

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

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Committee\Agenda\180409.doc  
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28 March 2018

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### NOTICE OF MEETING - POLICY COMMITTEE - 9 APRIL 2018

A meeting of the Policy Committee will be held on Monday 9 April 2018 at 6.30pm in the Council Chamber, Civic Offices, Reading. The Agenda for the meeting is set out below.

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

### ITEMS FOR CONSIDERATION IN CLOSED SESSION

The following motion will be moved by the Chair:

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

<u>ACTION</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO</u>
1. DECLARATIONS OF INTEREST FOR CLOSED SESSION ITEM	-	-
2. HOUSING BENEFITS/COUNCIL TAX SUPPORT SCHEME - RISK BASED VERIFICATION POLICY 2018/19	BOROUGHWIDE	A1

Councillor Lovelock / Chief Executive

## ITEMS FOR CONSIDERATION IN PUBLIC SESSION

### 3. CHAIR'S ANNOUNCEMENTS

### 4. DECLARATIONS OF INTEREST

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

### 5. MINUTES

B1

To confirm the Minutes of the Policy Committee meeting on 12 March 2018.

### 6. PETITIONS AND QUESTIONS

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

### 7. DECISION BOOK REFERENCES

### 8. THE HEIGHTS SCHOOL TEMPORARY ACCOMMODATION

CAVERSHAM &  
MAPLEDURHAM

C1

Councillor Jones / Director of Children's Services, Education and Early Help

This report sets out a proposal to purchase additional temporary accommodation for The Heights School, currently based at Gosbrook Road, Reading.

### 9. PUBLIC HEALTH BUDGET 2018/19

BOROUGHWIDE

D1

Councillor Hoskin / Director of Adult Care and Health Services

This report sets out the proposed Public Health budget for 2018/19, taking into account the national grant reduction (2.5%) and the action the Council will take to manage the reduced allocation in funding.

### 10. RESILIENCE CONTRACT FOR REVENUES AND BENEFITS SERVICES

BOROUGHWIDE

E1

Councillor Lovelock / Chief Executive

This report sets out proposals to enter into a contract for the provision of ongoing resilience and quality checking services for the Revenues and Benefits Service.

## 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 MARCH 2018

Present: Councillor Lovelock (Chair)

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

Apologies: Councillor Stevens.

### 76. EXCLUSION OF THE PRESS AND PUBLIC

Resolved -

That pursuant to Section 100A of the Local Government Act 1972 (as amended), members of the press and public be excluded during consideration of items 77-78 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.

### 77. YEOMANRY HOUSE

The Director of Environment and Neighbourhood Services submitted a report advising the Committee of the outcome of a marketing exercise to dispose of the freehold of Yeomanry House. The offers received were attached to the report at Appendices 1 and 2 and a Site Plan was also attached.

Resolved -

- (1) That Yeomanry House be disposed of on the terms set out in section 5.1 of the report;
- (2) That, in the event that the offer price was subsequently reduced or the purchaser did not perform to an acceptable timescale, the Director of Environment and Neighbourhood Services, in consultation with the Leader of the Council, be authorised to dispose of the Property for best consideration.

(Exempt information as defined in paragraph 3).

### 78. CAVERSHAM CENTRE (NEW DIRECTIONS NORTH) & 53-55 CHURCH STREET

The Director of Environment and Neighbourhood Services submitted a report advising the Committee of the current position regarding the Caversham Centre (New Directions North) building and the land at 53-55 Church St, Caversham, and a proposal to sell both interests. The properties were shown on a site plan attached to the report.

An additional recommendation was tabled at the meeting seeking delegated authority for officers to amend the terms of the disposal in accordance with the

## POLICY COMMITTEE MINUTES - 12 MARCH 2018

District Valuer's report, which had not yet been received.

Resolved -

- (1) That the freehold interests in 53-55 Church Street and the Caversham Centre be disposed of on the terms set out in paragraphs 4.2.1 - 4.2.4 of this report;
- (2) That the Chief Valuer, in consultation with the Council's Chief Finance Officer and the Leader of the Council, be authorised to confirm the District Valuer's report on Best Consideration and if necessary amend terms of the disposal of the Caversham Centre and 53/55 Church Street with the purchaser in accordance with the detail of the District Valuer's report.

(Exempt information as defined in paragraph 3).

### 79. CHAIR'S ANNOUNCEMENTS

The Chair announced the agreement in closed session to sell Yeomanry House and explained that the purchaser proposed to use the building as a children's nursery (Minute 77 above refers).

### 80. MINUTES

The Minutes of the meeting held on 19 February 2018 were agreed as a correct record and signed by the Chair.

### 81. QUESTIONS

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

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Andrea Elliott (on behalf of UNISON)	Statutory Services	Cllr Lovelock

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Councillor White	Real Living Wage for School Cooks	Cllr Jones
2.	Councillor Robinson	Admissions to Highdown School	Cllr Jones

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

## POLICY COMMITTEE MINUTES - 12 MARCH 2018

### 82. ANTI FRAUD AND CORRUPTION POLICY

The Director of Finance submitted a report seeking approval for the Anti-Fraud and Corruption policy, which was attached to the report at Appendix 1.

The report explained that the Council's anti-fraud policy had been formally reviewed and updated to ensure that it remained up to date and fit for purpose. The purpose of the policy was to set the responsibilities of councillors, managers and employees in respect to anti-fraud and corruption activity, and to encourage prevention, promote detection and identify a clear pathway for investigation. The policy was accompanied by the fraud response plan, which was intended as a quick guide for all staff to understand the requirements for reporting suspicious activity, whilst summarising how investigations would be conducted and what action would be taken on proven cases of fraud.

Resolved -

That the revised Anti Fraud and Corruption policy be approved.

### 83. ANTI MONEY LAUNDERING POLICY

The Director of Finance submitted a report setting out for approval a draft Anti Money Laundering Policy, which was attached to the report at Appendix 1.

The report noted that, although local authorities were not obliged to comply with the requirements of the Money Laundering Regulations 2017, guidance from CIPFA recommended that they should embrace the underlying spirit of the legislation as it impacted on certain areas of their work. As a result, there were obligations on local authorities to have in place internal procedures to prevent the use of its services for money laundering. In particular, the legislation had placed a duty on individuals to report incidents of money laundering activity, for example cash payments that aroused suspicion, to the National Crime Agency.

The report proposed the adoption of a policy, together with supporting guidance notes that would support staff in identifying potential suspect transactions during the course of their work. The policy provided a mechanism for such transactions to be reported to an appropriate officer for evaluation and potentially to the relevant authorities.

Resolved -

That the Anti Money Laundering Policy be approved.

### 84. BUDGET MONITORING

The Director of Finance submitted a report setting out the projected Council revenue budget outturn position for 2017/18 based on actual, committed and projected expenditure for the Council as at the end of January 2018. It also contained

## POLICY COMMITTEE MINUTES - 12 MARCH 2018

information on the capital programme, capital receipts and the Housing Revenue Account.

The report explained that it was projected that the revenue budget would be underspent by £1.1m as at the year end, and that there were currently no projected commitments against the remaining contingency of £1.6m. However the budget remained under pressure; in particular the total of negative variances was £10.1m, which included some projection of further pressures on care places through to the year-end. In addition many of the positive variances and mitigations were not ongoing, so would not provide relief for any of the negative variances that were ongoing into 2018/19 and beyond. This produced a pressure in 2018/19 of £7.245m at this stage, and this pressure and a further projection had been built into the budget for 2018/19.

