sleeping - one group was aware of this operating in other areas (Oxford and Cambridge) and they felt that it works well
- A central hub where services can support in one place where communications could be improved and street outreach were easily accessible.
- **Housing First**
- **Flexible support and a less linear approach** - for example, more support when they first move in and targeted support for move-on. Unanimously service users were keen for there to be increases at key times in their support journey, led by the client. Some feedback suggested that service users wanted to be able to represent themselves at professional meetings to influence and be involved with their own housing journey.

All agreed that a permanent night shelter in Reading would be beneficial for all. They felt that B4N has been effective in the months that it had been operating.

Service users all agreed that there are currently very short timeframes for accessing hostel accommodation and once they have moved in, there is lots of support available to them. Groups were split between feeling that there are plenty of bed spaces and blockages within the Pathway due to lack of move-on. All service users referred to feeling 'stuck' in supported accommodation due to a lack of move-on and slow move-on timeframes. Most feedback showed that groups felt that priority should be given to all people moving on from the Pathway into RGS and social rented properties. There was suggestion for there to be two dedicated move-on workers to assist with move-on and create stronger links with the private rented sector.

All service users agreed that whilst living in supported accommodation there is no incentive to work where rents are high for those in employment. There were suggestions to give those employed a 'grace period' on rent for 2 - 3 months to enable them to save for a deposit and quicker move on.

Key Findings: Focus groups with current Homelessness Service Providers and non-commissioned services

Those currently working in the sector advised that the Access Panel, a weekly meeting with partners where new clients referred for accommodation and floating support services are discussed with the opportunity to troubleshoot provider concerns, works very well. The view is that the Panel provides a consistent multiagency forum, an effective referral route and a collaborative problem solving environment and relationships and communication between commissioned providers is excellent, all of which benefits homeless clients in Reading.

Proposed remodelling was received well by provider and sector focus groups including positive responses and endorsement of the following:

- Flexible delivery of support using a wrap-around support model where recovery and progression are not linear and supported accommodation should mirror this.
 - A move away from larger hostel environments, where chaotic clients are grouped together, in favour of dispersed and more varied and flexible options for clients.
 - Underpinning principles of Psychologically Informed Environment (PIE) and Trauma Informed Care (TIC) in support delivery and staff training.
 - The Hub as a central point to bring services together and breakdown barriers.
 - The introduction of Housing First.
 - Principles of early intervention and No First Night Out.
 - Sit-up beds where this model has worked well in other local authority areas.
- However, there was a clear message that this should be bounded for those without a local connection to the Reading borough, where engagement with reconnection should be part of this offer; access should be on a night shelter model basis to avoid dependency and manage expectations and the management of anti-social behaviour.
- Positive overall for those sleeping rough where there would be more responsive services and bed spaces at the front end of support provision.

There were mixed opinions on:

- A reduction in timeframes in services prior to moving on.
Some organisations felt that this enabled management of client expectations and avoids dependency; others had concerns that this would contradict the overall proposed model which leans towards increasing the quality of service and longer-term sustainable outcomes for clients. Views were that move-on readiness is achievable within shorter timeframes, but finding accommodation to move on into, is not. Suggestions were that any shortening of move-on timeframes would need to be managed well and supported by the local authority.

All focus groups felt that move-on within the Homelessness Pathway and into independent living was a barrier to the success of homelessness support services. There was an appreciation that this is due to wider issues such as the availability of affordable accommodation in Reading, but suggestions that:

- Move-on within the Homelessness Pathway needs to be discussed and planned as early as possible in a client's supported accommodation journey.
- There should be less use of Assured Shorthold tenancies within supported accommodation and more opportunity to use licences for flexibility and to enable more positive risk taking.
- The gap in support hours provided at Stage 1 (8 - 9 hours per week) and Stage 2 (variable, but predominantly about 1 hour per week) should be tightened to ensure that levels of need are catered for across supported accommodation provision.
- Creation of attractive relocation packages to encourage moves out of area including the use of Homefinder UK.
- Converting and/or using unused and empty properties/office buildings in Reading as temporary move-on accommodation.

Existing providers felt that Key Performance Indicators (KPIs) across homelessness support services were contradictory and that this can be to the detriment of clients. The view is that where different services have different end goals, these can conflict. Harmonised, tailored and consistent KPIs across all homelessness support services were seen as preferable.

The following suggestions were made for consideration to improve services and processes:

- Longer contract periods, for example, an initial period of five years for supported accommodation services. This would encourage providers to invest more into services, buildings and staff, providing added value. Shorter contracts can result in loss of local knowledge due to TUPE/restructure and delays in contract implementation and increased financial investment risk due to the short-termism of contracts.
- Consider specific groups such as offenders, those being discharged from hospital and those with dual diagnosis and how they might fit into the proposed new model.
- Review of referral and Access Panel processes to include strength based and 'follow-me' referral, assessment and support plan processes; streamlining and reviewing the Access Panel with involved partners and the potential for clients to represent themselves at Access Panel for referrals and move-on.
- A Single Service Offer and Single Move-on Offer approach so that clients are clear about their end independent living goal and what steps they will take to achieve their goal. This would need to be a consistent message across all services and sectors.
- A consistent training programme, for example one Training Needs Analysis and Training Plan, for all homelessness support services and faith and voluntary sector partners.
- Introduction of an Exceptions Panel to enable RBC to monitor move-on timeframes; allow for creative thinking; troubleshoot barriers to move-on and ensure service accountability to the local authority.
- Twinning commissioned services with places of worship in the local area to provide a sense of community and resources to expand a client's social capital. This would be community level support and not just a service offer and could include peer mentors, mentors and befrienders.
- Promote and launch any new model and ways of working to all statutory, non-statutory services and sectors and the general public.

In summary, concerns have been raised by those consulted with on line regarding increases in homelessness with any reduction in the budget for homeless households. However, the aim is to reduce these risks as far as possible by providing remodelled services that meet the needs of this client group in a more effective and efficient way. Existing providers and sector services understood the financial challenges facing the authority and were positive about the principles that will underpin homelessness support services in the future. Service users were positive about more immediate and emergency provisions for those sleeping rough.

