

NOTICE  
OF  
MEETING

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**CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL**

will meet on

**WEDNESDAY, 26TH SEPTEMBER, 2018**

at

**5.30 PM**

in the

**ASCOT AND BRAY - TOWN HALL,**

TO: MEMBERS OF THE CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

COUNCILLORS DAVID BURBAGE (VICE-CHAIRMAN), DR LILLY EVANS, MOHAMMED ILYAS, EILEEN QUICK, GERRY CLARK, PAUL BRIMACOMBE AND HARI SHARMA

SUBSTITUTE MEMBERS

COUNCILLORS LYNNE JONES, JOHN STORY, JOHN LENTON, JUDITH DIMENT, RICHARD KELLAWAY AND CARWYN COX

Karen Shepherd – Service Lead Democratic Services  
Issued: 18/09/18

Members of the Press and Public are welcome to attend Part I of this meeting.

The agenda is available on the Council's web site at [www.rbwm.gov.uk](http://www.rbwm.gov.uk) or contact the Panel Administrator David Cook, 01628 796560, [david.cook@rbwm.gov.uk](mailto:david.cook@rbwm.gov.uk)

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## AGENDA

### PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>WARD</u>	<u>PAGE NO</u>
1.	<u>ELECTION OF CHAIRMAN</u> To elect a Chairman of the Corporate Services O&S Panel and Vice-Chairman if required.		-
2.	<u>APOLOGIES</u> To receive any apologies of absence.		-
3.	<u>DECLARATIONS OF INTEREST</u> To receive any declarations of interest.		5 - 6
4.	<u>MINUTES</u> To approve the Part I minutes of the meeting held on 23 August 2013.		7 - 10
5.	<u>Q1 2018/19 PERFORMANCE REPORT</u> To consider the report.		11 - 26
6.	<u>RBWM PROPERTY COMPANY LTD - Q1 REPORT 2018-2019</u> To comment on the Cabinet report.		27 - 34
7.	<u>RBWM PROPERTY COMPANY - INVESTMENTS REPORTS</u> To comment on the Cabinet report.		35 - 42
8.	<u>FINANCIAL UPDATE</u> To comment on the Cabinet report.		43 - 60
9.	<u>GOVERNANCE AS PART OF RISK MANAGEMENT APPLIED TO LARGE PROJECTS</u> To note the report considered by the Audit and Performance Review Panel on 20 September 2018.		61 - 64
10.	<u>WORK PROGRAMME</u> To note the work programme.		65 - 68
11.	<u>LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC</u> To consider passing the following resolution:-  "That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act"		-

## PART II - PRIVATE MEETING

<u>ITEM</u>	<u>SUBJECT</u>	<u>WARD</u>	<u>PAGE NO</u>
12.	<u>MINUTES</u> To approve the Part II minutes of the meeting held on 23 August 2018.		69 - 70
13.	<u>RBWM PROPERTY COMPANY - INVESTMENTS REPORTS (APPENDICES)</u>  To comment on the Cabinet report appendices.  <b><i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i></b>		71 - 112
14.	<u>GOVERNANCE AS PART OF RISK MANAGEMENT APPLIED TO LARGE PROJECTS</u>  To consider the Part II appendix presented to the Audit and Performance Review Panel on 2 September 2018.  <b><i>(Not for publication by virtue of Paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972)</i></b>		113 - 154

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## MEMBERS' GUIDE TO DECLARING INTERESTS IN MEETINGS

### Disclosure at Meetings

If a Member has not disclosed an interest in their Register of Interests, they **must make** the declaration of interest at the beginning of the meeting, or as soon as they are aware that they have a DPI or Prejudicial Interest. If a Member has already disclosed the interest in their Register of Interests they are still required to disclose this in the meeting if it relates to the matter being discussed.

A member with a DPI or Prejudicial Interest **may make representations at the start of the item but must not take part in the discussion or vote at a meeting.** The speaking time allocated for Members to make representations is at the discretion of the Chairman of the meeting. In order to avoid any accusations of taking part in the discussion or vote, after speaking, Members should move away from the panel table to a public area or, if they wish, leave the room. If the interest declared has not been entered on to a Members' Register of Interests, they must notify the Monitoring Officer in writing within the next 28 days following the meeting.

### Disclosable Pecuniary Interests (DPIs) (relating to the Member or their partner) include:

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit made in respect of any expenses occurred in carrying out member duties or election expenses.
- Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.
- Any beneficial interest in land within the area of the relevant authority.
- Any licence to occupy land in the area of the relevant authority for a month or longer.
- Any tenancy where the landlord is the relevant authority, and the tenant is a body in which the relevant person has a beneficial interest.
- Any beneficial interest in securities of a body where:
  - a) that body has a piece of business or land in the area of the relevant authority, and
  - b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body **or** (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.

Any Member who is unsure if their interest falls within any of the above legal definitions should seek advice from the Monitoring Officer in advance of the meeting.

A Member with a DPI should state in the meeting: ***'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

*Or, if making representations on the item: 'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'*

### Prejudicial Interests

Any interest which a reasonable, fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs the Member's ability to judge the public interest in the item, i.e. a Member's decision making is influenced by their interest so that they are not able to impartially consider relevant issues.

A Member with a Prejudicial interest should state in the meeting: ***'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

*Or, if making representations in the item: 'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'*

### Personal interests

Any other connection or association which a member of the public may reasonably think may influence a Member when making a decision on council matters.

Members with a Personal Interest should state at the meeting: ***'I wish to declare a Personal Interest in item x because xxx'. As this is a Personal Interest only, I will take part in the discussion and vote on the matter.***

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# Agenda Item 4

## CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

THURSDAY, 23 AUGUST 2018

PRESENT: Councillors David Burbage (Vice-Chair, in the Chair), Dr Lilly Evans and Eileen Quick

Also in attendance: Councillor Derek Wilson

Officers: Rob Stubbs, Russell O'Keefe, Andy Carswell and Kevin McDaniel

### APOLOGIES

Apologies for absence were received from Cllrs Rayner and Ilyas.

### DECLARATIONS OF INTEREST

There were no declarations of interest received.

### MINUTES

**Resolved unanimously: that the Part I minutes of the meetings held on June 21<sup>st</sup> and July 9<sup>th</sup> 2018 were both approved as a true and correct record.**

### FINANCIAL UPDATE REPORT

The Head of Finance informed Members that a total overspend of £1.4million had been forecast in the report. Members were informed that when the annual Budget was set in February, opportunities to offset overspends had been identified with a number of underspends; however over time these opportunities had diminished and budgets had become tighter. £3.6million in mitigation had been found and further work was being done to provide mitigation; however an overspend of £1.4million was still being predicted. Officers were confident however that the Budget for 2019/20 would be on a more solid footing. The Head of Finance indicated the budget pressures were not unique to the Royal Borough, and informed the Panel that the Leader had recently written to the government expressing concerns on finance constraints relating to children's services.

The Head of Finance informed Members that there was no virement to offset budget incomes that were no longer relevant; for example it was noted that there was an unachievable income offset of £90,000 with regards to printing, which had existed for several years even after the Council's print centre was closed. It was noted that the projected income from increased car parking charges had failed to materialise. The Panel was informed that more work was being done to understand the reasons for this, as the majority of the Council's car parks had remained busy. The Head of Finance stated his belief this was likely to be an annual performance quirk rather than an accounting one. It was noted that a proposed change to the operational management of car parks had not progressed as planned, and there was an unachievable budget pressure of £625,000 relating to car parking. Members noted that these issues had not been picked up either by the Council's external and internal audits, and that nothing had been presented to the Audit and Performance Review Panel.

The Director of Children's Services stated that overspends in the children's services budgets had been offset by underspends elsewhere, and the contracts with Optalis and Achieving for Children had helped with this. Much of the spending related to children in care and this would continue to be so for the foreseeable future. It was hoped that the contract with AfC would enable a larger supply of local provision for children in care. However the Director of

Children's Services advised that this could take some time to come to fruition. Regarding children in care, members were informed that on August 1<sup>st</sup> 2017 there were 1,112 open cases relating to social care for children. This figure was now 742. The number of children with care plans – which included those who were looked after, or who had a Child Protection Plan – was around 150.

Members were informed that it was possible for amendments to be made to the AfC contract and minor changes had been made in the past. There were no plans to change the terms of the contract in relation to placements of children in care, although this was being kept under review by commissioning services. The Director of Children's Services stated that a joint commissioning team, alongside Kingston and Richmond Councils, was in the process of being set up, which would help provide a larger pool of carers.

Regarding an overspend on bus routes, Cllr Quick asked where the proposed offsettings were due to come from, and stated that at a previous meeting of Full Council assurances had been given that bus services would not cost the Council any additional money. The Head of Finance stated that there had been an expectation that the costs associated with bus services could be managed, but anticipated underspends in other budgets had not come to fruition.

Responding to a question from Cllr Evans about the non-recovery of budget subsidies, the Head of Finance stated that in previous years the Council had been able to cover this by drawing money from the debt provision plan. However it was no longer considered financially prudent to do this.

The Panel was informed that the service affected by the £795,000 of in-year deficit from the dedicated school grant funding related to the high needs block. The Director of Children's Services stated that the budget for the dedicated school grant was generally kept separate from the remainder of the budget for children's services; if the dedicated school grant budget was overspent then this would create significant problems for the Council. Members were told that the Council had met with a number of chairs of governors and finance bodies from schools that were at risk of running a deficit. Referring to the specific example of Manor Green School mentioned in the report, the Director of Children's Services stated that much of the additional funding required was due to a large intake of pupils who were from outside the Borough. It was now the Council's responsibility to provide the funding for this because there had been a change to the financial regulations.

The Panel reported that they were concerned about the overspends which had led to an unbalanced budget, particularly with regards to budget lines which had been kept despite the knowledge that they were no longer needed. The Panel reported that it agreed with the Leader's concerns over the lack of funding from government for children's and education services, as the Council was in a position where it was obliged to meet expenditure which it was unable to cover. The Panel also agreed that it would be prudent to write to the Chairman of the Audit and Performance Review Panel about the quality of the audits taking place, particularly with regard to budget lines which had been closed.

Members endorsed the report on capital monitoring.

## WORK PROGRAMME

Cllr Evans requested that Members be given an update on the next phase of the proposed operating structure and senior management structure. It was agreed that the Head of Human Resources should be asked to provide an update on the organisational performance at the December meeting.

## LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

**RESOLVED UNANIMOUSLY: To approve the motion to exclude the public for the remainder of the meeting.**



The meeting, which began at 6.30 pm, finished at 7.39 pm

CHAIRMAN.....

DATE.....

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Report Title:	<b>Q1 2018/19 Performance Report</b>
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor M Airey, Deputy Lead Member for Performance Management
Meeting and Date:	Corporate Services Overview and Scrutiny Panel, 26 September 2018
Responsible Officer(s):	Alison Alexander, Managing Director and Hilary Hall, Deputy Director Strategy and Commissioning
Wards affected:	All

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## REPORT SUMMARY

1. The council performance management framework has 25 key measures. Cabinet receive a report on performance twice a year and scrutiny panels receive a report quarterly.
2. There are 15 measures, see table 1 and Appendix A, reported to Corporate Services Overview and Scrutiny Panel, performance in quarter 1 of 2018/19 has resulted in:
  - Ten measures have met or exceeded target.
  - One measure is just short of target (within tolerance).
  - Two measures do not have data available – 5.1.1 and 6.4.1 measures related to resident views.
  - Two measures, covering complaints and compliments, are only reported twice a year.
3. A summary of the 2017/18 year end performance is outlined in table 2 and Appendix B. Of the 15 measures reported to the Panel in 2017/18, seven met or exceeded their target, four were just short of target (within tolerance) and three were off target. Data for one measure will not be available until later in 2018/19 when the externally commissioned residents' survey concludes.

## 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That the Corporate Services Overview and Scrutiny Panel notes the report and:

- i) **Endorses the performance summarised in table 1 and appendix A.**
- ii) **Requests relevant Lead Members and Heads of Service focus effort to improve performance in the area just short of target and maintain performance in the measures meeting or exceeding target.**

## 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 In November 2017 Cabinet approved the council's Performance Management Framework (PMF) of 25 key measures aligned to its refreshed Council Plan with six strategic priorities over the plan period 2017-21:

- Healthy, skilled and independent residents
- Safe and vibrant communities.
- Growing economy, affordable housing.
- Attractive and well-connected borough.
- Well-managed resources delivering value for money.
- An excellent customer experience.

2.2 Cabinet also recommended quarterly performance reporting of additional measures to the appropriate Overview and Scrutiny Panel. This report summarises the quarterly and year end performance of those measures for 2017/18 and the Quarter 1 Performance for 2018/19.