Resolved -

That it be noted that, based on the position at the end of January 2018, budget monitoring forecast that the budget would be underspent by £1.1m, without using the remaining contingency of £1.6m.

(The meeting started at 6.30pm and closed at 6.53pm).



READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF CHILDREN'S SERVICES, EDUCATION AND EARLY HELP SERVICES

TO:	POLICY COMMITTEE		
DATE:	9 APRIL 2018	AGENDA ITEM:	8
TITLE:	THE HEIGHTS SCHOOL TEMPORARY ACCOMMODATION		
LEAD COUNCILLOR:	COUNCILLOR JONES	PORTFOLIO:	EDUCATION
SERVICE:	EDUCATION	WARDS:	CAVERSHAM, MAPLEDURHAM
LEAD OFFICER:	M MILNER	TEL:	72904
JOB TITLE:	SCHOOL SERVICES MANAGER	E-MAIL:	<a href="mailto:myles.milner@reading.gov.uk">myles.milner@reading.gov.uk</a>

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report outlines the proposal, and seeks authority to enter into a contract with REDS10 (UK) Ltd to purchase additional temporary accommodation for The Heights School, currently based at Gosbrook Road, Reading.

2.0 RECOMMENDED ACTION

- 2.1 That the proposal to work with the Education Skills Funding Authority (ESFA) to deliver additional temporary accommodation for The Heights School be approved.
- 2.2 That the proposal to enter a contract with REDS10 (UK) Ltd to carry out the design, build, and supply of temporary modular accommodation for The Heights School be approved in the estimated sum of £1.266 million including fees, abnormal costs, in accordance with contract procedure rule 4 (2) (a). The development is subject to gaining planning permission.
- 2.3 That the proposal for the Council to enter into a lease agreement with the ESFA to occupy the modular accommodation be approved.
- 2.4 That approval be given to making an application to the Secretary of State for Education for a General Consent to temporary change of use for part of the Playing Field at St Anne's to accommodate the new building.

3. POLICY CONTEXT

- 3.1 The Council has a statutory obligation to provide school places for pupils presenting and requiring a school place. The criteria for drawing up the Education Capital Programme were established in 2009, of which the top two priorities are:
- (a) Create sufficient school places
- (b) Meet essential (including statutory) health and safety requirements.
- 3.2 The Council has a statutory duty for place planning and to ensure that there are sufficient places within the Borough, and that these are accommodated across

maintained, academy and free schools. The Council does not have sufficient surplus accommodation local to The Heights to help provide these additional places. Meanwhile the ESFA had conducted its own trawl of available buildings and sites and were unable to secure a private site or building available for the two years involved.

- 3.3 The Heights development is an important provider of school places, with a capacity of up to 350 when full. Without this school, the Council would have to fund further expansion of existing schools, at its own expense; i.e. without ESFA or other grant support. Supporting the temporary extension at The Heights allows us to meet our statutory obligations with regard to the provision of sufficient school places, with the cost to the Council being reduced due to the ability to secure a financial grant towards the cost.

#### 4. THE PROPOSAL

- 4.1 The Heights temporary school buildings, located at Gosbrook Rd, Reading, is able to accommodate the 225 pupils currently on roll along with supporting staff. The current age range is Rec to Year 4. As the school grows to incorporate Years 5 and 6, the current accommodation is insufficient to manage the planned increased roll. The school facility is currently at full capacity and, unless further accommodation is provided, the school will be unable to accept a planned intake of 50 Reception pupils in September 2018. The need for extending temporary accommodation at the school has arisen as a consequence of the time taken to establish a permanent home for The Heights School.

- 4.2 The ESFA continue to seek to develop a new school at Mapledurham Playing Fields. However, the process to secure a suitable agreement and planning permission has been protracted. A permanent school is unlikely to be available within the next two years. As a consequence discussions have been held with the ESFA about developing the additional temporary accommodation on part of the St Anne's playing field and the ESFA have agreed to part fund the cost of the new building, estimated at £1.266m, with a capital grant from the ESFA of £450,000. The estimated fees, charges, and abnormal costs are included within the estimate. The playing fields are owned by the Council and officers have been working with the Birmingham Catholic Diocese and the governors at St Anne's Primary School and have agreement that the local authority can use part of these school playing fields to site the temporary accommodation for The Heights school.

#### 4.3 Option Proposed

- 4.31 In order to meet the required timescale to provide additional temporary accommodation at The Heights by the end of August 2018, it will be necessary for the Council to:
- A. Provide new 2 storey accommodation for 100 primary aged pupils, together with associated administrative and specialist small teaching (breakout) spaces and toilets. This will allow a further two years of pupil intake (50 per annum). The building will be the subject of a lease to the ESFA for the sum of £450k, payable on the signing of the lease at the point of the building being completed in August 2018.
  - B. Ensure that detailed proposals to develop the temporary accommodation at The Heights restricts the impact on neighbouring St Anne's school by ensuring the footprint of the new building, and land taken for circulation and informal play, are kept to the minimum required.
  - C. Gain planning permission in respect of both the continued siting of the existing temporary accommodation, and for the additional new temporary building. A site plan of the proposed development is provided in this report at Annex 1.

- D. Commission and engage REDS10 (UK) Ltd, who built the initial temporary building, to design and build an additional temporary classroom block representing a flexible present and future resource for the Council. The company has the advantage of having detailed knowledge of the site, including relevant surveys and has agreed to provide the new building at costs equivalent to those originally charged to the Education Skills and Funding Agency.
- E. In order to ensure that The Heights has sufficient outdoor space for their pupils, agreement is in place with the adjacent St Anne's to provide playing field requirements of The Heights key stage 1 pupils. Key stage 2 pupils will be able to use the neighbouring Christchurch Playing Fields for sports and play. It is proposed that The Heights use a fenced area of approximately 2150m<sup>2</sup> at the adjacent Westfield Road recreation ground for informal play during school hours. It would remain fully open to the public outside of this time. The plan at Annex 1 denotes the area involved.
- 4.32 The overall order of cost of this proposal is likely to be in the region of £1.266million when abnormal costs such as the provision of a new power supply, planning conditions and playing field enclosure are included within the overall project scope. The cost to the Council is offset by the agreed capital grant from the ESFA of £450k, payable on completion of the lease agreement. The lease agreement will not restrain the Council in re-using the accommodation elsewhere after the expiry of the lease period.
- 4.33 On completion of use of the building by The Heights School, it is envisaged that the building will be used for further temporary usage, relocated or sold on, depending on the Council's need for temporary accommodation at that time. Likely uses for the building would include the provision of temporary secondary school capacity ahead of the completion of a new permanent secondary school, or additional SEND or primary school capacity.
- 4.4 Other Options Considered
- 4.41 Co-Location Option
- The Council, the ESFA and another local school, Thameside, have examined providing temporary accommodation to allow The Heights to co-locate a year group at Thameside School rather than at the proposed St Anne's site. However, this was acknowledged by both schools to be unworkable.
- 4.42 Do Nothing Option
- To do nothing and adopt a wait and see approach would effectively leave the future intake of 50 children per annum in doubt. Without additional accommodation the school cannot effectively continue to admit pupils in year R from September 2018 onwards. The Heights is a Free School, established through parental request by the Government, and whilst the Council would want to place 50 children per annum at the school, the Government is not obliged to provide those places if it does not have the means to do so. Not to provide the additional spaces will also leave the local authority vulnerable in being able to offer sufficient primary school places to parents requesting them.
- 4.43 The financial implications section of this report refers to proposed purchase of the new temporary school buildings. The recommendation set out in this report seeks to secure approval to purchase the buildings (through capital expenditure) on the basis that there is a reasonable likelihood that the units will find alternative use when no longer required for The Heights temporary School.