It is clear that move-on has been highlighted as a problem for all consultees and that RBC needs to think creatively about how move-on features within KPIs, monitoring and local authority support for services when they are recommissioned to maximise move-on through and from supported accommodation. RBC will also need to think creatively about how to ensure that service users are encouraged and enabled to enter into employment whilst accessing supported accommodation.

READING BOROUGH COUNCIL

REPORT BY THE DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	17 JULY 2017	AGENDA ITEM:	13
TITLE:	USE OF S106 AND RIGHT TO BUY RECEIPTS TO INCREASE THE PROVISION OF NEW AFFORDABLE HOMES		
LEAD COUNCILLOR	CLLR ENNIS	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.framalicco@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 Officers have continued to review opportunities to bring forward the development of new Council homes in order to increase the supply of affordable housing and maximise the use of Right to Buy (RTB) 1:1 replacement and S106 receipts.
- 1.2 This report provides an update on the current £26.6m Local Authority New Build (LANB) programme which has to date delivered 63 new units of local authority housing, with schemes on site to deliver another 85 units. The report also details proposals and funding arrangements for the next phase of the programme.
- 1.3 The report seeks spend approval for a budget of circa £20m to deliver phase two of the programme, funded through a combination of borrowing (both Housing Revenue Account and General Fund); Right to Buy receipts; and S106 receipts. It is estimated that this would deliver circa 100 new affordable Council homes depending on cost inflation.

2. RECOMMENDED ACTIONS

- 2.1 That Policy Committee notes the current position regarding site appraisals and funding capacity to support the next phase of the Council's Local Authority New Build (LANB) programme.

- 2.2 That Policy Committee provides spend approval of up to £19.9m to deliver new Council homes on identified sites, and to support the acquisition of market sale properties to provide affordable homes.
- 2.3 That Policy Committee delegates authority to the Director of Environment and Neighbourhoods in consultation with the Lead Members for Housing and Strategic Environment, Planning and Transport, the Director of Finance and the Head of Legal and Democratic Services, to agree which sites to progress within the spend approvals and restrictions set out in the report.
- 2.4 That Policy Committee delegates authority to the Director of Environment and Neighbourhoods in consultation with the Lead Member for Housing, the Director of Finance and the Head of Legal and Democratic Services to enter into contracts with the winning bidders in respect of multi-disciplinary/consultancy services and works to deliver the schemes, as set out in the report.
- 2.5 That Policy Committee delegates authority to the Head of Housing and Neighbourhood Services in consultation with the Head of Finance, to approve the purchase of existing properties from the open market to be held within the General Fund for the use of Temporary Accommodation, with a limit of £500,000 per single unit.

3. POLICY CONTEXT/BACKGROUND

Local Authority New Build (LANB) Programme

- 3.1 Phase 1 of the Council's new build housing programme equates to the delivery of 148 new units with a capital spend of £26.6m (including acquisition of a small number of existing residential properties). 63 of the new homes are now completed and tenanted; the remaining 85 units will complete over the next two years.
- 3.2 The sites and acquisitions that have been completed or are in progress are set out in the table below:

Development	Number of units	Type of units	Status
Cedar Court	40	40 x1 bed extra care units	Complete
Acquisitions (open market homes for sale acquired and let through the Housing Revenue Account)	12	5 x 2 bed house 7x 2 bed flats	Complete
Whitley Rise Supported Living Scheme	11	11 x 1 bed accessible flats	Complete
Conwy Close - general needs housing	57	12 x 1-bed flats, 22 x 2-bed flats 9 x 2-bed houses,	Construction to commence late summer 2017; phased completion autumn 2018

		6 x 3-bed houses 8 x 4-bed houses	and spring 2019.
Lowfield Rd - modular temporary new build accommodation	28	28 x 2 bed family units	Construction commenced; completion autumn 2017.
Total	148		

3.3 As shown in the table, 28 modular units are under construction at Lowfield Road and will be used for temporary accommodation as part of the wider package of initiatives implemented to meet the Council's statutory duty to house homeless households. Temporary Accommodation is accounted for within the Council's General Fund and therefore the cost of this development is being met via a combination of RTB receipts and General Fund borrowing with no ongoing financial burden on the Council's General Fund.

Right to Buy Receipts

3.4 At the point of self-financing in 2012, new arrangements were introduced regarding the use of RTB receipts. The Council elected to enter into an agreement with central Government to retain a proportion of any RTB receipt in order to develop replacement affordable housing within the administrative area. This means that an element of each RTB receipt (currently estimated at £40K per property) has to be used to fund the development of additional affordable homes - often referred to as 'RTB 1 for 1 replacement'. There are a number of constraints on how this can be spent:

- receipts can only fund up to 30% of development or acquisition costs;
- receipts can only fund rented properties (to be used for permanent or temporary accommodation);
- receipts can't apply where there is other public subsidy and cannot fund the acquisition of public land;
- receipts cannot be transferred to a company wholly owned by a local authority as this was seen by Government as an attempt by some LAs to circumvent the RTB requirement - this has been appealed to no avail;
- receipts must be spent within 3 years of receipt or repaid with a punitive rate of interest charged if this is not achieved.
- RTB receipts cannot be combined with S106 receipts.

3.5 RTB receipts can be passed to Registered Providers (RPs) to fund 30% of a housing development (where there is no other HCA funding being provided) or retained to fund local authority new build schemes. As stated above, receipts can also be used to support the development or acquisition of properties for temporary accommodation - financing rules dictate that these properties are accounted for within the Council's General Fund and therefore the 70% match funding needs to be provided from this account. Delivering or purchasing properties within the General Fund for Temporary Accommodation, alongside the development of homes for permanent use:

- Enables receipts to be used at times when the HRA is close to the debt cap (and HRA borrowing capacity is constrained)
- Enables sites or purchases to progress that would not be viable at social rent levels (within the HRA) as rents can be charged at 90% of Local Housing Allowance for Temporary Accommodation.
- Meets the need to accommodate homeless households pending the offer of a permanent home and to reduce the use of Bed and Breakfast.
- As with acquisitions to the HRA, enables RTB receipts to be used where timescales don't permit allocation to a development - avoiding the return of receipts to Government.