### Quarter 1 performance 2018/19

2.3 In 2018/19, fifteen measures will be reported to the Corporate Services Overview and Scrutiny Panel, though complaints and compliments data will only be available biannually so is not featured in the Q1 report. Of the 13 measures being reported in Q1, ten have met or exceeded the target in the first quarter, see table 1 and appendix A. One measure is just short of the target (within tolerance) and no measures are off target. Data for a further two are available when the externally commissioned residents' survey concludes.

**Table 1 Q1 Performance 2018/19**

Measure	Red	Amber	Green	Data not available
5.1.1 Percentage of residents confirming that they feel informed about the council				1
5.1.2 Number of sign-ups to the residents email newsletter			1	
5.2.1 Number of "My Account" users			1	
5.3.1 Percentage of calls answered within 60 seconds		1		
5.3.2 Percentage of calls abandoned after 5 seconds			1	
5.3.3 Average no. days to process new claims and changes in circumstances (Housing Benefits)			1	
5.3.4 Percentage of calls resolved right first time			1	
5.4.1 Number of council complaints received (excluding adults and children's services)			1	

Measure	Red	Amber	Green	Data not available
5.4.2 Number of compliments received about services (excluding adults and children's services)			1	
6.1.1 Percentage collection rate for Council Tax			1	
6.1.2 Percentage collection rate for Non Domestic Rates (Business Rates)			1	
6.1.3 Council Tax level comparative with the average unitary Band D (£)			1	
6.2.1 Percentage of staff who have left the council voluntarily			1	
6.3.1 Percentage of customer interactions that are digital			1	
6.4.1 Percentage of residents expressing satisfaction with services				1
<b>Total</b>	<b>0</b>	<b>1</b>	<b>10</b>	<b>2</b>

2.4 Detailed performance for all measures is in appendix A including commentary about the calls performance measure which is currently just short of target.

2.5 Some targets have been revised for 18/19 based on information about the council's activity and resource levels as well as national averages. This ensures a robust approach to continued performance improvement, see appendix A for all target information.

### 2017/18 performance

2.6 In 2017/18 of the 15 performance measures; seven met or exceeded their target, four were just short of target (within tolerance) and three were off target, see table 2 and appendix B for further details including commentary for those off target.

**Table 2 Year End Performance 2017/18**

Measure	Red	Amber	Green	Data not available
5.1.1 Percentage of residents confirming that they feel informed about the council	1			
5.1.2 Number of sign-ups to the residents email newsletter			1	
5.2.1 Number of "My Account" users			1	
5.3.1 Percentage of calls answered within 60 seconds	1			
5.3.2 Percentage of calls abandoned after 5 seconds		1		
5.3.3 Average no. days to process new claims and changes in circumstances (Housing Benefits)		1		

Measure	Red	Amber	Green	Data not available
5.3.4 Percentage of calls resolved right first time			1	
5.4.1 Number of council complaints received (excluding adults and children's services)			1	
5.4.2 Number of compliments received about services (excluding adults and children's services)	1			
6.1.1 Percentage collection rate for Council Tax		1		
6.1.2 Percentage collection rate for Non Domestic Rates (Business Rates)			1	
6.1.3 Council Tax level comparative with the average unitary Band D (£)			1	
6.2.1 Percentage of staff who have left the council voluntarily		1		
6.3.1 Percentage of customer interactions that are digital			1	
6.4.1 Percentage of residents expressing satisfaction with services				1
<b>Total</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>1</b>

## Options

**Table 3: Options arising from this report**

Option	Comments
Endorse the evolution of the performance management framework focused on embedding a performance culture within the council and measuring delivery of the council's six strategic priorities. <b>Recommended option</b>	Evolving the performance management framework as part of the council's focus on continuous performance improvement provides residents and the council with more timely, accurate and relevant information.
Failure to use performance information to understand the council and evolve services and reporting. <b>Not the recommended option.</b>	Without using the information available to the council to better understand its activity, it is not possible to make informed decisions and is more difficult to seek continuous improvement and understand delivery against the council's strategic priorities.

## 3. KEY IMPLICATIONS

3.1 The key implications of the report are set out in table 4.

**Table 4: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
The council is on target to deliver all six strategic priorities.	<100% of priorities on target.	100% of priorities on target.			31 March 2019

**4. FINANCIAL DETAILS/VALUE FOR MONEY**

4.1 No financial implications.

**5. LEGAL IMPLICATIONS**

5.1 No legal implications.

**6. RISK MANAGEMENT**

6.1 The risks and their control are set out in table 5.

**Table 5: Impact of risk and mitigation**

<b>Risks</b>	<b>Uncontrolled risk</b>	<b>Controls</b>	<b>Controlled risk</b>
Poor performance management processes in place causing a lack of progress towards achieving the council's strategic aims and objectives.	HIGH	Robust performance management within services to embed a performance management culture and effective and timely reporting.	LOW

**7. POTENTIAL IMPACTS**

7.1 There are no Equality Impact Assessments or Privacy Impact Assessments required for this report.

**8. CONSULTATION**

8.1 Comments from the Corporate Services Overview and Scrutiny Panel will be reported to Lead Members and Heads of Service.

**9. TIMETABLE FOR IMPLEMENTATION**

The full implementation stages are set out in table 6.

**Table 6: Implementation timetable**

Date	Details
Ongoing	Comments from the Panel will be reviewed by Lead Members and Heads of Service.
22 November 2018	Q1 and Q2 Performance report to Cabinet and available for Overview and Scrutiny Panels at relevant meetings.

**10. APPENDICES**

10.1 This report is supported by two appendices:

- Appendix A: Corporate Services Performance Report Q1 2018/19
- Appendix B: Corporate Services Performance Report 2017/18

**11. BACKGROUND DOCUMENTS**

11.1 This report is supported by one background document:

- Council Plan 2017-21:  
[https://www3.rbwm.gov.uk/downloads/file/3320/2017-2021\\_-\\_council\\_plan](https://www3.rbwm.gov.uk/downloads/file/3320/2017-2021_-_council_plan)

**12. CONSULTATION (MANDATORY)**


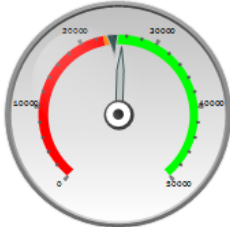
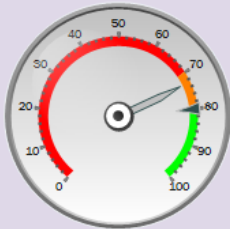
Name of consultee	Post held	Date sent	Date returned
Cllr M Airey	Deputy Lead Member for Performance Management	18/9/18	
Alison Alexander	Managing Director	16/9/18	17/9/18
Rob Stubbs	Section 151 Officer		
Elaine Browne	Head of Law and Governance		
Nikki Craig	Head of HR and Corporate Projects	16/9/18	17/9/18
Louisa Dean	Communications		
Russell O'Keefe	Executive Director		
Andy Jeffs	Executive Director		
Kevin McDaniel	Director of Children's Services		
Hilary Hall	Deputy Director of Commissioning and Strategy		

**REPORT HISTORY**

Decision type:	Urgency item?	To Follow item?
Non-key decision	No	No
Report Author: Anna Robinson, Strategy & Performance Manager		



Corporate Services Overview and Scrutiny Panel 2018/19: Q1

Council Priority	Ref.	Measure	Q1 YTD	Actual YTD	Target YTD	YTD Status	Lead Member
An excellent customer experience	5.1.1	Percentage of residents confirming that they feel informed about the council	?	?	49.0	?	Cllr Rankin
<p><b>Target</b> The target in 18/19 has been set at 49% based on results of the LGA survey. Data will not be available until the results of the council's Residents' Survey have been received.</p>							
An excellent customer experience	5.1.2	Number of sign-ups to the residents email newsletter		9	5	★	Cllr Rankin
<p><b>Target</b> The target for 18/19 is to increase subscribers by ~10% from the 17/18 year end outturn of 2088 (an additional 205 subscribers in 18/19). A focused piece of work to achieve this (campaign) will take place later in the year, hence the profiling of the target to achieve a larger proportion of these in the other quarters.</p>							
An excellent customer experience	5.2.1	Number of "My Account" users		25,459	24,215	★	Cllr Rankin
<p><b>Target</b> The target for 18/19 is to have 30,000 My Account users by year end. This is a substantial uplift on the year end position of 17/18 target of 10,000 but reflects a greater number of services and functionality being available.</p>							
An excellent customer experience	5.3.1	Percentage of calls answered within 60 seconds		73.0	80.0	●	Cllr S Rayner

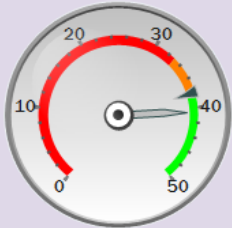
**Corporate Services Overview and Scrutiny Panel 2018/19: Q1**

Council Priority	Ref.	Measure	Q1 YTD	Actual YTD	Target YTD	YTD Status	Lead Member
<b>Target</b> The 18/19 target is unchanged from 17/18.							
An excellent customer experience	5.3.2	Percentage of calls abandoned after 5 seconds		4.4	5.0	★	Cllr S Rayner
<b>Target</b> The 18/19 target is unchanged from 17/18.							
An excellent customer experience	5.3.3	Average no. days to process new claims and changes in circumstances (Housing Benefits)		5.74	6.00	★	Cllr S Rayner
<b>Target</b> The target for 18/19 has been set at 6 days, compared to 4 days in 17/18. A target of 6 days would still place the council in the top performing authorities with the national average for new claims being 22 days and for changes of circumstances 9 days.							
An excellent customer experience	5.3.4	Percentage of calls resolved right first time		94.3	90.0	★	Cllr S Rayner
<b>Service comment</b> June data corrected (15/08/18) due to incorrect calculation in original entry.							
<b>Target</b> The target for 18/19 has been increased to 90% from 83% based on the performance the previous year and an ambition to maintain strong performance in this area.							

Corporate Services Overview and Scrutiny Panel 2018/19: Q1

Council Priority	Ref.	Measure	Q1 YTD	Actual YTD	Target YTD	YTD Status	Lead Member
Well-managed resources delivering value for money	6.1.1	Percentage collection rate for Council Tax		30.7	30.6	★	Cllr S Rayner
<b>Target</b> The 18/19 target has been set at 98.5% (compared to 99% in 17/18). This is still above the England average of 97.2%.							
Well-managed resources delivering value for money	6.1.2	Percentage collection rate for Non Domestic Rates (Business Rates)		32.56	31.00	★	Cllr S Rayner
<b>Target</b> The target for 18/19 is unchanged from the previous year at 98.3%.							
Well-managed resources delivering value for money	6.1.3	Council Tax level comparative with the average unitary Band D (£)		933.42	1,430.84	★	Cllr Saunders
<b>Target</b> The target for 18/19 has been set at a figure that would put the council in the top 25% of local authorities' Band D charge.							
Well-managed resources delivering value for money	6.2.1	Percentage of staff who have left the council voluntarily		4.15	3.50	★	Cllr Targowska

**Corporate Services Overview and Scrutiny Panel 2018/19: Q1**

Council Priority	Ref.	Measure	Q1 YTD	Actual YTD	Target YTD	YTD Status	Lead Member
<b>Target</b> The target for 18/19 is 14%, an increase on the previous year but a reflection of information from South East Employers' about performance in this area.							
Well-managed resources delivering value for money	6.3.1	Percentage of customer interactions that are digital		40.6	38.0	★	Cllr S Rayner
<b>Target</b> The target for 18/19 has been increased from 30% to 40% to more accurately reflect existing performance and to focus on continued improvement.							
Well-managed resources delivering value for money	6.4.1	Percentage of residents expressing satisfaction with services	?	?	61.0	?	Cllr S Rayner
<b>Target</b> The target in 18/19 has been set at 61% based on results of the LGA survey. Data will not be available until the results of the council's Residents' Survey have been received.							

Corporate Services Overview and Scrutiny Panel 2017/18: All Quarters YTD

Council Strategic Priority	Ref.	Measure	Q1 YTD	Q2 YTD	Q3 YTD	Q4 YTD	Actual YTD	Target YTD	YTD Status
An excellent customer experience	5.1.1	Percentage of residents confirming that they feel informed about the council					45.2	57.0	▲
<p><b>Q4 Commentary</b>                      Data for Q4 was collated from a statistically small sample of only 79 responses. Across all four quarters the sample size was still small at 363. The year end outturn figure is 45.2% against a 17/18 target of 57%. A statistically robust residents' survey has been commissioned for 18/19 which will include this question (wording as per the LGA recommendation) which will provide the council with a greater level of confidence in this measure.</p>									
An excellent customer experience	5.1.2	Number of sign-ups to the residents email newsletter					314	268	★
An excellent customer experience	5.2.1	Number of "My Account" users					12,907	10,000	★
An excellent customer experience	5.3.1	Percentage of calls answered within 60 seconds					66.2	80.0	▲

Corporate Services Overview and Scrutiny Panel 2017/18: All Quarters YTD

Council Strategic Priority	Ref.	Measure	Q1 YTD	Q2 YTD	Q3 YTD	Q4 YTD	Actual YTD	Target YTD	YTD Status
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**Q4 Commentary**  
 The outturn 2017/18 performance was 66 % with Q1 37%, Q2 74%, Q3 88%,and Q4 74%) Following the performance in Q1 it was unlikely this target would be met. Remedial action was taken in June 2018 where Cabinet agreed the funding of temporary extra resources this has seen an improvement trend. In August the procurement of a replacement telephony system was approved and implemented in December 2017. Q4 was just under agreed performance, within agreed tolerance, due to the impact of snow and staff absences. Further improvements to performance will continue in 2018/19.