## 5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 This proposal will ensure that The Heights temporary school can continue to provide 50 Year R pupil places in the short term. In doing so, this helps deliver the Council's statutory obligation to provide sufficient Primary pupil places within the borough.
- 5.2 It is intended that all Reading Children are educated within buildings that are fit for purpose within settings fit for learning.

## 6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 The planning application will trigger the formal planning consultation open to all interested parties.
- 6.2 On the 28<sup>th</sup> March when the policy papers are open to the public, the Council will provide a press release to explain the position, the need, and also the next steps. The school will release a letter to parents on the same day signed by the headteachers of The Heights and St Anne's schools confirming the points raised in the press release. Ward councillors will be given a brief update prior to the public release.
- 6.3 Matters of public interest and concern will be addressed, particularly those relating to vehicle access and movements, public access to the green spaces outside of school hours and general amenity.

## 7. EQUALITY IMPACT ASSESSMENT

- 7.1 Admissions to The Heights School are governed through the statutory published admission criteria for the school.
- 7.2 The design and build of the new temporary block will be undertaken observing current legislation to ensure compliance where required.

## 8. LEGAL IMPLICATIONS

- 8.1 The Council has a statutory duty to provide a school place for every child of statutory school age, resident in the borough who seeks one. The admissions code suggests that the maximum time a child should be out of school is limited to 20 school days.
- 8.2 It is proposed that the Council enter into a contract for the design, build and supply provision of temporary classroom and administrative accommodation' in accordance with contract procedure rule 4 (2) (a) whereby the contract is required as a matter of urgency given the time constraints required in this case, where in this case it is intended to enter into contract with REDS10 (UK) Ltd, who were responsible for provision of the existing temporary school building at The Heights and this will bring demonstrable benefits in programme, and value for money. REDS10 are aware of the site, ground conditions and environment and would be able to supply the accommodation to an appropriate specification in the time available.
- 8.3 It is proposed that the planning application and contract administration is undertaken in conjunction with the Reading Hampshire Property Partnership.
- 8.4 As the building is to be built on school playing field, and then leased to the ESFA this requires formal approval from the Secretary of State for Education under Section 77 of the School Standards and Framework Act 1998, via a general consent for the temporary arrangement.

8.5 Heads of Terms for the lease of the new building to the ESFA have been agreed, and the lease agreement will not restrain the Council in utilising the accommodation for any required purpose after the expiry of the lease period.

## 9. FINANCIAL IMPLICATIONS

9.1 The Council’s capital budget has provision to enable the purchase and installation of the modular building at The Heights, and it would cost, an estimated £1.266m, with the ESFA providing a grant of £450k. The net cost to the Council would be £816k, which could be met from the Council’s capital budget

9.2 The capital funding implications are provided in the attached table. At this stage it is not possible to be definitive about the project out turn cost, but the single biggest element, the cost of the temporary building is fixed at £1.216 million. Remaining costs are associated with allowance for abnormal costs to include a new power supply, planning requirements, and bringing part of the playing field at Westfield Road Recreation Ground into use for The Heights.

Capital Programme reference from budget book: page line	2017/18 £000	2018/19 £000	2019/20 £000
Proposed Capital Expenditure	25	1,241	0
Funded by Grant, ESFA Basic Need	25	1,241	0
Total Funding	25	1,241	0

9.3 There is provision in the Education Capital Programme in the 2018/19 financial year.

9.4 The cost to the Council of providing 100 pupil places through this proposal is in the order of £12,660 per pupil place. The equivalent current benchmarked cost of providing a permanent new primary school place is in the order of £19.5k per pupil place.

9.5 On the basis of an ongoing requirement for this accommodation purchase represents best value.

## 10. BACKGROUND PAPERS

10.1 Education Capital Programme 2015-2018, Policy Committee November 2015

10.2 Capital Programme 18/19, Policy Committee February 2018

## 11.0 RISK

11.1 This project is being set up with a Risk Register to capture and address all the risks associated with delivering the new temporary Heights School accommodation.

11.2 Headline risks to date include

- planning permission,
- the need for full cooperation by neighbouring St Anne’s School,
- upgrading the power supply to the school,
- and the challenging programme given the need to open the extension for the beginning of the academic year



READING BOROUGH COUNCIL

DIRECTOR OF ADULT CARE & HEALTH SERVICES

TO:	POLICY COMMITTEE		
DATE:	9 APRIL 2018	AGENDA ITEM:	9
TITLE:	PUBLIC HEALTH BUDGET 2018/19		
LEAD COUNCILLOR:	COUNCILLOR HOSKIN	PORTFOLIO:	HEALTH
SERVICE:	ALL	WARDS:	BOROUGHWIDE
LEAD OFFICERS:	SEONA DOUGLAS	TEL:	Ext 72094
JOB TITLE:	PAUL STEVENSON		Ext 74900
	DIRECTOR OF ADULT CARE & HEALTH SERVICES	E-MAIL:	<a href="mailto:seona.douglas@reading.gov.uk">seona.douglas@reading.gov.uk</a>
	HEAD OF WELLBEING		<a href="mailto:paul.stevenson@reading.gov.uk">paul.stevenson@reading.gov.uk</a>

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the proposed Public Health budget for 2018/19, taking into account the national grant reduction (2.5%) and the action the Council will take to manage the reduced allocation in funding. In addition it includes savings agreed in previous years and those arising from the 2018-19 to 2020-21 Medium Term Financial Strategy (MTFS), which were agreed at the Policy Committee on 19 February 2018.
- 1.2 It is important to emphasise that in the context of the Council savings, this will not result in reduced spend on Public Health in absolute terms, though there will be a re-allocation of Public Health funding to Council directorates to meet public health outcomes in different ways, for example internet based advice and support to stop smoking, explore the use of SH 24 an on line service for people who prefer anonymity to undertake tests at home with support systems and advise appointments upon test results, on line advise approach to weight management, programmes to support the reduction of street homelessness. All will be explored using research and best practice.
- 1.3 The proposals set out are intended to refocus the use of Public Health funding by relying less on services historically funded through Public Health by funding services in other directorates, to impact positively on Public Health in the broader context.
- 1.4 The proposals are also targeted to at least maintain the Council's position in terms of key public health indicators referred to in paras 4.2 to 4.3
- 1.5 Appendix 1 provides a detailed budget position for programmes funded from the Public Health Grant for 2018/19.

## 2. RECOMMENDED ACTION

- 2.1 That the reduction in national grant of 2.5% for the Public Health budget and the action the Council is taking to manage the reduced funding allocation be noted;
- 2.2 That the list of savings from the Public Health budget set out in the table in 4.5 to the report be agreed;
- 2.3 That the programmes to be funded from the Public Health Grant for 2018/19 as set out in Appendix 1 be approved, whilst noting that the services detailed in the table at paragraph 4.5 would be negatively impacted to deliver the services within the reduced Public Health budget.
- 2.4 That the Director of Adult Care & Health Services, in consultation with the Director of Public Health and the Lead Councillor for Health (and other relevant Lead Councillors as appropriate) be delegated authority to re-allocate funding and savings from within the Public Health Budget grant for health-related services, where doing so would be in line with the corporate priorities of the Council.