3.6 Funding parameters for both local authority HRAs and Registered Providers have changed over time due to a number of Government announcements and policy changes and this is impacting on councils' and RPs' ability to utilise these receipts. As a result a number of local authorities have had to return RTB receipts to Government - there is no penalty if receipts are returned within the first quarter.

Section 106 Affordable Housing Contributions

3.7 Under current planning policy all new housing developments, which require planning permission, are expected to contribute to the delivery of new affordable housing provision to meet local need. This requirement is subject to the development being viable. Developments of four or fewer units require a commuted sum to be paid. For developments proposing five units or more RBC planning policy requires, in the first instance, for the affordable homes to be provided 'on site' and to be 30% of any development. Where there are exceptional reasons, the provision of surrogate sites or a commuted sum may be considered. On-site contributions or commuted sums are secured via a Section 106 agreement. In relation to commuted sums, receipts paid by the developer are then held by the Council and have to be used to help deliver Affordable Housing within the Borough. This would be through the funding of RBC new build housing or grant funding to a Registered Provider. The use of S106 receipts cannot be combined with the RTB receipts outline above so would need to be allocated to separate developments.

3.8 RBC has been very successful in negotiating onsite delivery of affordable housing contributions, however, in some cases financial contributions have been accepted and are required from smaller scale developments.

4. CURRENT POSITION

Budget Available

4.1 Since the re-launch of the current RTB scheme, RBC has received RTB 1:1 replacement receipts totalling £8.16m (as recorded at the end of April 2017). To date £4.96m of these receipts has been spent on or allocated to the projects listed in paragraph 3.4.

4.2 £3.2m of the receipts are currently not allocated to a particular scheme. These receipts have staggered deadlines for when they need to be spent, up to March 2020. The level of HRA borrowing is capped by Government. However, in order

to optimise the use of receipts the match funding for RTB receipts can be a combination of HRA borrowing (delivering properties to be used for permanent accommodation) and General Fund borrowing (delivering units to be used for Temporary Accommodation).

- 4.3 Additional RTB receipts are received by the Council each quarter and, although RTB sales are slightly reducing, the average total receipt per quarter is £550k. It is anticipated that this figure will broadly continue into the future and, if retained, these receipts will result in an additional £2.2m of receipts per year.
- 4.4 In summary, the Council has a total of £3.2m of unallocated RTB receipts, and it is projected that a further £2.2m will be received by March 2018 (totalling £5.4m). When match funded this would result in a total development budget of c.£18m (based on RTB covering 30% of development or acquisition costs).
- 4.5 In addition c.£1.9m of S016 receipts (received) are also allocated for affordable housing development.
- 4.6 This provides a potential total budget of c.£19,900,000. It is estimated that this would deliver circa 100 new Council homes depending on cost inflation.

LANB Sites

- 4.7 Feasibility work is being undertaken to assess development potential and deliverability of a number of identified sites owned by the Council. A 'long list' has been produced and a 'shortlist' of potential development sites are being assessed in greater detail.
- 4.8 Where appropriate feasibility work has been completed, plans are being developed and site investigation works carried out with the expectation of obtaining pre-application Planning views in the next 6-9 months. If deliverable these sites will then have the potential to be built out by the Council, be held for future development (potentially through a joint venture), sold to a Registered Provider or disposed of on the open market.
- 4.9 The progression of a site and allocation of funds to a particular development will depend on the viability and projected costs of each scheme and cannot be confirmed until a detailed development plan has been produced and 3rd party encumbrances, such as access arrangements, have been resolved.
- 4.10 Officers will identify the most efficient process to appoint an appropriate works contractor and multi-disciplinary services consultant to deliver the new homes. This will involve using either an existing available legally compliant framework agreement or holding a competitive tendering exercise; either route will be in compliance with RBC's Contract Procedure Rules and the Public Contract Regulations 2015.
- 4.11 It is also expected that a small programme of purchasing properties, often those within existing RBC (HRA) flatted blocks, will continue. This will expand to include purchasing of properties for temporary accommodation funded via a combination of RTB receipts and General Fund borrowing.

4.12 The Housing Service has also identified opportunities for conversion of storage/ancillary spaces in blocks of flats to create a small number of additional flats. These contribute positively to the HRA Business Plan and will also generate contributions to the General Fund through Council Tax and New Homes Bonus.

5 PROPOSAL

5.1 It is proposed that initial spend approval of £19,900,000 is agreed for continuation of the LANB programme. This budget will be funded via a combination of sources as broken down below:

Funding	Amount
RTB receipts	£5.4m
S106 receipts	£1.9m
HRA or GF borrowing	Up to £12.6m

5.2 This level of funding will not enable all of the available short-list sites to be developed.

5.3 Some new homes, including acquisitions, will be funded via the General Fund and the properties let as Temporary Accommodation. These developments will be on General Fund land and subsidised through RTB receipts. The limit set by central Government on rent for temporary accommodation is 90% of Local Housing Allowance (LHA is the maximum amount which Housing Benefit will pay for a given property size) - and rents will therefore be set at this level. This model will have no ongoing financial burden on the Council's General Fund and may provide a small return.

5.4 Strict rules and limitations on how funding can be combined will mean that there will be three sub-groups to the LANB programme:

- RTB + HRA funded units
- RTB + GF funded units
- S106 funded units

5.5 A financial appraisal of each development or purchase will be completed and only schemes that are expected to be cost neutral or provide a positive return to either the HRA or the General Fund will be progressed to construction. This means that rental income will cover borrowing costs (interest and repayment costs), management and maintenance costs. Cost avoidance in respect of reduced use of B&B would be an additional benefit and is not included in the appraisal.

