

# Public Document Pack

## NOTICE OF MEETING

# CABINET

will meet on

**THURSDAY, 30TH JULY, 2020**

**At 6.15 pm**

in the

**VIRTUAL MEETING - RBWM [YOUTUBE](#)**

TO: MEMBERS OF CABINET

Councillor Johnson, Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property

Councillor Rayner, Deputy Leader of the Council, Resident & Leisure Services, HR, IT, Legal, Performance Management & Windsor

Councillor Carroll, Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health

Councillor Cannon, Public Protection and Parking

Councillor Clark, Transport and Infrastructure

Councillor Coppinger, Planning and Maidenhead

Councillor Hilton, Finance and Ascot

Councillor McWilliams, Housing, Communications and Youth Engagement

Councillor Stimson, Environmental Services, Climate Change, Sustainability, Parks and Countryside

Karen Shepherd – Head of Governance - Issued: Wednesday, 22 July 2020

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

**The Part I (public) section of this virtual meeting will be streamed live and recorded via Zoom. By participating in the meeting by audio and/or video you are giving consent to being recorded and acknowledge that the recording will be in the public domain.**

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Royal Borough  
of Windsor &  
Maidenhead

## AGENDA

### PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
1.	<u>APOLOGIES FOR ABSENCE</u>  To receive any apologies for absence	-
2.	<u>DECLARATIONS OF INTEREST</u>  To receive any declarations of interest	7 - 8
3.	<u>MINUTES</u>  To consider the Part I minutes of the meeting held on 25 June 2020.	9 - 20
4.	<u>APPOINTMENTS</u>	
5.	<u>FORWARD PLAN</u>  To consider the Forward Plan for the period August 2020 to November 2020.	21 - 26
6.	<u>CABINET MEMBERS' REPORTS</u>  Deputy Leader of the Council, Resident and Leisure Services, HR, IT, Legal, Performance Management and Windsor	
	i. Introduction of New Organisational Values  Lead Member for Finance and Ascot Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health	27 - 34
	ii. Outcome of Reviews of Achieving for Children and Optalis Delivery Arrangements  Lead Member for Finance and Ascot	35 - 106
	iii. Cipfa Review of Governance Response to the Final Report and Development of an Action Plan  Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health	107 - 156
	iv. Contract Award for Emergency Duty Service  Lead Member for Finance and Ascot	157 - 194
	v. Finance Update: July 2020	195 - 246

Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property

vi. Interim Council Strategy 2020-21

247 - 264

Deputy Leader of the Council, Resident and Leisure Services, HR, IT, Legal, Performance Management and Windsor

vii. RBWM Outbreak Control Plan

265 - 270

7. LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

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 items 8-9 on the grounds that they involve 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>PAGE NO</u>
8.	<p><u>MINUTES</u> To consider the Part II minutes of the meeting of Cabinet held on 25 June 2020.</p> <p><b><i>(Not for publication by virtue of Paragraph 1, 2, 3, 4, 5, 6, 7 of Part 1 of Schedule 12A of the Local Government Act 1972)</i></b></p>	271 - 274
9.	<p><u>CABINET MEMBERS' REPORTS</u></p> <p>Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property</p> <p>i. St Cloud Way, Maidenhead – Site Proposal</p> <p><b><i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i></b></p> <p>Lead Member Finance and Ascot</p> <p>ii. Cipfa Review Of Governance - Response To The Final Report And Development Of An Action Plan - Part Ii Appendix</p> <p><b><i>(Not for publication by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972)</i></b></p> <p>Details of representations received on reports listed above for discussion in the Private Meeting: None received</p>	<p>275 - 372</p> <p>373 - 374</p>



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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 3

## CABINET

THURSDAY, 25 JUNE 2020

PRESENT: Councillors David Cannon, Andrew Johnson (Chairman), David Coppinger, Samantha Rayner, Stuart Carroll (Vice-Chairman), David Hilton, Gerry Clark, Donna Stimson and Ross McWilliams

Also in attendance: Councillors Taylor, Jones, Hill, Price, Tisi, Bhangra, Baldwin, Singh, Sharpe, Bateson, Knowles, Davies, Bhangra, Del Campo, C Da Costa and Taylor.

Officers: Russell O'Keefe, Adele Taylor, Louisa Dean, Barbara Richardson, Kevin McDaniel, Hillary Hall, Nikki Craig, Duncan Sharkey, Andrew Valance and David Cook.

### APOLOGIES FOR ABSENCE

No apologies received.

### DECLARATIONS OF INTEREST

None received.

### MINUTES

**RESOLVED UNANIMOUSLY: That the Part I minutes of the meetings held on 28 May 2020 and 12 June 2020 were approved.**

### APPOINTMENTS

There were no appointments made.

The Chairman announced that they were in the process of signing off their Covid-19 recovery plans and as part of this there would be an Outcome Engagement Board, a transformation body as a sub-committee of Cabinet chaired by Cllr Carroll and a recovery reference group to work with our partners to get the economy moving and help those effected; this would be chaired by the Leader and he was pleased to say that this would include a member outside the administration in Helen Taylor. The terms of reference of the groups will be circulated in due course.

### FORWARD PLAN

Cabinet considered the contents of the Forward Plan for the next four months and noted the changes made since last published.

### CIPFA REVIEW OF GOVERNANCE FINAL REPORT

Cabinet considered the report for information regarding the CIPFA review of governance undertaken during 2019 and early 2020.

The Leader informed that he requested that this item be brought to Cabinet before it goes to scrutiny and any recommendations to Cabinet at its next meeting. As the Leader of Council he felt that it would have been remiss of him not to have introduced this item as it was a damning indictment of cultural and process failure that he would not defend. He believed in sound

financial governance and believed in a culture that got the best out of the organisation, that was fair, open, transparent and wanted a high level of challenge. But that delivered for residents, businesses and visitors to the area.

The Leader apologises that when concern had been raised to the previous administration that their concerns had not been addressed. As a new Member of this council he found it very difficult reading of the report. There seemed to be a cultural failure, undue pressure and blocking those who raised concerns. He would not defend those who were named in the report. The Leader said that under his administration things would be different, bring this report before them was a good example. The organisation was now more open and collaborative in getting things done. It was for scrutiny to raise questions and recommendations from the report. These are now legacy issues and there were focus on the new difficult demands due to C-19.

The Lead Member for Finance and Ascot informed Cabinet that after the May 2019 elections he become Lead Member for Finance and I had expectations regarding the financial information he should receive. Timely and accurate financial information was essential to enable a business to be properly managed and to facilitate appropriate decision making. Frustratingly and unacceptably, this was not made available to me or Cabinet at that time.

He held discussions with the Managing Director and supported his decision for an internal investigation on financial governance by CIPFA and took part in meetings with John O'Halloran, Director Business Advisory and Consultancy at CIPFA, and Peter Robinson.

The initial report on Clewer and Dedworth capital schemes exposed weaknesses in the capital approvals process; no business case had been provided and funds were inappropriately used. This was the draft report reviewed by the Corporate O&S committee in October 2019 and he welcomed their comments.

Following that initial investigation, a structured work programme had been agreed with the Interim CIPFA accountants, Peter Robinson and Terry Neave, who led the finance team on budget monitoring reports and the 2020/21 budget build. This was not a formal review of governance but something much more thorough. Many in the finance team, who are still working for the authority, worked above and beyond as they accepted the task of bottoming out problems that were exposed and learning some difficult lessons.

This period of self-reflection for the organisation had at times been difficult and unsettling; a series of uncomfortable truths about how the organisation had previously run had to be addressed.

It was beyond doubt and clearly set out in the report that there had been cultural problems at the top of the organisation that resulted in the finances being mismanaged. The CIPFA report was a snapshot of a time passed, not our present situation.

CIPFA had identified the need for a robust treasury management strategy; we now have one in place, which is crucial in the management of cash flow and the necessity and timing of borrowing. Problem identified; solution delivered.

CIPFA identified the need for a clear capital strategy; we now have one in place, which sets out a capital approvals and monitoring process. We have also introduced a capital Programme Review Board, which had its first meeting on the 15th June. Problem identified; solution delivered.

CIPFA identified the need for a Medium-Term Financial strategy which set out a framework essential for planning finances in the longer term; this was now in place and was drafted by CIPFA's Terry Neave. Problem identified; solution delivered.

CIPFA identified issues with the S151 officer and personnel; we have now appointed a new full-time S151 officer with a strong track-record in Local Government Finance and have recently hired a new Head of Finance, Andrew Vallence, who comes with a great deal of experience and knowledge. Problem identified; solution delivered.

The Lead Member said that he had always been a supporter of transparency and hoped members agreed that the Budget report to Council and more recently the 2019/2020 outturn report, written under the direction of our relatively new Director of Resources and S151 officer Adele Taylor, were amongst the most transparent financial reports that had yet been produced.

The Council was in a remarkably different place than it was a year ago. Before there was a culture of fear and evasiveness; now we have a culture of openness and transparency. This had been driven by our strengthened officer team and Cllr. Johnson's much different style of leadership. With these in place and the previous cultural shackles removed, he had confidence in the future and believe RBWM could flourish as an organisation. Importantly the organisation must work together to overcome the COVID-related challenges everyone faced and ensured the culture that previously pervaded would not return.

Mr O'Halloran, CIPFA, addressed Cabinet and informed that they were the professional body for finance in the public sector and set the financial standards for local government. The initial piece of work had been undertaken at the request of the council and since then we had worked to help identify the issues within the report. Ex S151 officers had helped undertake the review.

The Deputy Leader of the Council, Resident & Leisure Services, HR, IT, Legal, Performance Management & Windsor informed Cabinet that she welcomed the report as it supported the changes that had been implemented. It was important to challenge and review, under her portfolio best solutions were sought for common goals. She referred to the Braywick leisure centres finance that today would have been under better scrutiny, however pre C-19 it would have been on time and within budget. Examples of other authorities costs for leisure centres were provided. Pre C-19 the centre was due to bring in £3 million of revenue. The new centre was also more sustainable. Praise was also given to the excellent work undertaken by the libraries and customer services team. The new working model introduced by IT had also demonstrated its value under the current difficult times. This report allowed us to move forward and face challenges face on.

The Lead Member for Housing, Communications and Youth Engagement reiterated that the report was damning and showed failures from the top of past administrations. Issues had been raised against past administration and scares were held. For him within the housing team were things were going wrong were identified and the Homelessness strategy report would demonstrate improvements. Cross party working was important to address issues the council faced today.

The Lead Member for Planning and Maidenhead informed that he had been a cabinet member for the longest time from those here today. The then Cabinet members could only make decisions on the facts presented and this report showed that they had not been at hand at the time. This was above finance it was about culture. He gave examples of the work he had undertaken but explained that the then Leader main priority was delivering low council tax, his concerns had been overridden. His main concerns was for the people in the borough. The new Leader was in a different place with collective responsibility and working.

The Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health informed that he welcomed the report and commended those who commissioned it and brought it forward. There was now a new leader and culture in place. There have been excellent examples of compassionate, open leadership in place within Cabinet, there have been good reviews on the Council and an excellent response to the current C-19 pandemic. The transformation programme had been imbedded in Adult services ad was showing results

in children's services, they would put council tax up to support these. He welcomed chairing the new sub-committee mentioned earlier by the Leader.

Mr Hill addressed Cabinet as a member of the public and said that CIPFA said that challenge was a good thing, which he felt was a shame they had to, he was concerned that the report said officers did not live up to a standard that was required, he felt that they brock the law. The level of debt was questioned, how fraud could not have been identified without record of financial management. He mentioned concerns raised by CIPFA to the external auditors and felt the Managing Director should have acted upon these. All unlawful payment from tax payers money should be investigated. He mentioned that governance issues had been reported to the monitoring officer but questioned if they had been listened to. The cost of the leisure centre was questioned. There seemed to be no separation of powers between officers and Members.

The Leader thanked Mr Hill for his comments and hoped the discussion at overview and scrutiny would look at these issues.

The Lead Member for Environmental Services, Climate Change, Sustainability, Parks and Countryside informed that she was a new councillor and thus brought a new approach. The culture when she joined was very difficult and different to what it was today. She referred to the environmental challenge that had cross organisation and party working.

Cllr Jones addressed Cabinet and said that we were now hearing that past Cabinet Members were not in favour with the then culture and that this was new to her. She had raised concern for many years and felt the views of all councils member should be heard. Corporate O&S had already requested the report and she wanted reassurance that opposition member would be listened to in future when concerns were raised. The Leader responded that he would listen to all member, they may not always be agreement, but he would listen.

Cllr Del Campo thanked the Leader for the apologies of the past and asked that his administration would not hinder members speaking at Council and how his group used the whip. The Leader responded that this meeting would not be used as a post-mortem of Tuesday's Council meeting and would not comment on some members comments. He wanted a more professional and business like use of council meetings. Amendments should be shared before meetings and this was discussed with the managing director.

Cllr Price said that with regards to section 3 of the report regarding Clewer and Dedworth that the previous Member was not named and that the reference to this ward member did not apply to the current ward members that covered the area.

Cllr Sharpe said that the report did not reflect on the council and was disappointed to see the findings. It was good that things had changed and the new administration provided the opportunity for collaborative working.

Cllr Walters said that he had raised issues within the past administration and the report showed issues that existed. Disagreeing with the then leader did not end with good outcomes for him. Good to see a different style of leadership.

Cllr Bhangra thanked the new administration for the new open style of leadership especially given the new crises we face. The errors of the past should be used as a benchmark and he that the Lead Member responsible for adult social care for all his work.

Cllr Werner thanked the leader for his apologies for the issues within the report. He questioned that progress on governance was being made there were a number of issues that needed improving. What will the leader do to bring everyone together for the borough, how will governance be monitored he suggested a sub group of the Corporate O&S Panel and he asked if the Leader would remove Cabinet Members from the previous administration.

The Leader thanked Cllr Werner and said that a legally balanced budget had been set at the start of this year, that was robust and set with CIPFA. If not for C-19 it would be a balanced budget with difficult decisions taken alone. All authorities were dealing with the current difficult situation. With regards to his Cabinet he mentioned that they had his full confidence, that he had very high standards for them and for his Group that was not disappointingly used by other groups. Cabinet were delivering with a positive agenda.

The Leader summed up that the report was providing a review of the past, that there had been lessons to be learnt and actions applied. The culture has been and will continue to change. He said he had apologies for the past but would not apologies for the work being undertaken by the current administration and gave examples of work being under taken under every portfolio. He supported his Cabinet and administration.

Cabinet noted the report.

## CABINET MEMBERS' REPORTS

### A) BOROUGH-WIDE DESIGN GUIDE SUPPLEMENTARY PLANNING DOCUMENT REGULATION 14 ADOPTION

Cabinet considered the report regarding the proposed adoption of the of the Borough-wide Design Guide.

The Lead Member for Planning and Maidenhead informed Cabinet that in February 2019 a regulation 13 was conducted on the Borough Wide Design Guide. The guide defined what we meant by high quality design that would build high designed quality. 62 comments were received. Adoption of the guide will held planning and help secure more sustainable development. This is not a SPD for climate change that is more important, a concept of place has been introduced. We wish to move to the adoption of the document.

The Lead Member for Finance and Ascot informed that this was a long awaited and important document. It was important that developers look at the document and follow the guidelines to aid their applications. This will be welcomed by developers and those impacted by development.

Cllr Tisi reported that it was a positive report but wanted to refer to principle 6.2 of the guide that talked about the commitment to plant trees. Only committed to plant 76 trees this year, she had been informed that RBWM would not be applying to the tree fund but neighbouring authorities had. Is there a risk of having admirable ideas that are not carries out. Cllr Stimson replied that the application to the urban tree fund had been submitted.

**Resolved unanimously: That Cabinet notes the report and:**

- i) **Approves the adoption of the final Borough-wide Design Guide Supplementary Planning Document set out in Annex 1.**

### G) 0-19 INTEGRATED FAMILY HUB MODEL COMMISSIONING INTENT.

Cabinet considered the report that sought approval in principle for the preferred early help model of integrated Family Hubs.

The Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health informed Cabinet that this was the same decision brought to Cabinet in April 2020 and returns following the 'call in' and accepted comments. The item had always been on the forward plan for Cabinet to consider. It was reiterated that this was a decision for the principle

of an integrated family hub model and not the closure of centres. Section 3 of the report was mentioned as it contained the O&S Panel's recommendations which were read out as follows:

1. It be noted that the Head of Law had reviewed the Cabinet's decision made on April 30th, what had been said at the Overview and Scrutiny Panel meeting on May 14th, and the reasons for the call in, and had concluded that the decision complied with the law and did not conflict with the Council's Access For All policy;
2. The Cabinet paper of April 30th will be brought back to Cabinet in June setting out a consultative pathway;
3. The results of a further consultation process and recommendations for a decision will be brought to the Cabinet in July or August.

It was agreed at Cabinet on 28 May 2020 that the report be brought back to this Cabinet meeting.

The Lead Member for Housing, Communications and Youth Engagement reported that members had looked into the report in detail and that it was important part of our transformation work. He reiterated his desire for the community to come forward for the use of any buildings that may become available and the delivery of universal services delivery with our partners.

The Director of Children's Services said that the report had been re worked to provide clarity that was lacking in the original report regarding consultation and how to take this forward. They had looked for advice on undertaking consultation during C-19 but this was not something the organisations had experienced so they looked at best practice to bring ideas forward. The proposed consultation was longer than that proposed by O&S.

The Lead Member thanked O&S for reviewing the revised report, passing comments and agreeing with the contents.

Mr Bermange said that as the speaking rights for the public were stronger than those of non-Cabinet members he felt compelled to speak tonight. He did not believe that the required 28 days notice had been given to this item on the forward plan, it missed the statutory deadline and he disagreed with the legal opinion that the decision that it was on the forward plan from the original date. He felt that the name of the report and description had changed, that the item was not listed on the forward plan at Cabinet on 28 May 2020 and he wanted to ask if this decision was worth the risk given judicial review. He was pleased to see the changes made by the concerns raised by O&S but are we expected to waist £200.000ponds when process had not been followed. It was important to have universal provision through children centres.

The Leader thanked the speaker and felt his perseverance did the Liberal Democrats proud. He asked officer or Lead Member wished to respond.

The Lead Member responded that this was the same decision being brought back to Cabinet and has remained on the forward plan.

The Managing Director informed that legal advice had been taken on the issues raised and the monitoring officer had informed that she was satisfied that the process was correct. There would always be legal risks but it was also not possible to have the item on the forward plan presented to Cabinet in May as this had been produced according to legislation prior to Cabinet considering the call in recommendations.

Cllr Tisi reported that she welcomed the new report and that future consultation will inform what was a risk. It was good to see the notification to terminate building leases had been removed. The Lead Member thanked Cllr Tisi for being part of the O&S meeting that looked at the report as well of the ideas from Cllr C Da Costa.

The Leader reported that he endorsed the report, they had engaged and listened and modified as required. There were limited speakers tonight which he took as a sign of support.

**Resolved unanimously that: Cabinet notes the report and:**

- ii) Agrees in principle to the preferred model of integrated Family Hubs.**
- iii) Agrees in principle for the Family Hub model to prioritise services for children, young people and families most in need.**
- iv) Agrees to a second stage of public consultation which will seek views on the proposed implementation of the Family Hub model at a local level. The final model will then be developed, based on this consultation, and brought back to Cabinet in October for the final decision.**

**B) REFRESHED HOMELESSNESS STRATEGY ACTION PLAN INCLUDING NAME CHANGE**

Cabinet considered the Cabinet report regarding the approval for a refreshed action plan for the homelessness strategy and changing the name of the strategy to Homelessness & Rough Sleeping Strategy.

The Housing, Communications and Youth Engagement informed Cabinet that the authority had gained international condemnation due to homelessness particular in Windsor. This challenge was overcome and a new strategy was being implemented. The report showed areas of success and what else was planned. The action plan was due to be refreshed and will be refreshed on an annual basis if required. The change in name was to ensure clarity that the policy was to help those who were homeless or facing homelessness. Consultation events had been held with our partner agencies and members. Comments received had been included with the report. An updated equality assessment had also been included. The failures of two years ago had been addressed. A new scorecard had been introduced and further work would be undertaken with our partner organisations.

The Head of Housing and Environmental Health reiterated what had been said about changing the name to widen the scope of the policy and work already being undertaken. New actions to be delivered had been included.

The Leader said that we had come a long way from two years ago another strong piece of work setting aside legacy issues.

Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health reported that this was a crucial and important subject area. It was important to continuously update the strategy. Prior to C-19 he had visited John West House with the Lead Member and the primary care lead. It was excellent to get direct feedback and positive views from the establishment. The current pandemic had provided challenges. Homelessness could not be viewed in isolation there were other areas such as addiction and mental health that needed support and the pathways provided this.

The Deputy Leader of the Council, Resident and Leisure Services, HR, IT, Legal, Performance Management and Windsor said she also endorsed the paper there were brilliant organisations in Windsor and she was glad to see them working with the council. C-19 showed how well we can work together when we pulled together.

Cllr Singh asked if the complete quality impact assessment on the slide should have been the completed equality impact assessment as raised by Cllr Baldwin and his concerns raised at

O&S. it was confirmed that the name should be changed and that the impact had been reviewed since scrutiny and the groups raised were not impacted.

Cllr Price welcomed the robust discussion at O&S on this. She said that the cooperation with partners was critical and wanted to know if the Bret Foundation had been contacted. More Than a Shelter wanted to know if their services were too be required so they could start planning for this winter. NRPF category of people who could not claim benefits, she asked if this was an issue within the borough and if they were treated differently. The Lead Member replied that he agreed that partnership working was important and that he would be contacted the Bret Foundation. With regards to More Than a Shelter and NRPF the Head of Service replied that as part of the pathway they were supported with an initial assessment and stage one accommodation if required. She was looking at if More than a Shelter would be required but this had been affected by C-19, numbers were coming down and the additional shelter provided by them may not be required, she would be contacting them.

**Resolved unanimously that: Cabinet notes the report and:**

**i) Approves the refreshed homelessness strategy action plan and the name change to Homelessness & Rough Sleeping Strategy.**

**C) APPOINTMENTS TO OUTSIDE AND ASSOCIATED BODIES**

Cabinet considered the report regarding the appointment of representatives to serve the Council on a number of associated and outside bodies.

The Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property reported that this was an annual report with the proposed appointments contained at appendix A.

Cllr Larcombe asked why it was felt necessary to replace him on the Regional Flood and Coastal Committee. He represented a flood ward and has been involved with flood issues since the 1980's and have experience in blocked water courses that had not been looked after. The River Thames scheme was looking for a contribution from the Royal Borough towards its funding, he had put this question repeatedly and wondered if this was why he was being replaced. In response the Leader said that it was not due to him asking questions regarding the funding. The feedback received from the organisation was that they were looking for a more strategic approach going forward. He welcomed Cllr Larcombe's continued work on the Flood Liaison Group.

**Resolved unanimously that: Cabinet notes the report and:**

- v) Appoints representatives to serve on the organisations listed in Appendix 1.**
- vi) Delegates authority to the Head of Governance, in consultation with the Leader of the Council and Leaders of the Opposition Groups, to fill any ad hoc vacancies that might arise through the year from nominations received or make any changes to appointments as required.**
- vii) Requests the Democratic Services Team Manager to contact organisations as identified as being suitable to have a reduced or no council representation, to seek feedback on the proposal.**
- viii) Following receipt of feedback, delegates authority to the Democratic Services Team Manager, in consultation with the Leader of Council, to permanently reduce council representation on specific associated and outside bodies as appropriate.**



#### D) Q4 AND END OF YEAR PERFORMANCE REPORT

Cabinet considered the report regarding the year end performance report.

The Deputy Leader of the Council, Resident and Leisure Services, HR, IT, Legal, Performance Management and Windsor informed Cabinet that there were 43 key measures aligned to the strategic objectives in the Council Plan 2017-21. There were 22 measures that had been identified as being of particular strategic importance and these were reported to Cabinet at the end of quarters two and four.

Of the 22 measures 14 of the measures met or exceeded target, 5 measures fell just short of target, although still within the tolerance for the measure and 3 measures were out of tolerance and require improvement. These three 'Red' measures were:

- Delayed transfers of care rate (per 100,000 pop.) attributable to RBWM.
- Percentage of children subject to a Child Protection Plan for 2+yrs on ceasing
- No. homeless households in temporary accommodation.

The report also gave a brief overview of key activities and milestones achieved by the council in the second half of the year that would not be picked up by performance indicators, for example the Children's Services Ofsted report, reaction to C-19 and the excellent work by Customer Services keeping residents informed.

The Director of Adults, Health and Commissioning reported that this was the yearend report with in-depth scrutiny by members being undertaken. The format of the report had remained stable and gave a good balance of performance and activities.

**Resolved unanimously that: Cabinet notes the report and:**

- ix) Notes the Q4 and End of Year Performance Report in Appendix A.**
- x) Requests relevant Lead Members, Directors and Heads of Service to maintain focus on improving performance.**
- xi) Delegates authority to Directors in conjunction with Lead Members to amend and confirm the Strategic Performance Management Framework for 2020/21.**

#### E) DESIGNATION OF THE COOKHAM NEIGHBOURHOOD AREA

Cabinet considered the report regarding the designation of the Cookham Neighbourhood Area.

The Lead Member for Planning and Maidenhead informed that this administration supported neighbourhood planning and as mentioned at Council he had been involved in the first neighbourhood plan. Council had been asked this week to adopt a plan that was at the end of the process and was surprised that 13 members did not vote for the plan that supported localism.