## 3. FINANCIAL/POLICY CONTEXT

- 3.1 In line with the Government's plans to reduce public health funding until at least 2020/21, the Department of Health confirmed the 2018/19 grant allocation in December 2017. Reading's Public Health ring fenced grant allocation for 2018/19 will be £9,758,000, which represents a reduction of £258,000 on the grant for 2017-18 of £10,016,000.
- 3.2 In addition to this Public Health had a one-off carry forward of grant from 2016/17 of £116,000, which was available to fund services in 2017-18. This is not available in 2018-19 and therefore will be a further saving requirement.
- 3.3 Savings identified from the previous MTFs for 2018/19 were £219,000, which in addition to savings targeted from the 2018/19 budget process of £478,000, gives a total savings requirement in 2018/19, including grant reductions, of £1,072,000.
- 3.4 The table below shows the basis of the build-up of the total savings requirement:

Savings Item	2018-19
	£000
New Savings Target 2018/19 Budget Process	478
Add	
Savings required to meet grant reductions	375
Savings required to meet previously agreed savings	219
Total Savings requirement	1,072



## 4.0 PROPOSALS

4.1 All public health grant spend across the council, both for services commissioned directly by public health locally and through the shared team, as well as all additionally funded services provided across the council have been reviewed with the Director of Public Health.

4.2 Currently, the areas where Public Health initiatives are having a difference in Reading are those whose indicators are better than the national average, these are:

- Excess weight in adults - this means that many adults in Reading have a healthier weight than the national average. Our weight management programmes are making a difference to the people of Reading.
- Recorded diabetes - the recording of diabetes in Reading is better than elsewhere. Our partnership working is helping to improve the health of Reading residents.
- Killed and seriously injured on our roads - there are fewer fatalities and serious injuries in Reading than elsewhere in the country. The work public health does with other departments in the council is contributing to fewer accidents.

4.3 The majority of public health indicators are similar to the national average. There are two areas of concern, these are the under 75 mortality rate for cardiovascular disease and hospitalisation for self-harm.

4.4 Officers across the council have reviewed services that will be impacted as a result of the reduced grant funding and the impact of the Council's prior year and new savings.

4.5 A number of areas will not receive the same level of funding as in previous years; the rationale for this has been based on

- Lower than expected uptake of the service which has resulted in an underspend in previous years.
- High performance against public health outcomes which mean that the local need is not high.
- The ability to target specific populations rather than have an open access policy; this will mean a reduction in health inequality if the service is concentrated where it is most needed.
- The opportunity to part-fund the service from another source.
- The ability to spot purchase more of the service if funding opportunities arise elsewhere e.g. from underspend elsewhere in the grant.

4.5-1 Every effort will be made, therefore, to ensure that the impact of funding reduction will be felt least in the communities where the initiatives are needed the most.

Savings Proposed	2018-19	Comment
	£000	
<b>Staffing</b>	151	Based on vacant posts within the wellbeing team: work will be reallocated to meet priorities identified in the Health and Wellbeing strategy
<b>Mandated Services</b>		
Shared team and informatics	25	Budget adjusted to reflect the spend in previous years
Sexual health services	60	Budget adjusted to reflect the uptake of services in previous years
Health checks	60	Uptake of the open access service has been low: the service will be targeted to ensure uptake in communities where it is most needed
Sexual health out of area	20	Budget adjusted to reflect the uptake of services in previous years
Open access drug treatment	15	Budget adjusted to reflect the uptake of services in previous years
<b>Mandated Services Sub total</b>	180	
<b>Non-Mandated Services</b>		
Smoking cessation	266	The current revised proposed budget of £88000 will mean more targeted provision to communities where it is most needed
Weight Management: let's get going	12	This will enable the current contract to continue for 6 months, but could be extended if there is underspend elsewhere in the budget
Weight Management- eat for health	23	This will enable the current contract to continue for 6 months, but could be extended if there is underspend elsewhere in the budget
Local RBC programmes	70	Budget adjusted to reflect the expenditure in previous years
Alcohol Rehabilitation placements	108	Reduction from 6 placements to 2. Based on promotion of community alternatives and likely demand
DAAT other schemes	61	Budget adjusted to reflect expenditure in previous years
NTG and other grants	79	Decision already in place regarding support to Narrowing The Gap initiatives
Other 34		
<b>Non-Mandated Services: sub total</b>	653	
<b>Other Directorates</b>		
Free swims for children	51	Will enable free sessions to be targeted towards communities where it is likely to be most beneficial
Winterwatch	37	Budget adjustment made to reflect the cost of the service, which will be shared with Housing Revenue Account
<b>Other Directorates sub total</b>	88	
<b>Total</b>	1,072	

4.6 Every effort has been made to ensure that services to the most vulnerable groups have been protected. For example, there has been no proposed reduction in:

	£
• Public Health nursing service for children aged 0-19 yrs.	3,308,247
• Healthy start vitamins for infants	6,000
• Some contraceptive services	170,000
• Needle Exchange waste	15,000
• Needle Supplies	80,000
• Open Access drug treatment	288,000
• Alcohol liaison	40,000
• Homelessness support to vulnerable households	319,3000
• Youth Offending Team	85,000
• Teenage Parent support	45,000
• Health, Sex and relationship education	54,000
• Children's Primary Mental Health Worker	60,000
• Children's Centres	102,500
• Community Alcohol Partnership	28,000
• Tobacco Control Alliance	9,500

4.6:1 This ensures that the effects of drug and alcohol use are minimised in the general community by the provision of safe needle disposal; that children and young people's health is protected from age 0-19 across a range of need, and that illicit tobacco use is tackled.

4.7 Appendix 1 gives further details of the baseline 2017/18 budget, proposed savings and budget allocations for 2018/19.

#### Re-allocation of Public Health Funding across directorates

4.8 The proposals as presented will require a re-allocation of Public Health funding of £699,000 in 2018/19 to other directorates, which is represented by the overall savings targeted less the grant reduction and grant carry forward. This will be in addition to the £779,000 which is already funded in other directorates on Public Health outcomes from previous year's budget processes.

4.9 The four Public Health Outcomes which will need to be considered as part of the re-allocation of funding are:

1. Improving the wider determinants of health
2. Health improvement
3. Health protection
4. Healthcare and preventing premature mortality

4.10 To facilitate the process of identifying areas of service which best meet key Public health improvement outcomes a Public Health Board has recently been established and this will have the task of identifying the most appropriate areas against which to allocate Public Health funding. This will be ultimately be aligned with Joint Strategic Needs Assessment which is currently under development, to ensure areas targeted meet the most pressing needs.

4.11 There is a current spend of £779,000 from the public health grant across the Directorates of the council; this will be supplemented by a further £699,000 in 2018/19 for services which can demonstrate a public health outcome; the sum is represented by the overall savings targeted, less the grant reduction and grant carry forward.

## 5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The approach taken to dealing with the Department for Health's Public Health Grant reduction should still enable the council, within available resources, to meet Corporate Plan priorities where there is a significant public health aspect, such as:

- i. Safeguarding and protecting those that are most vulnerable;
- ii. Providing the best start in life through education, early help and healthy living; and
- iii. Keeping the town clean, safe, green and active.