5.6 In order to expedite the process of delivering viable sites through to completion, it is recommended that delegation be given to the Director of Environment and Neighbourhoods in consultation with the and Lead Members for Housing and Strategic Environment, Planning and Transport, the Director of Finance and the Head of Legal and Democratic Services to agree which sites to progress within the spend approvals and restrictions set out above.

5.7 It is also recommended that Policy Committee delegates authority to the

Director of Environment and Neighbourhoods in consultation with the Lead Member for Housing, the Director of Finance and the Head of Legal and Democratic Services to enter into contracts with the winning bidders in respect of multi-disciplinary/consultancy services and works to deliver the schemes.

- 5.8 Delegated authority is also requested to the Head of Housing and Neighbourhood Services in consultation with the Head of Finance, to approve the purchase of existing properties from the open market to be held within the General Fund for the use of Temporary Accommodation, limited to a purchase price of £500k or below.

6 CONTRIBUTION TO STRATEGIC AIMS

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

7 EQUALITY IMPACT ASSESSMENT

- 7.1 Not applicable to this report.

8 LEGAL IMPLICATIONS

- 8.1 Officers will identify the most efficient process to appoint an appropriate works contractor and multi-disciplinary services consultant to deliver the new homes. This will involve using either an existing available legally compliant framework agreement or a holding a competitive tendering exercise; either route needing to be in compliance with RBC's Contract Procedure Rules and the Public Contract Regulations 2015.
- 8.2 Any legal encumbrances for sites will need to be identified at an early stage and any issues that could impede or prevent development be highlighted and where possible resolved as each individual site is progressed.

9 FINANCIAL IMPLICATIONS

- 9.1 See above, spend approval of £19.9m is requested for an LANB programme to include the development of Council owned sites and the acquisition of properties from the market as detailed in the body of the report.
- 9.2 The decision to proceed with any purchase or development will be supported by a financial model outlining the short, medium and long term impact of the development on Council finances. Only those that result in a neutral or positive impact will proceed.

10. BACKGROUND PAPERS

- 10.1 Government's Emergency Budget and related announcements
<https://www.gov.uk/government/speeches/council-housing-finance>
- 10.2 Policy Committee Report July 2015.
- 10.3 HNL report November 2015

READING BOROUGH COUNCIL

REPORT BY THE DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES
AND DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	17 JULY 2017	AGENDA ITEM:	14
TITLE:	HOMES FOR READING: AMENDMENT TO SHAREHOLDER AGREEMENT		
LEAD COUNCILLOR:	CLLR TONY PAGE	PORTFOLIO:	LEADERSHIP
SERVICE:	HOUSING/FINANCE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	ALAN CROSS	TEL:	0118 9372058
JOB TITLE:	HEAD OF FINANCE	E-MAIL:	Alan.Cross@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 In March 2016 Council agreed to create a housing company wholly owned by the Council with the aim of the company purchasing, over a 5 year period, 500 existing (and potentially new) residential properties to rent. The financial modelling was predicated on there being no overall cost to the Council and a proportion of the homes (as an aggregate over the life of the business plan) being provided at sub-market rent to homeless households, subsidised by letting the remainder at market rent.
- 1.2 In March 2017 Policy Committee approved the Financial Business Plan, funding agreement and revised the shareholder agreement.
- 1.3 This report further revises the shareholder agreement to increase the threshold at which shareholder consent is required from £1m to £3m, to enable HfR to purchase smaller blocks of flats or portfolios of properties without needing to call an urgent Policy Committee.

2. RECOMMENDED ACTION

Policy Committee is asked approve an amendment to the Shareholder Agreement between the Council and Homes for Reading Ltd (that formed Appendix 1 to the report to Policy Committee on 13 March by changing clause 31 from "enter into any contract with a value in excess of £1,000,000" to "enter into any contract with a value in excess of £3,000,000.

3. POLICY CONTEXT AND BACKGROUND

- 3.1 In March 2016 Council agreed to create a housing company wholly owned by the Council with the aim of the company purchasing 500 existing (and potentially new) residential properties to rent. The modelling was predicated on there being no overall cost to the Council and a proportion of the homes (as an aggregate over the life of the business plan) being provided at sub-market rent to homeless households, subsidised by letting the remainder at market rent.

3.2 In March 2017 Policy Committee approved various documentation, including a revised shareholder agreement, which set out various things that cannot be done without shareholder consent. Since March 2017 we have continued to progress developing the company and at the time of writing it was beginning to make offers to purchase appropriate properties to build the portfolio. In doing the work necessary to come to this stage, it has become apparent that on occasion there are small portfolios of properties or smaller single blocks that might meet the purchase criteria, but will cost more than £1m.

4.0 THE PROPOSAL

4.1 Whilst officers have explored these, the need to get Council consent has been seen as a potential barrier to such acquisitions proceeding quickly, with the inherent risk that HfR may lose the opportunity (and a lot of abortive work get done, wasting resource). Having reflected on this, officers have concluded that a higher limit of £3m would be more appropriate, in the context of the company's ambition to purchase an average of about 2 properties each week. The £750,000 limit on individual property purchases would remain unchanged, and in circumstances where a group purchase were proceeding there would be checks that individual properties continue to meet this criterion.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 This proposal will contribute to the service priorities set out in the Council's Corporate Plan 2015-18 of providing homes for those in most need.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 There is no requirement in legislation or in guidance to consult with other agencies or stakeholders on the proposal.

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 in March, the Equality Impact Assessment (EIA) does not indicate that the recommendation will have a disproportionate impact on any protected group.

8. LEGAL IMPLICATIONS

8.1 None related to this proposal

9. FINANCIAL IMPLICATIONS

9.1 The financial model for HfR was developed by Savills Financial Services with officers providing and agreeing assumptions. As previously noted, the modelling is predicated on there being no overall cost to the Council, which intends to borrow

money and in turn support the housing company through the provision of loans and subscription to share capital. Both the loans (which will be for more than one year) and share capital will be accounted for as capital expenditure.