This report was at the start of plan making and defined the area, after consultation, that was the same as the parish council boundary. There had been only been one objection, from John Lewis, who wanted their sites excluded. They are both in the green belt and it was felt it would be wrong to exclude the sites.

The Lead Member for Transport and Infrastructure informed that he endorsed the great work done. This may be the start of the process but a lot of work had already been undertake. Cookham had a design statement in place to guide planning, the formation of a plan would enhance this and further help planning decisions.

The Lead Member for Public Protection and Parking informed that it was great to see communities coming together and having their views heard at planning.

Cllr Brar said that she was pleased to see the report and endorsed it. In 2008 there was a Cookham Plan that was shelved and the design statement was produced. Bisham Parish Council did not want to join this plan as they wished to produce one of their own. She wished the village to be protected.

**Resolved unanimously that: Cabinet notes the report and:**

**Approves the neighbourhood area designation for the parish of Cookham, with the boundaries shown in Appendix B, co-terminus with the Parish boundary.**

F) TREASURY OUTTURN REPORT 2019/20

Cabinet considered the report that updated Members on the delivery of the Treasury Management Strategy approved by Council on 26th February 2019 and confirmed the treasury outturn position as at 31st March 2020.

The Lead Member for Finance and Ascot informed Cabinet that the report presented a review of the Council's financial investment portfolio at the 31st March 2020, a review of the Council's borrowing strategy 2019/20, a review of the compliance with the council's prudential limits for 2019/20, an economic update for the financial year and compliance with the Treasury Management Strategy statement.

Cabinet were informed that as para 3.1 stated the objective of treasury management was the security of investments whilst ensuring cash was available to run the business which was an exceptionally important part of financial management.

RBWM manages Local Economic partnership funds and as a consequence of LEP payments being lower than expected and COVID related funding from government our invested funds are higher than anticipated. Paragraph 4.1.5 showed this to be over £51 million and the table indicates where this was invested. These are all counterparty's listed on page 277 in Appendix C.

When investing, our benchmark return was 0.25% above bank rate. In 2019/20 the target was exceeded by 0.03% but with bank rate at 0.1% and interest rates at an all-time low and beating this may be a challenge in 2020/21.

Paragraph 4.1.8 explained that long term debt was unchanged. 4.2.1 showed short term debt to be £167.5 million. However, in looking at the budget report to Council in February 2019 this was about £20M above the projected level of borrowing. The reasons were a loss of income from the Ray Mill Road development and the understanding that we would be retaining just £19M of LEP funds. This would have an impact on the revenue budget and will be considered in a revised Medium-Term Financial Strategy.

The Treasure report was written by Ryan Stone, a relatively new and promising recruit to the finance team. It was important that we develop our staff and reports be more analytical.

The report notes that the Council was within the operational boundary and authorised limits for borrowing. Long term borrowing was shown on page 378. Our Treasury consultants Arlingclose provided an economic assessment on page 379. This come as part of the agreement and is given to all clients. At the present time any economic assessment was out of date the moment it was printed.

**Resolved unanimously that Cabinet notes and approves the annual Treasury Outturn Report 2019/20.**

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

**RESOLVED UNANIMOUSLY:** That under Section 100(A)(4) of the Local Government Act 1972, the public were excluded from the remainder of the meeting whilst discussion took place on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of part I of Schedule 12A of the Act.

The meeting, which began at 6.15 pm, finished at 9.05 pm

CHAIRMAN.....

DATE.....

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# Agenda Item 5

## CABINET

### FORWARD PLAN - CHANGES MADE SINCE LAST PUBLISHED:

ITEM	SCHEDULED CABINET DATE	NEW CABINET DATE	REASON FOR CHANGE
School places and projections	N/A	29/10/20	New Item
Outcome of feasibility work on potential school expansions	N/A	27/08/20	New Item
Compulsory Purchase Order – Nicholson's Walk Shopping Centre, Maidenhead	27/08/20	24/09/20	More time needed
Development of a Youth Council within the Royal Borough of Windsor and Maidenhead	N/A	29/10/20	New Item

## FORWARD PLAN OF CABINET DECISIONS

NB: The Cabinet is comprised of the following Members: Councillor Johnson, Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property, Councillor Rayner, Deputy Leader of the Council, Resident and Leisure Services, HR, IT, Legal, Performance Management and Windsor, Councillor Carroll, Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health, Councillor Cannon, Public Protection and Parking, Councillor Clark, Transport and Infrastructure, Councillor Coppinger, Planning and Maidenhead, Councillor Hilton, Finance and Ascot, Councillor McWilliams, Housing, Communications and Youth Engagement, Councillor Stimson, Environmental Services, Climate Change, Sustainability, Parks and Countryside

The Council is comprised of all the elected Members

All enquiries, including representations, about any of the items listed below should be made in the first instance to Democratic Services, Town Hall, St Ives Road, Maidenhead. Tel (01628) 796560. Email: democratic.services@rbwm.gov.uk.uk

### 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 and name of meeting	Date of Council decision (if required)
22 New Provision for Children and Young People with Special Education Needs	Open -	Review the outcome of the consultation and evaluation of options.	Yes	Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health (Councillor Stuart Carroll)	Kevin McDaniel	Internal Process	Cabinet 27 Aug 2020	

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

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 and name of meeting	Date of Council decision (if required)
23 Outcome of feasibility work on potential school expansions	Open -	The Royal Borough has carried out feasibility studies examining the potential for expansion at all schools in the borough. This is in response to likely increases in demand for school places arising because of planned new housing. The report summarises the outcome of the feasibility works and proposes a method of prioritising potential options as need for new places arises.	No	Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health (Councillor Stuart Carroll)	Kevin McDaniel	Internal process	Cabinet 27 Aug 2020	
Financial Update	Open -	To consider the latest financial update.	No	Lead Member for Finance and Ascot (Councillor David Hilton)	Adele Taylor	Internal process	Cabinet 24 Sep 2020	

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

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 and name of meeting	Date of Council decision (if required)
Compulsory Purchase Order – Nicholsons Walk Shopping Centre, Maidenhead	Fully exempt - 3	Land assembly for site known as Nicholsons Walk Shopping Centre, Maidenhead.	Yes	Leader of the Council and Chairman of Cabinet, Business, Economic Development and Property (Councillor Andrew Johnson)	Russell O'Keefe	Internal process	Cabinet 24 Sep 2020	
24 School places and projections	Open -	This report provides an update on projected demand for school places in the Royal Borough and may propose options for further development and consultation.	Yes	Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health (Councillor Stuart Carroll)	Kevin McDaniel	External	Cabinet 29 Oct 2020	
Development of a Youth Council within the Royal Borough of Windsor and Maidenhead	Open -	To seek agreement to establish a Youth Council to complement the existing governance committee structures of the Royal Borough of Windsor and Maidenhead (RBWM) Council.	Yes	Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health (Councillor Stuart Carroll)	Kevin McDaniel	External	Cabinet 29 Oct 2020	

**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 and name of meeting</b>	<b>Date of Council decision (if required)</b>
Financial Update	Open -	Latest financial update.	No	Lead Member for Finance and Ascot (Councillor David Hilton)	Adele Taylor	Internal process	Cabinet 26 Nov 2020	
Q1 and Q2 Performance Report	Open -	Latest performance report.	No	Lead Member for Resident and Leisure Services, HR, IT, Legal, Performance Management and Windsor (Cllr Rayner)	Hillary Hall	Internal process	Cabinet 26 Nov 2020	

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 and name of meeting	Date of Council decision (if required)
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**DESCRIPTIONS OF EXEMPT INFORMATION: ENGLAND**

1	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	<p>Information which reveals that the authority proposes</p> <p>(a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or</p> <p>(b) to make an order or direction under any enactment.</p>
7	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Report Title:	Introduction of new organisational values
Contains Confidential or Exempt Information?	No - Part I
Lead Member:	Councillor Rayner, Lead Member for Resident and Leisure Services, HR, IT, Legal, Performance Management and Windsor
Meeting and Date:	Cabinet - 30 July 2020
Responsible Officer(s):	Duncan Sharkey, Managing Director; Nikki Craig, Head of HR, Corporate Projects & IT
Wards affected:	None

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## REPORT SUMMARY

- Members of the Corporate Leadership Team worked with employees from across the council in order to understand their thoughts on the strengths of the organisation. The intention was to develop a new set of values which reflected the organisation and how employees feel everyone should behave not only towards residents and partners but also to each other.

This report introduces the council's new organisational values which were launched on 19 June 2020 and outlines the process that was used identify them, as well as details the draft action plan that will be put into place to embed these new values.

## 1. DETAILS OF RECOMMENDATION(S)

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

*Endorses the new values and supports their implementation.*

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

### Options

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

Option	Comments
Cabinet endorses the new values and supports the rollout and embedding of them. <b>This is the recommended option</b>	This would ensure greater buy-in from employees as it would indicate support from council leadership, contributing to improved culture change across the council.
Cabinet are not supportive of the new values.	This would devalue the input and engagement of staff in the value setting process and would make it harder to embed the values.

## **Background**

- 2.1 In 2012 the council decided upon a set of values that were designed to mirror the culture of the organisation. These CREATE values were set up to reflect the culture of the council and what it stood for and were embedded into working practices, such as the appraisal process, in order to ensure that all employees were working to support the council's vision and values.
- 2.2 CREATE stood for
  - Commitment
  - Respect & value
  - Engage
  - Accountability
  - Trust
  - Empower & inspire
- 2.3 However, over subsequent years the focus on the CREATE values contracted. The majority of employees were unable to list each of the CREATE values.
- 2.4 As a result the council launched the How We Work initiative in 2019 with the intention of identifying a new set of values that reflected the organisation and its people.
- 2.5 Between December 2019 and February 2020 members of the Corporate Leadership Team (CLT) worked with employees from across the council. Attendees were asked to comment on the strengths of the organisation and to list behaviours and values that they believed to be key to helping the council achieve its organisational objectives.
- 2.6 Over 83% of employees attended a workshop, in addition to separate sessions for CLT and Elected Members. Over 1400 behaviour statements and nearly 200 values statements were collected. This indicates that the outputs of the workshops are representative of the feelings from across the workforce.
- 2.7 All statements were collated and placed into themes, with a set of draft values being launched to employees on 29 April 2020 via a Microsoft Teams Live Event with the Managing Director, Duncan Sharkey. This gave attendees the opportunity to ask any questions that they had regarding the process and the proposed values.
- 2.8 Employees were subsequently given the opportunity to provide more detailed feedback via a feedback form to Human Resources in order to help shape the final values, which were launched on 19 June 2020.
- 2.9 A significant number of the comments from the workshops related to the suitability and cleanliness of the working environment, as well as the robustness of IT systems. Although these are not behaviours due to the substantial number of comments the decision was taken to include an organisational promise, titled 'Invest in Strong Foundations' which sits under the new values (see 2.10).

## **New Values**

- 2.10 The outcome of the activity is a group of 4 new values, which are detailed in full in Appendix A. These values are
- Invest in strong foundations
  - Empowered to improve
  - One team and vision
  - Respect and openness
- 2.11 These new values will be embedded through the activities detailed on the draft action plan (see Appendix B).
- 2.12 As this is focussed on changing the culture of the organisation measuring the success of this project is a long-term activity. As a result the council will look for improved employee engagement scores in future staff surveys, such as the full staff survey due to take place in late 2020 as well as subsequent surveys and mid-point temperature checks.

## **3. KEY IMPLICATIONS**

**Table 2: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
New values are implemented and embedded in accordance with action plan.	Action plan items not delivered	Action plan items delivered	n/a	n/a	01 July 2021

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

- 4.1 There are no immediate direct costs at this stage. If costs arise as a result of planned activities budget and approval would be sought via the appropriate mechanism.

## **5. LEGAL IMPLICATIONS**

- 5.1 There are no legal implications.

## **6. RISK MANAGEMENT**

- 6.1 None

## 7. POTENTIAL IMPACTS

- 7.1 Equalities. Initial screening has been carried out and identified no need for a full EQIA.
- 7.2 Climate change/sustainability. None
- 7.3 Data Protection/GDPR. None

## 8. CONSULTATION

- 8.1 Workshops were attended by 83% of staff who discussed their thoughts on the strengths of the organisation and provided their ideas on what the values should be. Elected Members attended their own standalone session which followed the same format. Employees were subsequently given the opportunity to comment on the proposed values.

## 9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Immediately. Please see attached draft action plan in Appendix B.

## 10. APPENDICES

- 10.1 This report is supported by two appendices:
- Appendix A The council's new values
  - Appendix B New values implementation draft action plan

## 11. BACKGROUND DOCUMENTS

- 11.1 This report is supported by one background document.
- Equalities impact assessment

## 12. CONSULTATION (MANDATORY)

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
Cllr Samantha Rayner	Lead Member for Resident & Leisure Services, HR, IT, Legal, Performance Management and Windsor	02/07/20	03/07/20
Duncan Sharkey	Managing Director	30/06/20	03/07/20
Russell O'Keefe	Director of Place	30/06/20	
Adele Taylor	Director of Resources/S151 Officer	30/06/20	03/07/20
Kevin McDaniel	Director of Children's Services	30/06/20	
Hilary Hall	Director Adults, Health & Commissioning	30/06/20	02/07/20
Andrew Vallance	Head of Finance	30/06/20	02/07/20

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
Elaine Browne	Head of Law	30/06/20	02/07/20
David Scott	Head of Communities	30/06/20	01/07/20
Mary Severin	Monitoring Officer	30/06/20	
Nikki Craig	Head of HR, Corporate Projects and IT	30/06/20	30/06/20
Louisa Dean	Communications	30/06/20	
Karen Shepherd	Head of Governance	30/06/20	02/07/20

## REPORT HISTORY

<b>Decision type:</b> For information	<b>Urgency item?</b> No	<b>To Follow item?</b> No
Report Author: Karl Joseph, HR Business Partner: Organisational Development, 01628 796402		

## Appendix A The council's new values



### Invest in strong foundations

What this looks like in practice

<p><b>What we want</b> ✓</p> <ul style="list-style-type: none"> <li>• Decent, clean and well-maintained offices</li> <li>• Attractive meeting spaces for formal and informal meetings</li> <li>• Suitable places for staff to have lunch and breaks away from their desks</li> <li>• Modern and robust IT</li> <li>• Fair and consistent working practices</li> <li>• Investment in developing our staff</li> <li>• An excellent induction process that helps people to work to our values</li> </ul>	<p><b>What we don't want</b> ✗</p> <ul style="list-style-type: none"> <li>• Dirty, cramped offices</li> <li>• Toilets that don't work</li> <li>• Out of date and unreliable IT</li> <li>• Unfair or inconsistently applied working practices</li> <li>• Training as a tick-box exercise</li> </ul>
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### Empowered to improve

What this looks like in practice

<p><b>What we want</b> ✓</p> <ul style="list-style-type: none"> <li>• Take ownership of problems</li> <li>• Focus on outcomes</li> <li>• Hold yourself and others accountable</li> <li>• Give and receive constructive feedback</li> <li>• Proactively challenge what isn't working</li> <li>• Plan improvements to the things that aren't working well</li> <li>• Celebrate successes</li> <li>• Recognise staff for a job well done</li> <li>• Learn the lessons from when things don't quite work out</li> <li>• Innovate and try new things</li> <li>• Have fun and enjoy your job</li> </ul>	<p><b>What we don't want</b> ✗</p> <ul style="list-style-type: none"> <li>• Not doing what we said</li> <li>• Not trying new ideas to fix things</li> <li>• Being defensive</li> <li>• Blaming – looking for whose fault it is</li> <li>• A bad atmosphere at work</li> </ul>
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### One team and vision

What this looks like in practice

<p><b>What we want</b> ✓</p> <ul style="list-style-type: none"> <li>• Support other teams and departments</li> <li>• Deliver the vision together</li> <li>• Share information and resources with other teams</li> <li>• First try to help, even if it's not your responsibility</li> <li>• Understand how what you do relates to the overall vision for the organisation</li> <li>• Take the time to build good relationships</li> <li>• Be clear which teams you need to work with</li> <li>• Get to know what other teams do</li> <li>• Make sure all colleagues feel valued and part of the team</li> <li>• Acknowledge other people's ideas</li> </ul>	<p><b>What we don't want</b> ✗</p> <ul style="list-style-type: none"> <li>• Putting the needs of the team before the needs of the organisation</li> <li>• Passing the buck - saying, 'that's not my responsibility' before trying to help</li> <li>• Ignoring the impact of what you do on other teams</li> <li>• Failing to support others that need our help</li> </ul>
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### Respect and openness

What this looks like in practice

<p><b>What we want</b> ✓</p> <ul style="list-style-type: none"> <li>• Embrace diversity in all ways</li> <li>• Be polite and courteous</li> <li>• Follow our guidelines for respectful communication</li> <li>• Smile and say hello to people you interact with</li> <li>• Talk to people rather than sending an email</li> <li>• Seek other people's ideas and listen to them</li> <li>• Be honest with people</li> <li>• If you can't do something, let people know</li> <li>• Be discreet when discussing sensitive issues or giving negative feedback</li> <li>• Be truthful and open</li> <li>• Let people know when there are things that might affect them</li> </ul>	<p><b>What we don't want</b> ✗</p> <ul style="list-style-type: none"> <li>• Being rude to people</li> <li>• Ignoring people</li> <li>• Avoiding people when they need to talk to you</li> <li>• Not getting back to people when they contact you</li> <li>• Criticising people in front of others</li> </ul>
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## Appendix B New Values Implementation Draft Action Plan

<b>Action</b>	<b>Outcome</b>	<b>Completion date</b>
Values-related interview questions	Introduce mandatory values-related questions during the recruitment process.	31/10/2020
Diversity	Identify and implement new ways to embrace diversity across the organisation.	31/10/2020
Council induction	Introduce the new values at the council's induction.	18/08/2020
Induction handbook	Launch of new induction handbook to provide details on the council's values.	31/10/2020
Service workshops	All services to carry out internal workshops to identify gaps against each value and to develop action plans. HR will provide assistance with the format of the workshops.	31/12/2020
Values promise update for Ts & Cs	Value promise to be issued to all employees, to be included in terms and conditions of employment.	30/10/2020
Challenge toolkit	Challenge toolkit to be published, providing guidance to all staff who wish to challenge poor behaviour against the values.	31/12/2020
Internal service surveys	Services to carry out surveys to all other areas of the council to measure the service's execution of the values. A standard format will be used.	31/03/2021
Appraisal process	The employee appraisal process will be updated to include measures of performance of each of the values.	31/03/2021
360 degree feedback	Investigate the introduction of 360 degree feedback process to give employees the opportunity to recognise their self-development opportunities.	31/10/2020
Mentoring	Launch of mentoring programme across the council to help employees with their long-term personal development.	31/12/2020
Staff survey questions to be updated to reflect new values	Results used to identify how leadership, managers and all employees evidence the new values.	31/12/2020

Report Title:	<b>Outcome of reviews of Achieving for Children and Optalis delivery arrangements</b>
Contains Confidential or Exempt Information?	No – Part I
Lead Member:	Councillor Hilton, Lead Member for Finance and Ascot Councillor Carroll, Deputy Chairman of Cabinet, Adult Social Care, Children’s Services, Health and Mental Health
Meeting and Date:	Cabinet – 30 July 2020
Responsible Officer(s):	Hilary Hall – Director of Adults, Health and Commissioning and Lynne Lidster, Head of Commissioning - People
Wards affected:	All

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## REPORT SUMMARY

1. As part of the budget setting process for 2020-2021, it was recommended that the arrangements that the Royal Borough has through Achieving for Children and Optalis for the delivery of children’s and adult services respectively should be reviewed to ensure that they were fit for purpose.
2. The Chartered Institute of Public Finance and Accountancy (CIPFA) was commissioned in April 2020 to undertake the review. The aim of the review was to understand whether the current arrangements, which have been in place since 2017, were still the appropriate models to deliver the Council’s ongoing strategic transformation objectives for adult and children’s services.
3. Both reports, see appendices 1 and 2, conclude that the current arrangements are still the best option for service delivery although in both cases, there are issues that need resolution in order to maximise the benefits. In relation to Optalis, the issue centres on the ongoing relationship between the owners, the Royal Borough and Wokingham Borough Council, and in relation to Achieving for Children, the main issue is that of ongoing cost control of the services.

## 1. DETAILS OF RECOMMENDATION(S)

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

- a) **Delegates authority to the Managing Director, in consultation with the Lead Member for Finance and Deputy Chairman of Cabinet, Adult Social Care, Children’s Services, Health and Mental Health, to implement the recommendations set out in the two respective CIPFA reports annexed to this report.**

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

### Options

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

<b>Option</b>	<b>Comments</b>
Do nothing	This is not recommended as it does not enable changes and improvements to the existing operating models between the Council, Wokingham Borough Council and Optalis.
Improve the existing arrangements by revising the existing shareholder agreement between the Royal Borough and Wokingham Council <b>This is the recommended option</b>	Updating the shareholder agreement is key to clarifying the relationship between the Royal Borough and Wokingham Borough Council. It will also provide the Royal Borough with greater control over future transformation with the minimum of disruption to staff and service delivery at the current time.
Wokingham or the Royal Borough assume full ownership of Optalis and establish contractual arrangements with the other.	Whilst this retains the flexibilities of a Local Authority Trading Company and provides greater control for the Royal Borough, it would require considerable negotiation and risks significant service disruption.
The Royal Borough establishes new wholly owned Local Authority Trading Company; TUPE transfer relevant staff; Wind down Optalis in agreement with Wokingham	This would present potential risks to service delivery and disruption to staff, as well as incur significant transitional costs to new company.
In house provision; (wind down Optalis; bring relevant Optalis staff back into the Royal Borough)	There would potentially be additional staff costs when under the Royal Borough terms and conditions and it would require considerable time, effort and cost to wind down Optalis. There would be potential pension liabilities if the Optalis fund does not have sufficient resources to meet its pension liabilities.

**Table 2: Options arising from this report – Achieving for Children**

<b>Option</b>	<b>Comments</b>
Do nothing	This is not recommended as it does not permit changes and improvements to the existing operating model between the Council and Achieving for Children.
Improve the existing arrangements by establishing a Service Level Agreement between the Royal Borough and	This option retains the benefits that the Achieving for Children expertise has brought to the council's children's services, evidenced by the recent "Good" rating by OFSTED. In addition, the Royal Borough

Option	Comments
<p>Achieving for Children, the Royal Borough agreeing the level of central support it requires from Achieving for Children and Achieving for Children reviewing the level of commissioning support to the Royal Borough</p> <p><b>This is the recommended option</b></p>	<p>has opportunity for increased influence in the operation of Achieving for Children as well as greater clarity on its central costs and its ability to deliver cost savings.</p>
<p>The Royal Borough relinquishes its 20% share in the ownership of Achieving for Children and Achieving for Children agrees a contract with the Royal Borough</p>	<p>The Royal Borough becomes a key client rather than a minority owner and can choose what shared services it wishes to receive and what level of central Achieving for Children involvement it requires. However, it is harder to vary services under a contract, which may hamper future transformation and it may result in a significant cost increase as Achieving for Children price in cost risk. There may be delays in the delivery of business transformation in the short term with focus on establishing a new company and withdrawal from Achieving for Children. There is a risk that it will be more expensive and Achieving for Children might not bid for the work.</p>
<p>The Royal Borough establish a new wholly owned Company and TUPE transfers Achieving for Children staff to it, at the same time withdrawing from Achieving for Children.</p>	<p>The cost of change will be significant both in terms of transfer and pension liabilities. However, the Royal Borough would have greater control over central company costs and future service delivery. However, there is a significant risk of delays in the delivery of business transformation as well as disruption to staff. Central costs may be greater if Achieving for Children support functions are not shared.</p>
<p>In house provision, transferring all relevant Achieving for Children staff back to the Royal Borough.</p>	<p>The cost of change will be significant, for example terms and conditions of new Achieving for Children staff are different from the Royal Borough. There is the risk of potential significant service disruption and additional staff costs when under the Royal Borough terms and conditions. Most management staff could remain with Achieving for Children and central overheads could increase as they are not shared with other partners.</p>

## **Optalis.**

- 2.1 The CIPFA report notes that Optalis has brought considerable benefits to the Royal Borough in terms of service improvement, which justifies the original decision to transfer services into the company. However, the Royal Borough as the minority shareholder (45%) does not have sufficient control over major service transformation for Optalis. The current relationship between the Royal Borough and Wokingham is impacting on Optalis and its ability to plan and manage service delivery and future transformation.
- 2.2 Furthermore, the report notes that Optalis itself has not yet demonstrated the strategic focus on its business to control costs, understand demand, plan ahead and deliver transformation.
- 2.3 Currently Wokingham Borough Council has disputed previous years' apportionment of central overheads. Despite offering to settle this matter by negotiation, Wokingham Borough Council determined to appoint an independent mediator. Their decision was made recently and *EITHER Royal Borough contribution has been increased in line with our budgeted and negotiating position OR our costs have increased as the mediation determined a fair apportionment that will cost the Royal Borough more but not the £750,000 Wokingham Borough Council were claiming.*
- 2.4 Accordingly, the recommended option is to work with Wokingham Borough Council to revise the existing shareholder agreement between the two Councils, so that:
  - The relationship between the two councils in relation to Optalis is reset and common objectives for Optalis are agreed.
  - The apportionment of central overheads is agreed between the two councils.
  - There is clarity for Optalis on day to day service delivery and future transformation including the process for taking new business.