5.2 The proposals also ensure that the use of Public Health grant will meet the meet the four Public Health Improvement Outcomes as set out in the national framework.

## 6. LEGAL IMPLICATIONS

6.1 The grant must be used only for meeting eligible expenditure incurred or to be incurred by local authorities for the purposes of their public health functions as specified in Section 73B(2) of the National Health Service Act 2006 ("the 2006 Act").

6.2 The functions mentioned in that subsection are:

- functions under section 2B, 111 or 249 of, or Schedule 1 to, the 2006 Act
- functions by virtue of section 6C of the 2006 Act
- the Secretary of State's public health functions exercised by local authorities in pursuance of arrangements under section 7A of the 2006 Act,
- the functions of a local authority under section 325 of the Criminal Justice Act 2003 (local authority duty to co-operate with the prison service with a view to improving the exercise of functions in relation to securing and maintaining the health of prisoners)

## 7. EQUALITY IMPACT ASSESSMENT

7.1 An over-arching Equality Impact Assessment for Public Health will be produced as part of the wider Council budget process, which assesses the impact of all the changes on relevant groups.

7.2 Where necessary more in depth EIAs will be undertaken for specific public health services, to ensure that there is an understanding of the impacts on particular groups. Action plans for mitigation of negative impacts will be developed to ensure that the proposed changes do not exacerbate health inequalities.

## 8. FINANCIAL IMPLICATIONS

### 8.1 Revenue Implications

The report sets out the proposed allocation of Public Health grant funding for 2018-19 based on the grant to be received of £9,758,000. The report also identifies £1,072,000 of savings which need to be achieved in 2018/19 to meet the combined impact of the grant reductions and the Council savings, which will require re-allocation of Public Health funding within the Council.

### 8.2 Value for Money

There is a requirement to ensure that public health service expenditure delivers value for money and this has been considered when identifying Public Health commissioned projects/services to be reduced or decommissioned.

### 8.3 Risks

Public Health England scrutinise proposals for changes in use of Public Health grant to ensure that conditions of grant and the objectives of the Public Health Outcomes Framework continue to be met. The proposals as presented identify a reduction of £180,000 in spend on mandated services, though this within the £258,000 reduction which has been applied to grant funding.

Provide basic details

Name of proposal/activity/policy to be assessed

Public Health proposed activity and budget 2018/19

Directorate: Adult Care & Health Services

Service: Public Health

Name and job title of person doing the assessment

Name: Maura Noone

Job Title: Head of Adult Social Care

Date of assessment: 21/02/2018

Scope your proposal

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

Public Health was moved into the Local Authority in 2012/13. Public Health was previously the responsibility of Primary Care Trusts (PCTs). The move into local authority presented an opportunity to create a holistic social model of health in relation to the prevention of illness, the promotion of health, and to address wider determinants of ill health such as housing, the environment and neighbourhoods.

The changes proposed for 2018/19 cover the recalibration of the public health grant in order to cover the £258,000 reduction in the central grant from Public Health England, and to ensure that mainstream areas of work across Reading Borough Council meet the agenda for the Public Health Outcomes Framework across the four domains of:

1. Improving the wider determinants of health
2. Health Protection
3. Health Improvement
4. Healthcare and preventing premature mortality.

This means that some specific areas of activity previously covered by the public health grant will no longer take place, be available, or will be provided on a reduced scale. It is proposed that a targeted approach to meeting the health of the public is undertaken in order to ensure that inequalities in health across Reading are not exacerbated.

Public Health activity covers a range of services and projects, including the following services: stop smoking, health checks, sexual health, contraception, public health mental health, drug and alcohol, services for children aged 0 to 19 years and a range of

voluntary sector services in partnership with the Directorate of Adults, Care and Health Services (DACHS). There are also several services which are provided across the council for children and young people and within neighbourhoods and local communities. Full details of all services have been outlined in Appendix 1.

#### Who will benefit from this proposal and how?

The services and campaigns covered by the proposals cover all age groups and areas of Reading. Some are targeted at specific community groups (as defined by communities of interest or of need); for example support for people with HIV, others are open access but likely to be used by people of a specific age range or gender e.g. contraception services aimed at women; and the mental health recovery college. There is a total spend of £9,758,000 on specific and related public health activities which support the public health outcome framework, and include

- Services for children aged 0-19, including Sure Start and community nursing
- Peer support to tackle social isolation for a range of specialist groups: for example visual impairment, hearing impairment and autism
- Voluntary organisations which support specific communities: for example Age UK, the Indian Association, the Pakistani association, Polish millennium senior club, Reading Mencap
- Targeted work for particular conditions: for example stop smoking
- Targeted work for groups of people with particular needs: for example, drug and alcohol support, homelessness

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

The desired outcome for public health is to improve the health of the whole population and to develop methods of promoting good health for the widest range of the population. The focus is on individual lifestyle change such as stopping smoking, or targeted towards a sub set of the population, such as children and families, or homeless people.

The Public Health grant has reduced for 2018/19 and is being recalibrated across a range of services in order to achieve positive outcomes. This will have the effect of the grant maintained services needing to

- Targeting specific parts of the population in order to reach people who will most likely benefit
- Reducing the level of service where necessary
- Devising new ways of working which are in accordance with the stated aims of Reading Borough Council, for example, digitisation, and online access where it is likely to be successful

Reading is wanting to undertake transformational change in the way it provides services and will be working with its public health partners across the Berkshire West

10 area and the other Berkshire counties that share are part of a shared public health team to investigate and use the best models and methods of public health practice.

**Who are the main stakeholders and what do they want?**

The main stakeholders are communities and individuals who benefit from the services and activities provided by public health. Other stakeholders include public bodies in Reading such as the NHS, Police, Fire and Rescue Services; the voluntary sector, church and faith groups who work in partnership with the aim of improving health outcomes for the Reading population. Reading Borough Council and the Health and Wellbeing Board are the main stakeholders in this process, and the outcomes are reflected in the aims and objectives of the Health and Wellbeing strategy.

### 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.)

As part of the Narrowing the Gap, during the current round, no bids were received for a total of £57,000. The particular areas that had been identified were: peer support for breastfeeding, dementia support and support for people with Parkinson's disease. The council had made this funding available for these themes, but as no bids were received, a recommendation has been made to utilise this funding where it is most needed. The funding released in the Public Health budget for 2018-19 as a result of no bids for these services is £40,000.

Targeting the funding towards areas of greatest need will mean that not every area of Reading will be covered by some services. However, a range of methods will be used to ensure that targeted services are delivered in areas where they are most be needed.

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:

Although there are reductions in the budget for public health, it is foreseen that the main outcomes will be met; the people in Reading who will most benefit from public health initiatives will receive services and there has been a considered effort to ensure that all sections of the community will receive some form of health benefits.




An Equality Impact Assessment will be completed where required for particular services, individual projects and activities as needed.