An excellent customer experience	5.3.2	Percentage of calls abandoned after 5 seconds					9.1	5.0	●
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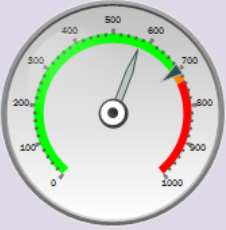

**Q4 Commentary**  
 The 2017/18 outturn is 9.1% against an agreed performance target of less than 5%. The reasons are linked to the percentage of calls answered within 60 seconds. Q1 19%, Q2 5.2%, Q3 3 %, Q4 5.7% Remedial action was taken in June 2018 where Cabinet agreed the funding of temporary extra resources this has seen an improvement trend month on month. Further improvements to performance will continue in 2018/19.

22 An excellent customer experience	5.3.3	Average no. days to process new claims and changes in circumstances (Housing Benefits)					3.67	3.50	●
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**Q4 Commentary**  
 Although the full year performance is yet to be published by the DWP, it is estimated that RBWM will be the top performing unitary in the South East for the third year running. The year end performance for 2017/18 is 0.2 days short of the target. This equates to a claim taking 1.5hours longer to process and residents continue to receive a fantastic service when compared to the majority of other councils.

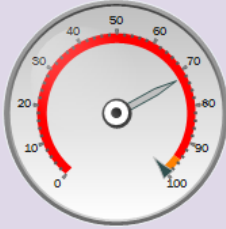

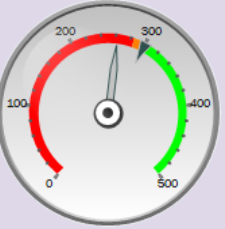
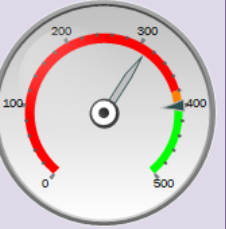
An excellent customer experience	5.3.4	Percentage of calls resolved right first time					95.5	83.0	★
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Corporate Services Overview and Scrutiny Panel 2017/18: All Quarters YTD

Council Strategic Priority	Ref.	Measure	Q1 YTD	Q2 YTD	Q3 YTD	Q4 YTD	Actual YTD	Target YTD	YTD Status
An excellent customer experience	5.4.1	Number of council complaints received (excluding adults and children's services)	?	?	?		574	700	★
An excellent customer experience	5.4.1d	Number of council complaints relating to customer services and housing benefits services	?	?	?		128	?	n/a

**Q4 Commentary**

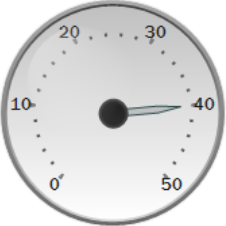
This is the first year of reporting and recording complaints in this way. A year end figure only is available for complaints. In 2018/19 further focus on improving the software to record complaints as well as working with services will improve reporting further. Complaints in 2018/19 will be reported bi-annually.

An excellent customer experience	5.4.2	Number of compliments received about services (excluding adults and children's services)					310	400	▲
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**Strategy and Performance Team Note**

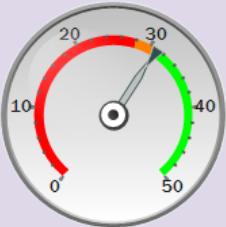
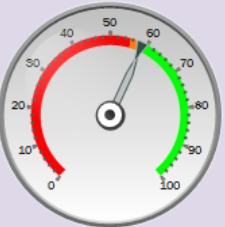
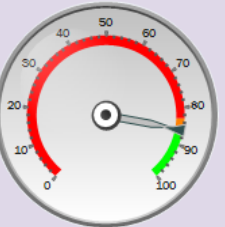
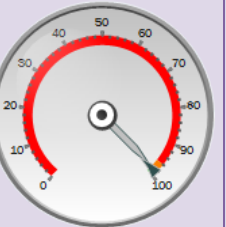

This is the first year of reporting and recording compliments in this way. In 2018/19 further focus on improving the software to record complaints and compliments as well as working with services will improve reporting further. Complaints and compliments in 2018/19 will be reported bi-annually.

Corporate Services Overview and Scrutiny Panel 2017/18: All Quarters YTD

Council Strategic Priority	Ref.	Measure	Q1 YTD	Q2 YTD	Q3 YTD	Q4 YTD	Actual YTD	Target YTD	YTD Status
An excellent customer experience	5.4.2d	Number of compliments received relating to customer services and housing benefits services	?	?	?		40	?	n/a

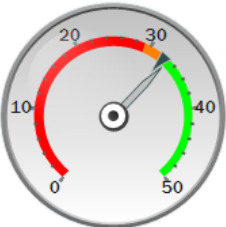
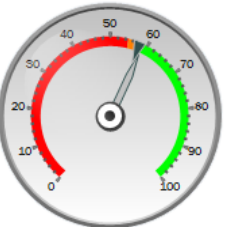
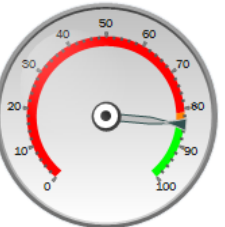
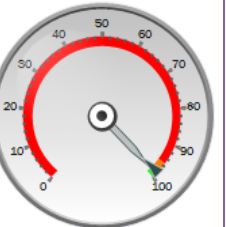

**Q4 Commentary**


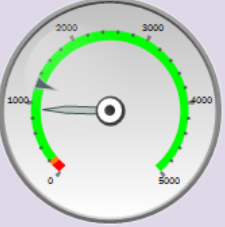
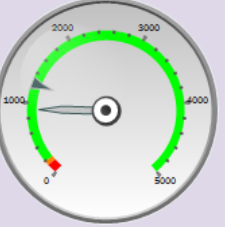
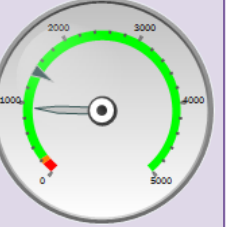

As with measure 5.4.2 this is the first year of reporting in this way. Data for this measure will be available bi-annually in 2018/19.

Well-managed resources delivering value for money	6.1.1	Percentage collection rate for Council Tax					98.3	99.0	
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**Q4 Commentary**

Although the collection rate achieved of 98.3% is the same as that achieved in 2016/17, the value this represented last year was £77,541,341 while this year it is £81,293,725. Therefore, although the target was missed by 0.7%, in real terms, the revenue collected increased by £3,752,384. This is largely due to increased sums charged in respect of council tax from preceptors and the Royal Borough.

Well-managed resources delivering value for money	6.1.2	Percentage collection rate for Non Domestic Rates (Business Rates)					98.82	98.31	
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Well-managed resources delivering value for money	6.1.3	Council Tax level comparative with the average unitary Band D (£)					933.42	1,430.84	
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Corporate Services Overview and Scrutiny Panel 2017/18: All Quarters YTD

Council Strategic Priority	Ref.	Measure	Q1 YTD	Q2 YTD	Q3 YTD	Q4 YTD	Actual YTD	Target YTD	YTD Status
<b>Target</b>									
The target for 18/19 has been set at a figure that would put the council in the top 25% of local authorities' Band D charge.									
Well-managed resources delivering value for money	6.2.1	Percentage of staff who have left the council voluntarily					15.26	12.00	●
Well-managed resources delivering value for money <b>25</b>	6.3.1	Percentage of customer interactions that are digital					40.2	30.0	★
<b>Service comment</b>									
Data does not yet include payments - tbc shortly									
Well-managed resources delivering value for money	6.4.1	Percentage of residents expressing satisfaction with services	?	?	?	?	?	75.0	?
<b>Q4 Commentary</b>									
Data for this measure will be available in 2018/19 from the externally commissioned residents' survey.									

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Report Title:	<b>RBWM Property Company Ltd – Q1 Report 2018-2019</b>
Contains Confidential or Exempt Information?	NO
Member reporting:	Cllr Rankin – Lead Member for Economic Development and Property
Meeting and Date:	Cabinet 27 <sup>th</sup> September 2018
Responsible Officer(s):	Russell O’Keefe – Executive Director
Wards affected:	All

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## REPORT SUMMARY

1. The report provides an operational update on RBWM Property Company Ltd covering:
  - Delivery plans
  - Governance
  - Human resources
  - Value for money/added value
  - Health and safety
  - Property Portfolio
  - Development programme update.
2. A delivery plan has been established for 2018/2019 targeting key tasks and milestones. A detailed review of the overall business plan has been undertaken and approved by Cabinet on 28<sup>th</sup> June 2018.
3. The company is currently projecting a pre-tax profit of £248,000 for 2018/19.

## 1 DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Cabinet notes the report and:

- i) Considers the update report and performance to date.

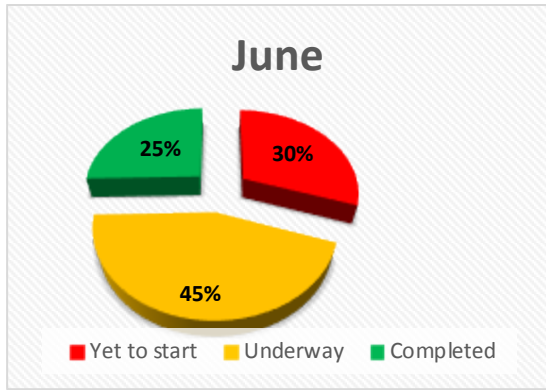
## 2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 Operational reports go to the company board on a monthly basis, and include all key elements of business operations. The latest position is summarised in this report.

### **Delivery plans**

- 2.2 Delivery plans have been established for 2018-2019 financial year to enable the company to focus on key milestone and outputs that need to be completed by March 2019. Progress is summarised in table 1 below.

**Table 1: Delivery of key milestones and outputs 2018-2019**



Task	%
Yet to Start	30%
Underway	45%
Completed	25%
<b>Total</b>	<b>100%</b>

2.3 The above performance puts the company on track with its key milestones up to and including the end of June 2018, with 25% of our delivery plans completed, and 45% well underway. Areas which have yet to start include projects where planning permission needs to be submitted and are not due for submission at this time.

2.4 In September 2018 the company will seek to start to establish the delivery plan for 2019-2020. A review of the business plan will be undertaken in November, in order to take into considerations any changes that may affect the budgetary requirements for 2019-2020.

**Governance**

2.5 The existing company structure for the company is currently limited to one company that is limited but not Vat registered. This is due to the fact that this company holds assets for rent, and rental income is not a vatable supply.

2.6 The company currently works through a shareholders agreement and a dividend policy. It is the intention of the Board to review both of these documents this year, to make sure that they are fit for purpose and still reflective of the shareholders aspirations and objectives.

**Human resources**

2.7 The staffing structure currently includes the Managing Director plus 4 staff. The company is in the process of recruiting an additional special project manager and a support post.

**Value for money/added value**

2.8 Savings on professional fees for 2018-2019 have already been made of £366,000, based on less reliance of external professional consultants, and changes made to contracts to make them more commercial and tax efficient.