- 9.2 The proposal will allow more purchases to proceed more quickly, provided they can be financed within the funding arrangements agreed in March. State Aid, VFM & Risks are not materially changed by the proposal.

10. BACKGROUND PAPERS

- i) PROPOSAL TO ESTABLISH A COUNCIL OWNED HOUSING COMPANY: Report to Council - 22 March 2016
- ii) APPOINTMENT/NOMINATIONS TO OTHER BODIES FOR THE MUNICIPAL YEAR 2016-17: report to Policy Committee - 25 May 2016
- iii) HFR - BOARD AUTHORITY TO ALLOT SHARES: Report to Policy Committee - 31 October 2016
- iv) HOMES FOR READING: MOBILISATION, FUNDING AND BUSINESS PLAN - 13 March 2017

READING BOROUGH COUNCIL

REPORT BY CHIEF EXECUTIVE

TO:	POLICY COMMITTEE		
DATE:	17 JULY 2017	AGENDA ITEM:	15
TITLE:	READING'S ARMED FORCES COVENANT AND ACTION PLAN - MONITORING REPORT		
LEAD COUNCILLOR:	CLLR LOVELOCK	PORTFOLIO:	LEADER OF THE COUNCIL
SERVICE:	CORPORATE POLICY	WARDS:	BOROUGHWIDE
LEAD OFFICER:	JILL MARSTON	TEL:	0118 937 2699
JOB TITLE:	SENIOR POLICY OFFICER	E-MAIL:	jill.marston@reading.gov.uk

1.0 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Armed Forces Covenant is a voluntary statement of mutual support between a civilian community and its local armed forces community.
- 1.2 This report presents an annual update on progress against the actions outlined in the action plan, and on the general development of the Community Covenant.

2.0 RECOMMENDED ACTION

- 2.1 To note the progress against the actions set out in the Armed Forces Covenant action plan (appendix A).
- 2.2 To note that RBC is nominating itself for the bronze award of the Defence Employer Recognition Scheme (paras 4.12-14).

3.0 POLICY CONTEXT

- 3.1 In 2011, the Government published a new Armed Forces Covenant, as a tri-Service document which expresses the enduring, general principles that should govern the relationship between the Nation, the Government and the Armed Forces community.
- 3.2 The Community Covenant complements the Armed Forces Covenant but enables service providers to go beyond the national commitments. It allows for measures to be put in place at a local level to support the Armed Forces and encourages local communities to develop a relationship with the Service community in their area.

4.0 THE PROPOSAL

Background

- 4.1 A Community Covenant is a voluntary statement of mutual support between a civilian community and its local armed forces community. It is intended to complement the Armed Forces Covenant, which outlines the moral obligation between the nation, the government and the armed forces, at the local level.
- 4.2 The aims of the Armed Forces Community Covenant are to:
- encourage local communities to support the armed forces community in their areas
 - nurture public understanding and awareness amongst the public of issues affecting the armed forces community
 - recognise and remember the sacrifices faced by the armed forces community
 - encourage activities which help to integrate the armed forces community into local life
 - to encourage the armed forces community to help and support the wider community, whether through participation in events and joint projects, or other forms of engagement
- 4.3 The Reading Armed Forces Community Covenant was launched at the Afghanistan Homecoming Parade at Brock Barracks on 7th July 2012.
- 4.4 In addition to the Council, the covenant has been signed by 7 Rifles on behalf of the Armed Forces, and a range of other key partners.
- 4.5 Reading doesn't have a large military 'footprint', with no regular forces stationed in the town. However, Brock Barracks is the headquarters for the Territorial Army unit 7th Battalion The Rifles, and Reading is home to a large ex-Gurkha community. Reading's Community Covenant therefore focuses on Veterans and Reservists and aims to be proportionate in its scope to the size of the Armed Forces community in Reading.

Further development of the Community Covenant and action plan

- 4.6 The Community Covenant working group with key stakeholders meets on a six monthly basis, the most recent held on 22nd March 2017.
- 4.7 Progress to date against the actions in the action plan is shown in Appendix A. Several of the actions in action plan have now been completed. Successes to date include:
- Reading was awarded £21,730 from the Community Covenant grant scheme for an integration project for Veterans, aimed at raising awareness of health and social care services amongst the ex-Gurkha community in particular.

- The Museum service was awarded £10,000 from the Community Covenant grant scheme to support their exhibition, 'Reading at War', to mark the centenary of the beginning of the First World War in 2014.
- Reading Ex-British Gurkha Association was awarded £14,500 under the new Covenant Fund for two Nepalese community development workers.
- SSAFA was awarded £1,000 to further update their leaflet on accessing health services, which has been translated into Nepalese and is being used by SSAFA to run classes.
- Armed Forces personnel can now be given extra priority when applying for social housing on the Housing Register, as part of the Council's Housing Allocations Scheme.
- A domestic violence protocol is in place between the Service and the Police, to recognise military needs and ensure equitable service.
- Reading Borough Council now has a protocol in place for employment of Reserve Forces personnel.
- 'Operation Reflect' activities to mark the centenary of the beginning of the First World War included 7 Rifles visits to 5 primary schools.
- Job Centre Plus staff now receive regular briefings from 7 Rifles.

New Covenant fund

- 4.8 A new Covenant fund has recently been launched, with £10 million available every year.
- 4.9 The following priorities have been set for 2017/18:
- families in stress
 - strengthening local government delivery of the covenant
 - Armed Forces Covenant: local grants
 - a single grant to produce a map of need for the Covenant Fund
 - a single grant to produce an outcomes framework for the Covenant Fund
 - a single grant for the provision of a digital support programme for the Covenant Fund
- 4.10 Under the local grants priority, the MOD will fund projects of up to £20,000 that respond to the local needs of the Armed Forces Community and improve recognition of the Armed Forces Covenant, and that:
- help integrate Armed Forces and civilian communities
 - deliver valuable local services to the Armed Forces community.
- 4.11 There are two further application rounds this year, with deadline dates of 6th Oct 2017 and 5th Jan 2018.