Signed (completing officer) Maura Noone

Date 22/02/2018

Signed (Lead Officer) Seona Douglas



Date 22/02/2018

PUBLIC HEALTH BUDGET v18a	Budget 2017/18	Proposed Saving 2018-19	Proposed Budget 18/19	PH Category (Mandated / Non-Mandated)	Contract Arrangement	Comment
	£	£	£			
<b>LOCAL TEAM STAFFING BUDGETS</b>						
Staffing : Sub-Total	637,585	143,800	493,785			
Non Pay & Service Costs			0		N/A	
Sub-Total : Non Pay & Service Costs	13,141	7,941	5,200	Non-mandated	N/A	
<b>TOTAL STAFFING BUDGET ON 2065 (Local Team)</b>	<b>650,726</b>	<b>151,741</b>	<b>498,985</b>			
<b>JOINT ARRANGEMENT</b>			0			
Joint Arrangements			0			
Shared Team and Informatics Support	160,000	25,000	135,000	Mandated	Berkshire	
Smoking Cessation	355,000	266,200	88,800	Non-mandated	Reading	Termination of whole contract. Saving in 2018-19 is based on 9 months.
Weight Management - Let's Get Going	23,242	23,242	0	Non-mandated	Reading	Termination of whole contract.
Weight Management - Eat 4 Health	45,260	45,260	0	Non-mandated	Reading	Termination of whole contract.
Joint Arrangement Gum services	23,500	0	23,500	Mandated	?	
Sexual Health	1,444,400	60,400	1,384,000	Mandated	Berkshire	Demand led service. Saving increased to £60k following review.
GUM and FP West	14,100	0	14,100	Mandated	Reading	Demand led service
IT Platform for GUM Services	3,000	0	3,000	Mandated	Berkshire	
Children's Death Overview Panel	8,100	0	8,100	Mandated	Berkshire	
Library West	700	0	700	Mandated	Berkshire	
Web system for Pharmacy contracts	1,900	0	1,900	Non-mandated	Berkshire	
Sub-Total	2,079,202	420,102	1,659,100			
Primary Care (JA)			0			
Health Checks (PCC)	80,000	60,000	20,000	Mandated	Reading	Demand led service. Saving increased to £60k
IUCD	90,000	0	90,000	Mandated	Reading	Demand led service.
Nexplanon (long-acting reversible contraception)	80,000	0	80,000	Mandated	Reading	Demand led service.
Sexual health Out of Area	90,000	20,000	70,000	Mandated	Reading	Demand led service
Open Access Drug Treatment - Shared Care Payments	15,000	15,000	0	Non-mandated		Transferred to DAAT
Subtotal Primary Care (JA)	355,000	95,000	260,000			
<b>TOTAL JOINT ARRANGEMENT - Bracknell Forest</b>	<b>2,434,202</b>	<b>515,102</b>	<b>1,919,100</b>			
			0			
<b>RBC COMMISSIONED SERVICES</b>			0			
Local Programmes			0			
Mental Health First Aid	7,000	7,000	0	Non-Mandated	Reading	
MECC (Making Every Contact Count)	10,000	10,000	0	Non-Mandated	Reading	Savings of £10k after review
Flu vouchers for frontline staff	5,000	5,000	0	Non-Mandated	Reading	
Condom distribution (1)	10,000	10,000	0	Non-Mandated	Reading	
Implementation of Healthy Weight Strategy	30,000	30,000	0	Non-Mandated	Reading	
Oral Health Survey	10,000	0	10,000	Mandated	Reading	
Contraception (EHC) - Morning After Pill	5,000	4,000	1,000	Mandated	Reading	
Healthy Start Vitamins (£6k in 2016/17)	6,000	6,000	0	Non-Mandated	Reading	
Public Health Nursing Services (0-19)	3,308,247	0	3,308,247	Mandated	Reading	Demand led service. Mandated service. Any reduction would be viewed very negatively by Public Health England. Provides a range of significant services for Children, including safeguarding.
<b>TOTAL RBC COMMISSIONED SERVICES</b>	<b>3,391,247</b>	<b>72,000</b>	<b>3,319,247</b>			
DAAT			0			
Workforce/Staff/Running Costs - Travel costs	1,000	1,000	0	Non-Mandated	Reading	
Workforce/Staff/Running Costs - Admin costs (non-staffing)	1,000	1,000	0	Non-Mandated	Reading	

PUBLIC HEALTH BUDGET v18a	Budget 2017/18	Proposed Saving 2018-19	Proposed Budget 18/19	PH Category (Mandated / Non-Mandated)	Contract Arrangement	Comment
Workforce/Staff/Running Costs - DAAT Database/ SMS credits	16,000	0	16,000	Non-Mandated	Reading	
Workforce/Staff/Running Costs - Software Costs (Taken by Northgate/DB)	600	0	600	Non-Mandated	Reading	
Harm Reduction Strategy - ORION Needle Exchange Waste	15,000	0	15,000	Non-Mandated	Reading	Needle collection contract
Harm Reduction Strategy - ORION NEEDLE SUPPLIES CONTRACT	80,000	0	80,000	Non-Mandated	Reading	Contract to supply fresh needles to pharmacies
Harm Reduction Strategy - Pathology Services	3,500	3,500	0	Non-Mandated	Reading	Blood test transfers. Additional saving post review.
Harm Reduction Strategy - DRD - Naloxone	4,000	2,000	2,000	Non-Mandated	Reading	Kits to reduce Herion use
Harm Reduction Strategy - Partnership training	2,000	2,000	0	Non-Mandated	Reading	Training
Premises - Waylen Street Rent/Maintenance & Services	11,000	9,000	2,000	Non-Mandated	Reading	Utility costs. Increased saving to £9k post review.
Premises - 159 Dilapidations	30,000	30,000	0	Non-Mandated	Reading	Dilapidations legal cost - one off 2017-18
Open Access Drug Treatment - Local Pharmacy - Needle Packs and Supervised Consumption	288,000	0	288,000	Non-Mandated	Reading	Demand led service. Supply of methadone.
Open Access Drug Treatment - Drug Testing Costs - DRR (TVP)	16,000	16,000	0	Non-Mandated	Reading	
Open Access Drug Treatment - Allotment Fund	100	100	0	Non-Mandated	Reading	
Open Access Drug Treatment - Shared Care Payments	0	-4,000	4,000	Non-Mandated	Reading	GP prescribing from primary care.
Alcohol Pathways - Alcohol Liaison post from A/E to Community	40,000	40,000	0	Non-Mandated	Reading	
Alcohol Pathways - Rehab Placements	141,500	40,000	101,500	Non-Mandated	Reading	Places for people in rehab - reduced from 6 to 4 places.
IRIS Contract (PH Contribution)	1,468,158	0	1,468,158	Non-Mandated	Reading	Demand led service, part funded by Police Crime Commissioner.
<b>DAAT TOTAL</b>	<b>2117858</b>	<b>140600</b>	<b>1977258</b>			
<b>FUNDING WITHIN WELLBEING (PREVENTATIVE SERVICES)</b>			0			
NTG 7.6 - Age UK Berkshire	25,000	20,833	4,167	Non-Mandated	Reading	All funding is included in Narrowing the Gap.
NTG 7.6 - Alzheimer's Society	20,000	16,667	3,333	Non-Mandated	Reading	
NTG 7.5 - The CommuniCare Trust	3,800	3,175	625	Non-Mandated	Reading	
NTG 7.6 - The Mustard Tree /Engage Befriending	18,000	15,000	3,000	Non-Mandated	Reading	
NTG 7.3 - ENRYCH Berkshire	15,000	12,500	2,500	Non-Mandated	Reading	
NTG 7.6 - Get Berkshire Active	9,000	7,500	1,500	Non-Mandated	Reading	
NTG 7.5 - Indian Community Association (ICA)	6,000	5,000	1,000	Non-Mandated	Reading	
NTG 7.5 - Pakistan Community Centre (PCC)	7,500	6,250	1,250	Non-Mandated	Reading	
NTG 7.5 - Polish Millenium Senior Club	3,200	2,658	542	Non-Mandated	Reading	
NTG 7.4 - Reading Association for the Blind (RAB)	22,000	18,333	3,667	Non-Mandated	Reading	
NTG 7.1 - Reading Centre for the Deaf	22,000	18,333	3,667	Non-Mandated	Reading	
NTG 7.5 - Reading Community Learning Centre	9,000	7,500	1,500	Non-Mandated	Reading	
NTG 7.2 - Reading Mencap	17,000	14,167	2,833	Non-Mandated	Reading	
NTG 7.5 - The Globe Community Mission	3,000	2,500	500	Non-Mandated	Reading	
NTG 7.5 - The Hibernian Society	4,500	3,750	750	Non-Mandated	Reading	
Breast Feeding Peer Support (BFN)	30,000	25,000	5,000	Non-Mandated	Reading	
HIV & Condom (Thames Valley Positive Support)	52,800	44,133	8,667	Non-Mandated	Reading	
VCS - Samaritans	2,025	1,688	337	Non-Mandated	Reading	
VCS - Reading Your Way	76,300	63,633	12,667	Non-Mandated	Reading	
3.2 - social prescribing inc MECC		-1,667	1,667	Non-Mandated	Reading	
4.1 - self advocacy and social isolation LD		-16,667	16,667	Non-Mandated	Reading	
5.1 - social isolation dementia		0	0	Non-Mandated	Reading	
6.1 - social isolation visual impairment		-8,333	8,333	Non-Mandated	Reading	
7.1 - social isolation hearing impairment		-8,333	8,333	Non-Mandated	Reading	
8.1 - social isolation autism		-6,667	6,667	Non-Mandated	Reading	
9.1 - social isolation MS		-6,667	6,667	Non-Mandated	Reading	
10.1 - social isolation Parkinsons		0	0	Non-Mandated	Reading	