## **Achieving for Children**

- 2.5 Since joining Achieving for Children, children's services have improved considerably, now rated as good by Ofsted. This is an enormous achievement in a relatively short time and reflects extremely well on Achieving for Children and its staff. There is also evidence that Achieving for Children has generated considerable staff loyalty. All of this validates the original decision to transfer services to Achieving for Children.
- 2.6 However, the report concludes that the other benefits of joining have been more difficult to achieve. There have been few financial savings from these arrangements and costs have risen considerably which, in part, are reflected nationally. Plans to expand the company are on hold, which leaves little scope for further costs savings for the Royal Borough. The council does not have the level of oversight that it needs over children's services costs.
- 2.7 The recommended option by CIPFA is that Achieving for Children is the best delivery option for children's services but that improvements are needed. These are:
  - The Royal Borough should ensure that its commissioning and finance teams have sufficient expertise and influence to hold Achieving for Children to account for the delivery of children's services.

- The Royal Borough and Achieving for Children should work closely together to achieve a common understanding of current costs for delivering children’s services, as well as a clear four-year strategy for future demand and the financial consequences.
- The Royal Borough should agree a clear Service Level Agreement with Achieving for Children that is explicit about risks, rewards and responsibilities.

### 3. KEY IMPLICATIONS

3.1 The key implications are set out in table 3.

**Table 3: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
New Optalis shareholder agreement negotiated and agreed	30 April 2021	31 March 2021	31 January 2021	31 December 2020	31 March 2021
Service Level Agreement in place between the Royal Borough and Achieving for Children	30 April 2021	31 March 2021	31 January 2021	31 December 2020	31 March 2021
Level of central support services required from Achieving for Children established	1 November 2020	1 October 2020	1 September 2020	N/A	01 October 2020
Level of commissioning support Achieving for Children currently provides clarified.	1 November 2020	1 October 2020	1 September 2020	N/A	01 October 2020

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 The value of work carried out by Optalis for the Royal Borough is some £33m per annum and includes all adult social care statutory and provider services. Strategic commissioning remains within the local authority. Similarly, for Children’s Services, the annual contract value is around £33m per annum.

Optalis and Achieving for Children together account for nearly 70% of the council's net revenue budget.

- 4.2 Whilst there are no direct financial implications as a result of the report, the recommended options for both Optalis and Achieving for Children provide the opportunity to revisit and agree central overheads which are currently in dispute with Wokingham for Optalis, and to exert greater leverage on Achieving for Children to deliver budgeted in-year savings going forwards.
- 4.3 Recommendations from the report include consideration of ensuring that RBWM has the right level of expertise within the council. If additional resources are required, then the funding of these will need to be considered as part of our overall budget management.

**5. LEGAL IMPLICATIONS**

- 5.1 The recommended options set out in this report for both Optalis and Achieving for Children would require revising the existing Shareholder Agreement between the Royal Borough, Wokingham Council and Optalis and drafting a new Service Level Agreement for Achieving for Children. Legal services would be fully involved in the drafting and execution of the necessary agreements

**6. RISK MANAGEMENT**

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

<b>Risks</b>	<b>Uncontrolled risk</b>	<b>Controls</b>	<b>Controlled risk</b>
Failure to agree terms for a new Shareholder Agreement between the Royal Borough and Wokingham.	HIGH	Formal negotiations to be undertaken in order to agree new provisions	MEDIUM
Failure to agree terms for a Service Level Agreement with Achieving for Children	MEDIUM	Formal negotiations to be undertaken in order to agree a Service Level Agreement.	LOW

**7. POTENTIAL IMPACTS**

- 7.1 Equalities. The proposed recommendations in this report do not change the existing Equality Impact Assessments undertaken at the time the two companies were established.
- 7.2 Climate change/sustainability. There are no potential climate / environmental impacts associated with these proposals.



7.3 Data Protection/GDPR. No personal data is being processed and a Data Protection Impact Assessment is not required.

## 8. CONSULTATION

8.1 A number of interviews in the Royal Borough, Optalis and Achieving for Children were undertaken by CIPFA as part of undertaking the review.

8.2 Consultation on the draft report has been undertaken with the Chief Executive and Chairman of Optalis Limited and the Interim Chief Operating Officer and Chairman of Achieving for Children.

8.3 Both reports have been shared with the respective joint owning councils – Wokingham Borough Council (Optalis); Royal Borough of Kingston-upon-Thames and London Borough of Richmond upon Thames (Achieving for Children).

## 9. TIMETABLE FOR IMPLEMENTATION

9.1 Implementation date if not called in: Immediately. The full implementation stages are set out in table 5.

**Table 5: Implementation timetable**

Date	Details
<b>Optalis</b>	
July to September	Negotiations on new shareholder agreement
September	Heads of terms agreed
October to January	Legal drafting and agreement
1 April 2021	Implementation of new shareholder agreement
<b>Achieving for Children</b>	
July to August	Negotiations on new service level agreement, commissioning support and central support
September	Legal drafting and agreement
1 October 2020	Implementation of new agreements

## 10. APPENDICES

10.1 This report is supported by two appendices:

- Chartered Institute of Public Finances and Accountancy “Royal Borough of Windsor and Maidenhead Review of Delivery Options for Optalis; FULL REPORT; Final Draft; June 2020” John O’Halloran, Director Business Advisory and Consultancy – CIPFA.
- Chartered Institute of Public Finances and Accountancy “Royal Borough of Windsor and Maidenhead Review of Delivery Options for Achieving for Children; FULL REPORT; Final Draft; June 2020” John O’Halloran, Director Business Advisory and Consultancy – CIPFA.

## 11. BACKGROUND DOCUMENTS

11.1 None.

## 12. CONSULTATION (MANDATORY)

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
Cllr Hilton	Lead Member for Finance and Ascot	30/06/20	02/07/20
Councillor Carroll	Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health	30/06/20	02/07/20
Duncan Sharkey	Managing Director	26/06/20	30/06/20
Russell O'Keefe	Director of Place	30/06/20	
Adele Taylor	Director of Resources/S151 Officer	30/06/20	01/07/20
Kevin McDaniel	Director of Children's Services	30/06/20	02/07/20
Hilary Hall	Director Adults, Health and Commissioning	23/06/20	26/06/20
Elaine Browne	Head of Law	30/06/20	01/07/20
Mary Severin	Monitoring Officer	30/06/20	
Nikki Craig	Head of HR, Corporate Projects and IT	30/06/20	01/07/20
Louisa Dean	Communications	30/06/20	01/07/20
Karen Shepherd	Head of Governance	30/06/20	02/07/20

## REPORT HISTORY

<b>Decision type:</b>	<b>Urgency item?</b>	<b>To Follow item?</b>
Key decision: No	No	No
Report Author: Lynne Lidster, Head of Commissioning – People; 07554 459628.		

# Royal Borough of Windsor and Maidenhead

## Review of Delivery Options

For

Optalis

# FULL REPORT

June 2020

### Contact details

In the first instance please direct all enquiries to:  
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## Executive Summary

The Royal Borough of Windsor and Maidenhead (RBWM) has engaged Cipfa to carry out a review of delivery options for Achieving for Children (AfC) and Optalis. The authors would like to thank everyone (Annex A) who has co-operated with this review for the time they have set aside to be interviewed.

Some two years ago RBWM decided to join local authority companies to deliver Childrens and Adult Social Care Services. These key services required either considerable improvement or transformation. The new arrangements also offered greater resilience and potential economies of scale.

Since joining Optalis, Adult Social Care services have improved. Elements of the service have been rated as good by the CQC. The other benefits of joining have been more difficult to achieve. There is little sharing with the other owner, Wokingham. Over 75% of Optalis business comes from RBWM but it only has the minority (45%) stake within the company.

While Optalis has been good at managing day to day adult social care, there is little evidence that it currently adds significant value in terms of strategic planning, transforming services or indeed understanding future demand for its services. It needs to demonstrate that it can do more in this area if it is to deliver the major transformation that RBWM want to make within Adult Social Care.

The relationship between RBWM and its co-owner Wokingham is broken. Unless this can be resolved there is little prospect that Optalis will be able to deliver the transformation that RBWM wants or indeed be viable in its current form.

The review of delivery options shows that Optalis still has the potential to be the best delivery model for RBWM. Significant changes to Optalis could delay the transformation as well as risking current service delivery for Adult Social Care at a time of considerable risk (Covid 19).

All of this means that it is in the best interest of RBWM to try to resolve its current relationship with Wokingham and agree a joint way forward for Optalis. This is not impossible and despite the disagreement, both organisations want Optalis to deliver similar things around transformation and effective service delivery.

The review of central overhead costs, which is being carried out at the same time as this review, will test the relationship between the two owners. If this changes the apportionment of central costs, RBWM may have to decide whether it wishes to contribute more to Optalis to maintain the current management structure.

The recommendations at Section 8 are designed to help RBWM find a way to resolve its relationship with Wokingham and agree a clear way forward for Optalis. While there is much for RBWM and Wokingham to resolve, there is also a lot for Optalis to do to demonstrate that it can provide the added value that RBWM and Wokingham need.

# 1. INTRODUCTION

- 1.1 The Royal Borough of Windsor and Maidenhead (RBWM) has commissioned Cipfa to carry out a review of the delivery options for Adults Social Care and Children Services.
- 1.2 Currently these services are delivered by two local authority companies, Optalis and Achieving for Children, which together account for nearly 70% of the council's net revenue budget.
- 1.3 RBWM, like a number of councils, has an extremely challenging financial position. The Covid 19 national emergency has made this even more acute and the Director of Resources has warned that she may need to issue a Section 114 notice by the autumn if the position does not improve.
- 1.4 This report considers how the existing arrangements are working and whether they are delivering value for money. It also goes on to consider whether alternative options are likely to deliver better value for money or make it easier for the Council to address the significant financial challenges that it faces.

# 2. THE CURRENT ARRANGEMENTS FOR ADULT SOCIAL CARE

- 2.1 On 30<sup>th</sup> March 2017 the RBWM entered into an agreement with Wokingham Borough Council and Optalis Holdings Limited for Optalis to deliver its Adult Social Care.
- 2.2 Wokingham Borough Council retained a 55% share in the company, with RBWM holding the remaining 45% share. The company must also deliver at least 80% of its business to Wokingham and RBWM combined in accordance with the Public Contracts Regulations of 2015.
- 2.3 At the time of the transfer it was expected that both RBWM and Wokingham would transfer the majority of their adult social care services to Optalis Holdings Limited in line with the business plan. This in turn would achieve significant economies of scale for Wokingham and RBWM.
- 2.4 RBWM subsequently transferred the majority of its Adult Social Care Services to Optalis and only retained a small client commissioning function. The only exception to this was the retention of some significant block contracts with existing external providers of adult social care.
- 2.5 The value of work carried out by Optalis for RBWM is some £35m and includes
  - Regulatory Services

- Statutory Services
  - Provider Services
- 2.6 During the last two years Wokingham has not transferred all of its Adult Social Care services to Optalis.
- 2.7 The value of work carried out by Optalis for Wokingham is some £10m and is exclusively provider services.
- 2.8 This effectively means that while (75%) of Optalis business comes from RBWM, Wokingham still retains 55% control of Optalis.

### **3. THE CONTEXT FOR REVIEWING SERVICE DELIVERY OPTIONS**

- 3.1 This section sets out the key factors which impact on the potential range of delivery options for Adult Social Care.
- 3.2 Financial Position of Royal Borough of Windsor & Maidenhead
- RBWM is faced with having insufficient reserves to cover a potential budget shortfall of £12m
  - RBWM has already warned MHCLG that it may need to issue a S114 notice in the summer on the basis that it will not be able to set a balanced budget for 2021/22
  - Optalis Contract accounts for some 40% of the RBWM budget
  - RBWM wants to transform adult social care to deliver greater savings to help balance its budget in the short, medium, and long term.
- 3.3 Growing Pressures on Elderly Social Care
- Demand for elderly social care is growing as the population ages
  - At the same time there is greater regulatory pressure to improve the quality of adult social care provider services, which potentially increases delivery costs.
  - Optalis has improved the quality of adult social care provider services and has achieved a good CQC rating for many of the services that it provides.
  - RBWM wants to transform adult social care to better manage the growing pressures on Elderly Social Care.
- 3.4 A Delivery Model (Optalis) that is unable to deliver all the benefits that it was established to deliver.
- In 2017, RBWM became a minority owner of Optalis, a local authority company, which was established by Wokingham Borough Council to deliver adult social care.

- At the outset it was envisaged that both organisations would transfer the entirety of their adult social care (regulatory and statutory) to Optalis.
- RBWM made this transfer at an early stage but Wokingham has since chosen not to do this.
- This has created an imbalance within Optalis which is 55% owned by Wokingham but delivers 75% of services to RBWM.
- This has left Optalis delivering different services to RBWM and Wokingham with little sharing and economies of scale between the two organisations.
- Optalis has not therefore delivered the benefits of sharing services and economies of scale to RBWM.

### 3.5 A broken relationship with RBWM's key partner, Wokingham.

- RBWM and Wokingham are now in dispute over the allocation of central costs
- The two councils have been unable to resolve this and have engaged an independent expert to advise.
- There is a considerable level of distrust and unwillingness to share at even the most basic service delivery level e.g. the allocation of P.P.E equipment during the Covid19 crisis.
- Optalis has struggled to get decisions on key organisational matters in a timely way e.g. the recruitment of a new Chief Executive, the agreement of a permanent pay award for staff

### 3.6 The Covid19 National Emergency

- Adult Social Care is at the heart of each Local Authority's response to Covid19
- Optalis have demonstrated an effective response that is better than some other local authority areas
- This response relies on effective leadership across Optalis and committed staff within Optalis
- Retaining good social care staff is at the heart of being able to respond to this crisis
- The position is fragile and any change at this time could impact on the confidence of those staff.

### 3.7 Transforming Adult Social Care

- RBWM wants and needs to transform its Adult Social Care including through increased use of technology
- RBWM has set out a transformation plan and established a transformation board that includes Optalis
- Optalis has started to engage with RBWM to look at the opportunities for transformation, although previously Optalis has focused on improving service delivery rather than transforming it.

- Covid19 is already challenging how Optalis delivers services and the relative need for certain services e.g. day care and face to face visits.

### 3.8 Local Authority Controls

- Local Authority Companies have greater freedom to trade with other local bodies, to set terms and conditions for staff and to let contracts.
- These freedoms can enable these companies to make cost savings that would not be available to local authorities (e.g. terms & conditions)
- These companies can also achieve greater economies of scale by delivering services to other bodies without the same restrictions imposed on local authorities.
- While new Optalis staff are on new terms and conditions, it is still operating in a competitive market, which means that it makes use of agency staff to varying degrees in most areas including social workers
- Optalis has little external business other than with Wokingham and RBWM.

### 3.9 Charging for Adult Social Care

- A review of income collection/charging for Adult Social Care is currently underway
- The Charging Policy for RBWM has not been reviewed for over 7 years.
- Documentation for the recovery of charges is poor
- A high number of agency social workers/assessors means that Optalis staff are not fully aware of charging mechanisms and may not implement them.
- Overall, there is concern that the transitions between Optalis and RBWM could mean that there is added complexity in recovering charges
- In turn this could lead to failure to charge (lost income) or failure to collect charges (bad debts).

### 3.10 Pensions

- Former RBWM staff within Optalis have retained their pension rights and have continued within the Berkshire Pension Scheme (Optalis has admitted body status)
- Optalis has closed their pension scheme to any new staff that joined from 1 April 2017.
- If Optalis is wound down then all staff will automatically transfer back to RBWM, unless it makes alternative arrangements i.e. establishes a local authority company or agrees other contractual arrangements for the delivery of adult social care.
- At the same time RBWM will assume the pension liabilities for staff within Optalis, although it will have a share of the Optalis pension fund to enable it to do this.
- Equally all Optalis staff, currently outside the pension fund will have the right to join it.



## 4. KEY CRITERIA FOR ANY DELIVERY MODEL

4.1 Given the above context there are some key tests for any delivery model for Adult Social Care.

**a) Deliver Good Quality Statutory Services**

Any model should not demonstrably weaken the quality of statutory care services.

**b) Transform the way it delivers Adult Social Care**

Any model should make it as easy as possible for RBWM to implement its transformation strategy.

**c) Have the control it needs over the future direction of Adult Social Care**

Any model should give RBWM sufficient control over how it delivers Adult Social Care without undue influence from another partner.

**d) Take advantage of new ways of working and freedoms in delivering services.**

Any model should enable RBWM to access greater freedoms in the delivery of adult social care.

**e) Repay the costs of transition within 2 years.**

Any transition costs of moving to a new model from the existing model should be able to be recovered by greater savings under the new model with a payback period of no more than 2 years.

**f) Attract and retain high quality social care staff**

Any change needs to set out clearly how it will retain high quality social care staff, especially during a period of national emergency

**g) Operate as efficiently as possible**

Any delivery model should minimise the level of central overhead costs and duplication between RBWM and Optalis.

4.2 In terms of any delivery model going forward the most important issues are:

- (a) Maintaining a good service and keeping people safe
- (b) Effectively controlling costs
- (c) Transforming adult social care services to better manage current and future service pressures

(d) To have effective working relationships with the organisation and partners/owners within the delivery model.

4.3 The current arrangements for Optalis meet the first of these criteria but do not currently address the remaining three criteria. This means that there is an urgent need to look at either improving the current delivery model or other delivery models.

## 5. ALTERNATIVE DELIVERY MODELS

5.1 This section considers the range of delivery models for Adult Social Care as follows:

- Option 1 No change to current arrangements
- Option 2 Improved current arrangements e.g. with a revised shareholders agreement
- Option 3 RBWM wholly owned company
- Option 4 Transfer back to RBWM.

### Option 1: Status Quo

5.2 The Table below assesses the advantages and disadvantages of keeping the existing arrangements for Optalis together with the opportunities and threats associated with this option.

<b>Status Quo</b> <ul style="list-style-type: none"> <li>• Continue with existing arrangements</li> <li>• Continue with same shareholder agreement</li> </ul>	
<b>Advantages</b> <ol style="list-style-type: none"> <li>1. Delivers a good service for same costs</li> <li>2. Flexibility around terms &amp; conditions</li> <li>3. Not bound by EU regulations (limited)</li> <li>4. Potential for economies of scale to share central costs</li> <li>5. Retain existing staff</li> <li>6. Retain experienced managers</li> <li>7. Maintain Service quality</li> </ol>	<b>Disadvantages</b> <ol style="list-style-type: none"> <li>1. Central Costs are high unless Wokingham meets a significant share</li> <li>2. RBWM a minority shareholder and so does not have an equal level of control</li> <li>3. Little strategic focus to plan future service delivery or control current costs</li> <li>4. Difficult to deliver transformation through Optalis without sufficient control</li> <li>5. Optalis not pro-active historically in delivering transformation</li> <li>6. Transition between Optalis and RBWM poor for maximising income</li> <li>7. High Staff turnover – social workers – is this due to terms &amp; conditions.</li> </ol>
<b>Opportunities</b> <ol style="list-style-type: none"> <li>1. Potential to transform service within Optalis</li> <li>2. Optalis experienced managers with a proven track record of service delivery</li> </ol>	<b>Threats</b> <ol style="list-style-type: none"> <li>1. Poor relationship between Wokingham and RBWM persists and prevents RBWM transforming services.</li> <li>2. Poor relationship with Wokingham creates significant uncertainty that</li> </ol>

<p>3. New Chief Executive of Optalis committed to delivering transformation</p> <p>4. Potential to attract additional services from Wokingham or other local authorities</p>	<p>could disrupt day to day service at a key time i.e. Covid 19.</p> <p>3. A slimmed down Optalis may not be viable</p> <p>4. Wokingham withdraws – RBWM cannot afford central costs</p> <p>5. High level of agency staff may mean that Optalis struggles to deliver service without improved terms and conditions and higher costs.</p>
<p><b>Conclusion</b></p> <ul style="list-style-type: none"> <li>• RBWM does not have sufficient control over Optalis to deliver savings</li> <li>• RBWM may find it hard to justify a higher additional share of the costs of Optalis</li> <li>• The relationship with Wokingham creates significant uncertainty and risk of disruption to service delivery within Optalis at a key time (Cov19 and Business transformation)</li> <li>• Optalis cannot move forward unless the relationship between Wokingham and RBWM is resolved.</li> </ul>	

### Financial Implications

5.3 The table below shows the main financial implications associated with this option.

1. Additional Overhead cost recovery	500

*A detailed assessment is currently underway to resolve a dispute surrounding the recovery of central costs. The above figure shows the quantum of the amount in dispute and is not an adjudicated figure. If RBWM was asked to contribute more to these costs, then it would clearly have the option to request a full review of these costs by Optalis so that its contribution level did not rise so significantly or at all.*

5.4 In addition to the above there are also some key financial risks of staying with Optalis in its current form. These risks, particularly around placement costs do not taken into account the work being carried out by Peopletoo, which will enable a more accurate assessment of the potential saving and risks around reducing placement costs.

	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	500
2. Saving delivery – non-delivery of transformation savings	1,500
3. Commissioning cost – failure to achieve value for money in commissioning services.	500

### Other Considerations

5.5 Ultimately RBWM does not have any control how Optalis is reshaped unless the shareholders agreement is revised to give it equal control over Optalis.

- 5.6 Currently this decision rests with Wokingham, who are the majority shareholder and are already using this position to block the transfer of additional services to Optalis.
- 5.7 Wokingham have already commissioned a review of central overheads on the basis that the current allocation is unfair to them as these costs are split according to the shareholding, as set out in the shareholders agreement.
- 5.8 Wokingham or RBWM could also elect to withdraw from Optalis at any time, subject to meeting the associated costs of withdrawal.
- 5.9 RBWM has a clear strategy to transform Adult Social Care. This strategy relies heavily on Optalis to implement significant changes in the way it delivers services.
- 5.10 Given the current relationship with Wokingham there is it makes it much harder to deliver this strategy given that:
- a) Wokingham has a majority stake in Optalis and is already blocking key decisions around pay awards.
  - b) Wokingham is already starting to block the transfer of further RBWM services to Optalis
  - c) The allocation of central costs is under review and could result in additional charges for RBWM or reduced management capacity overall.
- 5.11 In addition, the review of central costs may result in increased costs for RBWM at a time when it is trying to contain and reduce the cost of adult social care.
- 5.12 The fact that Optalis is delivering different services to RBWM and Wokingham also makes it difficult to rationalise central overhead costs because effectively the central core of the organisation is managing the delivery of different services to the two organisations.
- 5.13 There is no question that Optalis delivers a good service and its response Covid19 has been excellent. This means that it is still sensible to see whether there is potential to make changes to the way that Optalis is run that better meet the needs of its two owners.

## **Option 2 – Improved Status Quo**

- 5.14 The Second Option therefore considers how the existing arrangements with Optalis could be improved to the benefit of both owners.
- 5.15 The current position for Optalis is very different than was envisaged in the original shareholder agreement and business case. In particular there is little sharing between the two owners.

5.16 The shareholders agreement would need to be revised to reflect the reality of the current position.

<p>Optalis continues with a revised shareholder agreement</p> <ul style="list-style-type: none"> <li>• Optalis acts as Local Authority Company for RBWM and Wokingham</li> <li>• Optalis accepts it delivers different services to different partners</li> <li>• Optalis reconfigures its organisation to do this</li> <li>• Shareholder agreement updated to give each partner control over the part of Optalis that relates to them</li> </ul>	
<p><u>Advantages</u></p> <ol style="list-style-type: none"> <li>1. Delivers a good service and likely to retain existing good CQC ratings.</li> <li>2. Allows RBWM to retain focus on Covid19 and Business Transformation without disruption of setting up a new company.</li> <li>3. Maintains service at a time of national emergency – Covid19</li> <li>4. Fastest way to deliver business transformation.</li> <li>5. Flexibility around terms &amp; conditions</li> <li>6. Not bound by EU regulations (limited)</li> <li>7. Avoids the need for both authorities to set up their own local authority company</li> <li>8. Retains existing management skills and staff</li> </ol>	<p><u>Disadvantages</u></p> <ol style="list-style-type: none"> <li>1. Optalis may not be viable with lower central costs</li> <li>2. Optalis may struggle to serve two masters who want different things.</li> <li>3. Optalis still needs to develop skills and expertise to deliver transformation and cost savings for RBWM</li> <li>4. RBWM still does not have total control over future service transformation</li> <li>5. Transitions difficult in terms of financial assessments and income collection.</li> <li>6. Terms &amp; Conditions may still need to be reviewed to avoid high levels of agency staff.</li> </ol>
<p><u>Opportunities</u></p> <ol style="list-style-type: none"> <li>1. Potential to transform service within Optalis</li> <li>2. Optalis experienced managers could deliver transformation</li> <li>3. Potential for economies of scale to share central costs at a later date</li> <li>4. Potential to deliver service to other local authorities.</li> </ol>	<p><u>Threats</u></p> <ol style="list-style-type: none"> <li>1. Wokingham withdraws – RBWM cannot afford central costs</li> <li>2. Review of Central Costs – RBWM cannot afford extra costs</li> <li>3. Unable to agree revised shareholder agreement</li> <li>4. Poor relationship between Wokingham and RBWM persists and prevents RBWM transforming services.</li> <li>5. Are Optalis skills to deliver service improvement transferrable to deliver transformation and cost reduction?</li> </ol>
<p><u>Conclusion</u></p> <ul style="list-style-type: none"> <li>• This is probably the lowest risk option</li> <li>• It would give RBWM greater control over future transformation with the minimum of disruption to staff and service delivery at a time of national emergency.</li> <li>• This option would also enable transformation to be delivered quickly provided Optalis has the skills to do this.</li> <li>• The key downside is that any change is dependent on Wokingham agreeing the changes outlined above coupled with the viability of Optalis if central costs are shared on a different basis.</li> </ul>	

## Financial Implications

5.17 The table below shows the main financial implications associated with this option.

1. Additional Overhead cost recovery	500
2. Greater control over central overhead costs	-250

5.18 While the above table highlights the risk of extra cost recovery it also matches it with greater control of overhead costs by RBWM, which would lead to a smaller central core within Optalis.