Defence Employer Recognition Scheme

4.12 The Defence Employer Recognition Scheme encourages employers to support defence and inspire others to do the same.

4.13 'Bronze' award holders are self-nominated by employers who pledge to support the Armed Forces, promote being Armed Forces-friendly and are open to employing reservists and veterans.

4.14 Reading Borough Council meets the criteria for this award through our work to develop the Armed Forces covenant with partners in Reading, and through our own housing allocations policy and protocol for employment of Reservists.

5.0 CONTRIBUTION TO STRATEGIC AIMS

5.1 The development of an Armed Forces Community Covenant for Reading contributes in particular to the Council's strategic aim to 'promote equality, social inclusion and a safe and healthy environment for all' by working to ensure that both serving and ex-Armed Forces personnel can access appropriate support and are able to integrate well into the community.

5.2 This work also relates particularly well to the Sustainable Community Strategy's 'people' theme where 'we look after each other' and the 'prosperity' theme by aiming to ensure that veterans and reservists are not excluded from the economy.

6.0 COMMUNITY ENGAGEMENT AND INFORMATION

6.1 Two of the key aims of the Armed Forces Community Covenant are to:

- encourage local communities to support the armed forces community in their areas
- encourage the armed forces community to help and support the wider community, whether through participation in events and joint projects, or other forms of engagement

7.0 EQUALITY IMPACT ASSESSMENT

7.1 The covenant is intended as a vehicle for partners across Reading to help enable Veterans or Reservists to access health services, particularly mental health services, training and employment opportunities.

8.0 LEGAL IMPLICATIONS

8.1 The general power of competence, introduced as part of the Localism Act 2011, replaces the well-being power from February 2012. The Act gives local authorities the power to do anything which an individual generally may do, which they consider is likely to be of benefit (directly or indirectly) to the whole or any part of their area. It therefore gives local authorities the power to do anything they want, so long as it is not prohibited by other legislation.

9.0 FINANCIAL IMPLICATIONS

9.1 £30m of central government funding was allocated over four years to 2014/15 to financially support Community Covenant projects at the local level which strengthen the ties or the mutual understanding between members of the armed forces community and the wider community in which they live. Reading submitted bids in three bidding rounds. £10m per annum was made available in perpetuity from 2015/16 onwards through the new Armed Forces Covenant fund.

10.0 BACKGROUND PAPERS

10.1 Armed Forces Covenant Fund

<https://www.gov.uk/government/collections/covenant-fund>

**READING ARMED FORCES COMMUNITY COVENANT
ACTION PLAN MAY 17**

The Armed Forces Community Covenant's key objectives:

Recognise, Remember, Integrate and Support

Armed Forces community comprises serving personnel (regular and reserves) and their dependants; and veterans and their dependants.

HQ 11 Infantry Brigade Workstrands:

- Health and Wellbeing
- Economy and Skills
- Education, Children and Young People
- Environment and Infrastructure
- Safer & Stronger Communities

Ref	Outcome	Responsibility	Timescale	Progress
HEALTH AND WELLBEING - <i>To ensure that the wellbeing of the Armed Forces community is not undermined by the nature of service life</i>				
<i>Recognise:</i> <i>Map and identify veterans status and represent special requirements of Armed Forces community in order to allow NHS to meet needs</i>				
1	Feedback and input to Health and Wellbeing Board	ROSO 7 Rifles	ongoing	<ul style="list-style-type: none"> • Annual report on health related actions to Board in July • Regimental Medical Officer to be invited to future meeting/s once in post
3	Devise protocol for GPs to register Veteran status	Clinical Commissioning Groups	ongoing	<p>GPs currently being encouraged to record status and a number of measures have been designed by the CCGs:</p> <ul style="list-style-type: none"> • 'READ' codes provided to practices from Spring 2016. • CCGs have developed guidance for practices on registering patients from the armed forces community • Information on CCG web sites and social media (from June 2016). • CCG attendance at Armed Forces Day event in Wokingham, together with South Central Veterans Service and associated media coverage (June

Ref	Outcome	Responsibility	Timescale	Progress
				2016). <ul style="list-style-type: none"> • Parkside Family Practice piloted registering status as part of flu immunisation programme (Autumn 2016); other practices being encouraging to do the same
4	Raise awareness of and signpost to Veteran's Mental Health Service for the South Central region	Covenant partnership/ Armed Forces charities/other partners	ongoing	<ul style="list-style-type: none"> • JCP, SSAFA, RBL promote the service • SSAFA and RBL working with South Central Veterans mental Health Service within current casework • CCGs have been raising awareness at council of practice meetings, on CCG websites, and on social media • Veterans Mental Health Service to attend next 7 Rifles 'health fair'
5	Development of a leaflet on accessing health services to be translated into Nepalese	Clinical Commissioning Groups/SSAFA/RBC	Spring 2014	ACHIEVED <ul style="list-style-type: none"> • SSAFA runs classes with ex-Gurkha community using leaflet • Funding gained from covenant fund for developing the booklet further and printing and translating into Nepalese; revision due for completion by March 18.
6	Develop and promote a discount scheme for serving personnel (both full time and reservists) for arts and leisure facilities in Reading	RBC/ ROSO 7 Rifles	Promotion summer 2013	ACHIEVED <ul style="list-style-type: none"> • Scheme developed and in place for leisure centres • Delivery of scheme via the Defence Discount Scheme being considered for leisure centres • Use of 'tickets for troops' by Hexagon
7	Consolidation of appropriate contact/ support lists in order to provide better signposting	ROSO 7 Rifles/ RBC	2014	ACHIEVED Reading Borough Council website includes key support contacts at: http://www.reading.gov.uk/article/7300/Reading-Armed-Forces-Community-Covenant