PUBLIC HEALTH BUDGET v18a	Budget 2017/18	Proposed Saving 2018-19	Proposed Budget 18/19	PH Category (Mandated / Non-Mandated)	Contract Arrangement	Comment
11.1 - social isolation physical disability		-6,667	6,667	Non-Mandated	Reading	
12.1 - social isolation language culture		-10,833	10,833	Non-Mandated	Reading	
13.1 - social isolation frail elderly		-40,833	40,833	Non-Mandated	Reading	
14.1 - social isolation MH		-63,333	63,333	Non-Mandated	Reading	
17.1 - HIV support		0	0	Non-Mandated	Reading	
18.1 - breastfeeding support		0	0	Non-Mandated	Reading	
MH Peer Support (3 months)		0	0	Non-Mandated	Reading	
HIV Peer Support (3 months)		-37,500	37,500	Non-Mandated	Reading	
Breastfeeding peer support (3 months)		0	0	Non-Mandated	Reading	
Volunteer recruitment for suicide prevention		-2,025	2,025	Non-Mandated	Reading	
			0			
<b>TOTAL FUNDING WITHIN WELLBEING</b>	<b>346,125</b>	<b>79,095</b>	<b>267,030</b>			
Unallocated Public Health Support to Other Areas			0			
15/16 Savings - contribution to corporate overheads	300,000	0	300,000	Non-Mandated	N/A	
17/18 Savings - mandated savings DACHS 3	35,000	35,000	0	Non-Mandated	N/A	One off cost 2017-18
<b>Sub-Total</b>	<b>335,000</b>	<b>35,000</b>	<b>300,000</b>			
<b>FUNDING WITHIN OTHER DIRECTORATES</b>			0			
Floating support - homelessness support for vulnerable households (DENS)	319,300	0	319,300	Non-Mandated	Reading	
Free Swim for Children (DENS)	93,200	51,000	42,200	Non-Mandated	Reading	Impact on DENS.
SOURCE YOT Team (CSC)	85,000	0	85,000	Non-Mandated	Reading	
Children Services (Teenage Parent Support) (CSC)	45,000	0	45,000	Non-Mandated	Reading	
Children's Services (Health Sex & relationship Education [SRE] Coordinator) (CSC)	54,000	0	54,000	Non-Mandated	Reading	
Children's Services (Primary Mental Health Worker) (CSC)	60,000	0	60,000	Non-Mandated	Reading	
Children's Services (children's centres) (CSC)	102,500	0	102,500	Non-Mandated	Reading	
Winterwatch (DENS)	60,000	0	60,000	Non-Mandated	Reading	Impact on DENS.
Community Alcohol Partnership (DENS)	28,000	28,000	0	Non-Mandated	Reading	Impact on DENS.
Tobacco Control Alliance (DENS)	9,500	0	9,500	Non-Mandated	Reading	
Reallocation of Funding to Directorates 2018-19			698,880	Non-Mandated	Reading	To be determined through Public Health Board
<b>TOTAL FUNDING WITHIN OTHER DIRECTORATES</b>	<b>856,500</b>	<b>79,000</b>	<b>1,476,380</b>			
<b>TOTAL EXPENDITURE</b>	<b>10,131,658</b>	<b>1,072,538</b>	<b>9,758,000</b>			
<b>GRANT FUNDING</b>						
Public Health Grant carried over from 2016-17 (one-off)	116,658					
Public Health Grant	10,016,000		9,758,000			
<b>Total Public Health Grant Funding</b>	<b>10,132,658</b>		<b>9,758,000</b>			

READING BOROUGH COUNCIL

REPORT BY CHIEF EXECUTIVE

TO:	POLICY COMMITTEE		
DATE:	9 APRIL 2018	AGENDA ITEM:	10
TITLE:	RESILIENCE CONTRACT FOR REVENUES AND BENEFITS SERVICES		
LEAD COUNCILLOR:	COUNCILLOR LOVELOCK	PORTFOLIO:	CORPORATE SUPPORT SERVICES
SERVICE:	POLICY/FINANCIAL	WARDS:	BOROUGHWIDE
LEAD OFFICERS:	ZOË HANIM	TEL:	0118 937 2173 (x72173)
JOB TITLE:	HEAD OF CUSTOMER SERVICES	E-MAIL:	<a href="mailto:Zoe.hanim@reading.gov.uk">Zoe.hanim@reading.gov.uk</a>

1. EXECUTIVE SUMMARY

1.1 This report sets out proposals to enter into a contract with Capita Business Services Ltd by direct award for the provision of ongoing resilience and quality checking services for the Revenues and Benefits Service.

1.2 These services are currently provided by Capita and support the delivery of the overall workload in the Revenues and Benefits service, particularly related to the assessment of Housing Benefit entitlement and ongoing amendments such as change of circumstances. Current and future projected workloads mean that there will be an ongoing requirement for the provision of these services to ensure that residents receive Housing Benefits entitlement in a timely and efficient manner.

2. RECOMMENDED ACTION

2.1 To agree that the Council should enter into contract with Capita Business Services Ltd for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 with a value that will not exceed £181,302 to provide Revenues and Benefits resilience and quality checking services.