**Health and safety**

2.9 The company currently own 11 properties and manages 1 on behalf of the Council. Properties are 100% compliant in all the following areas:

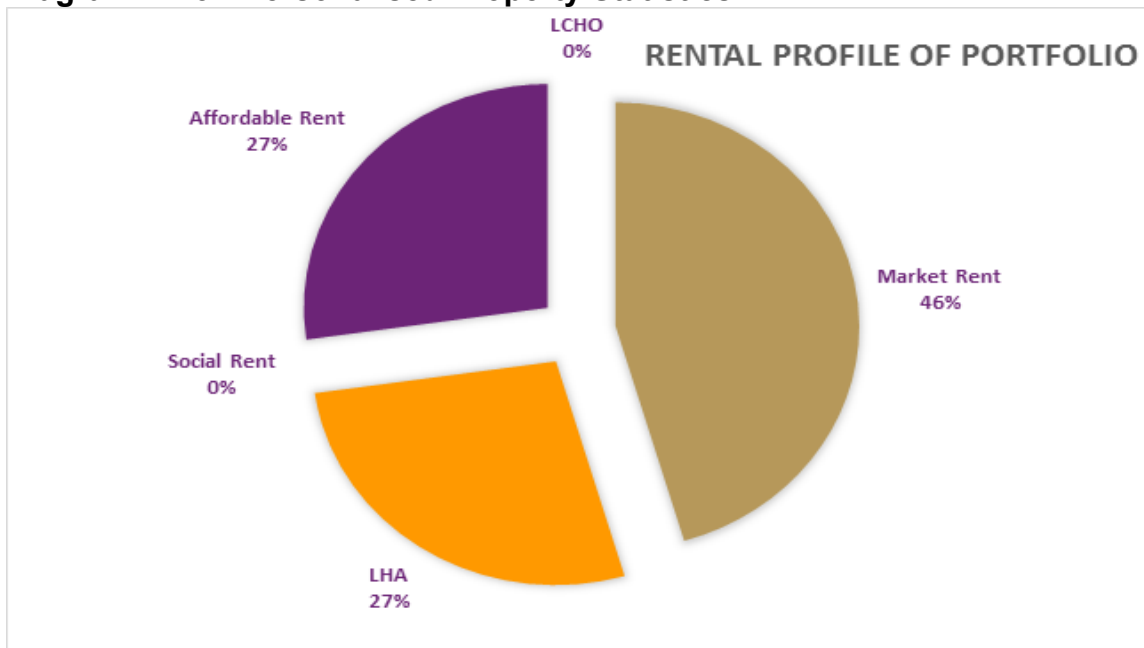
- Asbestos
- Legionella
- Landlord Gas Safety (LGSR) – CP12
- EPC (Energy Performance Certificate)
- Electrical Testing

## Property Portfolio

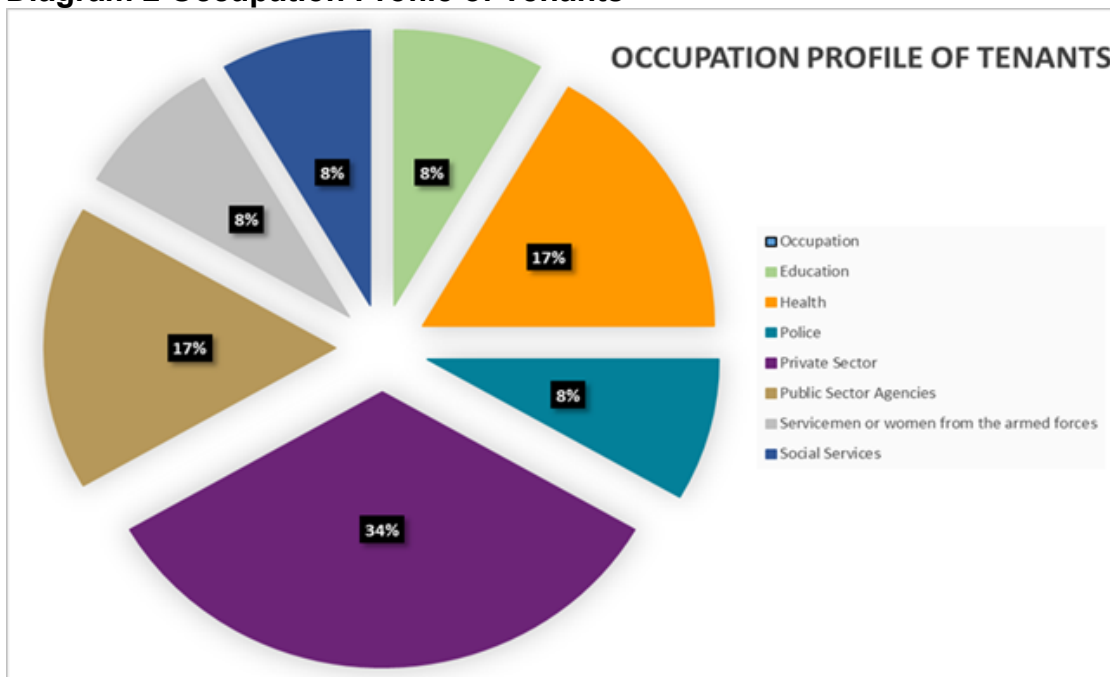
2.10 All properties were let up to and including end of June 2018.

2.11 The company monitors on a quarterly basis the financial performance of its property portfolio. The current mix of market, affordable and local housing allowance tenures determines that the overall existing loan commitments of £1,458,000 repays the debt in 14 years. This assumes rent increases at 3% per annum, interest costs at 5% fixed for the duration and base assumptions for responsive and planned maintenance as per the approved parameters in the business plan. It also demonstrates a blended IRR (Internal Rate of Return) of 9.85%.

**Diagram 1 Non-Personalised Property Statistics**



**Diagram 2 Occupation Profile of Tenants**



Development programme update

2.12 A list of all projects that are currently underway and require input, guidance, advice and management by the company have been brought together into an overall development programme. This has been divided into four key categories in order to review better on a monthly basis, and also, to keep track of progress. The work streams have been divided into:

- Potential development programme
- Joint venture programme
- Development consultancy
- Enabling provision.

2.13 Three of these categories specifically target the provision of housing across the borough and one category identifies development consultancy work on special capital projects that require delivery on behalf of the Council.

#### **Potential development programme**

2.14 The investment report for three projects at St Edmunds House, the Brocket and 16 Ray Mill Road East was presented and approved by the company's board on 5 June 2018 and subsequently presented and approved by Cabinet and Council in July. These sites has been approved for the release for use as affordable housing and for transfer into the ownership of the company.

#### **Joint venture programme**

##### Maidenhead Town Centre - York Road (Countryside JV)

2.15 The planning application was submitted on 30 May 2018 for detailed consent for a predominately residential led scheme comprising of 229 new residential dwellings over 5 building ranging from 5 to 8 storeys (Use Class C3) 1,930 sqm of commercial and community/cultural floor space (Use Class A1/A3/B1/D1), provision of a new civic square/ AND public realm enhancements. The scheme is expected to go to planning committee on 26<sup>th</sup> September 2018.

2.16 As part of the consultation process a number of responses have been received. Countryside have met with the planners to discuss these objections and are happy that most of these will be addressed through the planning process.

##### Maidenhead Town Centre - St Clouds Way (Countryside JV)

2.17 Metropolitan Workshop was appointed as architects to take the scheme forward for the design and planning work. They have also brought in specialist planning, impact assessment, landscape design and ecology consultancy LUC (Land Use Consultants) to work alongside them.

2.18 The first Public Consultation has taken place over a two day period on 19 July 2018 and 20 July. This public consultation will help inform the master plan and design process of the scheme and pre-app discussions with the planners in due course.

##### Ray Mill Road East, Maidenhead (Cala Homes)

2.19 Legal documents are in their final stages of agreement and exchange is now targeted for end of August 2018 with Cala Homes.

##### Maidenhead Golf Course

2.20 The final stage three has been concluded for the OJEU procurement process and a report was presented to the Cabinet and Council in July recommending the appointment of Cala Homes.

2.21 Work is now progressing on concluding a development agreement with Cala Homes.

**Development consultancy**

2.22 Work is progressing on the investment case and procurement route for Broadway Car Park and these will come forward to Council and Cabinet as separate reports for approval.

2.23 Work is well underway to deliver the two temporary car parks in order to free up surface car parking in the York Road development area. This will allow Countryside access to this site area by February 2019, in order for site preparation to begin. Planning applications have been submitted and approved for Clyde House Warehouse and the Tenpin Bowling site. The two sites combined will provide 170 spaces. The dilapidations will also be completed at Hines Meadow before the end of this calendar year freeing up an additional 100 spaces for staff car parking.

**Enabling provision**

2.24 These include sites where there is no direct involvement but where the company seeks to enable the delivery of sites owned by private organisations to support a joined up approach to regeneration in the borough. These are generally discussed through the Maidenhead Developers Forum which meets bi-monthly.

**3 KEY IMPLICATIONS**

**Table 2: Key implications for sites in development programme**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Planning Submission	Not secured	Achieved by key milestone	Achieved within key milestone	Achieved 2 months prior to key milestone	Project specific
Resolution to Grant	Not secured	Achieved by key milestone	Achieved within key milestone	Achieved 2 months prior to key milestone	Project specific
Start on Site	Not secured	Achieved by key milestone	Achieved within key milestone	Achieved 2 months prior to key milestone	Project specific
Budgets	Over budget	On budget	Within budget	Outperforms by 10% of more	Ongoing
Practical Completion	Not secured	Achieved by key milestone	Achieved within key milestone	Achieved 2 months prior to key milestone	Project specific
Letting or	Not	Achieved	Achieved	Achieved 2	Project

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
sales of Properties	secured	by key milestone	within key milestone	months prior to key milestone	specific

#### **4 FINANCIAL DETAILS / VALUE FOR MONEY**

- 4.1 The overall financial monitoring report for month ending June 2018 shows a projected gross profit before tax of £248,000.
- 4.2 The Council's Medium Term Financial Plan assumes a dividend of £160,000 for 2018/19.

#### **5 LEGAL IMPLICATIONS**

- 5.1 The Council has the authority to commission the company to undertake work on their behalf to deliver projects should they wish to proceed. RBWM Prop Co is a wholly owned subsidiary of the Council and work of this nature would fall under Teckal regulations and a tendering process would not be necessary.

#### **6 RISK MANAGEMENT**

- 6.1 The company has a strategic risk register which is regularly monitored and reviewed. The register is divided into 5 key areas;
- Governance
  - External
  - Strategic
  - Operational
  - Financial.
- 6.2 In total 35 risks are profiled, each risk assessed to ensure common agreement and understanding of its description and then prioritised on a matrix. The risk matrix measured each risk for its likelihood and its impact in terms of its potential for affecting the ability of the organisation to achieve its objectives. For the risks that were assessed with higher likelihood and impact, the company validated the risk scenarios and determined actions to manage them, including assessing the adequacy of existing actions and identifying the need for further actions in order to move the risk down the matrix.
- 6.3 There are currently no extreme/catastrophic or significant risks identified in the strategic risk register.
- 6.4 The detailed risks of each scheme is identified in an investment report as each scheme has its own risk profile.

#### **7 POTENTIAL IMPACTS**

- 7.1 All sites being progressed have the ability to improve and contribute to housing supply in the borough and financial returns to the Council through initial sales receipts and/or long term income streams.



## 8 CONSULTATION

8.1 This report will be considered by Corporate Overview and Scrutiny Committee.

## 9 TIMETABLE FOR IMPLEMENTATION

9.1 The work of the company is ongoing with projects progressing to different timetables.

## 10 CONSULTATION (MANDATORY)

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Commented &amp; returned</b>
Councillor Rankin	Lead Member for Economic Development and Property	21 August 2018	
Alison Alexander	Managing Director	20 August 2018	
Russell O'Keefe	Executive Director	20 August 2018	
Andy Jeffs	Executive Director	20 August 2018	
Rob Stubbs	Section 151 Officer	20 August 2018	
Nikki Craig	Head of HR and Corporate Projects	20 August 2018	
Elaine Browne	Law and Governance	20 August 2018	
Louisa Dean	Communications and Marketing Manager	20 August 2018	
	Other e.g. external		

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Report Title:	<b>RBWM Property Company – Investments Reports</b>
Contains Confidential or Exempt Information?	YES - Part II Appendix A, B & C. Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
Member reporting:	Councillor Rankin, Lead Member for Economic Development and Property.
Meeting and Date:	Cabinet - 27 September 2018
Responsible Officer(s):	Russell O’Keefe – Executive Director.
Wards affected:	All

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## REPORT SUMMARY

- 1 The property company has undertaken initial due diligence on three Council owned assets which are or will become vacant shortly and are potentially available for redevelopment.
- 2 The redevelopment of the three assets would deliver up to 27 affordable homes. All 27 properties would be delivered as affordable housing. 5 properties for social rent (27%) and 22 properties for shared ownership (73%). The provision of shared ownership across this small portfolio enables the provision of rented units at social rent levels to be provided.
- 3 The property company will deliver the projects on behalf of the Council, and when practical completion has been achieved the assets will transfer to the property company following approval from the Secretary of State.
- 4 Once all properties have been completed and transferred to the property company the outstanding capital cost will be converted to a loan which will be repaid to the Council, no later than year 18 at a fixed interest rate of 5%.
- 5 The Investment reports and associated projects come with a full recommendation from the Prop Co Board.

## 1 DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Cabinet notes the report and:

- i) Approves the capital budget spend of £7,059,088 for the three redevelopment projects.
- ii) Approves the transfer of the assets, once completed to RBWM Property Co Ltd, for use as affordable housing.
- iii) Delegates authority to the Executive Director with the Lead Member for Economic Development and Property to progress the projects including submitting planning applications and appointing contractors.