Ref	Outcome	Responsibility	Timescale	Progress
ECONOMY AND SKILLS - Enhance the economic prosperity of Service personnel (including reservists), their families, and Veterans whilst benefitting the local economy wherever possible				
Integrate: Ensure Armed Forces benefit from ongoing economic development in county				
Support: Facilitate a sustainable pathway for Service leavers into civilian employment				
8	Keep local authorities and business updated on re-structuring of Defence	ROSO 7 Rifles	ongoing half yearly	<ul style="list-style-type: none"> Briefing provided at March 2017 working group meeting; 7 Rifles actively recruiting
9	Work with local businesses to encourage employment of Service leavers and Reservists	Reading UK CIC/ Jobcentre Plus/	ongoing	<ul style="list-style-type: none"> JCP promoting Veterans Interview Programme to employers; promoting relevant employer events; circulating requests from employers for Service leavers MOD employer engagement strategy to promote to employers the value of employing Reservists 7 Rifles work with Gravity Personnel to promote the benefits of recruiting Reservists UK CIC and Business Improvement District newsletters promotion of benefits of employing Reservists 7 Rifles attendance at First Friday Club for businesses in Oct 16; future attendance planned Ongoing briefing sessions between 7 Rifles and JCP 7 Rifles presence Broad St in 2016, and again in June/July 17; next Hexagon job fair due Oct 17
10	Encourage Jobcentre Plus to register Veterans	Jobcentre Plus	ongoing	<ul style="list-style-type: none"> Jobcentre Plus systems allow recording of Veteran status, though for JSA claimants only, but advisors are finding that interview times are becoming shorter with less opportunity to ask additional questions, therefore monitoring is incomplete Ongoing briefing sessions between 7 Rifles and JCP
11	Promote the Armed Forces (Regular and	Reading UK CIC/ 7 Rifles/	ongoing	<ul style="list-style-type: none"> Almost daily recruiting activities in Oxon, Bucks and Berks in support of Operation Fortify recruiting initiative

Ref	Outcome	Responsibility	Timescale	Progress
	Reserve) as a career for the residents of Reading, particularly young people Not in Education, Training or Employment	Jobcentre Plus		<ul style="list-style-type: none"> JCP advisors kept up to date with Armed Forces vacancies, and promote Army Reserve generally MOD employer engagement strategy Ongoing briefing sessions between 7 Rifles and JCP 7 Rifles presence Broad St in 2016, and again in June/July 17; next Hexagon job fair due Oct 17
12	Support Service leavers, former Armed Forces personnel and reservists to access careers guidance, CV support and interview preparation courses	Jobcentre Plus / New Directions/ other partners	ongoing	<ul style="list-style-type: none"> SERFCA have set up jobs4reservists website, promoted via Reading UK CIC e-news New Directions offer an employability course in partnership with JCP, covering employability and essential IT skills - for Universal Jobmatch, CV creation, job applications and interview preparation Advice and support contacts promoted via RBC Armed Forces Covenant web page: (www.reading.gov.uk/reading-armed-forces-community-covenant) and new Armed Forces Covenant website: (www.armedforcescovenant.gov.uk)
13	Defence discount service/ card	Reading UK CIC	2014/15	Awareness raised with Business Improvement District businesses
14	Promotion of relevant events to businesses/ employers	Reading UK CIC/ROSO 7 Rifles/Jobcentre Plus	ongoing	<ul style="list-style-type: none"> JCP and Reading UK CIC general promotion of relevant events Employer Engagement event Sandhurst March 17 Next Hexagon job fair due Oct 17
15a	Development of Reading Borough Council protocol for employment of Reserve Forces personnel	RBC	March 2014	ACHIEVED Agreed at Personnel Committee March 2014
15b	Promotion of Armed Forces Covenant to employers	RBC/ Reading UK CIC/ Covenant partnership	ongoing	<ul style="list-style-type: none"> Article in Reading UK CIC e-News Work with MOD Defence Relationship Management to engage employers: DRM to attend Reading First Friday Club

Ref	Outcome	Responsibility	Timescale	Progress
<p>EDUCATION, CHILDREN AND YOUNG PEOPLE - Develop a comprehensive understanding of the needs of Service children; remove and negate disadvantage which results from the mobility of Service life. Develop youth opportunities across the community, supporting the Cadet Forces.</p>				
<p>Integrate: Promote an understanding of the needs of Service children so that they are not disadvantaged in the state education system</p>				
<p>Support: Enable optimal educational opportunity for Service children within the context of the state education system</p>				
16	Survey schools to determine numbers of Service family pupils and ensure schools maximise the value of the Service Pupil Premium by encouraging registration and promoting best practice in utilisation of funding	RBC/ Schools in Reading Borough area/ 7 Rifles	annual survey (next due Jan 15)	<ul style="list-style-type: none"> • Latest figures (Jan 17) - 15 service children in Reading schools • Reminder to encourage parents to inform school of Armed Forces status sent to schools in Autumn 16 • Best practice examples of how service pupil premium spent in other areas to be circulated to schools
17	Being sensitive and supportive to the possible emotional and psychological needs of some Service children	RBC/ Schools in Reading Borough area/ 7 Rifles	ongoing	Reminder to encourage parents to inform school of Armed Forces status sent to schools in Autumn 16