5.19 Clearly it would be unrealistic to expect RBWM to incur a greater share of the central costs without any control over them. Any change to central costs would therefore also need to coincide with a change in the overall shareholding.

5.20 The other risks outlined above still remain although it could be argued that these are reduced as RBWM has greater control within Optalis.

	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	500
2. Savings delivery – non-delivery of transformation savings	750
3. Commissioning cost – failure to achieve value for money in commissioning services.	500

## Other Considerations

5.21 The above option benefits RBWM as it allows RBWM to maintain the quality of service delivery that Optalis delivers at a time of unprecedented risk for Adult Social Care due to Covid19.

5.22 The option also means that Wokingham and RBWM can continue to benefit from the additional freedoms that a local authority company has compared to a local authority. It will avoid the need to transfer staff back to both organisations or the need to create separate local authority companies for Wokingham and RBWM. On that basis it is probably the most cost-effective solution for both councils.

5.23 The delivery of this option is again heavily dependent on Wokingham agreeing changes to the shareholder agreement with RBWM, which is by no means certain given the current relationship between the two councils.

5.24 Wokingham will need to agree changes to the shareholder agreement in any event if they want to change the allocation of central costs. It would

be unrealistic for Wokingham to expect RBWM to meet the largest share of central costs, without having any control over their size.

- 5.25 The other key issue with this option is whether the Management Team within Optalis can develop the strategic skills needed to manage adult social care demand going forward and deliver the transformation that RBWM needs.
- 5.26 The challenge for the management team for Optalis will be even greater because it is effectively delivering different services to RBWM and Wokingham.
- 5.27 Option 2 is discussed in more detail in Section 6 below.
- 5.28 Given the challenges outlined above, an alternative solution would be to explore with Wokingham whether it would be better for one of the owners to relinquish their ownership and establish a contractual relationship with Optalis. This would avoid the need for Optalis to balance the conflicting requirements of each owner.

### **Option 3 – Contractual Relationship with Optalis**

- 5.29 Under this option either Wokingham or RBWM could assume full ownership of Optalis and would establish contractual arrangements with the other.
- 5.30 For the purposes of this appraisal it is assumed that RBWM would assume full ownership, given that the majority of services within Optalis are provided to them.
- 5.31 This option could take two main forms:
  - A formal contract, which provides greater certainty in terms of timescales for Wokingham and RBWM
  - A Service level agreement, which is a looser arrangement and gives more flexibility to both Wokingham and RBWM.

5.32 The table below assesses the implications of this option.

Optalis with contractual arrangements with Wokingham <ul style="list-style-type: none"> <li>• RBWM assumes full ownership of Optalis</li> <li>• Optalis agrees a contract or Service Level agreement with Wokingham.</li> </ul>	
<u>Advantages</u> <ol style="list-style-type: none"> <li>1. Retains flexibility of a local authority company</li> <li>2. Easier for Optalis to set a consistent direction</li> <li>3. Gives RBWM full control of their key Adult Social Care Services</li> </ol>	<u>Disadvantages</u> <ol style="list-style-type: none"> <li>1. Will require considerable negotiation with Wokingham to agree contract costs.</li> <li>2. Will require further negotiation to agree support costs from Wokingham included in central overhead.</li> </ol>

<ol style="list-style-type: none"> <li>4. Gives RBWM the control they need to transform Adult Social Care in future.</li> <li>5. RBWM has a much clearer relationship with Wokingham, who retains the flexibility of external provision.</li> <li>6. Greater control for RBWM around central costs</li> <li>7. Still retains ability for some economies of scale between RBWM and Wokingham.</li> <li>8. A relatively smooth transition from current arrangements.</li> <li>9. Retains confidence of CQC</li> <li>10. Retains confidence of staff.</li> <li>11. Avoids wind up costs.</li> <li>12. Flexibility around terms &amp; conditions is retained</li> <li>13. Not bound by EU regulations (limited)</li> </ol>	<ol style="list-style-type: none"> <li>3. Considerable work to transfer ownership to one owner given that Wokingham is currently the lead organisations.</li> <li>4. Greater risk of service disruption</li> <li>5. Delays delivery of business transformation in the short term with focus on company transfer.</li> <li>6. May require an increased level of client support within RBWM</li> <li>7. Wokingham and RBWM will need to agree what happens to pension liabilities when the contract terminates – RBWM does not want to assume pension liabilities for Wokingham staff within Optalis.</li> </ol>
<p><u>Opportunities</u></p> <ol style="list-style-type: none"> <li>1. Potential to increase business with other organisations</li> <li>2. Potential to deliver further services to Wokingham</li> <li>3. Greater opportunities to transform Optalis and the Adult Social Care it provides</li> </ol>	<p><u>Threats</u></p> <ol style="list-style-type: none"> <li>1. Wokingham may want to minimize contribution to central costs as part of contract negotiations</li> <li>2. Core of Optalis may not be viable to meet the transformation that RBWM needs</li> <li>3. Failure to agree a contract price with Wokingham</li> <li>4. Wokingham may terminate contract or fail to renew it in the future.</li> <li>5. Wokingham and RBWM may struggle to agree terms including termination clauses and contract length.</li> </ol>
<p><u>Conclusion</u></p> <ul style="list-style-type: none"> <li>• The main benefits of this option for RBWM is that it would give it more control over future transformation</li> <li>• The management team within Optalis would also have a much clearer focus on RBWM.</li> <li>• In the short term this carries more risk of service disruption and the key risk is whether Wokingham and RBWM can agree a contract price and other terms including contract period and termination.</li> </ul>	

## Financial Implications

5.33 The table below shows the main financial implications associated with this option.

1. Additional Overhead cost	750
2. Greater control over central overhead costs	250

5.34 Under this option it is likely that RBWM would incur an even greater share of the central overhead cost, although it would have complete control over



the scale of the overhead. Nevertheless, overall central costs are likely to be higher for RBWM under this option.

- 5.35 While the key financial risks below may not be eliminated, they may be considerably less with revised arrangements for Optalis.

	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	250
2. Saving delivery – non-delivery of in year savings	500
3. Commissioning cost – failure to achieve value for money in commissioning services.	250

### Other Considerations

- 5.36 This Option has a lot to commend it. It provides the control that RBWM needs to transform adult social care and control costs while potentially addressing the challenge of conflicting requirements between RBWM and Wokingham.
- 5.37 The Option also means that RBWM can decide exactly what level of support it wants from Optalis but it may well have to pay more for it, as Wokingham is likely to seek to minimize these costs within any negotiation around contract price.
- 5.38 Again, this Option needs the support of Wokingham if it is to be viable and may require even more negotiation than changes to the shareholder agreement. This should not therefore be viewed as an easy option.
- 5.39 Moving to this option will also take a lot of time and effort and require a considerable amount to unravel the current arrangements around Optalis. Pension arrangements are complex and RBWM would need to assure itself that it was not assuming additional pension liabilities for former Wokingham staff working within Optalis, which could be considerable.
- 5.40 This option therefore carries additional financial and service risk and could potentially delay the delivery of transformation opportunities.
- 5.41 This means that it is sensible to look at further options including a wholly owned local authority company.

## Option 4 – Wholly Owned Local Authority Company

- 5.42 For these reasons, it makes sense to consider an RBWM wholly owned local authority company

Local Authority Company

- RBWM sets up wholly owned company
- Agrees TUPE transfer of relevant Optalis staff to wholly owned company
- Optalis is wound down by mutual agreement with Wokingham

Advantages

1. Retains flexibility of a local authority company
2. RBWM has significant control over company and future service delivery
3. Greater flexibility to deliver more wide-ranging business transformation in the longer term.
4. Flexibility around terms & conditions
5. Not bound by EU regulations (limited)
6. Avoids the significant cost of admitting additional Optalis staff to the RBWM pension fund.
7. Avoids the potential for the transfer of Optalis staff to destabilise the RBWM pay structure.

Disadvantages

1. Considerable threat to service at a time of national emergency – Cov19
2. Delays delivery of business transformation in the short term with focus on establishing new company and winding up Optalis
3. Significant transitional costs to new company e.g. wind up costs for Optalis
4. Optalis may not be viable with lower central costs.
5. Slimmed down Optalis management structure at a time when it needs extra skills and expertise to deliver transformation and cost savings for RBWM
6. RBWM does not have direct day to day control over Optalis as it would with an in-house provision.
7. Transitions still difficult in terms of financial assessments and income collection.
8. Terms & Conditions may still need to be reviewed to avoid high levels of agency staff.
9. New company would need admitted body status into the Local Authority Pension Scheme
10. RBWM would need to guarantee pension liabilities if RBWM share of the pension fund was not sufficient to cover all the liability for the staff transferring to the new company.

Opportunities

1. Potential to expand to deliver wider services to RBWM e.g. children services
2. Optalis experienced managers could deliver transformation
3. Potential to admit other local authorities at a later date or to provide services to them

Threats

1. Reduced focus on Cov19 and Business Transformation due to disruption of setting up a new company.
2. Maintains service at a time of national emergency – Cov19
3. Fastest way to deliver business transformation.

Conclusion

- The main benefits of this option are that it would give RBWM the control it needs over future transformation.
- This main issues with this option are the level of potential compensation payable to Wokingham if any and whether Optalis is viable to deliver services solely to RBWM.

## Financial Implications

5.43 The table below shows the main financial implications associated with this option.

	£'000
1. Central Costs may be greater if RBWM is not able to share these costs with other owners.	1,000
2. Costs for Establishing a new local authority company	250
3. Compensation Costs for Optalis owners	1,000

5.44 The compensation costs are particularly hard to assess and could be much less. The most significant could be pension costs for employees that transfer back to their former authority. This would depend on the state of the Optalis part of the pension fund.

5.45 The financial risks would be similar to the risks associated with a revised Optalis model above. They may be greater depending on the ability of the new company to retain key management and the effectiveness of the new management team.

	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	250
2. Saving delivery – non-delivery of in year savings	500
3. Commissioning cost – failure to achieve value for money in commissioning services.	250

## Current Considerations

5.46 This option carries a greater risk in terms of service delivery.

5.47 This option would mean that the Management Team for the company would be focused totally on the transformation for RBWM and would not be split between conflicting loyalties and pressures in delivering different services to different organisations.

5.48 This option would also retain the flexibility in terms and conditions that a local authority company offers.

5.49 This option would come at some additional cost in that RBWM would have to meet all Optalis central costs rather than share them with Wokingham. This could result in a substantial additional cost to RBWM.

5.50 RBWM would struggle to reduce the company's management structure at a time when it needs even more skill and strategic expertise to deliver service transformation.

5.51 This option has potentially significant costs for winding down the previous operation and any compensation that might be payable to Wokingham, unless Optalis is dissolved by mutual agreement.

5.52 The scale of central overhead costs and the added complexity of delivering a service through a third party raises the option of whether it may be simpler and cheaper to transfer the services back to RBWM.

## Option 5 – In-house provision

5.53 This is considered in the final option below.

Bring back service in house <ul style="list-style-type: none"> <li>• Wind down Optalis</li> <li>• Transfer Optalis relevant Optalis Staff back to RBWM.</li> </ul>	
<u>Advantages</u> <ol style="list-style-type: none"> <li>1. RBWM has the highest level of control over service delivery and future business transformation</li> <li>2. Greatest flexibility to deliver more wide-ranging business transformation in the longer term.</li> <li>3. Greater control around terms &amp; conditions</li> <li>4. The process for financial assessment and recovery will be simpler within the control of one organisation.</li> <li>5. RBWM greater control over central costs and overheads and rationalise between Optalis and RBWM.</li> </ol>	<u>Disadvantages</u> <ol style="list-style-type: none"> <li>1. Potential extra staff costs when under RBWM terms and conditions</li> <li>2. Considerable time, effort and cost to wind down Optalis.</li> <li>3. Potential pension liabilities if the Optalis fund does not have sufficient resources to meet its pension liabilities.</li> <li>4. Conflict with Wokingham around staff transfer.</li> <li>5. Most management staff could transfer to RBWM given that it has the largest share of Optalis business.</li> <li>6. Central Overheads increase significantly in the short term.</li> <li>7. Significant disruption to service at a time of national emergency – Cov19</li> <li>8. Delays delivery of business transformation in the short term with focus on transfer of Optalis functions to RBWM</li> <li>9. Significant transitional costs e.g. wind up costs for Optalis</li> <li>10. Loss of flexibility of a local authority company.</li> <li>11. Increased central costs in the short term.</li> <li>12. Potential to destabilise RBWM pay structure – probably limited due to nature of staff.</li> <li>13. Terms &amp; Conditions may still need to be reviewed to avoid high levels of agency staff.</li> </ol>
<u>Opportunities</u> <ol style="list-style-type: none"> <li>1. Potential to rationalise management costs in the delivery of adult social care across RBWM and Optalis</li> </ol>	<u>Threats</u> <ol style="list-style-type: none"> <li>1. Reduced focus on Cov19 and Business Transformation due to disruption of transfer to RBWM and winding up Optalis.</li> </ol>

2. Avoids duplication in commissioning – RBWM and Optalis	
3. Improved recovery of income from financial assessments etc.	
<b>Conclusion</b>	
<ul style="list-style-type: none"> <li>• The main benefits of this option are that it would give RBWM the most control over future transformation.</li> <li>• The main issue with this option is the potential disruption this will cause at a time of national emergency and the delay this might cause to delivering transformation.</li> <li>• The other main issue with this option is the potential higher cost of transferring staff back to RBWM on RBWM terms &amp; conditions.</li> </ul>	

### Financial Implications

5.54 The table below shows the main financial implications associated with this option.

	£'000
1. Equal Pay risk – following transfer of Optalis staff back under RBWM terms and conditions	500
2. All staff transferred to RBWM would be eligible for the RBWM pension scheme resulting in increased pension costs.	500
3. Central Costs may be greater if RBWM is not able to share these costs with other owners.	1,000
4. Compensation Costs for Wokingham	1,000
5. Loss of procurement freedom and flexibility.	250

5.55 While the key financial risks below may not be eliminated, they may be considerably less with the service brought back within RBWM control.

	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	250
2. Saving delivery – non-delivery of in year savings	250
3. Commissioning cost – failure to achieve value for money in commissioning services.	250

### Other Considerations

5.56 Given the unprecedented level of adult social care risk associated with Covid19, the timing of this option would need to be considered very carefully.

5.57 Although transformation is clearly important and indeed essential for the long-term viability of the services, in the short term the focus must be on maintaining the current service.

5.58 This option probably carries the greatest risk of disruption to the current service and therefore needs to be considered very carefully at the current time.

5.59 In the future, this Option may well need to be considered, particularly if the level of central costs is prohibitive and do not outweigh the benefits of the greater freedoms that operating as a local authority company brings.

## **6. CAN THE EXISTING ARRANGEMENTS BE MADE TO WORK?**

6.1 A good starting point for moving forward is to consider whether the existing arrangements can be made to work. This section considers the key factors that would need to be resolved to make the existing arrangements effective.

### **Can Optalis Deliver the Benefits that it was set up to deliver?**

6.2 There is no question that Adult Social Care services have improved significantly following the transfer to Optalis and this has been recognised by external assessments by the CQC. In service terms the transfer to Optalis has therefore been a success.

6.3 Unfortunately, the other business benefits in terms of cost saving and service transformation have not been delivered.

- Wokingham has not transferred its Statutory Services to Optalis and there is little prospect that this will happen in the future.
- While Optalis has focused on service improvement, there is little evidence to date that Optalis has transformed any of the services that it delivers.

6.4 Optalis has tried to expand its business beyond Wokingham and RBWM but has had little success in this area. The shareholders agreement limits the amount of external business to no more than 20%.

6.5 Since Optalis was established, it has not gained any other significant business, outside of Wokingham and RBWM.

6.6 Optalis has been unable to persuade Wokingham to put additional services into Optalis, even those within the original business plan. On that basis it is hard to appreciate how it is going to expand into another local authority.

6.7 On this basis it is reasonable to conclude:

- There is little prospect that Optalis will be able to deliver any economies of scale in service delivery to RBWM through sharing with Wokingham
- Optalis is unlikely to generate substantial external business to offset its central operating costs.

## **An Effective Working Relationship?**

- 6.8 Any Local Authority joint venture of this nature requires a sound working relationship between the local Authority partners.
- 6.9 In the case of Optalis, this is a big challenge because there is so little sharing between Wokingham and RBWM. This means that both Councils will want Optalis to deliver different things.
- 6.10 This has had an impact on the relationship between Wokingham and RBWM and resulted in a dispute between the two councils over the recovery of central costs. It is worth noting that the two Councils have been unable to resolve this and have now appointed an external advisor.
- 6.11 Even worse, there are other examples, where RBWM and Wokingham have either failed to agree or taken a considerable amount of time to resolve key issues that impact on the day to day delivery of a service including:
- Agreeing to the permanent recruitment of key personnel
  - Approving a pay award for care staff – the existing arrangements are only temporary
  - Wokingham blocking the transfer of further services from RBWM to Optalis,
- 6.12 In addition, the holdings board for Optalis has seldom met during the last two years, which again raises concerns around the joint oversight of Optalis by Wokingham and RBWM.
- 6.13 This situation leaves both councils at an impasse where they cannot realistically plan the future delivery of their adult social care. This is exacerbated by the fact that the two Councils want Optalis to deliver different services or at least have a different focus and there is little sharing between them.
- 6.14 It is therefore in the interests of both Councils to resolve this situation either to allow Optalis to continue with a shared understanding of how it will move forward or alternatively accept that Optalis cannot continue in its existing form.
- 6.15 Any resolution between the partners will require a significant revision to the shareholders agreement. Given the current relationship between the two councils this is only likely to be achieved via mediation.
- 6.16 On this basis it is reasonable to conclude that:
- Optalis is unlikely to continue in its existing form
  - The two partners need to agree a considerable change to the shareholders agreement to enable Optalis to operate effectively.

- Optalis may need to review the cost and size of its central overhead if the allocation between the partners changes.

### **Can Optalis deliver added value that justifies its overhead costs?**

- 6.17 Optalis represents an additional central management overhead over and above the costs of the central commissioning team within Windsor and Maidenhead.
- 6.18 This is not necessarily a bad thing if Optalis can demonstrate that the increased cost reflects considerable additional value to RBWM from the arrangements.
- 6.19 Given the prospect that RBWM may need to meet an even greater share of this overhead, Optalis will be under even more pressure to demonstrate the added value that it provides.
- 6.20 The clearest example of added value from Optalis is the improvement in Adult Social Care as recognised by the CQC.
- 6.21 During the time that Optalis has been established there has been considerable intervention by RBWM to control costs and develop a vision for service transformation.
- A quality assurance panel was set up by Optalis at the instruction of the DASS to review all placements to ensure that they are appropriate and are cost effective. RBWM commissioning staff are members of the panel which means that RBWM is involved in reviewing all placements. This is a considerable level of intervention for a service, which in theory has been transferred fully to Optalis
  - A Debt group has been set up by RBWM to manage the complicated transition and recovery of debts associated with adult social care. The transitions between Optalis and RBWM (Commissioning and Financial Assessments Teams) can add to the complexity in recovering debts that are already hard to recover.
  - A transformation strategy has been developed by RBWM to transform the way it delivers adult social care with a view to delivering more and better care with less resources
  - RBWM has also had to intervene directly to ensure that Optalis maintains resources in the “reablement” team to avoid clients needing more expensive residential care.
- 6.22 There is less compelling evidence that Optalis has a clear vision for the future.
- There is little evidence that Optalis understands its current demand and it is projecting its future demand.
  - There appears to be little if any future service planning and currently Optalis does not have an up to date business plan.



- There has been some attempt to project future costs but at best this is an assessment that is carried out every 3 years and is not agile enough to account for changes in demand.
- 6.23 Given the relationship with Wokingham, it would appear that Optalis is not able to undertake any joint planning between RBWM and Wokingham to understand how this might impact on future service delivery and the management structure that it needs to support it.
- 6.24 RBWM has engaged Peopletoo to undertake some of this work, that RBWM might reasonably expect to be provided within Optalis. RBWM is effectively paying for a considerable level of expertise within Optalis, which has not translated into any medium to long terms plans for service delivery or transformation.
- 6.25 Optalis still has a lot to do to demonstrate its added value justifies its significant service costs. While it has clear ability in terms of service improvement it will need to demonstrate that it:
- Has a clear understanding of future demand and how this impacts on the service that it delivers
  - Has clear ideas on how it can transform the service that it delivers and meet RBWM's ambitious plans to transform adult social care
  - Can control the day to day cost of its services without the current level of intervention from RBWM.
- 6.26 Developing a viable way forward for Optalis therefore relies on these three key factors:
- Being realistic about the expansion prospects for Optalis, which means that it needs to focus on Wokingham and RBWM rather than new business.
  - Wokingham and RBWM agreeing a new way forward for Optalis, including a revision to the shareholder agreement.
  - A review of Optalis management structures and a clear business plan that controls costs and delivers service transformation.
- 6.27 None of these are impossible but all of them carry a considerable degree of risk. They are also not completely within the control of the council or its officers. This means that the future viability of Optalis is by no means certain. RBWM therefore needs to have a clear Plan B.

## **7. THE WAY FORWARD**

- 7.1 Optalis has brought considerable benefits to RBWM in terms of service improvement, which justifies the original decision to transfer services to them.

- 7.2 Nevertheless, the arrangements with Optalis are not viable in their current form.
- RBWM as the minority shareholder does not have sufficient control over major service transformation.
  - The broken relationship with Wokingham could impact on the viability of the company if Wokingham chooses to withdraw or make major changes at any time.
  - There is little prospect of the benefits set out within the shareholders agreement and associated business plan being delivered.
  - Optalis has not yet demonstrated the strategic focus on its business to control costs, understand demand, plan ahead and deliver transformation.
- 7.3 Optalis could still be a viable option for both RBWM and Wokingham. The structure and freedoms within Optalis offer the opportunity for greater flexibility and cost saving for both organisations. There is little benefit in either organisation setting up their own local authority company.
- 7.4 This requires the commitment of both Wokingham and RBWM to agree a new direction for Optalis and to explore whether it is viable for Optalis to deliver quite different services to the two authorities.
- 7.5 The review of the allocation of central costs could prompt an even more fundamental review of the size and shape of the central Optalis structure so that it is affordable to both its owners.
- 7.6 The poor relationship between RBWM and Wokingham is in danger of obscuring the fact that there is a lot of commonality in terms of what RBWM and Wokingham need from Optalis going forward. They both need Optalis to:
- (a) Deliver good quality adult social care services
  - (b) Control overall service costs effectively within allocated budgets
  - (c) Have a better strategic focus to understanding demand
  - (d) Plan more effectively for the future
  - (e) Ensure that central costs deliver value for money
- 7.7 Both RBWM and Wokingham also benefit from the good level of service delivered by Optalis, as has been demonstrated by its response to Covid 19. Moving away from Optalis would therefore present a significant service risk to both RBWM and Wokingham.
- 7.8 Finally, RBWM or Wokingham are both going to struggle to justify the extra potential costs of local authority terms and conditions and service disruption associated with bringing the services delivered by Optalis in house.

- 7.9 All of this means that it is in the interests of both RBWM and Wokingham to explore the potential to make Optalis work for both organisations. The easiest way to do this would be to renegotiate the shareholder agreement.
- 7.10 The relationship between the two Councils means that a mediated approach is likely to be the most successful. This could explore how both organisations could benefit from a refocused Optalis and how a revised shareholder agreement could enable this.
- 7.11 At the same time Optalis needs to make the case for how it can best meet the needs of both Wokingham and RBWM. It needs to address this with the same urgency that it is applying to the current Covid19 national emergency.
- 7.12 This mediation will need to seek agreement on a range of key issues including:
- The level of ownership for Wokingham and RBWM – so that both organisations can be assured that the other will not exert undue influence to block the changes that they want to make.
  - A fair and equitable means of sharing central costs to recognise the support provided to both organisations
- 7.13 Optalis may also need to review the level of its central costs as part of this work to ensure that it can still provide the necessary level of oversight at an affordable cost.
- 7.14 Mediation between the two councils is not all that needs to be addressed. Optalis needs to demonstrate far more clearly that it is a forward looking organisation committed and able to deliver service transformation. This would require a major organisational shift for Optalis.
- 7.15 If it does not prove possible to renegotiate the shareholder agreement, then it would be reasonable for both RBWM and Wokingham to explore a contractual relationship.
- This would enable Wokingham to retain overall control of Optalis if it does not wish to relinquish control through a revised shareholder agreement.
  - Alternatively, it would enable RBWM to take over control of Optalis if both organisations agreed that this made more sense so that RBWM would then deliver services back to Wokingham under contract.
- 7.16 It is in the interests of both RBWM and Wokingham to come to an agreement on whether a joint ownership model or a more contractual model presents the best way forward.
- 7.17 This may require compromise on both sides but there is benefit to both if they reach this compromise. Any alternative arrangements are likely to carry greater risk in terms of service disruption as well as greater cost in terms of dissolving the current arrangements and creating new ones.