## **2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED**

- 2.1 The business plan for the property company is designed to assist the Council to achieve its strategic priority of securing an increase in the number of affordable homes available to residents. Building up a portfolio of assets of both market and sub market products, with a priority focus for key workers in the borough, is aligned with the Council vision and strategic priority.
- 2.2 Redevelopment of the three assets will enable up to 27 new affordable homes to be added to the property company portfolio to help to meet housing need in the Borough. The three assets are:
- Mokattam, Altwood Bailey, Maidenhead (Appendix A).
  - School House, Riverside Primary School, Maidenhead (Appendix B).
  - Ray Mill Road East, Maidenhead (Appendix C).
- 2.3 The three assets will enable 27 affordable homes to be delivered to households on incomes ranging from £15,000-£40,000 per annum. The average household income in the borough is currently £45,000 per annum.
- 2.4 All three assets are in the ownership of the Council and become vacant by December 2018. Therefore there are no issues in terms of gaining vacant possession or terminating any leases.
- 2.5 Planning permission will be required on all three assets. Planning is always a risk and pre application advice would be obtained before committing a substantial proportion of the budget to the redevelopment projects.
- 2.6 The asset at Mokattam, Altwood Bailey, Maidenhead is currently used as a care home and will become vacant in December 2018. A decant process has taken place over the last year, after A2 Dominion decided they did not wish to renew the lease for the building, or run a service for the residents. Housing Solutions have been instrumental in finding alternative more appropriate accommodation for all residents. It is proposed to deliver an affordable housing scheme of up to six homes, two homes for social rent and four homes for shared ownership.
- 2.7 The School House at Riverside Primary School is a single 3 bed detached house which was used for caretaker accommodation. The caretaker has now retired, and is being moved to alternative more appropriate accommodation for his needs. This property becomes vacant in August 2018 and it proposed to re-develop the site and deliver an affordable housing scheme of two homes for social rent and 2 homes for shared ownership.
- 2.8 The land at Ray Mill Road East, Maidenhead is currently vacant. The Council is currently finalising a disposal of the land to Cala Homes to deliver 78 homes. As part of the current deal 20 homes will be transferred to the Prop Co and used for affordable housing. It is proposed to acquire a further 17, of the 58, of the homes for affordable housing.
- 2.9 When making an assessment of these assets a disposal of assets for private development on the open market was explored. Although this still remains an option for the council, it is recommended that these assets be retained by the

property company a wholly owned subsidiary of the Council and used for the benefit of affordable housing.

**Table 1: Options**

<b>Option</b>	<b>Comments</b>
Approve budget of £7,059,088 to deliver up to 27 affordable homes for residents living and working in the borough.  <b>This is recommended.</b>	This would ensure the delivery of additional affordable housing in the Borough and a positive return on investment and use of the Council's assets.
To not approve budget of £7,059,088 to deliver up to 27 affordable homes for residents living and working in the borough.	This would not deliver affordable housing or make positive use of these Councils assets.

### 3 KEY IMPLICATIONS

**Table 2: Key implications – Mokattam**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Planning submission	Not submitted	15 <sup>th</sup> March 2019	30 <sup>th</sup> February 2019	31 <sup>st</sup> January 2019	15 <sup>th</sup> March 2019
Budgets	>10% Increase	On budget	5% saving	10% saving	July 2020
External consultants appointed	Not appointed	30 <sup>th</sup> October 2018	30 <sup>th</sup> September 2018	N/A	30 <sup>th</sup> October 2018
Start on site	Not achieved at all	August 2019	July 2019	June 2019	August 2019
Practical completion	Site delayed	July 2020	June 2020	May 2020	July 2020

**Table 2: Key implications – Riverside**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Planning submission	Not submitted	15 <sup>th</sup> March 2019	30 <sup>th</sup> February 2019	31 <sup>st</sup> January 2019	15 <sup>th</sup> March 2019
Budgets	>10% Increase	On budget	5% saving	10% saving	July 2020
External consultants appointed	Not appointed	30 <sup>th</sup> October 2018	30 <sup>th</sup> September 2018	N/A	30 <sup>th</sup> October 2018
Start on	Not	August	July 2019	June 2019	August 2019

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
site	achieved at all	2019			
Practical completion	Site delayed	July 2020	June 2020	May 2020	July 2020

**Table 2: Key implications – Land at Ray Mill Road East**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Exchange of Contracts with CALA homes for disposal of the land	Not acquired	30 <sup>th</sup> June 2019	1 month before	2 months before	30 <sup>th</sup> June 2019.
Planning submission	Not submitted	28 <sup>th</sup> December 2018	1 month before	N/A	December 2018
Budgets	>10% Increase	On budget	5% saving	10% saving	December 2020
External consultants appointed	Not appointed	30 <sup>th</sup> October	September 2018	N/A	30 <sup>th</sup> October 2018
Start on site	Not achieved at all	1st August 2019	30 <sup>th</sup> July 2019	30 <sup>th</sup> June 2019	1st August 2019
Practical Completion	Site delayed	30 <sup>th</sup> December 2020	30 <sup>th</sup> November 2020	30 <sup>th</sup> October 2020	30 <sup>th</sup> December 2020

#### **4 FINANCIAL DETAILS / VALUE FOR MONEY**

4.1 Costs to date have been run as feasibilities appraisals and will need to be updated and signed off by the Executive Director and Lead Member for Economic Development and Property as the projects progress. The key stages for sign off would be:

- Feasibility Appraisal
- Planning Appraisal
- Pre-Construction Appraisal
- Practical Completion Appraisal
- End of Sales Appraisal (only where share ownership is included)

4.2 Investment reports are provided, see appendix xx. The reports confirm that that each redevelopment has a positive net present value (NPV) and internal rate of return (IRR):

- Mokattam, capital budget of £1,704,682, IRR of 8.23% and NPV of £279,384.
- School House, capital budget of £905,863, IRR of 7.1% and NPV of £93,778.

- Ray Mill Road East, capital budget £4,448,543, IRR of 8.98% and an NPV of £750,222.
- 4.3 Once all properties have been completed and transferred to the property company the outstanding capital cost will be converted to a loan which will be repaid to the Council, over 18 years and at an interest rate of 5%.
- 4.4 In the future the Property Company will explore moving completed assets to external financing arrangements to reduce the level of borrowing from the Council.

**Table 3: Financial impact of report’s recommendations**

**Please note capital use and table to be profiled before version sent to cabinet briefing.**

<b>CAPITAL</b>	2018/2019	2019/2020	2020/2021
Addition	£2,353,029	£2,353,029	£2,353,029
Net impact	£2,353,029	£2,353,029	£2,353,029

**5 LEGAL IMPLICATIONS**

- 5.1 The Council has the power to obtain planning, and build properties on its own land. It will require approval from the Secretary of State to transfer properties at practical completion to RBWM Property Company Ltd for the use of affordable housing. This permission will be sought prior to practical completion and handover of properties to the Property Company.

**6 RISK MANAGEMENT**

- 6.1 A risk register per redevelopment project will be drawn up if capital budgets are approved. Overall risks are set out in table 4.
- 6.2 All three redevelopment projects will be monitored by RBWM Property Company Board, with regular finance reports, risk registers, project reports to the board.

**Table 4: Impact of risk and mitigation**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
Planning	High	Pre-application advice, before submission	Medium
Start on site	High	Reschedule programme	Low
Acquisition of third party land	Medium	Alternative scheme if not acquired	Low
Build cost inflation	Medium	Ascertain fixed build cost prior to	Low

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
		start on site	
Sales values for shared ownership properties	Medium	Regular updated valuations. Monitor the market for other shared ownership schemes.	Low

## **7 POTENTIAL IMPACTS**

- 7.1 The projects will be delivered for and on behalf of the Council by RBWM Property Company Ltd. The company now has a dedicated team of staff, all experienced in residential property development. It also has a dedicated Board all of which bring a collection of finance, property and corporate business skills.
- 7.2 Once the redevelopment projects have been completed, the properties will transfer in ownership to the property company who will manage the portfolio of affordable homes.
- 7.3 The assets will then be owned by the property company who in turn is fully owned by the Council. Through this process the Council never lose control of the assets.

## **8 CONSULTATION**

- 8.1 The report will be submitted to the Corporate Services Overview & Scrutiny Committee.

## **9 TIMETABLE FOR IMPLEMENTATION**

- 9.1 The key stages below will enable a professional team to be engaged and continue with both due diligence and planning.

**Table 5: Implementation timetable**

<b>Date</b>	<b>Details</b>
25 September 2018	Full Council approval of capital budget
27 September 2018	Cabinet approval to progress the projects
20 October 2018	Appoint professional team

- 9.2 Implementation date if not called in: Immediately.

## **10 APPENDICES**

- 10.1 There are three appendices to this report:



- Appendix A – Land at Ray Mill Road East, Maidenhead – Investment Report. Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972
- Appendix B – Mokattam, Altwood Bailey, Maidenhead – Investment Report. Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972
- Appendix C – School House, Riverside Primary School, Maidenhead – Investment Report. Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

## 11 BACKGROUND DOCUMENTS

11.1 Not applicable.

## 12 CONSULTATION (MANDATORY)

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Commented &amp; returned</b>
Councillor Rankin	Lead Member for Economic Development and Property.	23.8.18	28/8/18
Alison Alexander	Managing Director	23.8.18	28/8/18
Russell O’Keefe	Executive Director	23.8.18	
Andy Jeffs	Executive Director	23.8.18	28/8/18
Rob Stubbs	Section 151 Officer	23.8.18	28/8/18
Nikki Craig	Head of HR and Corporate Projects	23.8.18	
Elaine Browne	Law and Governance	23.8.18	
Louisa Dean	Communications and Marketing Manager	23.8.18	
	Other e.g. external		

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Report Title:	<b>Financial Update</b>
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Saunders, Lead Member for Finance
Meeting and Date:	Cabinet – 27 September 2018
Responsible Officer(s):	Rob Stubbs, Deputy Director and Head of Finance.
Wards affected:	All

## REPORT SUMMARY

1. This report sets out the Council's financial position to date for the financial year 2018-19. Current pressures, as previously identified during the 2017-18 financial year, are being partially mitigated resulting in a net pressure of £1,426,000, see Appendix A. The main pressures are: Children's Services placement costs in relation to providing children in care, housing benefit subsidy and bus subsidies.
2. The Council's base budget is £85,344,000. Aggregated usable reserves are in a healthy position at £8,682,000 (10.17% of budget) which remains in excess of the £5,860,000 (6.87% of budget) recommended minimum level set at Council in February 2018, see Appendix B.

## 1 DETAILS OF RECOMMENDATION(S)

### RECOMMENDATION: That Cabinet:

- i) **Notes the Council's projected outturn position for 2018-19 and requests work continues to identify mitigations to offset the projected variance.**
- ii) **Approves a capital budget of £285,000 for Design Quality. This grant has been awarded from the Planning Delivery Fund for use in the Borough, see para 4.18.**

## 2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 Cabinet are required to note the council's financial position and work will continue to identify mitigations to offset the projected variance.

## 3 KEY IMPLICATIONS

- 3.1 The Council is projecting an aggregated usable reserve totalling £8,682,000, against a recommended minimum reserve level of £5,860,000 to cover known risks for 18 months.

**Table 1: Key implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
General Fund Reserves Achieved	<£5,900,000	£5,900,000 to £6,000,000	£6,000,001 to £6,900,000	> £6,900,000	31 May 2019

#### **4 FINANCIAL DETAILS / VALUE FOR MONEY**

##### **Council outturn position**

- 4.1 The expected outturn position for the Council remains as reported in July an overspend of £1,426,000 on service budgets of £79,052,000.

##### **AfC Contract - Children's Services**

- 4.2 Children's services has a net overspend of £911,000 as a result of the number of placements for children in care outside of the local authority area in independent fostering and residential care. The service continues to seek to mitigate these costs through scrutiny of provision, improved commissioning for buying bulk placements; ensuring partners, health partnerships and schools, are fairly contributing to placement costs. In addition AfC is completing the registration process to Ofsted to become an independent fostering agency with an indication of this coming on line in April 2019.
- 4.3 The local pressure is in accord with national pressures, for instance the Local Government Association are predicting a children's services funding gap nationally of £2 billion by 2020 to maintain services at the current level with nearly half of local authority children's services budgets being spent on foster and residential care costs.
- 4.4 In August 2018 the Leader of the Council wrote to the Secretary of State for Education in respect of the financial pressures of the authority. The Secretary of State responded recognising Local Authorities face extremely tough choices for priorities in spend, at a time when demand for services is growing, see Appendix H.

##### **Commissioning - Communities**

- 4.5 The service projects an overspend of £153,000 which relates to Cabinet approved expenditure to support the bus routes covering Maidenhead, Wraybury and links between Maidenhead and Windsor for which offsetting savings have not proved to be available.
- 4.6 Nationally nearly half of all bus routes in England are now fully or partially subsidised by the local authority this is because operating costs are rising while passenger journeys are falling. Since 2013-14 there have been 297 million fewer journeys across the country.