3. BACKGROUND

3.1 The table below shows the change in Housing Benefit caseload (people receiving help with their Rent or Council Tax) over the last four years:

Year	'Live' Housing Benefit cases
March 2015	15,260
March 2016	14,609
March 2017	13,381
March 2018	13,164

- 3.2 Whilst this fall in caseload is welcomed, the Council continues to see the number of change in circumstance amendments rising. This is primarily due to Reading being an area of high employment, with around 33% of Housing Benefit caseload requiring changes due to customers moving in and out of employment. A high proportion of these customers have numerous entitlement changes throughout the year including changes to tax credits, childcare, alterations to wages and hours of work. In addition there are also a high number of customers claiming Housing Benefit because they are on zero hours contracts as well as a large proportion of self-employed customers.
- 3.3 All these factors make the Housing Benefit caseload complicated to administer and the sheer volume of changes means that Reading is seeing higher than average demand for their service. The Council is currently receiving on average 75-100 new claims and up to 1,400 change in circumstances each week, with automated notifications from DWP/HMRC increasing workloads since introduction eighteen months ago. The workload has also increased with the roll out of the digitalised Universal Credit Service from December 2017.
- 3.4 This increase has been at a time when resources have been constrained. Difficulty in recruiting skilled permanent Housing Benefit assessors and Council Tax staff has meant that the service has had to deal with backlogs when there are spikes in the volumes of work coming in. This can create delays for residents who are claiming Housing Benefits and paying Council Tax.
- 3.5 To reduce the impact on residents and claimants the Council entered into a resilience partnership arrangement in 2013. The purpose of this arrangement, which is widely used by other local authorities, is to provide additional processing capacity and capability off-site to meet service demand. This arrangement was further extended in 2015 to include additional quality checking services, which is a requirement to ensure the accuracy of Housing Benefit payments and support the Housing Benefit subsidy system.
- 4.0 SERVICE PROVISION AND COST
- 4.1 The current resilience service is provided by Capita Business Services Ltd and supports processing circa 1,000 items per month, primarily related to Housing Benefit claims, including change of circumstances, electronic notifications from the DWP (ATLAS) and student claims. Through 2016/17 the Council has adopted an approach of not filling certain vacancies for Housing Benefit assessors but instead using additional external resilience capacity. This approach has been implemented to provide the organisation with flexibility, and to protect permanent staff from future changes in service demand, particularly related to reductions in volumes resulting from the introduction of Universal Credit. It also builds maximum flexibility into the organisational structure to take account of any future externalisation of the service following market testing in 2018. As a result of this approach, the Benefits Service is currently holding vacant three posts with associated salaries of £110k. This is being used to part fund the resilience partnership together with an additional £70k which is built into current budgets.
- 4.2 Taking account of these vacancies, the capacity of the current Housing Benefit processing team is in the range 900 - 1100 items of processing per week. As

indicated the Council is currently receiving on average 1,400 items of work each week leaving a capacity shortfall on average of about 400 items per week<sup>1</sup>.

4.3 Following discussions with Capita Business Services it has been agreed that from April 2018 the off-site volume of processing will increase to 1,500 per month (subject to an agreed cap in cost of the overall service). This figure is calculated based on assumptions regarding current work volumes, reduced to take account of the impact of Universal Credit over the next twelve months.

4.4 The table below shows the volumes and costs of the service over the last two financial years together with a projection of the volumes and costs for the financial year 2018/19:

Item Category	2016/17		2017/18 (10 months)		2018/19 (Projection)	
	Items	Cost	Items	Cost	Items	Cost
Housing Benefit processing – including change of circumstances, ATLAS, student cases	11,124	£87,937	9984	£84,786	18,000	£152,820
Housing Benefit Quality Checking	1062	£11,210	1808	£20,285	2,100	£23,562
<b>Total</b>	12,186	£99,147	11,792	£105,071	20,100	£176,382

4.5 The service is provided via a remote secure connection using dedicated access for Capita staff to the Reading Borough Council ICT systems. Work items are entered into the system and Capita staff pick-up the relevant items for processing. A service level agreement exists with Capita to manage performance including turnaround times, accuracy and quality measures.

4.6 The overall cost of the resilience service compares favourably with the cost of undertaking the work in-house or via agency staff, when you take account of staff recruitment, training and employment costs etc. and based on current productivity levels. A comparison of costs is shown in the table below:

Delivery Option	Cost per hour £
Permanent In-house staff cost <sup>2</sup>	£20.86
Resilience cost <sup>3</sup>	£21.22
Agency staff cost <sup>4</sup>	£22.50

<sup>1</sup> Calculation based on current average staff productivity of 2.5 items per hour. Work continues to improve productivity levels.

<sup>2</sup> This is calculated based on the top of the grade for a HB assessor salary including on-costs, allowing for the cost of recruitment, on-going staff training, overtime and associated employment costs.

<sup>3</sup> This is calculated based on an assumed productivity of 2.5 items being undertaken per hour (based on a change of circumstances item) with a current average cost of £8.49 per item

<sup>4</sup> This is calculated by reference to Reading BC agency agreement cost

## 5.0 PROCUREMENT

5.1 For Capita to continue to provide the service there is a requirement to enter into a new contract for the period from the 1<sup>st</sup> April 2018 - 31<sup>st</sup> March 2019. Capita have requested an indication of volumes and phasing of work so that they can secure resources and availability.

5.2 Following procurement advice it is recommended that a direct award is made to Capita using the ESPO framework 664. A direct award in this situation is preferable for the following reasons:

5.2.1 Investment has been made in the current service arrangement, including IT connections and agreed resources. The service works effectively and it is judged that the cost and work to change these arrangements for a one year period would not offer value for money.

5.2.2 There is a limited number of companies that provide these services and from previous 'soft market' testing exercises it is judged there is limited value to the council in a procurement exercise for these services as pricing remains broadly similar.

5.2.3 The Revenues and Benefits service is subject to a market testing exercise in 2018 (proposal agreed at Policy Committee 19<sup>th</sup> Feb 2018) and these services will form part of this procurement. It is therefore only appropriate to enter into a contract for a maximum of one year.

5.2.4 The need for continuity and ongoing support is critical for the Revenues and Benefits service and therefore the risk of disruption to the service is reduced by retaining the existing arrangements.

5.3 Should members approve the direct award, officers will enter into the discussions with Capita to ensure arrangements are in place to secure a cost effective and efficient scope of services. Regular review points will be included in the contract to ensure performance, resourcing and effective delivery are received from the supplier.

5.4 It should be noted that the award of the contract is exempt from the requirement to seek competitive quotes in accordance with Contracts Procedure Rule 4.2.e:

“e. The works, services, or supplies are obtained by calling-off from a framework agreement, where this can be demonstrated to offer best value..... by:

(1) application of the terms laid down in the framework agreement without reopening competition.....”

## 6 CONTRIBUTION TO STRATEGIC AIMS

6.1 Contribution to the delivery of the Corporate Plan, Narrowing the Gaps, key priority, 'Remaining Financially Sustainable'.

## 7 COMMUNITY ENGAGEMENT AND INFORMATION

7.1 None which impact the community from the current service provided.



8 LEGAL IMPLICATIONS

8.1 Exempt from requirement for competitive procurement by virtue of Contracts Procedure Rule 4.2.e.

9 FINANCIAL IMPLICATIONS

9.1 Costs associated with the resilience contract are contained within existing budgets. Contract value below the OJEU limit of £181,302 for services.

10 BACKGROUND PAPERS

10.1 None.