## 8. RECOMMENDATIONS

- 8.1 Overall, this review concludes that there is still benefit in RBWM trying to make the current arrangements with Optalis work. This can only be achieved if RBWM and Wokingham can resolve their broken relationship.

### Recommendation 1

**RBWM should use this report and the independent review of central costs to clarify its position with regard to Optalis and set this out clearly to Wokingham**

- 8.2 RBWM needs to use this report to set out clearly its future position in relation to Optalis
- 8.3 RBWM needs to decide the extent if any of its increased contribution to Optalis following the results of an independent determination.

### Recommendation 2

**RBWM should do all that it can to ask Wokingham to set out clearly their position with regard to Optalis.**

- 8.4 This may be assisted by sharing this report with Wokingham

### Recommendation 3

**RBWM needs to agree with Wokingham how best they are going to resolve their relationship.**

- 8.5 This may require third party mediation. They both need to agree on the following if Optalis is to move forward.
- (i) A revised shareholder agreement that gives equal control to the partners
  - (ii) The services that they wish to keep within Optalis
  - (iii) The size of their joint contribution to central costs
  - (iv) Whether they will make specific individual contributions for project-based work specific to them
  - (v) Regular meetings of the Holding Board, at least once per quarter to resolve any issues within Optalis.

### Recommendation 4

**RBWM needs to put pressure on Optalis to demonstrate that it provides added value over and above simply managing day to day service delivery.**

- 8.6 If the owners can agree a clear way forward for Optalis, the company then needs to set out clearly how it will deliver against those objectives. As part of this it will need to demonstrate that it:

- (i) Has a clear understanding of future demand and how this impacts on future service delivery
- (ii) Has clear ideas on how it can transform the service that it delivers and meet RBWM's ambitious plans to transform adult social care
- (iii) Can control the day to day cost of its services without the current level of intervention from RBWM.
- (iv) How it will develop the necessary skills at a strategic and transformational level to deliver what RBWM wants.

## Schedule of Interviews

Interviewee	Date
<b>CLlr David Hilton,</b> Lead Member Finance	20/4/20
<b>CLlr Stuart Carroll,</b> Lead Member Adult Social Care, Childrens Services, Health & Mental Health	4/5/20
<b>CLlr Lynne Jones,</b> Leader Local Independents	30/4/20
<b>Duncan Sharkey,</b> Managing Director, RBWM	21/4/20
<b>Hilary Hall,</b> Director of Adults, Health & Commissioning, RBWM	16/4/20
<b>Adele Taylor,</b> Director of Resources, RBWM	30/4/20
<b>David Birch,</b> Chief Executive, Optalis Ltd	24/4/20
<b>David Cook,</b> Independent Chair Optalis Ltd	22/4/20
<b>Helen Woodland,</b> Director of Provider Services, Optalis Ltd	23/4/20
<b>Lynne Lidster,</b> Commissioning Lead (Adult Social Care), RBWM	27/4/20
<b>Alan Abrahamson,</b> Finance Lead (Adult Social Care), RBWM	20/4/20
<b>Ruth Watkins,</b> Chief Accountant, RBWM	22/4/20
<b>Louise Freeth,</b> Head of Adults Financial Assessments, RBWM	24/4/20

# Royal Borough of Windsor and Maidenhead

## Review of Delivery Options

### For

## Childrens Services

June 2020

### Contact details

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## Executive Summary

The Royal Borough of Windsor and Maidenhead (RBWM) has engaged Cipfa to carry out a review of delivery options for Childrens Services, delivered by Achieving for Children (AfC) and Optalis. The authors would like to thank everyone who has co-operated with this review for the time they have set aside to be interviewed as part of this process ([Annex A](#)).

Some two years ago RBWM decided to join local authority companies to deliver Childrens and Adult Social Care Services. At the time, these key services required either considerable improvement or transformation. The new arrangements also offered greater resilience and potential economies of scale.

Since joining AfC, Children Services have improved considerably. The service has recently been rated as good by Ofsted. This is an enormous achievement in a relatively short time and reflects extremely well on the two organisations and the staff within them. The cost of the service is below average and there is also evidence that AfC has generated considerable staff loyalty. All of this validates the original decision to engage with these two organisations.

The other benefits of joining have been more difficult to achieve. There is little sharing with other partners within AfC and there is little prospect that this will improve. This in turn means that there have been few financial savings from these new arrangements and costs have risen considerably, although overall costs still compare favourably with many other local authorities.

No new organisations have joined AfC, which leaves little scope for further cost savings for RBWM and to an extent leaves RBWM at the periphery of AfC decisions, which must focus on the other two owners within the much bigger Operational Area 1.

There is a lack of clarity around the model and the operational and commissioning roles for Childrens Services. Coupled with the lack of commissioning resources, within RBWM with service and financial skills for Childrens Services, this means that the Council does not have the level of oversight that it needs over Childrens Services.

AfC is going through a period of transition following the departure of their former Managing Director to head up Operational Area 1. There is no clear definition of the strategic centre of AfC and it is hard to determine how the strategic centre of AfC adds value over and above a standalone arrangement. AfC appears to add limited value in terms of oversight or strategic or financial planning and there is little evidence that AfC clearly understands future demand for its service.



The greatest concern centres around the ability of AfC and RBWM to work closely together to control the costs of Childrens Services. AfC and RBWM do not appear to have a common view around the current or future cost of Childrens Services. Neither do they appear to be able to work effectively together to set budgets, manage costs and identify and implement cost savings.

These concerns are not insurmountable, and the review of delivery options confirms that AfC is still the best model for delivering Childrens Services for RBWM. There is still a lot that RBWM and AfC need to do to ensure that this relationship works effectively.

RBWM needs to make sure it has the necessary finance and service skills to commission and oversee Childrens Services.

RBWM and AfC jointly need to develop a much clearer joint understanding of the cost of delivering Childrens Services and how this is likely to change in the medium term. This will then allow both organisations to work together to plan the delivery of Childrens Services. RBWM should therefore consider carefully whether it can continue to sign up to the AfC Business Plan until this has been achieved.

RBWM then needs to be much clearer about what it wants AfC to deliver over and above the day to day delivery of Childrens Services. This may require some negotiation with other owners. At the same time AfC needs to be much clearer how it will add value over and above the core day to day delivery of Operational Area 2. This will help to establish much clearer roles between the RBWM client, AfC strategic centre and the Operational Area 2 management team that delivers the day to day service.

It would also help RBWM, if it could formalise the financial arrangements with AfC in a service level agreement so that it is clear what AfC is delivering and it is better able to hold AfC to account not only for service delivery but also for managing costs.

Section 8 within the report sets out the detailed recommendations.

## 1. INTRODUCTION

- 1.1 The Royal Borough of Windsor and Maidenhead (RBWM) has commissioned Cipfa to carry out a review of the delivery options for Adults Social Care and Children Services.
- 1.2 Currently these services are delivered by two local authority companies, Achieving for Children (AfC) and Optalis, which together account for over 70% of the council's net revenue budget.
- 1.3 RBWM, like a number of council's, has an extremely challenging financial position. The Covid 19 national emergency has made this even more acute and the Director of Resources has warned that she may need to issue a Section 114 notice by the autumn if the position does not improve.
- 1.4 This report considers how the existing arrangements are working and whether they are delivering value for money. It also goes on to consider whether alternative options are likely to deliver better value for money or make it easier for the Council to address the significant financial challenges that it faces.

## 2. THE CURRENT ARRANGEMENTS CHILDRENS SERVICES

- 2.1 In August 2017 RBWM entered into an agreement with Kingston and Richmond Councils joint owners of Achieving for Children (AfC) to own a share of AfC.
- 2.2 Kingston and Richmond each retained a 40% share and RBWM purchased a 20% share of the company. This was on the understanding that the company would continue to expand to include more local authorities so that the holding of Kingston and Richmond would then be further diluted to 20%.
- 2.3 AfC is divided between Operation Area 1 (Kingston and Richmond) and Operational Area 2 (RBWM). A central Business Support Division supports both these areas. When RBWM joined it was hoped that another council would ultimately join RBWM within Operational Area 2. This has not happened.
- 2.4 The current business plan summarises the services delivered by AfC as follows

*Our service offer is based on strong universal provision delivered through our children's centres and youth centres, alongside a targeted early help offer that provides support to families at the earliest opportunity to prevent children's and young people's needs escalating and facilitate family resilience. We expanded our universal services with the addition of health visiting and school nursing when Windsor and Maidenhead joined the company. These public health services*

*complement our specialist nursing and therapy services for children with disabilities and complex health needs. Our statutory offer includes child protection, support for children in care and leaving care, youth justice and services for children with special educational needs and disabilities (SEND). Our final service area is the support we provide to early years settings and schools to deliver high quality teaching and learning; this includes planning school places, school admissions, advice on school improvement and targeted support for vulnerable pupil*

## **The Benefits**

- 2.5 AfC offered three key benefits to RBWM
- a) Service Improvement – Ofsted had rated Children Services in RBWM as requiring improvement and AfC offered the potential to improve these key services
  - b) Economies of scale and cost efficiencies – being part of a bigger organisation offered the potential to share specialist services across the company.
  - c) Service resilience – RBWM is one of the smallest unitary authorities and therefore can struggle for resilience. Again, a larger organisation offered the prospect of greater resilience.
- 2.6 Earlier this year Children Services in RBWM were rated as good – a significant achievement given the relatively short period that services were transferred to AfC. RBWM was able to achieve this: -
- a) by adopting sound policies and procedures that had already been adopted in Kingston and Richmond.
  - b) with the support of an improvement Director provided by AfC
- 2.7 While, the central AfC team provided support, the good rating was also largely down to the leadership, commitment and hard work of the management team and all staff based within Operational Area 2 (RBWM).
- 2.8 Since joining AfC the other benefits have been less obvious.
- a) There has only been limited sharing between Operational Area 1 (Kingston and Richmond) and Operational Area 2 (RBWM).
    - It is estimated that 90-95% of services are delivered by staff based in RBWM and who work solely on RBWM Children Services.
    - Only 5-10% is shared, which mainly relates to support services within AfC i.e. virtual school, fostering, central finance, workforce development and commissioning.
  - b) The cost of service delivery has increased, and few savings have been delivered

c) It is questionable whether there has been any increase in resilience by managing peaks and troughs in workloads. The lack of another partner in Operational Area 2 has impacted on this. RBWM has had to set aside another £450,000 for interim social care agency staff within the 2020/21 AfC budget. Neither Kingston nor Richmond have had to make similar provision in 2020/21. Operational Area 1 attracts a London Weighting and so it is unlikely that staff will move from Operational Area 1 to Operational Area 2.

2.9 RBWM has achieved a lot through working with AfC, unfortunately it is questionable whether it is possible for RBWM to achieve any further benefits within AfC. In many ways it finds itself on the periphery of AfC plans, which centre on Operational Area 1.

### **3. THE CONTEXT FOR REVIEWING SERVICE DELIVERY OPTIONS.**

3.1 There are a number of key factors which impact on the potential range of delivery options for Childrens Services.

3.2 Financial Position of Royal Borough of Windsor & Maidenhead

- RBWM is faced with having insufficient reserves to cover a potential budget shortfall of £12m
- RBWM has already warned MHCLG that it may need to issue a S114 notice in the summer on the basis that it will not be able to set a balanced budget for 2021/22
- AfC Contract Accounts for 25% of the RBWM budget
- RBWM has incurred substantial budget overspends for AfC - £3m (2018/19) and £1.5m (2019/20)

3.3 Growing Pressures on Children Services and the cost of delivering them.

- The safeguarding of children is ever more complex.
- As knowledge grows and professionals understand more about the needs of children in their area the demand and cost for more specialist care grows.
- Growing awareness of county lines activity and child sexual exploitation is making it harder to find appropriate residential care and resulting in significant cost increase.
- Demography also means that more children are presenting with more complex needs that in turn require more intensive and costly care solutions.
- Latest projections show that the number of 12-17year-olds within the Royal borough could grow by as much as 13% by 2025, partly because of considerable development across the borough.

- On a more positive note, the Borough has relatively few unaccompanied asylum-seeking children.
- At the same time there is greater regulatory pressure to improve the quality of children's services, which increases delivery costs.
- AfC has improved the quality of Children's Services and has recently achieved a good Ofsted rating for the services that it provides.
- RBWM wants to ensure that its focus is on early intervention, which is better for the child and can in some cases avoid more intrusive and costly interventions.

### 3.4 A Delivery Model (AfC) that is unable to deliver all the benefits that it was established to deliver.

- In 2017, RBWM became a minority owner of AfC, a local authority company, which was established by Kingston and Richmond Borough Councils to deliver Children's Services.
- Achieving for Children is subdivided between Operation Area 1 (Richmond and Kingston) and Operation Area 2 (Windsor & Maidenhead) as set out in paragraph 2.3 above.
- At the outset it was envisaged that at least one other organisation would join to enable RBWM to achieve similar economies of scale and resilience in Operational Area 2 to those achieved by Richmond and Kingston.
- This has not happened and there is little sharing between Operational Area 1 and Operational Area 2.
- It is estimated that some 90%-95% of all services in Operational Area 2 (RBWM) are not shared and are delivered solely to RBWM.
- AfC has recently confirmed that the medium-term objective is not to expand further but to achieve outstanding ratings for its constituent services.
- The skills expertise and processes adopted by AfC have been invaluable in helping RBWM achieve a good Ofsted rating, a major achievement from its previous rating. It is also worth noting that Kingston has recently been rated as outstanding.

### 3.5 Little Client involvement/influence over the delivery of Children's Services

- Client resources and expertise to oversee AfC within RBWM is limited
- The Client Commissioning team is more focused on Optalis than AfC
- In part, this is due to a lack of specialist Children's skills within the client side.
- This also reflects the way AfC was established, which provided RBWM limited control over the way Children's Services are run.
- So far, this has worked in terms of Children's Services improving significantly but it poses the question of what action RBWM could take if Children's Services were to deteriorate.

- A review of Governance was undertaken by AfC which pointed to improvements – a lot of these were centred around improving the interface between AfC and its owners.
- It should also be noted that the Director for Adults, Health and Commissioning does not sit on the board for AfC.
- AfC has reviewed it's governance structures and has introduced an ownership board aimed to strengthen links with its owners.

### 3.6 An uncertain relationship with RBWM key partners, Kingston & Richmond.

- The former Chief Executive of AfC has now joined Kingston & Richmond as Director of Children Services.
- AfC has not agreed a permanent replacement for the Chief Executive, pending a review.
- AfC has appointed the Director of Finance as the acting dual Chief Operating Officer and Director Finance, pending this review.
- The formal governance of AfC is heavily slanted to Kingston and Richmond, who both hold a 40% share. RBWM has requested that it's current (20%) shareholding is reviewed as no other partners have joined.

### 3.7 An unclear strategy for the future development of AfC and delivery of financial sustainability.

- A Service focused business plan for 2020/24 has been produced by AfC and approved by the Joint Committee.
- The strategy was developed with considerable engagement with stakeholders
- The strategy focusses heavily on service improvement with the aim to achieve outstanding for all services.
- A medium-term financial strategy is produced each year in June. This was out of step with the production of the business plan, which did not include an update to the Medium-Term Financial Plan, when it was considered by the Joint Committee.
- The Medium Term financial strategy is being updated to show how this supports delivery of the business plan but this lacks detailed financial projections of AfC finances for future years and does not have any detailed assessment of the financial impact of future demand.
- There is little evidence that this strategy is based on a clear understanding of future demand

### 3.8 The Covid19 National Emergency

- A key part of Childrens Services is direct working with Children and their families.
- AfC has had to try alternative delivery models during Covid 19 and this provides opportunities for the future.

### 3.9 A poor level of shared financial control between RBWM and AfC

- The review cannot comment on the overall finances of AfC as an organisation.
- Instead it has concentrated on how AfC and RBWM have worked together to manage the costs of Children Services across RBWM.
- AfC has consistently overspent its budget allocation. They contend that the budget allocated at the time of transfer was unrealistic.
- RBWM is frustrated that it has faced significant additional in year overspends that have resulted in an overall council budget overspend and depletion of limited reserves.
- There appears to be little meeting in the middle between RBWM (frustrated that costs are higher than expected) and AfC (who contend that RBWM are unrealistic about the cost of service).
- In May 2018 and May 2019, AfC reported projected substantial budget overspends (£3m and £1.5m) only 2 months into the start of the financial year.
- This indicates a major concern around the setting of the budget in each of those years and how AfC is projecting future costs.
- There is equal concern about how RBWM is supporting AfC to deliver savings that it has agreed with AfC as part of the budget process.
- Central costs of £13.6m (Business Support £5.2m, Bought in support £7.3m, Commissioning £0.5m, Central Support £0.6m) account for 15% of the AfC budget
- While AfC have a clear focus on the delivery of good and excellent Children Services there appears to be less of a focus on the cost of delivering those services.
- RBWM through Peopletoo had to request AfC to review the appropriateness of placements – AfC did not have a process to do this.
- Overall, there is little evidence that AfC is proactive in identifying savings but only reacts to savings targets set for it by RBWM.

### 3.10 Pension Transfer Costs.

- RBWM staff working within Children Services were transferred to Kingston and Wandsworth pension funds when AfC was established.
- This is a complex arrangement and the financial consequences of this transfer are yet to be resolved.
- The key area of dispute is the transfer value for staff transferring from the Berkshire Pension fund into these two funds.
- At present the actuaries representing the funds are in dispute with the receiving funds demanding an additional £2m over and above the assessment carried out by the Berkshire Fund.
- One option to resolve this could be for AfC to seek admitted body status to the Berkshire Pension fund.

- Because these liabilities have not been resolved whatever delivery model chosen including the current one is likely to have some complex pension issues to unravel.

### 3.11 Local Authority Controls

- Local Authority Companies have greater freedom to trade with other local bodies, to set terms and conditions for staff and to let contracts.
- These freedoms can enable these companies to make cost savings that would not be available to local authorities (e.g. terms & conditions)
- These companies can also achieve greater economies of scale by delivering services to other bodies without the same restrictions imposed on local authorities.
- There is little evidence that AfC is making the most of these freedoms to achieve significant economies around social care placements.
- Elsewhere staff within AfC remain within the local government pension scheme. New staff also are admitted to the scheme although they are on specific AfC terms and conditions.

### 3.12 Children Social Care Placements

- AfC could be more proactive in achieving value for money in placements and negotiating discounts on placements.
- Although AfC has a process to review placement. This does not appear to have a sufficient focus on cost, although it is recognised the priority with any placement must be the safety of the child.
- RBWM has commissioned work by Peopletoo to look at placement in more detail and project future costs. This would not be necessary if AfC processes were effective.
- AfC has recognised that it needs to improve commissioning and has recently appointed a Director of Commissioning.

## 4. KEY CRITERIA FOR ANY DELIVERY MODEL

4.1 Given the above context, there are a number of key tests for any delivery model for Childrens Services.

### **a) Deliver Good Quality Statutory Services**

Any model should not demonstrably weaken the quality of Children services.

### **b) Control costs effectively**

Any model should give RBWM the reassurance it needs that costs are effectively controlled.



**c) Have the control it needs over the future direction of Children Services**

Any model should give RBWM sufficient control over how it delivers Children Services without undue influence from another partner.

**d) Take advantage of new ways of working and freedoms in delivering services.**

Any model should enable RBWM to access greater freedoms in the delivery of Childrens Services.

**e) Repay the costs of transition within 2 years.**

Any transition costs of moving to a new model should be able to be recovered by greater savings under the new model with a payback period of no more than 2 years.

**f) Attract and retain high quality staff**

Any change needs to set out clearly how it will retain high quality social care staff during a period of national emergency

**g) Operate as efficiently as possible**

Any delivery model should minimise the level of central overhead costs and duplication between RBWM and AfC.

4.2 In terms of any delivery model going forward the most important issues are:-

- (a) Maintaining a good service and keeping children safe
- (b) Effectively controlling costs
- (c) To have effective working relationships with the organisation and partners/owners within the delivery model.

4.3 The current arrangements for AfC meet the first of these criteria but do not currently address the remaining two criteria. This means that there is an urgent need to look at either improving the current delivery model or other delivery models.

## 5. ALTERNATIVE DELIVERY MODELS

5.1 This section considers the range of delivery models for Children Services as follows:-

- Option 1 No change to current arrangements
- Option 2 Improved current arrangements e.g. with a revised owners agreement
- Option 3 AfC delivers services to RBWM under contract/SLA
- Option 4 Standalone RBWM wholly owned company
- Option 5 Transfer service back to RBWM.

### Option 1 – Status Quo

5.2 Option 1 below assesses the advantages and disadvantages of keeping the existing arrangements for AfC together with the opportunities and threats associated with this option.

<p>Status Quo</p> <ul style="list-style-type: none"> <li>• Continue with existing arrangements</li> <li>• Continue with same shareholder agreement</li> </ul>	
<p><u>Advantages</u></p> <ol style="list-style-type: none"> <li>1. Has enabled RBWM to deliver considerable service improvement – a good Ofsted rating.</li> <li>2. Not bound by EU regulations (limited) – should provide better opportunities for commissioning at lower cost.</li> <li>3. Potential for economies of scale to share central costs</li> <li>4. Retain existing staff – AfC has a good reputation, which will make it easier to attract scarce staff.</li> <li>5. Retains experienced managers</li> <li>6. Maintains Service quality</li> </ol>	<p><u>Disadvantages</u></p> <ol style="list-style-type: none"> <li>1. AfC has not delivered benefits in terms of sharing or economies of scale.</li> <li>2. RBWM a minority shareholder (20%) and so does not have an equal level of control</li> <li>3. Big imbalance between Operational Area 1 and Operational Area 2 leaves most of benefits with Operational Area 1</li> <li>4. Consistent level of over-spending – focus on cost control and delivering value for money could be improved.</li> <li>5. AfC not pro-active in delivering transformation and value for money</li> <li>6. AfC does not appear to have a clear understanding of future demand or consider how they impacts on future plans</li> <li>7. Future plans lack financial rigor.</li> </ol>
<p><u>Opportunities</u></p> <ol style="list-style-type: none"> <li>1. Potential for greater sharing with between Operational Area 1 and Operational Area 2</li> <li>2. Potential to attract other local authorities to join AfC which would potential give RBWM the benefit of greater sharing</li> <li>3.</li> </ol>	<p><u>Threats</u></p> <ol style="list-style-type: none"> <li>1. Kingston and Richmond focus on deepening their own integration.</li> <li>2. AfC has stated that it does not have a focus to expand, which would be of benefit to RBWM.</li> <li>3. Pay levels are higher in Operational Area 1 which creates the risk that staff are more likely to move from Operational Area 2 to Operational area 1 than vice versa.</li> </ol>

	<p>4. Kingston and Richmond do not share the same goals as RBWM</p> <p>5. There is little central (AfC) oversight over Operational Areas 1 or 2, which creates the risk that there could be insufficient intervention at an early stage if services began to deteriorate.</p>
<p><b>Conclusion</b></p> <ul style="list-style-type: none"> <li>• This is the lowest risk option in terms of service delivery.</li> <li>• The key risk with this option is the ability of AfC to control costs</li> <li>• There also appears to be little prospect for AfC to offer additional value or any of the further benefits in terms of sharing</li> <li>• The central core of AfC provides little intervention or oversight over operational areas 1 or 2, which in turn creates a risk that they would not intervene if services in those areas deteriorated.</li> </ul>	

## Financial Implications

5.3 The table below shows the main areas where there are potentially extra costs in being part of AfC

	£'000
1. Pension Liability – following the transfer of staff from the Berkshire Pension fund to Kingston & Wandsworth Schemes	2,000
2. Additional Support Costs	500

5.4 The Pension Liability risk, while highlighted is one that is common to all of the options. RBWM would meet a considerable share of the support costs if it were not part of AfC.

5.5 In addition to the above there are also some key financial risks of staying with AfC in its current form. These risks will not necessarily be eliminated but could be reduced with other options.

	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	1,500
2. Savings delivery – non-delivery of in year savings	1,000
3. Commissioning cost – failure to achieve value for money in commissioning services.	1,000

5.6 There is a considerable level of overlap between these risks. Nevertheless, the level of overspend in recent years shows that this option carries genuine financial risks that needs to be managed more effectively.

## Key Considerations

5.7 This is the lowest risk option in terms of maintaining service delivery for what is one of the most important and sensitive services delivered by the Council.