##### **Communities, Enforcement and Partnerships**

- 4.7 Communities, Enforcement and Partnerships projects an overspend of £106,000 comprising:
- £16,000 in additional cost for the shared emergency planning service with West Berkshire and Bracknell Forest Councils, which started on the 1 April 2018.
  - £90,000 of unachievable income for printing as a result of external income not being generated.

## **Finance**

- 4.8 The finance service projects an underspend of £68,000 as a result of freezing vacancies.

## **Library and Resident Services**

- 4.9 Library and Resident Services projects a one-off overspend of £20,000, associated with employment of agency staff to cover vacancies to maintain performance levels in the call centre.

## **Planning Service**

- 4.10 The planning service projects an underspend of £90,000, this is made up of £50,000 projected surplus planning application income and £40,000 income for CIL(Community Infrastructure Levy)administration.

## **Revenues and Benefits**

- 4.11 Revenues and benefits projects an overspend of £394,000 for Housing benefit subsidy. The budgeted recovery rate for subsidy has been over 100% since 2014-15, and in 2017-18 was 101%. In 2017-18 the actual recovery rate was 99.7%, 1.3% less. Over the same period £2.5 million of budgeted subsidy has not been recovered, the vast majority of which, has been offset by a release in bad debt provision, or a positive move in debtors, which is no longer achievable.

## **AfC contract - Dedicated Schools Grant & Dedicated Schools Grant Retained**

- 4.12 There is a net in year deficit of £795,000 relating to the dedicated schools grant funded services consisting of £52,000 within AFC Contract and £743,000 within the retained element. The net in year deficit consists of:

- Manor Green School increased places and additional funding to support the provision of high needs within the school £436,000.
- Maintained schools additional funding to support the provision of high needs within schools £352,000.
- Others net £7,000.

- 4.13 The net overspend will be an additional pressure on the dedicated schools grant reserve which as at 31 March 2018 stood at £1,212,000. The revised projected deficit as at 31 March 2019 will be increased to £2,007,000.

- 4.14 At the Schools Forum in July 2018 the deficit carry forward of £2,007,000 was approved. If this is not offset over a period all schools will have to contribute to the overspend.

## **Transfers to and from the General fund reserves**

- 4.15 Additional funding of £6,000 is required to cover the overspend on the pay and reward budget

**Table 2: Revenue budget movement**

<b>Service expenditure budget reported to August cabinet</b>	<b>£78,703,000</b>
Early retirement and severance pay funded from the provision	£349,000
<b>Service expenditure budget this month, see Appendix C</b>	<b>£79,052,000</b>

### Cash balances projection

- 4.16 Throughout the year the council's cash balances have been revised, see Appendix D twelve monthly capital cash flow which is based on the assumptions contained in the 2018-19 budget report.

### Capital programme

- 4.17 The approved 2018-19 capital estimate is £64,802,000, see table 3. The projected outturn for the financial year is £64,777,000, see table 4 for capital programme status, with further information in Appendices E - G.

**Table 3: Capital outturn**

	<b>Exp</b>	<b>Inc</b>	<b>Net</b>
<b>Approved estimate</b>	£64,802,000	(£20,550,000)	£44,252,000
Variances identified	(£25,000)	£25,000	£0
Slippage to 2019-20	(£0)	£0	£0
<b>Projected Outturn 2018-19</b>	£64,777,000	(£20,525,000)	£44,252,000

**Table 4: Capital programme status**

	<b>Report Cabinet August 2018</b>
<b>Number of schemes in programme</b>	<b>175</b>
Yet to start	25%
In progress	44%
Completed	6%
Ongoing programmes e.g. Disabled Facilities Grant	24%
Devolved formula capital grant schemes budgets devolved to schools	1%

### 4.18 Planning Delivery Grant: Design Quality

The local authority has received a capital grant of £60,000 for 2017/18 & £225,000 for 2018/19 from the Planning delivery fund for design quality. This grant will fund design resources and raise the quality of new planned development, see recommendation 2.

- 4.19 **Business rates:** Business rate income at the end of July 2018 was 40.61% against a target of 41%. The annual collection target for 2018-19 is 98.8%.

- 4.20 **Business rate revaluation support.** The methodology for the distribution of the £329,000 available from Ministry of housing, communities and local government, has been agreed. The policy has been rewritten to reflect this and the accounts are being revised to reflect the adjustment.

## 5 LEGAL IMPLICATIONS

- 5.1 In producing and reviewing this report the Council is meeting its legal obligations to monitor its financial position.

## 6 RISK MANAGEMENT

**Table 5: Impact of risk and mitigation**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
None			

## 7 POTENTIAL IMPACTS

7.1 None.

## 8 CONSULTATION

8.1 Overview & Scrutiny will review the report prior to Cabinet. Comments will be reported to Cabinet.

## 9 TIMETABLE FOR IMPLEMENTATION

9.1 Implementation date if not called in: immediately.

## 10 APPENDICES

10.1 There are seven appendices to the report:

- Appendix A Revenue Monitoring Statement 2018/19 for Sept Cabinet
- Appendix B General Fund Reserves
- Appendix C Revenue movement statement
- Appendix D 12 month cash flow @ 17/8/2018
- Appendix E Capital budget summary
- Appendix F Capital monitoring report
- Appendix G Major capital scheme progress
- Appendix H Letters to and from the Secretary of state for Education

## 11 BACKGROUND DOCUMENTS

11.1 The background document relating to this report is detailed below.

- Budget Report to Council February 2018.

## 12 CONSULTATION (MANDATORY)

<b>Name of consultee</b>	<b>Post held</b>	<b>Date issued for comment</b>	<b>Date returned with comments</b>
Cllr Saunders	Lead Member for Finance	23/08/2018	25/08/2018
Cllr Rankin	Deputy Lead Member for Finance	23/08/2018	
Alison Alexander	Managing Director	21/08/2018	22/08/2018
Russell O'Keefe	Executive Director	21/08/2018	
Andy Jeffs	Executive Director	21/08/2018	
Rob Stubbs	Section 151 Officer	21/08/2018	21/08/2018
Nikki Craig	Head of HR and Corporate	21/08/2018	

<b>Name of consultee</b>	<b>Post held</b>	<b>Date issued for comment</b>	<b>Date returned with comments</b>
	Projects		
Louisa Dean	Communications	21/08/2018	
Hilary Hall	Deputy Director Strategy and Commissioning	21/08/2018	2108/2018

## **REPORT HISTORY**

<b>Decision type:</b>	<b>Urgency item?</b>	<b>To Follow item?</b>
For information	No	No
Report Author: : Ruth Watkins, Senior Accountancy and Finance Operations Lead, 01628 683504		



## Revenue Monitoring Statement 2018/19 for September 2018 Cabinet

SUMMARY	2018/19		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Management	660	348	0
Communications	412	450	0
Human Resources	883	1,069	0
Law & Governance	2,350	2,365	0
Commissioning & Support	3,872	3,812	0
Commissioning - Communities	8,182	8,222	153
AfC Contract - Children's Services	21,356	21,741	911
AfC Contract - Dedicated Schools Grant	12,196	11,311	52
Children's Services - Retained	(2,118)	(2,544)	0
Dedicated Schools Grant - Retained	50,385	51,098	743
Adult Social Care - Optalis Contract	29,443	29,414	0
Adult Social Care - Spend	15,461	15,764	0
Adult Social Care - Income	(10,658)	(10,867)	0
Better Care Fund	12,033	12,103	0
Public Health	4,780	4,781	0
Grant Income	(78,166)	(78,062)	(795)
<b>Total Managing Director's Directorate</b>	<b>71,071</b>	<b>71,005</b>	<b>1,064</b>
Executive Director of Communities	229	233	0
Revenues & Benefits	(109)	(68)	394
Communities, Enforcement & Partnerships	732	1,011	106
Library & Resident Services	3,019	3,233	20
<b>Total Communities Directorate</b>	<b>3,871</b>	<b>4,409</b>	<b>520</b>
Executive Director of Place	298	304	0
Housing	1,370	1,461	0
Planning Service	1,344	1,397	(90)
Property Service	(2,577)	(2,574)	0
Finance	1,269	1,340	(68)
ICT	1,133	1,710	0
<b>Total Place Directorate</b>	<b>2,837</b>	<b>3,638</b>	<b>(158)</b>
<b>TOTAL EXPENDITURE</b>	<b>77,779</b>	<b>79,052</b>	<b>1,426</b>

## Revenue Monitoring Statement 2018/19 for September 2018 Cabinet

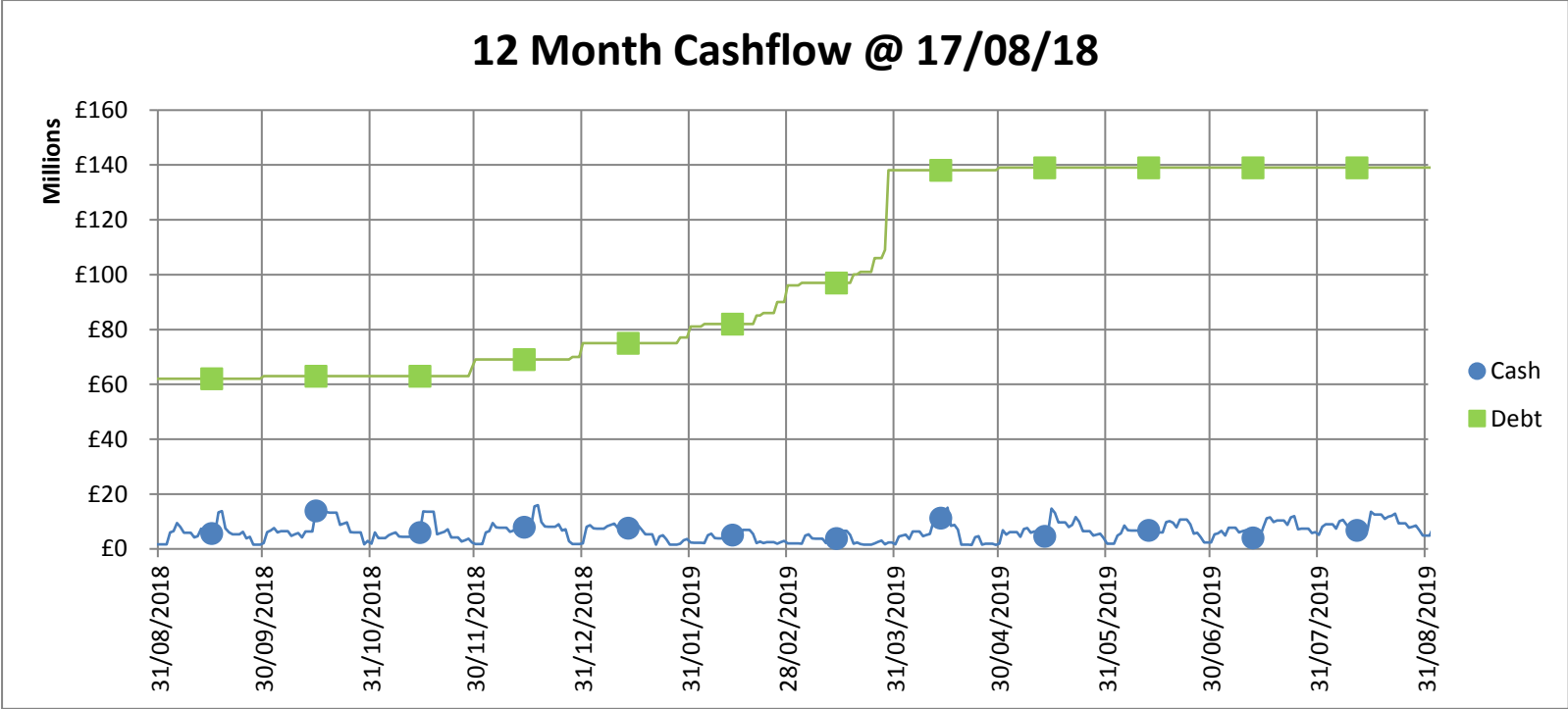
SUMMARY	2018/19		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
<b>Total Service Expenditure</b>	<b>77,779</b>	<b>79,052</b>	<b>1,426</b>
Contribution to / (from) Development Fund	5	5	0
Pensions deficit recovery	2,428	3,176	0
Pay reward	500	(6)	0
Transfer from Provision for Redundancy	0	(450)	0
Transfer to Provision for Redundancy			0
Increase / (Decrease) to provision for bad debt			0
Apprentice Levy	0	0	0
Environment Agency levy	156	156	0
Variance on income from Trading Companies			0
Variance on Education Services Grant			0
Variance on Business Rates income		(2,896)	0
Transfer to / (from) Capital Fund		830	0
Variances on general grants			0
Capital Financing inc Interest Receipts	<u>5,523</u>	<u>5,523</u>	<u>0</u>
<b>NET REQUIREMENTS</b>	<b>86,391</b>	<b>85,390</b>	<b>1,426</b>
Less - Special Expenses	(1,047)	(1,047)	0
Transfer to / (from) balances	0	1,001	(1,426)
<b>GROSS COUNCIL TAX REQUIREMENT</b>	<u><b>85,344</b></u>	<u><b>85,344</b></u>	<u><b>0</b></u>