Ref	Outcome	Responsibility	Timescale	Progress
<p>ENVIRONMENT AND INFRASTRUCTURE - <i>Ensure that the wider Armed Forces' infrastructure requirements (inc Housing) are met in synchronisation with the Defence Infrastructure Organisation (DIO) and cognisant of the requirements of the local community. Where possible, create efficiencies with the local community</i></p>				
<p>Support: <i>Develop a common understanding of infrastructure needs of the Armed Forces community, in order to inform Local Authority planners to optimise provision. This incorporates a common, equitable housing protocol for Veterans within the local area.</i></p>				
18	Develop and implement a plan for the identification of Veterans locating to the Reading area in order to ensure that they are informed and included in relevant initiatives	ROSO 7 Rifles / RBC/ charities	ongoing	<ul style="list-style-type: none"> • Some Veterans claiming JSA can now be identified and support offered • Support, initiatives and opportunities disseminated via charities' existing mechanisms (e.g. SSAFA, RBL, Reading Ex-British Gurkha Association, Forgotten British Gurkhas) • Total number of veterans in Reading difficult to ascertain
19	Ensure Veterans receive equitable treatment in allocation of social housing	RBC	ongoing	<p>ACHIEVED</p> <ul style="list-style-type: none"> • Incorporated into Reading Borough Council's Housing Allocations Scheme • 58 households have been given additional priority for housing via the Housing Register since 2011; 10 currently on the register
20	Explore options for facility sharing in line with local needs and Defence Infrastructure Organisation plans	PSAO HQ Coy 7 Rifles/ RBC	ongoing	<ul style="list-style-type: none"> • Greater use of Brock Barracks for community purposes agreed and promoted via alternativevenues.org • Promoted to community groups via Reading Voluntary Action newsletter and Reading Borough Council website

Ref	Outcome	Responsibility	Timescale	Progress
SAFER AND STRONGER COMMUNITIES - <i>Develop a stable and robust Armed Forces community which integrates into the wider society, whilst retaining a sense of itself</i>				
<i>Integrate: Promote common understanding and closer integration between military and civil communities</i>				
21	Ensure that appropriate links are in place between the Local Authority and Armed Forces in order to allow the effective activation of Military Aid to the Civil Community (MACC) in the event of a civil emergency (e.g. severe weather event) and/ or community projects where manpower is required	RBC/ XO 7 Rifles	ongoing	<ul style="list-style-type: none"> • Civil emergency liaison in place • Armed Forces assistance during flooding events in 2014
<i>Support: Support civil agencies in their dealings with members of the Armed Forces community, in order to optimise outcomes and use resource more efficiently</i>				
22	Establish and implement domestic violence protocol between Service and Civil Police, agencies and charities to recognise military needs and ensure equitable service	ROSO 7 Rifles	ROSO to advise	ACHIEVED Protocol in place
23	Identify key areas for application of Community Covenant grant funding which will benefit both the	RBC/Covenant partnership/ ROSO 7 Rifles	Ongoing	<ul style="list-style-type: none"> • Grant fund promoted on RBC website and via Reading Voluntary Action • Successful bid for £21,730 for 'health weeks' project aimed at raising awareness of health and social care services amongst the ex-Gurkha community, December 2012

Ref	Outcome	Responsibility	Timescale	Progress
	civil and Armed Forces communities			<ul style="list-style-type: none"> • Successful bid for £10,000 for museum centenary project, December 2013 • New Covenant grant fund launched Aug 2015 • Successful bid from REBGA for two Nepalese community development workers (£14,500) • Successful bid from SSAFA for funding to update, develop and print copies of a health booklet translated into Nepalese (£1,000)
24	Encourage organisations and communities to sign up to the Armed Forces Community Covenant	RBC/ Covenant partnership/ ROSO 7 Rifles	Ongoing	Signatories include Thames Valley Chamber of Commerce, Reading College and University of Reading
RECOGNISE AND REMEMBER - <i>Encourage recognition and remembrance of the unique sacrifices made by Armed Forces personnel in defence of society</i>				
Recognise: <i>Support civil events that allow the community to recognise the Armed Forces</i>				
25	Support the annual Armed Forces Day	PSOA HQ Coy 7 Rifles/RBC	Annual (June)	<ul style="list-style-type: none"> • Armed Forces Day planned for 25th June 2017 in Broad St and Forbury Gardens • Reserves Day 21st June 2017
26	Armed forces participation in public events as appropriate	RBC/ PSAO HQ Coy 7 Rifles (PSOA HQ Coy)	ongoing	Numerous recruiting and other community events throughout the year
Remember: <i>Commemorate those members of the Armed Forces who have made the ultimate sacrifice</i>				
27	Plan and conduct remembrance event at Brock Barracks as focal point for annual armistice event in Reading	PSAO HQ Coy 7 Rifles	ongoing	Event planned for Nov 2017 in Forbury Gardens
28	Plan and conduct appropriate event(s) in	RBC/ Adjnt 7 Rifles/	Aug 2014 - 2018	<ul style="list-style-type: none"> • Successful bid submitted to Community Covenant Grant Fund by Museum service for funding to support their forthcoming exhibition, 'Reading at War',

Ref	Outcome	Responsibility	Timescale	Progress
	support of the centenary anniversary of the outbreak of the First World War	communities		<p>to mark the centenary of the beginning of the First World War</p> <ul style="list-style-type: none"> • Royal British Legion commemoration services on 6th July and 4th Aug 2014 at Reading Minster • Operation Reflect activities including 7 Rifles visits to 5 primary schools • Commemorative paving slabs for home towns of Victoria Cross winners, placed with Trooper Potts VC Memorial • Trooper Potts VC Memorial unveiled in October 2015 outside the Crown Courts in Reading • Further activity likely in 2018

List of abbreviations

SSAFA – Soldiers, Sailors and Airmen Families Association
 SERFCA – South East Reserve Forces and Cadets Association
 ROSO – Regimental Operations Support Officer
 RBC – Reading borough Council
 NHS – National Health Service
 GPs – General practitioners
 JCP – Jobcentre Plus
 CCGs – Clinical Commissioning Groups
 MOD – Ministry of Defence
 JSA – Job Seekers Allowance
 TBC – to be confirmed
 AF – Armed Forces
 BID – Business Improvement District
 PSAO HQ Coy – Permanent Staff Admin Office HQ Company
 TM or TM(V) – Training Major
 CCRF- Civil Contingency Reaction Force
 CIMIC – Civil Military Corporation
 Adjnt - Adjutant