- 5.8 AfC has engendered a considerable level of loyalty and commitment from staff, who work for it and there is risk that a transfer could result in the loss of key staff. It may also result in a loss of confidence within Ofsted.
- 5.9 This means that any decision to move away from AfC should not be taken lightly, given that RBWM has recently achieved a good rating for its Children Services with the support of AfC.
- 5.10 On a less positive note, there are genuine concerns about the ability of AfC to deliver the benefits that it RBWM originally hoped that it would deliver around economies of scale and resilience.
- 5.11 The focus on AfC is naturally on Operational Area 1 and its majority shareholders. RBWM is on the periphery of this and it is unclear how AfC will ensure that RBWM is not marginalised as a result. AfC no longer has an objective to expand to gain additional partners, which means there is little prospect of greater economies of scale for RBWM.
- 5.12 There is little evidence that AfC is sufficiently focused on cost control and value for money.
- 5.13 The role of the centre of AfC is unclear, which makes it hard to determine how AfC adds value over and above Operational Area 2. AfC appears to adopt a very "hands off" approach to intervention. This may reflect that Operational Areas 1 and 2 are performing well but it creates a concern about whether there would be the necessary level of intervention if services in those areas were to deteriorate.
- 5.14 The owners of AfC are in the process of commissioning a review of how it operates following the resignation of the former Managing Director to become Director of Children Services for Kingston and Richmond. This is considered in more detail as part of Option 2 below.
- 5.15 Due to the significant costs of pension transfer, RBWM may be forced to consider the option of transferring staff back to the RBWM pension scheme. This does not necessarily mean that it cannot remain within AfC as this would reflect similar arrangements in Kingston and Richmond. It does mean that there would be a need to fundamentally review its relationship with AfC. This links closely to the above review.
- 5.16 It is important that RBWM consider what it wants this review to deliver as it has the prospect to refocus AfC and address the issues outlined above.

## Option 2 – Improved Status Quo

5.17 The Second Option therefore considers how the existing arrangements with AfC could be improved to the benefit of all owners.

5.18 The current position for AfC is very different than was envisaged in the original shareholder agreement and business case. In particular there is little sharing between the two operational areas.

5.19 RBWM has already requested that its shareholding within AfC is reviewed to put it on a more equal standing with Kingston and Richmond.

<p>AfC continues with a revised shareholder agreement</p> <ul style="list-style-type: none"> <li>• AfC acts as Local Authority Company</li> <li>• RBWM agrees the level of central support it requires from AfC</li> <li>• AfC reviews the level of commissioning support to RBWM</li> <li>• SLA agreement established between RBWM and AfC</li> </ul>	
<p><u>Advantages</u></p> <ol style="list-style-type: none"> <li>1. Retains confidence of Ofsted in RBWM to continue to deliver good Children Services through AfC.</li> <li>2. Not bound by EU regulations (limited) – should provide better opportunities for commissioning at lower cost.</li> <li>3. Retain existing staff – AfC has a good reputation, which will make it easier to attract scarce staff.</li> <li>4. Retains experienced managers</li> <li>5. Maintains Service quality</li> <li>6. RBWM has increased influence over the operation of AfC.</li> <li>7. Greater clarity for AfC in terms of what it is delivering for its owners.</li> <li>8. Greater clarity around the central cost of AfC</li> <li>9. Greater clarity around the role of AfC in delivering cost savings and value for money</li> </ol>	<p><u>Disadvantages</u></p> <ol style="list-style-type: none"> <li>1. RBWM still has a minority shareholder (20%) and so does not have an equal level of control</li> <li>2. Imbalance between Operational Area 1 and Operational Area 2 leaves most of benefits with Operational Area 1</li> <li>3. AfC does not appear to have a clear understanding of future demand or consider how this impacts on future plans</li> <li>4. AfC focus on cost control is poor.</li> <li>5. RWBM still faces significant pension transfer costs for staff that have moved to AfC.</li> </ol>
<p><u>Opportunities</u></p> <ol style="list-style-type: none"> <li>1. Potential to transform service within AfC</li> <li>2. Retains potential to deliver service to other local authorities.</li> <li>3. Potential to benefit from lesson learned in Operational Area 1 if another partner joins.</li> </ol>	<p><u>Threats</u></p> <ol style="list-style-type: none"> <li>1. Cannot reach agreement on future direction of AfC with Richmond and Kingston.</li> <li>2. Unable to agree revised shareholder agreement</li> <li>3. Would a slimmed down AfC be viable</li> <li>4. Are AfC skills to deliver service improvement transferrable to deliver transformation and cost reduction ?</li> </ol>
<p><u>Conclusion</u></p> <ul style="list-style-type: none"> <li>• This option retains the benefits of Option 1 in terms of service delivery</li> <li>• This option also seeks to address issues around value for money and greater clarity around the role, scale and cost of the centre of AfC.</li> <li>• There is scope for this option to also address issues around commissioning either through a much clearer strategy and focus from AfC or by returning this to RBWM.</li> </ul>	

- The issue of substantial pension costs remains
- The other key concern is the ability of AfC to manage and control costs.
- This option still does not deliver the remaining benefits of greater sharing and resilience that was originally offered by AfC.

## Financial Implications

5.20 The table below shows the main financial implications associated with this option.

	£'000
1. Pension Liability – following the transfer of staff from the Berkshire Pension fund to Kingston	2,000
2. Central and Commissioning Costs – the share of central costs met by RBWM could be less under this option if a slimmed down AfC centre is agreed	-150
2a Enhanced RBWM client role – this may need to be enhanced with a reduced central AfC role	150
3. Alternatively central costs may be higher if an enhanced AfC is agreed	150

5.21 While the key financial risks below may not be eliminated the aim of this option must be to at least halve the level of risk.

	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	750
2. Saving delivery – non-delivery of in year savings	500
3. Commissioning cost – failure to achieve value for money in commissioning services.	500

## Other Considerations

5.22 The owners need to agree what they want the central core of AfC to deliver. There are two extremes to this.

- A slimmed down core** – that essentially leaves the control and operation of Operational Areas 1 and 2 with their constituent councils. The core would then only co-ordinate the relatively minimum support services that each area receives and shares.
- An expanded central core** – this essentially would give the central core a much greater role in developing services across Operational Areas 1 and 2, including responsibility for strategic planning, financial sustainability and intervention, where necessary to maintain service quality.

- 5.23 The two models would require a vastly different organisational structure at the centre of AfC and it is important that the resourcing and cost of AfC reflects this choice. There is a lack of clarity within RBWM about where AfC sits within these two extremes. It needs to be clear, where it wants AfC to sit and negotiate this with the other owners.
- 5.24 Ultimately RBWM does not have any control over whether the existing arrangements for AfC can continue in their current form but there is a real benefit for all the owners to clarify what the centre of AfC is there to do.
- 5.25 There is no guarantee that RBWM will be able to agree a common way forward with all the owners. This also still leaves RBWM in a position where it is at the periphery of AfC plans, which are focused on Operational Area 1.
- 5.26 An alternative option for RBWM would be to become a client of AfC and receive services through via a contract or SLA.

### Option 3 – Contractual Relationship with AfC

- 5.27 This option could take two main forms
- A formal contract, which provides greater certainty in terms of timescales for AfC and RBWM
  - A Service level agreement, which is a looser arrangement and gives more flexibility to both AfC and RBWM.
- 5.28 The table below assesses the implications of this option.

Local Authority Company <ul style="list-style-type: none"> <li>• RBWM relinquishes ownership of AfC</li> <li>• AfC agrees a contract with RBWM.</li> </ul>	
<u>Advantages</u> <ol style="list-style-type: none"> <li>1. Retains some flexibility of a local authority company</li> <li>2. Easier for AfC to set a consistent direction</li> <li>3. Gives RBWM a greater say as a key client rather than a minority owner</li> <li>4. RBWM is better able to hold AfC to account against key deliverables within a contract/SLA</li> <li>5. Greater certainty around cost – AfC cannot arbitrarily increase costs it has to abide by contractual costs.</li> <li>6. RBWM can choose what shared services it wishes to receive and what level of central AfC involvement it requires. This may be different to other owners.</li> </ol>	<u>Disadvantages</u> <ol style="list-style-type: none"> <li>1. Harder to vary services under a contract, which may hamper future transformation.</li> <li>2. May result in a significant cost increase as AfC price in cost risk</li> <li>3. Delays delivery of business transformation in the short term with focus on establishing new company and withdrawal from AfC</li> <li>4. May require an increased level of client support within RBWM</li> <li>5. AfC and RBWM will need to agree what happens to pension liabilities when the contract terminates – RBWM does not want to assume pension liabilities for other AfC staff.</li> </ol>

<ul style="list-style-type: none"> <li>7. Still retains ability to share knowledge with Operational Area 1.</li> <li>8. A relatively smooth transition from current arrangements.</li> <li>9. Retains confidence of Ofsted</li> <li>10. Retains confidence of staff.</li> <li>11. Avoids wind up costs.</li> <li>12. Greater flexibility to deliver business transformation in the longer term.</li> <li>13. Flexibility around terms &amp; conditions</li> <li>14. Not bound by EU regulations (limited)</li> </ul>	6.
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>1. Potential to increase client side</li> </ul>	<p><u>Threats</u></p> <ul style="list-style-type: none"> <li>1. AfC and RBWM may struggle to agree terms in particular termination clauses and contract length.</li> <li>2. AfC may not wish to deliver service in this way or may seek to recover a larger proportion of central costs.</li> </ul>
<p><u>Conclusion</u></p> <ul style="list-style-type: none"> <li>• The main benefits of this option for RBWM is that it would give it more certainty around cost control and potentially greater influence within AfC as a significant client.</li> <li>• The benefits for AfC are that it does not have to resolve the issue of conflicting objectives between Operational Areas 1 &amp; 2 but retains the extra economies of scale that Operation Area 2 brings.</li> <li>• The key issue is whether RBWM and AfC can agree a contract price and other terms including contract period and termination.</li> </ul>	

## Financial Implications

5.29 The table below shows the main financial implications associated with this option.

	£'000
1. Pension Liability – following the transfer of staff from the Berkshire Pension fund to Kingston	2,000
2. Central Costs – the share of central costs met by RBWM could be less under this option if a slimmed down AfC centre is agreed	-150
2a Enhanced RBWM client role – this may need to be enhanced with a reduced central AfC role	150
3. Alternatively central costs may be higher if an enhanced AfC is agreed	150

5.30 While the key financial risks below may not be eliminated they may be considerably reduced further with a contractual arrangement, although the risk around commissioning costs may not be as low as with a more direct relationship with AfC.



	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	500
2. Saving delivery – non-delivery of in year savings	300
3. Commissioning cost – failure to achieve value for money in commissioning services.	750

### Other Considerations

- 5.31 While a contractual relationship is likely to bring even greater
- 5.32 This Option has a lot to commend it. In particular it provides the potential for RBWM to retain the benefits of being part of AfC (service improvement, staff relationships, Ofsted support) while addressing some of the concerns around the level of RBWM influence and cost control.
- 5.33 The Option also means that RBWM can decide exactly what level of support it wants from the centre of AfC and this may well be different to the level of support that Kingston and Richmond may require. The contract will also provide greater clarity around these costs.
- 5.34 This option also potentially has a lot of benefits for the other owners within AfC. In the current circumstances they will always find it difficult to move forward with an organisation that it is at best on the periphery of their plans to integrate within Operational Area 1.
- 5.35 At the same time, it offers AfC the ability to retain RBWM and the benefits it brings in terms of sharing central costs and professional knowledge with Operational Area 1.
- 5.36 While there are considerable benefits, it is by no means certain that RBWM and AfC will be able to agree contract terms. In particular it may be hard to agree contract costs, given there is little agreement between AfC and RBWM around the ongoing cost of the service. AfC may also want to factor in considerable risk into its contract price, given the cost fluctuations in previous years as well as the unresolved issues around pension liabilities.
- 5.37 This means that it is sensible to look at further options including a wholly owned local authority company.

### Option 4 – Wholly Owned Local Authority Company

- 5.38 If RBWM's future relationship with AfC cannot be resolved within Options 2 or 3, it will need to consider whether it wishes to move to an alternative option. The next option would be to consider setting up its own Local Authority Company.

<p>Local Authority Company</p> <ul style="list-style-type: none"> <li>• RBWM sets up wholly owned company</li> <li>• Transfers AfC staff to wholly owned company</li> <li>• RBWM withdraws from AfC</li> </ul>	
<p><u>Advantages</u></p> <ol style="list-style-type: none"> <li>1. Retains flexibility of a local authority company</li> <li>2. RBWM has greater control over central company costs and can better manage duplication.</li> <li>3. RBWM has significant control over company and future service delivery</li> <li>4. Greater flexibility to deliver business transformation in the longer term.</li> <li>5. Flexibility around terms &amp; conditions</li> <li>6. Not bound by EU regulations (limited)</li> <li>7. Avoid additional pension costs as staff brought back within Berkshire Pension Fund</li> </ol>	<p><u>Disadvantages</u></p> <ol style="list-style-type: none"> <li>1. No access to shared services e.g. workforce development</li> <li>2. No sharing of knowledge and experience with Operational Area 1.</li> <li>3. Delays delivery of business transformation in the short term with focus on establishing new company and withdrawal from AfC</li> <li>4. Significant transitional costs to new company e.g. wind up costs for AfC</li> <li>5. Central costs may be greater if AfC support functions are not shared.</li> <li>6. Would RBWM be able to attract the necessary skills and expertise that it needs to run a local authority company</li> <li>7. RBWM does not have direct day to day control over AfC as it would with an in-house provision.</li> <li>8. Complex pension negotiations with AfC to ensure that RBWM does not take on additional Pension liability</li> </ol>
<p><u>Opportunities</u></p> <ol style="list-style-type: none"> <li>1. Potential to expand to deliver wider services to RBWM e.g. adult services</li> <li>2. Potential to admit other local authorities or to provide services to them</li> </ol>	<p><u>Threats</u></p> <ol style="list-style-type: none"> <li>1. Threat to service and confidence of Oftsted when service has recently achieved a good rating.</li> </ol>
<p><u>Conclusion</u></p> <ul style="list-style-type: none"> <li>• The main benefits of this option is that it would give RBWM the control it needs over future transformation with the minimum of disruption to staff and service delivery.</li> <li>• This main issues with this option are the level of potential compensation payable to withdraw from AfC.</li> <li>• This option would also mean that RBWM would lose all the benefits of exchanging experience and knowledge with Operational Area 1.</li> </ul>	

## Financial Implications

5.39 The table below shows the main financial implications associated with this option.

	£'000
1. Pension Liability – may no longer arise if staff were transferred back to the RBWM pension fund.	
2. Central Costs may be greater if RBWM is not able to share these costs with other owners.	500

2a Enhanced RBWM client role – this may need to be enhanced to take into account the new arrangements	150
3. Higher costs for staff training and development	200
4. Higher costs for managing the relationship with Ofsted	100
5. Costs for Establishing a new local authority company	200
6. Compensation Costs for AFC owners	1,000

5.40 There is no guarantee that pension costs will be removed completely and there is considerable new pension risk in terms of compensation for transferring staff back to RBWM.

5.41 While the key financial risks below may not be eliminated they may be less.

	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	500
2. Saving delivery – non-delivery of in year savings	500
3. Commissioning cost – failure to achieve value for money in commissioning services.	500

### Other Considerations

5.42 This option would probably require RBWM to establish a wholly new company to deliver Children Services. It is unlikely that existing core AfC staff would transfer to it and indeed there is the prospect that the new company could lose some key staff to AfC.

5.43 This means that there is a considerable risk associated with this option in terms of maintaining service delivery.

5.44 There is also considerable initial financial risks associated with this option and the cost of withdraw from AfC and establishing a new company.

5.45 The other cost risk associated with this option would be the cost of winding down the previous operation and any compensation that might be payable to Wokingham, unless AfC is dissolved by mutual agreement.

5.46 These extra costs may be balanced by savings in avoiding additional pension costs if staff are transferred back to the RBWM scheme.

5.47 Overall there appears to be little extra benefit in setting up a wholly new local authority company given:-

- a) The scale of central overhead costs
- b) the added complexity of delivering a service through a third party
- c) staff are still on local authority terms and conditions

## Option 5 – In-house Provision

5.48 This option would only be worth further exploration if RBWM wanted to combine AfC and Optalis in one single local authority company. A better standalone option for Children Services could be to bring back the service to RBWM. This is considered below.

Bring back service in house <ul style="list-style-type: none"> <li>• Wind down AfC</li> <li>• Transfer all AfC relevant AfC Staff back to RBWM.</li> </ul>	
<u>Advantages</u> <ol style="list-style-type: none"> <li>1. RBWM has the highest level of control over service delivery and future business transformation</li> <li>2. Greatest flexibility to deliver business transformation in the longer term.</li> <li>3. Greater control around terms &amp; conditions</li> <li>4. RBWM greater control over central costs and overheads and rationalise between AfC and RBWM.</li> </ol>	<u>Disadvantages</u> <ol style="list-style-type: none"> <li>1. Considerable time, effort and cost to wind down/withdraw from AfC.</li> <li>2. Conflict with AfC around staff transfer.</li> <li>3. Most management staff could remain with AfC</li> <li>4. Central Overheads could increase as they are not shared with other partners in AfC.</li> <li>5. Significant disruption to service</li> <li>6. Significant transitional costs e.g. wind up costs for AfC</li> <li>7. Some loss of flexibility of a local authority company.</li> <li>8. Increased central costs in the short term.</li> <li>9. Potential to destabilise RBWM pay structure – probably limited due to nature of staff.</li> <li>10. Terms &amp; Conditions may still need to be reviewed to avoid high levels of agency staff.</li> </ol>
<u>Opportunities</u> <ol style="list-style-type: none"> <li>1. Potential to rationalise central costs within RBWM</li> <li>2. Avoids duplication in commissioning – RBWM and AfC</li> <li>3. Avoids dual performance management process RBWM/AfC</li> </ol>	<u>Threats</u> <ol style="list-style-type: none"> <li>1. Loss of confidence within Ofsted</li> <li>2. Reduced resilience for RBWM</li> <li>3. Loss of key staff, who wish to remain with AfC</li> </ol>
<u>Conclusion</u> <ul style="list-style-type: none"> <li>• The main benefits of this option is that it would give RBWM the most control over future transformation and cost control</li> <li>• This option is probably the most risky option in terms of maintaining service delivery.</li> </ul>	

### Financial Implications

5.49 The table below shows the main financial implications associated with this option.

	£'000
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1. Pension Liability – may no longer arise if staff were transferred back to the RBWM pension fund.	
2. Central Costs may be greater if RBWM is not able to share these costs with other owners.	500
2a Enhanced RBWM client role – this may need to be enhanced to take into account the new arrangements	150
3. Higher costs for staff training and development	200
4. Higher costs for managing the relationship with Ofsted	100
5. Compensation Costs for AFC owners	200
6. Loss of procurement freedom and flexibility.	300

5.50 While the key financial risks below may not be eliminated they may be considerably less.

	£'000
1. Cost Control – failure to control costs resulting in substantial in year overspending	500
2. Saving delivery – non-delivery of in year savings	250
3. Commissioning cost – failure to achieve value for money in commissioning services.	300

### Other Considerations

5.51 This option probably carries the greatest risk of disruption to the current service and therefore needs to be considered very carefully at the current time.

5.52 Nevertheless, this option cannot be discounted totally. If RBWM is unable to work effectively with the joint owners of AfC to refocus what AfC does, then this option may require more serious consideration.

## 6. Can the existing arrangements be made to work?

6.1 A good starting point for any review is to consider whether the existing arrangements can be made to work. This section considers the key factors that would need to be resolved to make the existing arrangements effective.

### Can AfC Deliver the Benefits that it was set up to deliver?

6.2 There is no question that Children Services have improved significantly following the transfer to AfC and this has been recognised by external assessments by Ofsted. In service terms the transfer to AfC has therefore been a success.

6.3 Unfortunately, the other business benefits in terms of economies of scale, cost-saving and resilience have not been delivered.

- There is little sharing between Operational Area 1 (Kingston & Richmond) and Operational Area 2 (RBWM).
- AfC has stated that its focus is on service improvement and achieving outstanding ratings. It is no longer focused on expansion. This leaves little prospect of a partner for RBWM in Operational Area 2.
- Kingston and Richmond focus is on sharing and integrating services within Operational Area 1 and have no plans for any significant integration with Operational Area 2.

6.4 Operation Area 2 (RBWM) staff clearly value the ability to share information with staff in Operational Area 1. They also value the quality of training and the potential development opportunities being part of a larger organisation offers to them.

6.5 On this basis it is reasonable to conclude: -

- There is little prospect that AfC will be able to deliver any economies of scale in service delivery to RBWM through sharing with Kingston and Richmond
- AfC is unlikely to generate substantial external business to offset its central operating costs.

### **A clear understanding of costs between AfC and RBWM**

6.6 There appears to be significant differences between RBWM and AfC around the cost of Children Services.

AfC believes that:

- RBWM has never recognised the true cost of Children Services
- Children Services is therefore under-funded
- AfC has therefore had to overspend each year to deliver a realistic level of Children Services

RBWM believes that:

- It has allocated a sufficient budget for Children Services
- It is frustrated by the consistent level of over-spending within AfC
- It is frustrated by the inability of AfC to project costs
- It believes that AfC has a poor record in delivering savings that it has offered to deliver.

6.7 Effectively this creates tension between AfC and RBWM and makes it difficult to set clear financial plans.

6.8 It is a major concern that AfC informed RBWM in May 2018 and May 2019, that it would overspend its budget allocation by £3m and £1.5m respectively. This was only 3 months after the budget for the service had

been set. In part this was due to subsequent decisions by RBWM, which negated some of the savings proposals within the AfC budget. This creates a big concern around:

- The ability of AfC and RBWM to agree clear budget plans
- The ability of AfC to project accurately future demand e.g. placements
- The level of co-operation between AfC and RBWM to identify and follow through with the delivery of future savings plans.

6.9 While AfC has produced a business plan setting out how its service will develop up to 2020/24 the financial information supporting this plan is very limited.

- The medium-term financial plan does not set out clear projections of AfC costs up to the end of 2024 or the contributions they expect partners will need to make
- The business plan and medium-term financial plan does not project future demand or show how this could impact on service delivery and costs.

6.10 All of this means that RBWM does not have sufficient information to understand the future direction of AfC or how this will impact on the future finances of RBWM.

6.11 Both AfC and RBWM need to work more closely together to develop a clearer joint understanding of the cost of Children Services, to enable them to work effectively together in the future. This means:

- RBWM and AfC need to work more closely together to agree a the annual budget for Children Services in the autumn, prior to its inclusion in the Council budget plans
- RBWM and AfC need to work jointly together to better understand demand and project future costs as part of a medium-term financial plan.
- The medium-term financial plan for AfC needs to set out far more clearly the financial implications of the business plan 2020/24 for RBWM.

### **An Effective Working Relationship?**

6.12 Any Local Authority joint venture of this nature requires a sound working relationship between the local Authority partners.

6.13 In the case of AfC, all the shared benefits are focused on Operational Area 1. The Managing Director for AfC recently became the new Joint Director for Children Services for Kingston and Richmond. At best, the relationship

with RBWM is a subsidiary one, as all the focus for Kingston and Richmond is deeper integration in Operational Area 1.

- 6.14 RBWM has little influence over the future direction of AfC given that it only has a 20% holding. It has asked for this to be reviewed but even if this shareholding is increased it will still have a minority stake. There is little prospect of any other council joining to dilute the stake of the other owners.
- 6.15 This makes it difficult to identify a common shared aim for the future direction of AfC. The business plan subdivides the plans for each of its owners.
- 6.16 This situation leaves the councils at an impasse, where they may want different things from AfC. So far AfC has not demonstrated how it will resolve this situation. The temporary nature of the Managing Director role questions the future direction of AfC.
- 6.17 It is positive that the Councils have recognised this and have commissioned work to look at the future Managing Director Role for AfC. It is hard to see how this role could be reviewed without looking at how the organisation that it supports will operate going forward.
- 6.18 RBWM needs to decide where on the spectrum it wants AfC to be between
- a) A slimmed down core – that essentially leaves the control and operation of Operational Areas 1 and 2 with their constituent councils. The core would then only co-ordinate the relatively minimum support services that each area receives and shares.
  - b) An expanded central core – this essentially would give the central core a much greater role in developing services across Operational Areas 1 and 2, including responsibility for strategic planning, financial sustainability and intervention, where necessary to maintain service quality.
- 6.19 Given the position of the other owners, RBWM is more likely to agree a more slimmed down core with the other owners and it needs to ensure that:
- a) This is reflected in lower AfC central costs
  - b) RBWM reviews the level of its client side to take into account the minimal level of oversight and intervention that AfC provides.
- 6.20 On this basis it is reasonable to conclude that:
- AfC is unlikely to continue in its existing form
  - The owners need to agree the future delivery model for RBWM



- All parties need to be clear about what they want the centre of AfC to deliver and pay for it accordingly.
- AfC will then need to review the cost and size of its central overhead
- RBWM will need to review the size and cost of its client function

### **Can AfC deliver added value that justifies its overhead costs?**

- 6.21 AfC represents an additional central management overhead over and above the costs of the Management Team for Operational Area 2 and the central commissioning team within Windsor and Maidenhead.
- 6.22 This is not necessarily a bad thing if AfC can demonstrate that the increased cost reflects considerable additional value to RBWM from the arrangements.
- 6.23 The clearest example of added value from AfC is the improvement in Childrens Social Care as recognised by the Ofsted.
- 6.24 The other areas of added value are less clear:
- Performance Management – while AfC has introduced an extensive performance management regime there is little evidence of central intervention from within AfC to manage or oversee the performance of Operational Area 2.
  - Cost Control – again while there is oversight and reporting to AfC on the budget and financial position of RBWM, there is little evidence that this translates into AfC instigating any particular action to address areas of overspending or liaise with RBWM over how these can be managed. The management and oversight of cost control is predominantly carried out by RBWM and staff within Operational Area 2.
  - Savings delivery – there is little evidence that AfC has a focus on identifying and delivering savings and service efficiency. In terms of savings delivery it is reactive rather than proactive. It will engage with savings targets and initiatives set by RBWM but it will not develop its own initiatives to deliver savings.
  - Resilience – there is little evidence that central AfC is addressing issues around resilience and use of agency staff across the whole organisation. It is left for this to be addressed within each operational area.
  - Strategic Commissioning – again AfC is not proactive at reviewing the cost of placements. It does not appear to have a focus on ensuring costs are competitive and ensuring that clients are moved to more cost-effective placements when the opportunity arises. Even more worrying, demand is changing and becoming more complex and costly. There is little evidence that AfC is actively managing the market and looking at ways to manage these costs more effectively. AfC has recently appointed a Director of Commissioning but their role with RBWM is limited.