<b>General Fund Reserves £000</b>	
<b>Opening Balance 2017/18</b>	<b>8,947</b>
<b>Transacted amounts To/(From) General Fund reserves in 2018/19</b>	
September reported service variance	(1,426)
<b>Total reported variances in 2018/19</b>	<b>(1,426)</b>
Empty homes supplementary budget to Housing Strategy	(32)
Additional business rate income following annual business rates return	2,896
Fire & Rescue Inspections	(130)
Pay award	(55)
Pension deficit shortfall	(748)
Heathrow judicial review	(100)
Overspend on pay award budget	(6)
<b>Transfers to/(from) General reserves</b>	<b>1,825</b>
<b>Balance reported to September Cabinet</b>	<b><u>9,346</u></b>
<b>To be transacted / reported in 2018/19</b>	
Redundancy costs	(664)
<b>Projected year end balance 2018/19</b>	<b><u>8,682</u></b>

Revenue Monitoring Statement 2018/19						
	Funded by the General Fund (1)	Funded by Provision (2)	Funded by the Capital Fund (3)	Included in the original budget (4)	Total	Approval
	£'000	£'000	£'000	£'000	£'000	
<b>Original Budget</b>					<b>77,779</b>	
1 Empty homes supplementary	32				32	May 2018 Cabinet
2 RBFRS Inspections	0		130		130	May 2018 Cabinet
3 Pay Reward				561	561	Feb 2018 Cabinet
4 Early retirement		36			36	Jun 2018 cabinet
5 Severance pay		65			65	Jun 2018 cabinet
6 Heathrow judicial review			100		100	July 2018 cabinet
7 Severance Pay & Early Retirement		349			349	August 2018 cabinet
<b>Changes Approved</b>	<b>32</b>	<b>450</b>	<b>230</b>	<b>561</b>	<b>1,273</b>	
<b>Approved Estimate September Cabinet</b>					<b>79,052</b>	

**NOTES**

- 1 If additional budget is approved but no funding is specified, the transaction would, by default, be funded from the General Fund Reserve. Transactions in column 1 are funded by the General Fund.
- 2 A provision for future redundancy costs is created every year and this is used to fund additional budget in services for the costs of redundancy they incur during the year. Transactions in column 2 are redundancy costs funded by the provision for redundancy.
- 3 When additional budget is approved, a funding source is agreed with the Lead Member of Finance. Transactions in column 3 have been funded from a usable reserve (Capital Fund).
- 4 Transactions in column 3 are amounts approved in the annual budget which for various reasons need to be allocated to service budgets in-year. An example would be the pay reward budget. Pay reward payments are not approved until June. The budget therefore has to be re-allocated.



Note 1. Capital expenditure is projected to increase steadily throughout 2018-19. The exact profile may vary and monitoring of schemes and cash balances will decide the rate at which our borrowing will increase to ensure that no unnecessary debt charges are incurred.

	2018/19 Original Budget			New Schemes – 2018/19 Approved Estimate			Schemes Approved in Prior Years			Projections – Gross Expenditure				
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	2018/19 Projected	2018/19 SLIPPAGE Projected	TOTAL Projected	VARIANCE Projected	VARIANCE Projected
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	(£'000)	(£'000)	(£'000)	(£'000)	(%)
<b>Portfolio Summary</b>														
<b>Communities Directorate</b>														
Revenues & Benefits	0	0	0	0	0	0	69	0	69	69	0	69	0	
Communities, Enforcement & Partnerships	3,098	(635)	2,463	8,448	(635)	7,813	4,369	(1,597)	2,772	12,817	0	12,817	0	0%
Library & Resident Services	435	0	435	720	0	720	948	(189)	759	1,668	0	1,668	0	0%
<b>Total Communities Directorate</b>	<b>3,533</b>	<b>(635)</b>	<b>2,898</b>	<b>9,168</b>	<b>(635)</b>	<b>8,533</b>	<b>5,386</b>	<b>(1,786)</b>	<b>3,600</b>	<b>14,554</b>	<b>0</b>	<b>14,554</b>	<b>0</b>	<b>0</b>
<b>Place Directorate</b>														
ICT	360	0	360	360	0	360	38	0	38	398	0	398	0	0%
Property	1,045	0	1,045	1,045	0	1,045	8,566	(282)	8,284	9,611	0	9,611	0	0%
Housing	0	0	0	0	0	0	881	(856)	25	881	0	881	0	0%
Planning	1,010	(50)	960	1,182	(222)	960	468	(185)	283	1,650	0	1,650	0	0%
<b>Total Place Directorate</b>	<b>2,415</b>	<b>(50)</b>	<b>2,365</b>	<b>2,587</b>	<b>(222)</b>	<b>2,365</b>	<b>9,953</b>	<b>(1,323)</b>	<b>8,630</b>	<b>12,540</b>	<b>0</b>	<b>12,540</b>	<b>0</b>	<b>0</b>
<b>Managing Director</b>														
Human Resources	0	0	0	0	0	0	64	0	64	64	0	64	0	
Adult Social Care	0	0	0	85	(85)	0	6	(6)	0	91	0	91	0	
Commissioning – Communities	7,156	(4,613)	2,543	7,417	(4,854)	2,563	3,994	(1,629)	2,365	11,411	0	11,411	0	0%
Law and Governance	0	0	0	0	0	0	26	0	26	26	0	26	0	
Green Spaces & Parks	183	(93)	90	183	(93)	90	207	(114)	93	390	0	390	0	0%
Non Schools	246	(46)	200	256	(56)	200	261	(146)	115	517	0	517	0	0%
Schools – Non Devolved	4,025	(875)	3,150	4,075	(925)	3,150	20,494	(8,034)	12,460	24,544	0	24,544	(25)	-1%
Schools – Devolved Capital	197	(197)	0	195	(197)	(2)	445	(445)	0	640	0	640	0	0%
<b>Total Managing Director</b>	<b>11,807</b>	<b>(5,824)</b>	<b>5,983</b>	<b>12,211</b>	<b>(6,210)</b>	<b>6,001</b>	<b>25,497</b>	<b>(10,374)</b>	<b>15,123</b>	<b>37,683</b>	<b>0</b>	<b>37,683</b>	<b>(25)</b>	<b>(0)</b>
<b>Total Committed Schemes</b>	<b>17,755</b>	<b>(6,509)</b>	<b>11,246</b>	<b>23,966</b>	<b>(7,067)</b>	<b>16,899</b>	<b>40,836</b>	<b>(13,483)</b>	<b>27,353</b>	<b>64,777</b>	<b>0</b>	<b>64,777</b>	<b>(25)</b>	<b>0</b>

	(£'000)	(£'000)	(£'000)
<b>Portfolio Total</b>	<b>17,755</b>	<b>64,802</b>	<b>64,777</b>
<b>External Funding</b>			
Government Grants	(5,060)	(10,443)	(10,443)
Developers' Contributions	(674)	(3,834)	(3,809)
Other Contributions	(775)	(6,273)	(6,273)
<b>Total External Funding Sources</b>	<b>(6,509)</b>	<b>(20,550)</b>	<b>(20,525)</b>
<b>Total Corporate Funding</b>	<b>11,246</b>	<b>44,252</b>	<b>44,252</b>

**Capital Monitoring Report - August 2018/19**

At 31st August 2018, the approved estimate stood at £64.802m

	<b>Exp</b>	<b>Inc</b>	<b>Net</b>
	£'000	£'000	£'000
Approved Estimate	64,802	(20,550)	44,252
Variances identified	(25)	25	0
Slippage to 2018/19	0	0	0
Projected Outturn 2017/18	64,777	(20,525)	44,252

**Overall Projected Expenditure and Slippage**

Projected outturn for the financial year is £64.777m

Variances are reported as follows.

CSDQ	Urgent Safety Works Various Schools	75	(75)	0	Expenditure on urgent schemes.
CSJN	Homer School - Electrical Re-Wire	(100)	100	0	Budget no longer required. This is now partly used for other urgent works.
		(25)	25	0	

55

There is no slippage to report this month.

**Overall Programme Status**

The project statistics show the following position:

<b>Scheme progress</b>	<b>No.</b>	<b>%</b>
Yet to Start	44	25%
In Progress	77	44%
Completed	11	6%
Ongoing Programmes e.g.. Disabled Facilities Grant	42	24%
Devolved Formula Capital Grant schemes budgets devolved to schools	1	1%
Total Schemes	175	100%

Major Capital Scheme Progress		August 2018 @ 09/08/18																	
Project	CAPITAL SCHEME	2018/19 TOTAL SCHEME VALUE APPROVED ESTIMATE				APPROVED SLIPPAGE FROM PRIOR YEARS			TOTAL BUDGET 2018/19			PROJECTIONS			PROJECT STATUS				
		Gross £'000	Gross £000	Income £000	Estimate £000	Gross £000	Income £000	Estimate £000	Gross £000	Income £000	Estimate £000	2018/19 Projected Variance	2018/19 Expected Slippage	2019/20 SLIPPAGE Projected	Yet To Start	Preliminary / Feasibility Work	Work On-site	Ongoing Annual Programme	Expected Completion
												Underspend as negative							
<b>Communities Directorate</b>																			
<b>Communities, Enforcement &amp; Partnerships</b>																			
CT52	Disabled Facilities Grant	600	600	(600)	0	0	0	0	600	(600)	0	0	0	0					
CZ18	Braywick Leisure Centre	33,756	4,975	0	4,975	862	0	862	5,837	0	5,837	0	0	0					
CC60	Hostile Vehicle Mitigation Measures for Windsor	1,850	0	0	0	1850	(908)	942	1,850	(908)	942	0	0	0					
CC47	CCTV Replacement	1,302	1,300	0	1,300	2	0	2	1,302	0	1,302	0	0	0					
<b>Place Directorate</b>																			
<b>Property</b>																			
CI29	Broadway Car Park & Central House Scheme	33,000	0	0	0	2230	(140)	2090	2,230	(140)	2,090	0	0	0					
CI21	Windsor Office Accommodation	6,839	0	0	0	3898	(142)	3756	3,898	(142)	3,756	0	0	0					
CI62	Hines Meadow CP – Dilapidations	700	0	0	0	523	0	523	523	0	523	0	0	0					
CX40	Operational Estate Improvements	600	600	0	600	0	0	0	600	0	600	0	0	0					
<b>Housing</b>																			
CT55	Brill House Capital Funding	500	0	0	0	500	(500)	0	500	(500)	0	0	0	0					
<b>Managing Director</b>																			
<b>Schools – Non Devolved</b>																			
CSGR	Charters Expansion	4,560	380	0	380	2,556	(1,878)	678	2,936	(1,878)	1,058	0	0	0					
CSGV	Cox Green School Expansion Year 1 of 3	5,800	420	0	420	2821	(455)	2366	3,241	(455)	2,786	0	0	0					
CSGW	Furze Platt Senior expansion Year 1 of 3	8,000	750	0	750	6571	(2,033)	4538	7,321	(2,033)	5,288	0	0	0					
CSGX	Dedworth Middle School Expansion Year 1 of 3	4,700	420	0	420	3490	(1,791)	1699	3,910	(1,791)	2,119	0	0	0					
<b>Commissioning – Communities</b>																			
CC62	Maidenhead Missing Links (LEP Match Funded)	759	759	(659)	100	0	0	0	759	(659)	100	0	0	0					
CC67	Replacement Payment Equipment for Car Parks	775	775	(775)	0	0	0	0	775	(775)	0	0	0	0					
CD84	Street Lighting-LED Upgrade	5,100	0	0	0	600	0	600	600	0	600	0	0	0					



17 September 2018

The Rt Hon Damian Hinds MP  
Secretary of State for Education  
House of Commons  
London  
SW1A 0AA

Dear Damian,

On behalf of the council and residents of the Royal Borough I am writing to request, like all Council Leaders, that a review is undertaken on the level of funding councils receive for the provision of Children's Services.

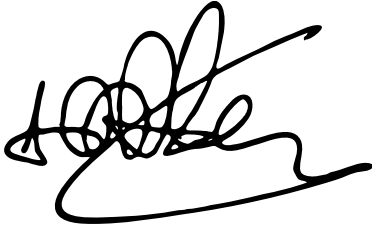
As you will be aware the Local Government Association (LGA) estimate that there will be a shortfall of £2 billion for Children's Services by 2020. This future shortfall reflects that today there are significant financial pressures, stemming mainly from: the increasing costs of residential care and independent fostering placements and the hike in costs charged by agency to supply essential qualified workers. As a small unitary authority we are sensitive to the overall marketplace and a 28% increase in the price of residential placements since 2015/16 has seen our budget spiral inexorably upwards. The recent analysis by Newton Europe looking at the drivers of differences in costs for Children's Service indicates that the Royal Borough will need to spend a further £3.2m more than it budgets on these services.