- 6.25 Although AfC has recently produced a business plan for 2020/24 there is a concern that this may not adequately reflect the vision for all its owners. In addition
- There is little evidence that AfC understands its current demand or how this demand will change in the future – an essential element of any business plan.
  - The business plan appears to only have a service focus rather than a service and financial focus that you would expect within a business plan.
- 6.26 RBWM has engaged Peopletoo to review placements and future service demand. It remains a concern that RBWM is effectively paying for this additional level of expertise that it should reasonably expect to receive from AfC.
- 6.27 AfC still has a lot to do to demonstrate its added value justifies its additional overhead. While it has clear ability in terms of service improvement it will need to demonstrate that it:-
- Has a clear understanding of future demand and how this impacts on the service that it will need to deliver.
  - Has clear ideas on how it can both deliver service improvement within tight financial constraints.
  - Can control the day to day cost of its services without the current level of intervention from RBWM.
  - Has a clear commissioning strategy that will deliver value for money for RBWM.
- 6.28 Developing a viable way forward for AfC therefore relies on AfC demonstrating how it will add value and address these four key factors:
- 6.29 None of these are impossible but all of them carry a considerable degree of risk. They are also not completely within the control of the council or its officers. This means that the future viability of AfC is by no means certain. RBWM therefore needs to have a clear Plan B.

## **7. THE WAY FORWARD**

- 7.1 AfC has brought considerable benefits to RBWM in terms of service improvement, which justifies the original decision to transfer services to them. Overall the cost of Children's Services remain below the national average.
- 7.2 While the review points to a clear focus within AfC on service delivery the focus on identifying and delivering further savings and cost control is less clear.

- 7.3 The greatest challenge for RBWM and its relationship with AfC is how it can control costs going forward and manage the additional cost pressures of delivering Childrens Services. The current model does not provide the necessary assurance that RBWM can achieve this and has resulted in substantial cost increases.
- (a) The financial plans for AfC are unclear – the medium-term financial plan does not project clearly future service costs over the next three years for RBWM.
  - (b) RBWM and AfC have a poor record of budget setting and delivery of savings. This is demonstrated by a pattern of overspending in recent years.
- 7.4 RBWM and AfC need to work more closely together to jointly:
- (a) understand the cost of delivering Children Services and what can be delivered for the budget that RBWM is able to allocate
  - (b) understand the medium-term consequences of the 2020/24 business plan for RBWM in more detail and how this may impact on Council budgets over that period and whether this is affordable
  - (c) have a clearer joint understand of future demand and the risks associated with it and how they impact on medium-term financial projections
  - (d) have a shared understanding and commitment to delivering savings proposals included within budget plans.
- 7.5 Some progress has been made around budget setting as part of the 2020/21 budget-setting process, but a lot more needs to be done.
- 7.6 It is essential that these issues are addressed as a matter of urgency. Otherwise the risk of significant budget over-spend remains as in previous years.
- 7.7 There is still a lot more to resolve with RBWM relationship with AfC and its other owners for AfC to remain a viable solution for RBWM.
- There is uncertainty over the central element of AfC and the need for a Managing Director
  - The other owners are focused on achieving greater integration in Operational Area 1. RBWM in Operational Area 2 is at the periphery of these plans
  - There is little prospect of AfC delivering further benefits in terms of greater sharing with existing partners or indeed new partners.
- 7.8 Having considered a wide range of options, a refocused AfC still potentially provides the best delivery model, provided that RBWM can agree a revised model with the other owners. RBWM needs to:-

- a) understand what role it wants the centre of AfC to perform and fund it accordingly
  - b) consider whether it needs to strengthen its client/commissioning arrangements to allow it to effectively oversee Children Services.
- 7.9 At the same time AfC needs to demonstrate clearly to RBWM how it will add value in terms of
- a) Improved cost control and an enhanced focus on identifying savings
  - b) A more focused approach to commissioning that improves value for money
  - c) A proactive approach to still achieving greater resilience and economies of scale with Operational Area 1.
- 7.10 As part of these revised arrangements it is essential that RBWM and AfC jointly agree a clear way forward on
- a) Future Service costs
  - b) Future Governance and the flow of information between the two organisations.
- 7.11 This is not impossible and at the very least all owners within AfC need it to:
- (a) Control overall service costs effectively within allocated budgets
  - (b) Have a better strategic focus to understand demand
  - (c) Plan more effectively for the future
  - (d) Ensure that central costs deliver value for money
- 7.12 Revised arrangements for AfC are achievable but they will require considerable effort and negotiation with AfC and all its owners. There is benefit to everyone in putting in this time and effort.
- 7.13 If it does not prove possible to negotiate a viable way forward with AfC and its owners, then it would be reasonable for both RBWM and AfC to explore a contractual relationship. This option could be explored alongside discussions around a revised ownership model.
- This would give AfC greater freedom to set it's strategic direction and focus on Operational Area 1
  - This would also enable RBWM to potentially have greater influence as a major client rather than a minority owner.
  - The key issue is whether there is a way to achieve this under existing Tekal arrangements that impact on how AfC operates.
- 7.14 Pension issues add complexity to the contractual model but this is already a complex area that needs considerable work to unravel. This probably means that this is a good time to explore this option.

- 7.15 During these discussions, there may also be some benefit in RBWM considering whether it wants to transfer some of the services within AfC back to RBWM, for example the transfer of the Finance Team may result in a clearer joint understanding of costs.
- 7.16 If RBWM is unable to agree a satisfactory way forward with AfC and its owners, then there is little benefit in establishing a separate local authority company. A more viable option would be to bring the service back within the control of RBWM.

## 8 RECOMMENDATIONS

- 8.1 The review concludes that there is still scope for AfC to provide the best delivery option for Childrens Services within RBWM.
- 8.2 The review also concludes that the current arrangements are not working as well as they could and that there are areas where these could be improved.
- 8.3 The recommendations below are designed to achieve this.

### Recommendation 1

**RBWM should ensure that it has adequate financial resources and expertise within its Finance Team to manage the finances of the AfC contract.**

- 8.4 This could be achieved by:
- (i) Recruiting additional specialist finance resources to the central finance team within RBWM.
  - (ii) Reorganising the Finance Team to release a resource to focus on the financial management of the AfC contract
  - (iii) Transferring some or all of the existing Finance Resource within AfC to RBWM

### Recommendation 2

**RBWM should ensure that the commissioning team has sufficient expertise and influence over the delivery of Children Services.**

- 8.5 This could include:
- (i) Considering whether it would be more appropriate for the client to represent RBWM on the AfC board

- (ii) Reviewing and bolstering the existing skills on the client side to manage the AfC contract.

### **Recommendation 3**

**RBWM and AfC should work closely together to achieve a common understanding of current costs for delivering Childrens Services.**

### **Recommendation 4**

**RBWM and AfC should work closely together to understand future demand for Childrens Services and the financial consequences of that future demand.**

8.6 These could be achieved by:

- (i) AfC and RBWM senior finance staff and service staff working closely together to develop a common understanding of current and future service costs.
- (ii) Jointly engaging more specialist consultants to advise on the reasonableness of current service cost and assist with developing a joint model to project and predict future costs.

### **Recommendation 5**

**RBWM and AfC need to develop a clear strategy for 2021/25 to manage the financial consequences of future demand as well as continuing to deliver good quality Childrens Services.**

8.7 This stems from Recommendation 4 above. Without a clear understanding of future demand and service pressures, RBWM and AfC cannot plan effectively for the future

### **Recommendation 6**

**RBWM should consider carefully whether it wishes to continue to adopt the AfC business plan for 2020/24 before it has a clear understanding of costs and service pressures.**

8.8 RBWM needs to understand the impact of future demand much more clearly before it can make a commitment to the achieving an excellent rating and the associated financial consequences.

### **Recommendation 7**

#### **RBWM needs to be clear what it wishes the centre of AfC to deliver to it**

- 8.9 RBWM needs to be clear about the added value that the centre of AfC is delivering, as detailed in paragraph 6.24 above:
- (i) Performance Management
  - (ii) Cost Control and understanding the impact of future demand.
  - (iii) Savings Delivery
  - (iv) Resilience
  - (v) Strategic Commissioning

### **Recommendation 8**

#### **Having considered all of the above, RBWM should agree a clear SLA with AfC**

- 8.10 This should set out
- (i) The core cost of Children Services i.e Operational Area 2
  - (ii) The additional cost and services that will be provided by the central AfC team
  - (iii) How costs will be managed in the year so that AfC is expected to manage within the budget allocation.
  - (iv) Any specific circumstances that will enable AfC to exceed the budget allocation provided it has permission from RBWM to do so.

### **Recommendation 9**

#### **RBWM should engage with other partners with the other owners within AfC to agree a clear way forward for the organisation,**

- 8.11 This should clarify:
- (i) The extent and scope of any further integration between Operational Area 1 and Operational Area 2
  - (ii) The scale and scope of the AfC central team and what it needs to deliver to Operational Area 1 and Operational Area 2, which does not necessarily have to be the same.

## SCHEDULE OF INTERVIEWS

Interviewee	Date
<b>Cllr David Hilton</b> Lead Member, Finance	20/4/20
<b>Cllr Stuart Carroll</b> Lead Member, Adult Social Care, Childrens Services, Health & Mental Health	4/5/20
<b>Cllr Lynne Jones</b> Leader, Local Independents	30/4/20
<b>Duncan Sharkey,</b> Managing Director, RBWM	21/4/20
<b>Hilary Hall,</b> Director of Adults, Health & Commissioning, RBWM	16/4/20
<b>Adele Taylor,</b> Director of Resources, RBWM	30/4/20
<b>Kevin McDaniel,</b> Director of Children's Services, RBWM	16/4/20
<b>Lynne Lidster,</b> Commissioning Lead, RBWM	27/4/20
<b>Lin Ferguson,</b> Director of Childrens Social Care, RBWM/AfC	29/4/20
<b>Ruth Watkins,</b> Chief Accountant, RBWM	22/4/20
<b>Sian Wicks,</b> Interim Chair Achieving for Children	18/5/20
<b>James Norris</b> Finance Lead, Achieving for Children	30/4/20
<b>Lucy Kourpas,</b> Chief Operating Officer & Director of Finance , Achieving for Children	29/4/20
<b>Ian Dodds,</b> Director of Children's Services Richmond and Kingston	30/4/20



## AFC CENTRAL COSTS

(information supplied by AfC)

	LBR/RBK £000	RBWM £000	TOTAL £000
Operational Strategic Management	436	259	695
Director of Childrens services and Deputy Director Health, Early Help, Social Care			
Bought in support services	6037	1276	7313
These budgets pay for services bought back from RBWM - there is an equal and opposite income budget in the RBWM accounts with the exception of ICT where some services are bought back from Kingston as well as RBWM (mixed model)			
HR Services		172	
ICT		608	
Lease of council properties		489	
Customer Services		7	
<b>Business Services</b>	<b>4274</b>	<b>962</b>	<b>5236</b>
All back office budgets - staffing and non staff included. Does not include admin support which is reported with the relevant teams. Highest value areas as follows:			
Finance (general fund, dsg, school bursar, transactions etc)		482	
Data intelligence team		183	
AfC Snr management		33	
Strategy, policy, business systems, programme management, business dev, comms		53	
Workforce Development		25	
Information Governance (FOI/SAR etc)		15	
Comms		25	
Insurance - contents, public liability, travel etc		115	
other central costs e.g. AFC board		20	
other smaller		11	

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Report Title:	<b>CIPFA REVIEW OF GOVERNANCE – RESPONSE TO THE FINAL REPORT AND DEVELOPMENT OF AN ACTION PLAN</b>
Contains Confidential or Exempt Information?	Part I – Main Report, Part II - Appendix 4 - <b>(Not for publication by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972).</b>
Lead Member:	Councillor Hilton, Lead Member for Finance and Ascot
Meeting and Date:	Cabinet 30 July 2020
Responsible Officer(s):	Adele Taylor, Director of Resources
Wards affected:	None

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## REPORT SUMMARY

1. CIPFA (Chartered Institute of Public Finance and Accountancy) undertook a review of governance during 2019 and early 2020. They published their full report in June 2020 and this was presented to Cabinet in June.
2. CIPFA identified a wide range of issues that need to be considered by the Authority. Many changes have already been implemented during the course of the review.
3. Following a request from Cabinet, officers have prepared a draft action plan to ensure the Authority identifies appropriate actions to resolve remaining, outstanding issues.
4. Cabinet is being asked to review that draft action plan and approve its implementation.

## 1. DETAILS OF RECOMMENDATION(S)

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

- i) Approves the implementation of the proposed action plan
- ii) Agrees that a quarterly progress report be considered by the appropriate committee or panel

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

**Options**

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

<b>Option</b>	<b>Comments</b>
Approve the implementation of the proposed action plan	This will allow the Authority to continue to make improvements and learn lessons from the CIPFA Review.
<b>This is the recommended option</b>	
Do not approve the implementation of the proposed action plan	This would hinder the Authority's ability to make improvements.

### **3. KEY IMPLICATIONS**

3.1 CIPFA were engaged by the Council to consider some apparent issues with governance and financial management during 2019. They initially reported on their findings in December 2019 and have now followed up with a more detailed report.

3.2 This report contains a significant number of issues for the Authority to address. Whilst many issues have been resolved there are still a small number to be concluded.

3.3 In summary CIPFA found:

- a lack of financial transparency and Medium Term Financial Planning over a number of years.
- a poor officer culture and lack of physical capacity and capability coupled with dominant Members. This led to a lack of appropriate challenge or recognition that challenge is a good thing.
- poor standards of financial capacity and capability within the financial support services.
- little differentiation between officer and senior member roles and responsibilities.
- several issues relating to financial governance.
- an unacknowledged and unreported poor culture including limited understanding of governance.

3.4 In developing the action plan, there are three main sections of the CIPFA report that have provided the basis upon which actions have been determined, these are sections 6, 7 and 8 of their main report. The report is included as an Appendix to this report for ease of reference.

3.5 Appendix 1 separately identifies all of the issues that CIPFA highlighted in their report that have already been addressed. This ensures that there is full transparency of progress to date. Although those items have been addressed, continued focus on some areas has been identified. Whilst no specific actions are associated with them it will be the responsibility of the Director of Resources and S151 Officer and the Head of Finance to ensure

that continued focus remains on these areas and these are highlighted in that appendix. This will include ensuring that we have suitably qualified, experienced and skilled staff to support financial governance and must include a focus on maintaining continuous professional development so that we remain compliant in all technical finance areas.

- 3.6 The proposed action plan for those actions that need to be addressed is contained at Appendix 2.
- 3.7 It is important that delivery of the action plan remains transparent and officers recommend that the appropriate committee or panel are asked to review progress against the action plan on a quarterly basis. If any concerns are raised about non-delivery or they do not feel adequate progress has been made they could then refer the matter on to Cabinet.
- 3.8 It is important to note that an underlying theme that runs through the whole of CIPFA's report relates to the culture that existed within RBWM that allowed weaknesses in governance to not be challenged. Alongside the immediate steps that were taken in 2019/20 to address some of the most pressing and urgent governance issues, a programme to review the values and behaviours that we want to operate with as an Authority was developed.
- 3.9 Ensuring that the proposed action plan is implemented is only one part of improving our governance. Committing time and energy to refresh our values and behaviours plays just as important a role in ensuring that these changes can be fully embedded at RBWM and although this proposed action plan does not specifically address this issue, the delivery of the outcomes we expect will be integral to demonstrating our commitment to these values.
- 3.10 A separate report on the Values and Behaviours of the council will be considered at Cabinet on 30 July 2020.
- 3.11 The proposed action plan includes a column "What Success will look like". This is a measure of what impact we should expect to see from delivery of the plan and how we can demonstrate that the implementation of the recommended changes will have made a difference to the way in which we operate.

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

- 4.1 Whilst the report details a number of financial and value for money issues there are no direct financial implications of the recommended decision and action plan. It is expected that any actions arising will be contained within existing resources or will be considered as part of the overall council budget setting process for 2021/22.

#### **5. LEGAL IMPLICATIONS**

- 5.1 The Authority is a creature of statute and must obey legislation, act within the guidance and regulations issued and ensure probity and compliance with ethical behaviour. The report highlights a number of issues of governance that demonstrate the Authority has not lived up to the standards required.

5.2 For legal reasons, relating to a contractual agreement, an element of the CIPFA report (part of section 2.34 is redacted and presented in appendix A, which will be considered in Part II of the meeting if it is required).

## 6. POTENTIAL IMPACTS

6.1 Equalities.

There are no implications arising from the recommendation.

6.2 Climate change/sustainability.

There are no implications arising from the recommendation.

6.3 Data Protection/GDPR.

There are no implications arising from the recommendation.

## 7. APPENDICES

7.1 This report is supported by four appendices:

- Appendix 1 - Completed Actions
- Appendix 2 - Proposed Action Plan
- Appendix 3 - CIPFA report
- Appendix 4 - CIPFA report Appendix A (Part II)

## 8. BACKGROUND DOCUMENTS

8.1 None identified.

## 9. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr David Hilton	Lead Member for Finance and Ascot	14/07/20	15/07/20
Cllr Andrew Johnson	Leader of the Council	14/07/20	15/07/20
Duncan Sharkey	Managing Director	14/07/20	
Elaine Browne	Head of Law	14/07/20	17/07/20
Mary Severin	Monitoring Officer	14/07/20	
Karen Shepherd	Head of Governance	14/07/20	15/07/20
Hilary Hall	Director of Adults, Health and Commissioning	14/07/20	15/07/20
Andrew Vallance	Head of Finance	14/07/20	17/07/20
Kevin McDaniel	Director of Children's Services	14/07/20	17/07/20
Russell O'Keefe	Executive Director, Place	14/07/20	

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
Louise Freeth	Head of Revenues, Benefits, Library and Resident Services	14/07/20	17/07/20

## Appendix 1: Completed actions

Area	Issues Identified	Actions	When completed	Comments including further considerations
Revenue Budget Approval	<ul style="list-style-type: none"> <li>• Non compliance with statutory requirements</li> <li>• Lack of detail including assessment of reserves and projections</li> <li>• Lack of annual review of key items (e.g. special expenses)</li> <li>• Incorrect calculation of “special expenses” precept</li> </ul>	<p>Full compliance with statutory requirements.</p> <p>Greater detail and information included in reports</p> <p>Precept and key items all reviewed prior to budget setting</p>	All complete as part of 2020/21 budget setting in Feb 2020	<p>Full compliance achieved. Further improvements and enhancements planned during 2020/21 for budget setting for next financial year.</p> <p>Items that require annual review were identified and processes put in place to ensure this continues</p>
Inadequate reserves	<ul style="list-style-type: none"> <li>• Assessment of reserves level was flawed</li> <li>• Only took into account one year and not future years</li> <li>• Insufficient explanation of level of reserves compared to others</li> </ul>	All items were resolved for the financial year 2020/21.	All complete as part of 2020/21 budget setting in Feb 2020	<p>Full review undertaken for 2020/21 budget setting in Feb 2020.</p> <p><b>NOTE: reserve management policy picked up as an action for 2021/22 MTFS to ensure continued review</b></p>
Robustness of estimates	<ul style="list-style-type: none"> <li>• Overly optimistic reporting, not enough focus on risk</li> <li>• Assumptions not set out within reports including use of one-off resources</li> <li>• Inadequate review of bad debt provisions</li> <li>• In year use of reserves for “unforeseen” pressures</li> <li>• Lack of understanding around impact of changes from future funding changes</li> </ul>	<p>All items considered and reviewed during 2019/20.</p> <p>Improvements in narrative reporting made to explain variances and further details on future funding changes</p>	Improvements included during 2019/20 and reviews undertaken whilst preparing the 2020/21 budget	<p>All items resolved when setting 2020/21 budget but will need continued review. Newly designed budget monitoring reports include more details on risks and impacts on future funding</p> <p><b>Note: Further improvements included in proposed action plan</b></p>



Area	Issues Identified	Actions	When completed	Comments including further considerations
Medium Term Financial Strategy	<ul style="list-style-type: none"> <li>• MTFS not robust, transparent and lack of clarity over medium and long term financial position</li> <li>• Overly optimistic projections</li> <li>• No clear context and lack of link to Corporate Plan</li> <li>• Optimistic future capital receipts and future receipts assumed to justify spend in advance of being delivered</li> </ul>	<p>As part of the budget setting process for 2020/21 the MTFS was fully reviewed and underlying assumptions tested and reviewed.</p> <p>Corporate plan is under development and context and link will need to reflect any changes</p> <p>Capital Programme has been reviewed but further improvements identified</p>	Review fully undertaken as part of setting budget and MTFS in Feb 2020	<p>All items resolved when setting 2020/21 budget but will need continued review.</p> <p><b>Note: Further improvements included in proposed action plan around Capital and the establishment of Capital Review Board</b></p>
Budget Monitoring	<ul style="list-style-type: none"> <li>• Transparent budget monitoring not received</li> <li>• Delays in reporting variances and risks to members</li> <li>• Financial reporting overly reassuring</li> <li>• Officers appeared overly sensitive in providing bad news</li> </ul>	<p>Improvements made in budget monitoring reporting during 2019/20 including more detailed narrative report.</p> <p>Further detail and link between service information and financial information included in the Outturn report for 2019/20.</p> <p>New budget monitoring reports been devised for the financial year 2020/21 building on the outturn report.</p>	Improvements during 2019/20 and will be further built on during 2020/21	Improvements made during 2019/20 including outturn report. New reports devised for 2020/21 and a full schedule of reporting to cabinet programmed (Months 2, 4, 6, 8, 10 and outturn)

Area	Issues Identified	Actions	When completed	Comments including further considerations
Treasury Management	<ul style="list-style-type: none"> <li>• Non compliant Treasury management strategy</li> <li>• Significant risk of borrowing plans involving £167m temp borrowing not highlighted</li> <li>• Insufficient detail provided and not in a standalone report</li> <li>• Reports not transparent about level of additional borrowing or impact on MTFS</li> <li>• External professional advice not sought</li> </ul>	<p>Compliant strategy and reporting put into place during 2019/20</p> <p>Links between levels of borrowing and impact on MTFS identified and included in budget setting report for 2020/21</p> <p>Separate Treasury Management reporting undertaken</p> <p>External advisors secured</p>	Reporting put into place during 2019/20 and impacts of borrowing included in the MTFS in Feb 2020	Will be important to ensure that reporting is regularised
Capital Strategy	<ul style="list-style-type: none"> <li>• Non compliant capital strategy</li> <li>• Investment plans and alignment to corporate plans and objectives not set out</li> <li>• Failure to show how competing demands for investment were prioritised or how they linked to long-term vision</li> <li>• Failed to address affordability and deliverability</li> </ul>	Compliant strategy put into place during 2019/20 and as part of budget setting for 2020/21 that covered all necessary issues	Compliant strategy in place for 2020/21	Compliant strategy in place  <b>Note: Under proposed actions the new Capital Review board will undertake a review of the strategy to ensure remains compliant</b>
Clewer and Dedworth Scheme	<ul style="list-style-type: none"> <li>• Members able to circumvent approved policy framework</li> <li>• Lack of clarity and clear division between member and officer roles</li> </ul>	Although this is about a specific scheme the lessons were about the culture of the authority around approving new capital schemes	The Clewer and Dedworth scheme led to a number of actions that	Issues identified led to actions that now all complete, including a wider review of governance and therefore the actions identified in both Appendix 1 and 2 of this report.

Area	Issues Identified	Actions	When completed	Comments including further considerations
	<ul style="list-style-type: none"> <li>• Schemes in Capital programme with no business case</li> <li>• Officers lack of awareness of basic governance procedures</li> <li>• Lack of action by the S151 officer (in post at the time)</li> <li>• Lack of transparency around financial implementation</li> </ul>	<p>The capital programme was reviewed when setting the budget for 2020/21 including emphasis on funding and affordability</p> <p>Financial regulations have been strengthened to ensure transparency around approval routes</p> <p>All budget managers have now received specific advice around approval routes</p> <p>The setting up of a capital review board (officer board) was recommended</p>	are now all complete.	