The pressures in Children's Services are compounded by the additional pressures within the schools and high needs block of the Dedicated Schools Grant. The financial pressures are growing at such a rate there is a probability that the gaps between the most vulnerable and their peers could grow rather than continue to decline. Whilst the deficit on the high needs block in our borough is a relatively modest £2m, it has grown rapidly with the extension of Education Health and Care Plans (EHCPs) up to the age of 25 - a new burden which has not been funded - and the increasing charges being applied by special schools as the market capacity is too low. The schools National Funding Formula will further affect the schools and the authority further, with reductions estimated to be in the region of £2m a year if protections are not put in place.

It is clear from the growing national pressure being experienced by most local authorities on budgets for high needs education that increased investment is required at a central Government level to ensure that the reforms brought about by the Children and Families Act 2014 are adequately funded. The funding pressure in high needs is not in 2020: it is here now and there has to be more funding provided so that vulnerable children do not get left behind.

When the crisis in Adult Services got to this stage radical action was taken with the introduction of the council tax precept, ringfenced for the need. Such action is needed now for children's services. I hope you will provide me with some assurance that these challenges are understood within the Department, the Treasury and that action will be taken to provide for our vulnerable children and young people.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Simon Dudley', with a large, sweeping flourish at the end.

**Cllr Simon Dudley,  
Leader of the Council**

Cc Theresa May, MP  
Cc Adam Afriyie, MP  
Cc Lord Gary Porter, Chairman of LGA  
Cc James Jamieson, Conservative Group Leader of LGA



2018-000POSoS

**Rt Hon Damian Hinds MP**  
Secretary of State

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

*Mr Dudley,*

Thank you for your letter of 3 August about funding for Children's Services. I understand the concerns you raise and I appreciate local authorities (LAs) are making extremely tough choices about their priorities, at a time when demand for services are growing.

As you will be aware, the 2015 Spending Review made available over £200 billion until 2020 for LAs to deliver services locally, including children's services. Within this, as you know, the Royal Borough of Windsor and Maidenhead has access to more than £346 million over the four-year period to 2020. My department is now working with colleagues across government and in the sector to pull together the best available evidence to support discussions about funding for local authorities in the next Spending Review period.

In addition to this, my department committed almost £270m since 2014 to support improvement and innovation in children's social care and we now have 15 Partners in Practice providing intensive peer support, challenge and advice, including in your borough.

Your letter mentions the costs of residential care and fostering as drivers of the increasing financial pressures. Work is underway to improve the commissioning of residential placements. This includes providing funding through our £200 million children's social care Innovation Programme to improve commissioning practice and ensure better value for money for local authorities. I also recently published '[Fostering Better Outcomes](https://tinyurl.com/y9v4pybx)' (<https://tinyurl.com/y9v4pybx>), which sets out how we will improve the commissioning of fostering placements.

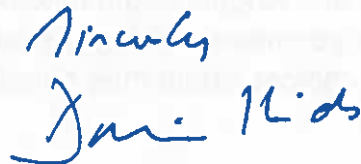
You and others have also expressed concerns about the costs of making provision for children and young people with special educational needs and disabilities. We have now notified local authorities of their provisional allocations of high needs funding for 2019-20, so they can start planning for next year with their schools and schools forum. As you know, the £19 million that the Royal Borough receives in high needs funding in 2018-19 is due to

rise to £19.2 million in 2019-20, although this will change slightly when pupil and student numbers are updated.

We are also monitoring the impact of our national funding formula for high needs on local authority spending decisions, and are keeping the overall amount of funding for high needs under review.

I am committed to doing what I can to ensure that both central and local government are able to provide appropriate support for our most disadvantaged children and young people, so that they all have the opportunity to achieve better outcomes.

Thank you for writing on this important matter.

A handwritten signature in blue ink, appearing to read 'Damian Hinds', is written over a faint, illegible background.

**Damian Hinds**  
**Secretary of State for Education**

Report Title:	<b>Governance as part of risk management applied to large projects</b>
Contains Confidential or Exempt Information?	Yes – Appendix Part II
Member reporting:	Councillor Saunders, Lead Member for Finance
Meeting and Date:	Audit and Performance Review Panel, 20 September 2018
Responsible Officer(s):	Russell O’Keefe, Executive Director and Rob Stubbs, Deputy Director and Head of Finance
Wards affected:	All

www.rbwm.gov.uk



## REPORT SUMMARY

1. This report sets out how adequate risk management is in place for RBWM as part of its major project governance arrangements.
2. RBWM manages specific project work through a stand-alone system where the risk assessment methodology is scaled to the project under consideration
3. The report includes a briefing paper summarising the proposed arrangements to ensure an effective model of project governance including risk management is in place.

## 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That the audit and performance review panel notes the report and:

- i) **Endorses this approach to managing project risk.**

## 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 If the council makes good use of risk management processes, it supports good performance and effective delivery of services to residents.

### Options

**Table 1: Options arising from this report**

Option	Comments
To accept this report. <b>Recommended option</b>	The project governance methodology demonstrates how effective risk management of significant projects achieves the council’s priorities.
Not accept this report. <b>This is not recommended</b>	Without a project governance framework the council may be

Option	Comments
	exposed to the impact of unnecessary and avoidable risks.

### 3. KEY IMPLICATIONS

- 3.1 To ensure the Council's priorities are achieved through the effective management and delivery of significant projects.

**Table 2: Key Implications**

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Officers and members are engaged in regular risk reviews concerning the nature of the threat and the progress on mitigations.	Risks are left without officer or member attention.	Monthly reviews.	Risks are reviewed more frequently than monthly.	None.	Ongoing by monthly review until the conclusion of the project.

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 No financial implications. Any resources for required mitigations would be contained within the existing project budget set at the outset.

### 5. LEGAL IMPLICATIONS

- 5.1 There are potential legal implications should a risk occur to a level the council is not prepared for. The purpose of risk management to provide an awareness of these so that management can make a risk based judgement.

### 6. RISK MANAGEMENT

**Table 3: Impact of risk and mitigation**

Risks	Uncontrolled Risk	Controls	Controlled Risk

<p>If the council fails to make good use of risk management processes in project governance, it is likely there will be ignorance of the exposure to risks that can carry damaging impacts to the council and residents.</p>	<p>high</p>	<p>There is a log of project risks which are reviewed at least monthly by the combined project work stream group.</p> <p>This review will cover a full update on any risks that need to be escalated to the project board.</p> <p>This structure provides a robust framework for managing project risks.</p>	<p>low</p>
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## 7. POTENTIAL IMPACTS

- 7.1 None directly although some individual project risks may contain associated obligations.

## 8. CONSULTATION

- 8.1 Project governance briefing note prepared for July 2018 Cabinet.

## 9. APPENDICES

- 9.1 This report is supported by one appendix:
- Part 2 Project governance briefing note.

## 10. BACKGROUND DOCUMENTS

- 10.1 The project risk log records the risks relating to the project objectives. The purpose of this risk analysis is to help decision-makers get a better feel for a realistic range of possibilities, what drives that uncertainty and hence where efforts can be focussed to manage this uncertainty.
- 10.2 The project risk logs are pertinent to the point in time at which they are produced and require free thinking by those who put them together. Anything that could inhibit the way in which such risks are expressed would impair the quality of decision making when determining the most appropriate response.

## 11. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Saunders	Lead Member for Finance	02/08/18	02/08/18
Alison Alexander	Managing Director	02/08/18	02/08/18
Rob Stubbs	Section 151 Officer	30/07/18	02/08/18

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
Elaine Browne	Head of Law and Governance	03/09/18	04/09/18
Nikki Craig	Head of HR and Corporate Projects	03/09/18	11/09/18
Louisa Dean	Communications	03/09/18	
Russell O'Keefe	Executive Director	02/08/18	03/09/18
Andy Jeffs	Executive Director	03/09/18	04/09/18
Kevin McDaniel	Director of Children's Services	03/09/18	
Hilary Hall	Deputy Director of Commissioning and Strategy	03/09/18	04/09/18
	Other e.g. external		

## **REPORT HISTORY**

<b>Decision type:</b> For information	<b>Urgency item?</b> No	<b>To Follow item?</b> No
Report Author: Steve Mappley, insurance and risk manager, extrn: 6202		



## FORWARD PLAN

ITEM	Private Meeting - contains exempt/confidential information? See categories below.	Short Description	Key Decision, Council or other?	REPORTING MEMBER (to whom representations should be made)	REPORTING OFFICER / DIRECTOR (to whom representations should be made)	Consultation (please specify consultees, dates (to and from) and form of consultation), including other meetings	Date of Overview and Scrutiny Panel	Date and name of meeting	Date of Council decision (if required)
1. Financial Update	Open -	Latest financial update	No	Lead Member for Finance (Councillor MJ Saunders)	Rob Stubbs	Internal process	Corporate Services Overview and Scrutiny Panel 23 Oct 2018	Cabinet 25 Oct 2018	
2. Appropriation of Land	Open - 3	The appropriation of land for planning purposes under section 122 of the Local Government Act 1972, the development of land held for planning purposes under section 235 of the Town and Country Planning Act 1990 (TCPA 1990) and the disposal of land held for planning purposes under section 233 of the TCPA 1990.	No	Lead Member for Economic Development, Property, Communications and Deputy Finance (Councillor Jack Rankin)	Russell O'Keefe	Internal process and external consultation with RBWM Property Company Ltd	Corporate Services Overview and Scrutiny Panel 23 Oct 2018	Cabinet 25 Oct 2018	

N.B. All documents to be used by the decision maker to be listed in the report to Cabinet

<b>ITEM</b>	<b>Private Meeting - contains exempt/confidential information? See categories below</b>	<b>Short Description</b>	<b>Key Decision, Council or other?</b>	<b>REPORTING MEMBER (to whom representations should be made)</b>	<b>REPORTING OFFICER / DIRECTOR (to whom representations should be made)</b>	<b>Consultation (please specify consultees, dates (to and from) and form of consultation), including other meetings.</b>	<b>Date of Overview and Scrutiny Panel</b>	<b>Date and name of meeting</b>	<b>Date of Council decision (if required)</b>
3. Member Expenses – Late Claim	Open -	To consider if a late expense claim from Cllr Da Costa should be paid.	No	Chairman of Cabinet (Councillor Simon Dudley)	Alison Alexander	Internal Process	Corporate Services Overview and Scrutiny Panel 23 Oct 2018	Cabinet 25 Oct 2015	
4. Trust Report	Open	To consider the annual trust report.	No	N/A	Alison Alexander	Internal Process	Corporate Services Overview and Scrutiny Panel 23 Oct 2018	N/A	
1. Financial Update	Open -	Latest financial update	No	Lead Member for Finance (Councillor MJ Saunders)	Rob Stubbs	Internal Process	Corporate Services Overview and Scrutiny Panel 20 Nov 2018	Cabinet 22 Nov 2018	
2. Council Performance Management	Open -	Summary of the council's progress towards meeting its strategic priorities and objectives.	No	Chairman of Cabinet (Councillor Simon Dudley)	Hilary Hall	Internal Process	Corporate Services Overview and Scrutiny Panel 20 Nov 2018	Cabinet 22 Nov 2018	
1. Financial Update	Open -	Latest financial update	No	Lead Member for Finance (Councillor MJ Saunders)	Rob Stubbs	Internal Process	Corporate Services Overview and Scrutiny Panel TBC	Cabinet 13 Dec 2018	
1. Financial Update	Open -	Latest financial update.	No	Lead Member for Finance (Councillor MJ Saunders)	Rob Stubbs	Internal Process	Corporate Services Overview and Scrutiny Panel TBC	Cabinet 31 Jan 2019	

ITEM	Private Meeting - contains exempt/confidential information? See categories below	Short Description	Key Decision, Council or other?	REPORTING MEMBER (to whom representations should be made)	REPORTING OFFICER / DIRECTOR (to whom representations should be made)	Consultation (please specify consultees, dates (to and from) and form of consultation), including other meetings.	Date of Overview and Scrutiny Panel	Date and name of meeting	Date of Council decision (if required)
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**Proposed Agenda Items to be Scheduled:**

- Update on proposed operating structure and senior management structure.

**DESCRIPTIONS OF EXEMPT INFORMATION: ENGLAND**

6	Information relating to any individual.
2	Information which is likely to reveal the identity of an individual.
3	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4	Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6	Information which reveals that the authority proposes  (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or  (b) to make an order or direction under any enactment.
7	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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of the Local Government Act 1972.

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