## Appendix 2: Proposed Action Plan

Area	Issues Identified	Actions	Timeline	Lead Officer(s)	What Success will look like
Medium Term Financial Strategy (MTFS) and development of budget proposals for 2021/22	<ul style="list-style-type: none"> <li>Update of MTFS to take account of impact of COVID-19 and decisions by government to delay implementation of Fair Funding required. Clear link between the MTFS and the Council's corporate plan</li> <li>Need to have clarity of budget gap going forward</li> <li>A reserve management strategy needs to be in place as part of MTFS</li> <li>Equalities impacts were produced for each of the budget proposals but a cumulative equality impact assessment was only completed for the first time for 2020/21 budget.</li> </ul>	<p>MTFS to be reviewed in year to identify a revised budget gap for 2021/22 to 2024/25 to assist with budget setting process for 2021/22. Consideration to be given to any additional areas of investment in resources needed including additional services arising from COVID-19, equalities and other engagement resources</p> <p>Identification of steps to address the budget gap across the MTFS and preparation of a balanced budget for 2021/22 including a strategy for managing the Council's reserves to be in place as part of the MTFS</p> <p>Ensure that there is further embedding of equalities impact assessments as part of the overall budget proposals.</p>	<p>October 2020</p> <p>February 2021</p>	Director of Resources & Head of Finance	<p>A clear understanding of what resources the Council has to manage its services and address its priorities.</p> <p>A legal, balanced budget proposed and agreed to statutory deadlines</p>
Transformation	<ul style="list-style-type: none"> <li>The Council needs to embed the work around transformation to identify new ways of working and identify additional efficiencies</li> </ul>	Transformation plan developed to identify the framework within which opportunities can be identified	August 2020	Transformation lead	A dynamic approach to identifying potential opportunities to transform services with clearly defined benefits identified and delivered. Savings

Area	Issues Identified	Actions	Timeline	Lead Officer(s)	What Success will look like
		Sub-committee of cabinet formed to have oversight of transformation work	August 2020		identified will form part of actions to close the budget gap.
Capital Programme Management	<ul style="list-style-type: none"> <li>• Need to establish a Capital Programme board to improve Capital governance</li> <li>• Overall capital programme needs to be reviewed to ensure robust business cases with clear delivery outcomes and risks appropriately managed.</li> <li>• More active challenge of capital spending needs to be undertaken including pro-active challenge from finance on slippage</li> </ul>	<p>Establishment of a Capital Programme Board (officer board) with a remit including:</p> <ol style="list-style-type: none"> <li>1. Review of existing capital schemes to ensure proper management of budget, timescales and outcomes</li> <li>2. Consider the annual review and refresh of the capital strategy</li> <li>3. Consider potential new projects and provide challenge prior</li> <li>4. Consider the overall funding of the capital programme including review of S106, CIL, grants and borrowing levels</li> <li>5. Undertake post implementation reviews of major capital schemes (including Braywick leisure centre)</li> <li>6. Ensure regular monitoring reporting is included in cabinet finance reports</li> </ol>	<p>First meeting held June 2020</p> <p>Budget monitoring from July 2020</p>	Head of Finance	<p>Improved management of the whole of the capital programme including a greater understanding of the impact of decisions on the financial sustainability and wider aims of the Council.</p> <p>Improved reporting as part of the budget monitoring process ensuring there is a good understanding of the impact of the progress of the overall capital programme</p>

Area	Issues Identified	Actions	Timeline	Lead Officer(s)	What Success will look like
Financial Management Improvements including reconciliations, debt management and collection fund management	<ul style="list-style-type: none"> <li>• Training programmes on the IT system already underway but need to continue to be embedded</li> <li>• Only 25% of transactions have a purchase order raised</li> <li>• The current model for building the MTFS needs to be reviewed</li> <li>• There were two unreconciled balances (bank reconciliation and Housing Benefits) that needed to be written back and reported to members</li> <li>• Further review of other control accounts and bank reconciliation</li> <li>• Limited reporting and review of debt management by services and wider finance team and provisions for bad debt are not regularly reviewed</li> <li>• There is not a clear understanding of how the collection funds</li> </ul>	<p>Training for budget managers has already been started but this needs to continue to be embedded.</p> <p>Specific project to identify opportunities to increase the use of purchase orders which will help with overall budget management</p> <p>Model for the MTFS reviewed and refreshed to support the overall actions of developing</p> <p>Unreconciled balances – RESOLVED (Council report June 2020)</p> <p>Internal audit currently underway of all reconciliations. Following completion, appropriate actions to be put in place.</p> <p>Improved reporting of debt management to be included in budget monitoring reports and a process for reviewing all bad debt provisions to be identified</p> <p>Review of collection funds has been commissioned separately to identify any areas where we may need to address skills and</p>	<p>Ongoing</p> <p>October 2020</p> <p>October 2020</p> <p>COMPLETE</p> <p>September 2020</p> <p>September 2020</p> <p>September 2020</p>	<p>Head of Finance</p> <p>Head of Finance</p> <p>Head of Finance</p> <p>COMPLETE</p> <p>Head of Finance</p> <p>Head of Finance</p> <p>Head of Finance &amp; Head of Revenues, Benefits</p>	<p>Budget managers are clear about their roles and responsibilities and therefore are able to manage the resources they have to deliver their services successfully.</p> <p>There are sound underlying processes in place to ensure that our resources are clearly understood, managed and processes are efficiently managed.</p> <p>Roles and responsibilities for all officers involved in the financial management process are defined, understood and appropriate checks, balances and verifications are in place to minimise fraud and error</p> <p>All officers of the council have a sound understanding of the financial resources of the council and understand</p>

Area	Issues Identified	Actions	Timeline	Lead Officer(s)	What Success will look like
	operate which is a technical area of work.	knowledge gaps. Actions identified to be addressed through appropriate technical support, training and guidance.		Libraries and resident Services	how to support decision-making appropriately
Management of Partnership Arrangements	<ul style="list-style-type: none"> <li>• Reviews of the Pension Fund, Optalis and AfC be completed and recommendations implemented</li> <li>• Consider our other partnership arrangements that are not subject to procurement and consider a value for money review (including Property Company and Internal Audit Service)</li> </ul>	<p>Optalis and AfC review completed and any actions arising identified and implemented</p> <p>Review of Pension Fund governance completed and all governance issues identified and actioned. This will include engagement with other pension fund bodies</p> <p>Review current partnership arrangements with the property company and to identify common purpose and goals for both partners</p> <p>Review current arrangements around our Internal Audit service to ensure that these are fit for purpose</p>	<p>July 2020</p> <p>October 2020</p> <p>December 2020</p> <p>March 2021</p>	<p>Director of Adults, Health and Commissioning</p> <p>Director of Resources &amp; Head of Finance</p> <p>Director of Resources &amp; Head of Finance</p> <p>Director of Resources &amp; Head of Finance</p> <p>(Please note that the identified officers here are the RBWM officers only)</p>	Clear shared agreement and understanding with our partners and joint owners of what we wish to achieve through delivering services through these arrangements.

Area	Issues Identified	Actions	Timeline	Lead Officer(s)	What Success will look like
Member Oversight	<ul style="list-style-type: none"> <li>There is a lack of clarity between member and officer roles</li> <li>The merging of the audit committee and Corporate Overview and Scrutiny Panel has meant that the different roles of the two functions may not be possible given the need to manage the number of financial governance issues</li> </ul>	<p>A revised code of conduct has been developed for members and was approved by Council in June</p> <p>Member and officer training programmes on finance and governance issues should be regularly reviewed and updated. Training on Member/Officer roles and responsibilities proposed for September 2020</p> <p>A review of the committees to be undertaken to split the functions and create a separate Audit and Governance committee from a corporate overview and scrutiny panel was considered by full Council on 28 July 2020</p>	<p>COMPLETE (June 2020 Council)</p> <p>Ongoing</p> <p>July 2020</p>	<p>Head of Governance</p> <p>Head of Governance and Head of Finance</p> <p>Head of Governance &amp; Director of Resources</p>	<p>Clear understanding of the respective roles and responsibilities of members and officers and clarity for decision-making purposes.</p> <p>Both members and officers receive up-to-date training on governance issues that impact on their ability to undertake their roles successfully, so that they feel confident in how they make decisions.</p> <p>Through separate committees/panels, full scrutiny can be undertaken relevant to the roles and responsibilities of the two entities.</p>



## Royal Borough of Windsor and Maidenhead

### Review of Financial Governance

June 2020

#### Contact details

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# Contents

1. Executive Summary	2
2. Financial Reporting	5
• Revenue Budget Approval	5
• Inadequate Reserves	6
• Robustness of Estimates	7
• Medium Term Financial Strategy	10
• Budget Monitoring	11
• Treasury Management Strategy	12
• Capital Strategy	14
3. Clewer and Dedworth Capital Schemes	16
4. Capital Programme Approval and Monitoring Process	16
5. Management of the Berkshire Pension Fund and Partnership Arrangements	24
6. Conclusions	26
7. Improvements already implemented in response to initial findings	29
8. Further Recommendations	31
Appendix A - Key Officers and Members Interviewed	34
Appendix B – Further Work from September 2019	35

# 1. Executive Summary

- 1.1. CIPFA were appointed by the Managing Director and the Section 151 Officer at the Royal Borough of Windsor and Maidenhead (RBWM), in July 2019, to review the governance, approval and management processes in relation to the Clewer and Dedworth Neighbourhood Improvements capital scheme, which was approved at an estimated cost of £350K for the 2018/19 budget.
- 1.2. The Managing Director was concerned that the scheme failed to meet RBWM's overall objectives, that it was not subject to a proper prioritisation process, that no business case or plan had been produced regarding the scheme's deliverables and that there was no plan to demonstrate how it would be managed.
- 1.3. The results of this work were included in an initial report to Members in August 2019, our overall conclusion was that there was a lack of transparency around the financial implementation of capital schemes.
- 1.4. The issues raised in the first phase of our work highlighted further concerns about financial monitoring in RBWM, as well as the effectiveness of financial governance and the role of the finance function in overseeing the financial governance of RBWM. As a result, we were commissioned to assist RBWM in resolving some of the issues raised, to assist in the preparation of the 2020/21 budget and in the production of a new Medium Term Financial Strategy. The Managing Director also requested that any further governance or compliance weaknesses should be highlighted and included in a further report at the end of the assignment. This work commenced in September 2019 and details of the tasks undertaken are provided in Appendix B.
- 1.5. In the second phase of our work we have recommended that RBWM needs to address a large range of issues in relation to governance and financial management in order to demonstrate that it is managing its finances in a legal, transparent, professional and competent way. These issues and those subsequently found are set out in the report.
- 1.6. Section 7. below contains a List of Improvements Implemented in Response to Initial Recommendations
- 1.7. Our overall concern that the lack of financial transparency and Medium Term Financial Planning over a number of years has masked the financial problems that RBWM were facing and that, potentially, could have been avoided. For example, Council Tax was either reduced or frozen over a number of years. It is difficult to be precise over the exact basis of decision making but it was apparent that there had been a poor officer culture and lack of physical capacity and capability coupled with dominant members. This led to no appropriate challenge or recognition that challenge is a good thing.
- 1.8. Although RBWM has pockets of deprivation it is still one of the least deprived councils in the country with the benefits of a high council tax base,

increasing business rates, high land prices and high income levels could easily have been self-sustaining. However, despite setting a challenging budget for 2020/21 and developing a medium term financial strategy it is now facing an uncertain future, having to identify large savings in a short space of time due to the impact of Covid19. With this added pressure potentially meaning it may have to issue a S.114 notice and may not be able to set a legal budget in future years.

- 1.9. The standards of financial support within the Council were not at an appropriate level and must be improved further. This was underpinned by repeated removal of capacity from the organisation that left it weak and unable to deliver basic good governance or change successfully. This was coupled with a lack of corporate or team working culture.
- 1.10. There appeared to be little differentiation between officer and senior member roles and responsibilities, who appeared to be treated as senior executives rather than elected members. There was no recognition of the problems in governance this would likely create.
- 1.11. In summary, the financial governance issues that need to be addressed include:
  - Reporting and transparency, including revenue and capital budget setting, monitoring and medium term financial planning;
  - Treasury Management approval, reporting and monitoring;
  - Debt collection and appropriate provision for bad debt;
  - The change in council culture required to achieve more transparency over decision making and compliant governance;
  - Reviewing the Member protocols that govern relationships between Members and officers;
  - Changing the culture and ability of the finance function to one that is more challenging and prepared to ensure greater accountability of decision making and a substantially higher level of compliance.
  - Addressing the "silo" culture amongst officers where significant decisions have not been taken in a corporate or collegiate way
- 1.12. Our work has been focussed on the budget reports in 2018/19 and 2019/20 and limited examination of previous years when the decisions to reduce Council Tax were made. In reading these reports the risks of low reserve levels, the lack of medium term financial planning and alternative options are not set out clearly in the reports for Members and the Public. The poor governance, culture and any issues, including those between Officers and Members were not set out in the Annual Governance Statements.
- 1.13. The Council, prior to COVID-19 had started to make progress under new political and officer leadership, the new robust approach to the Medium Term Financial Strategy had been welcomed and Members had commented on improved transparency in financial reporting. Difficult decisions were made in putting forward the 2020/21 budget, including removing car parking discounts for residents and reducing the Council Tax Reduction scheme discount for working age claimants.

- 1.14. Officers and Members were considering future strategies with financial planning, particularly climate change.
- 1.15. The report is written while RBWM, like all others, has had to deal with the impact of COVID-19. There is uncertainty as to whether the additional costs and lost income caused by the pandemic will be fully covered by additional government funding.
- 1.16. We would like to thank the management team and the finance team, with whom we worked closely in undertaking this review, for their support and cooperation and willingness to take on board the changes recommended. A list of those interviewed in the first phase of our work is provided at Appendix A.

## 2. Financial Reporting

- 2.1. Following our initial report to Members, CIPFA were commissioned to assist RBWM in resolving some of the issues raised in setting the 2020/21 budget and in the production of a new Medium Term Financial Strategy (MTFS). We were also asked to highlight and report on further governance, reporting and compliance weaknesses.
- 2.2. In carrying out the work, which commenced in September 2019, we referred back to the processes and procedures in place for both 2018/19 and 2019/20 where we found a number of weaknesses that required urgent attention. We are pleased to be able to report that these have been largely addressed in the Budget Report for 2020/21, the MTFS, the Treasury Management Strategy and the Capital Programme. These documents have the full support of the Leader, Managing Director, the Cabinet and the Corporate Leadership Team.
- 2.3. We set out below the key findings from our work under separate headings for ease of reference.

### Revenue Budget Approval

- 2.4. Section 25 of The Local Government Act 2003 includes the following statutory duty in respect of the budget report to Council:

“the Chief Financial Officer (CFO) of the authority must report to it on the following matters:

  - a) the robustness of the estimates made for the purpose of the calculations; and
  - b) the adequacy of the proposed financial reserves.”
- 2.5. The Council is required to take this report into account when setting the annual budget. Section 26 of the same Act, places an onus on the CFO to ensure that RBWM has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined when finalising the proposed budget.
- 2.6. The Revenue Budget for 2019/20, approved by RBWM in February 2019, did not comply with the requirements of the Local Government Act 2003. More specifically the RBWM budget reports for 2017/18, 2018/19 and 2019/20, approved by RBWM, failed to include a statement from the CFO on the robustness of estimates. Although the reports do refer to the level of reserves they state only that reserves are above the level required and that RBWM is in a strong position to deal with the risks it faces for the forthcoming year.
- 2.7. We also found an issue in relation to “Special Expenses” charged to residents in the Windsor and Maidenhead town areas. Special expenses are costs incurred for the provision of an amenity or service that is primarily for

the benefit of one locality which, elsewhere, would be provided by a town or parish council. The powers to incur "Special Expenses" are set out in Section 35 of the Local Government Finance Act 1992. In addition, these costs should be listed separately in the budget report and should be approved by RBWM as if the costs were managed by a Parish Council. There was a lack of understanding, within RBWM, as to how these costs should be approved and hence the finance team simply changed that part of the precept covering the "Special Expenses" in line with the changes to the Band D precept. This appears to have been standard practice from when RBWM first became a Unitary in April 1998 and was a principle carried over from the previous District Council.

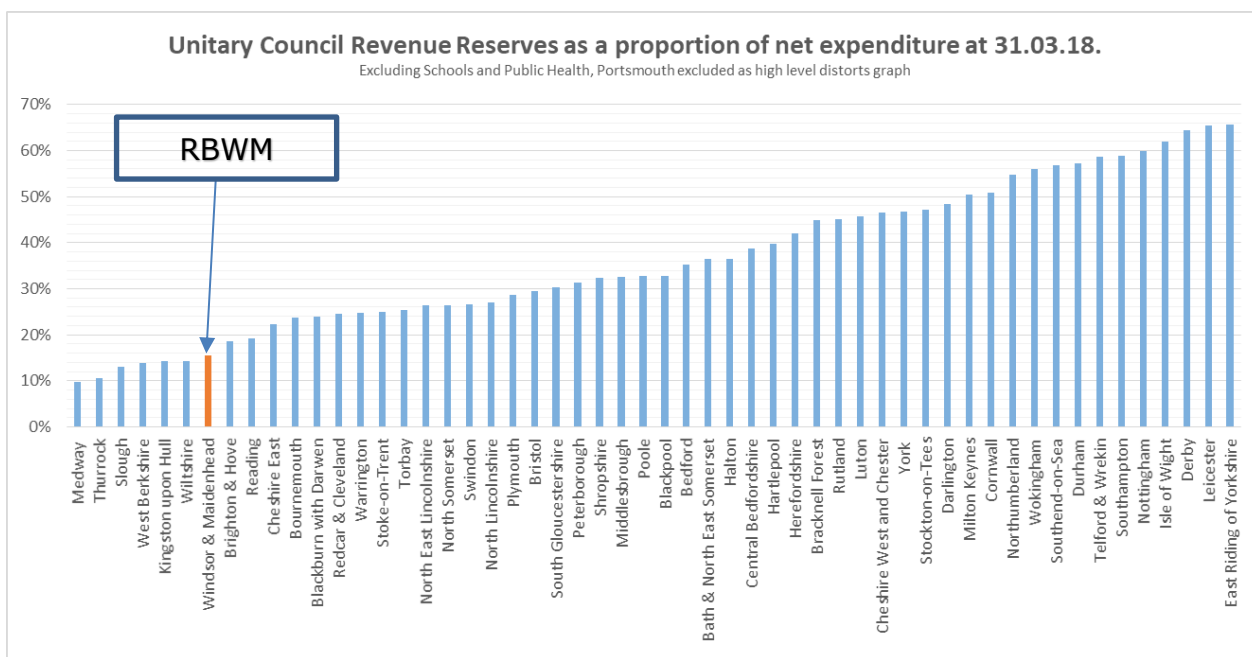
- 2.8. Turning to the level of the precept proposed for the 2019/20 budget we found that the amount proposed was too low rather than too high. In 2019/20 RBWM approved the maximum increase of 2.99% in Council Tax. Anything above this level would have required a referendum. However, the increase was calculated on the Council Tax element excluding the Adult Social Care precept whereas the 2.99% maximum can be based on the total Council Tax including the Adult Social Care precept. This meant that the actual increase applied in Council Tax was 2.77% which is the percentage used for comparison purposes with other councils by MHCLG.
- 2.9. If the full 2.99% increase had been applied, as approved by Members, Band D Council Tax would have increased by a further £2.23, increasing Council Tax income by an additional £0.152m in 2019/20. This amount would have been included in Council Tax bases in future years. The finance team had planned to use the same methodology throughout the MTFS period to 2024/25, assuming a 2% p.a. increase each year. This would have had the effect of reducing the level charged by approximately £0.669m in the final year of the MTFS.
- 2.10. The key issues are that:
  - Key budget decisions did not comply fully with statutory requirements (e.g. revenue budget s25 report):
  - Budget reports lacked detail and only provided a cursory assessment of the robustness of reserves and spending projections that did not reflect the complexity of RBWM's business;
  - Key items within the budget (e.g. special expenses) lacked transparency and annual review;
  - The precept increase was calculated incorrectly, which resulted in a potential loss of council tax income of £152,000 in 2019/20.

### **Inadequate Reserves**

- 2.11. The overall level of reserves in a council is based on an analysis of potential financial risks combined with a need to balance the annual budget. Risks considered by RBWM included the potential non-delivery of savings and possible increases in Children's safeguarding costs. The risks set out showed that there was an over-reliance on the use of the general fund reserve, rather than an expectation that RBWM would manage within its

annual budget. For example, there was no provision for the possible slippage or non-delivery of savings and there was little assessment of the level of reserves required to sustain future budget deficits.

2.12. The overall level of usable reserves, compared with those of other Unitary Councils is very low, something that is not made clear in the budget report. The point is illustrated in the chart below.



2.13. The level of reserves is a concern given the risks facing RBWM in relation to the delivery of large savings, the reliance on assumed capital receipts, the uncertainty of future government settlements and the impact of Covid-19. Failure to address these risks would risk the financial sustainability of RBWM.

2.14. Our overall assessment of the process for setting reserves is that it was flawed in that:

- Whilst the assessment considered potential service risks it did not take into account the level of reserves that may be required to balance the budget over two to three years;
- There was insufficient explanation about how RBWM was managing one of the lowest level of reserves nationally.

### Robustness of Estimates

2.15. Our review of the budget estimates for 2018/19 or 2019/20 revealed little evidence of robust examination. Specifically, we found that:

- A number of budgets were unrealistic or were sustained by one-off underspends;
- Some savings, approved in the 2019/20 budget, were abandoned very early in the financial year and the anticipated amounts to be delivered were unrealistic;



- Savings were not reported separately and there was no corporate challenge or overview, despite all of the savings being RAG rated as green in the budget report;
- Additional items not approved in the budget were added during the year, via Cabinet reports, and were charged to the General Fund reserve. No other options were presented or compensating savings offered. Examples of additional items in 2019/20 include £365K for "24 Hour Pot-Hole Commitment", £32K for "Make Maidenhead Marketing Strategy" and £100K for "Waste Mobilisation";
- Redundancy costs projected for future years, for example £585k provided for in 2018/19, would be charged to the general fund reserve rather than included as a specific budget. This was not set out in the budget report.

2.16. In terms of Business Rates the 2019/20 budget report estimated that £16.312m would be gained from business rates and that there would be a surplus carried forward of £3.545m. The NNDR 1, a return to government included as an annex to the same report, assumed business rates of £21.902m and a surplus of £0.512m a difference of £2.557m in total.

2.17. An element of the difference could be attributed to a prudent provision for potential deficits. However, this should have been made clear in the budget report. It is apparent that there was limited understanding of the business rates collection fund and, as a result, the Management Team and Cabinet members had not been made aware of the future risk of business rate volatility. Considering the size and risk relating to this funding stream we found it surprising that this area was not prioritised in finance reports.

2.18. Business Rates income experienced major variances in forecasts in both 2018/19 and 2019/20. The initial estimate for gross business rate income in 2019/20 was £93.995m. This was reduced to £92.687m in October 2019, to £89.840m in January 2020 and the outturn was only £86.638m. The budget estimate for 2020/21 was based on the January 2020 figure. Overall, there was a reduction of £7.357m or 7.8% from the January 2019 estimate. The net figure per RBWM's NNDR1 form was £21.902m after a large tariff and levy on the surplus above the amount gained since the localisation of business rates. The impact of the increased deficit will impact on the 2021/22 budget as the amount credited to the revenue account is based on the NNDR 1 form with the difference carried forward. These dramatic reductions, with little explanation, raise questions about the robustness of the process, which is clearly in need of further review.

2.19. The budget also assumed the use of one-off resources of £1.148m that were not highlighted in the budget report. The amount was netted off the costs of capital financing in the budget report, reducing its cost. The amount is only apparent by examining the detailed medium term financial planning forecast in appendix N of the report where it is referred to as a revenue contribution from capital. Given that the annex was not referred to in the report it was unlikely that the amount would be challenged. There was no working paper to support this assumption and it appears that it was a decision of the s151 officer and the then deputy s151 officer to include this

value without the knowledge of other members of the finance team, the Management Team or Cabinet.

2.20. Turning to Housing Benefit, if a Council makes overpayments in Housing Benefit payments, mostly caused by late notification of changes in circumstances, it may retain the benefit of the additional income. RBWM's budget for this assumed that the level of income would be £0.966m in 2019/20. As invoices are raised the full benefit of the income is included in the accounts. The level of outstanding debt from this source at 31 March 2019 was £5.109m but the provision for bad debts was just £0.794m, despite more than 50% of the debt being older than three years and with some debt going back to 2001/02.

2.21. Housing Benefit debt is difficult to collect when it goes over 12 months in age and it is normal practice to provide a prudent level of bad debt provision. We found no sound basis for the calculation of the provision. A more realistic provision of £1.970m was calculated with the finance team at the end of February 2020 an increase in the provision by £1.176m. This amount was planned to be transferred to an unreconciled housing benefits balance due to be credited back into the accounts. Without this increase there would have been an additional charge on the 2019/20 revenue budget. Provisions for bad debts should be reviewed and challenged as part of normal practice in advance of budget setting to ensure that the budget is robust. In closing the 2019/20 accounts the finance team decided, with, we are told, the agreement of the external auditor, to only provide for £0.756m of bad debt provision as they hadn't had time to review the final position and would update it in 2020/21. This does mean there remains a significant under-provision for bad debts for this area at 31.03.20.

2.22. We have major concerns that:

- Budget reports were overly optimistic about the achievement of savings;
- Reserves were used during the year to meet the cost of "unforeseen" in year pressures, rather than looking at ways to manage these pressures within the allocated budget. This further weakened RBWM's financial position;
- Council Officers did not fully understand the risks surrounding business rates retention or consider how these could impact on the budget and its reserves;
- Key assumptions were not set out clearly within budget reports i.e. the use of one-off resources. This meant that the necessary approval to use these resources was not sought;
- Bad debt provisions were inadequate and unrealistic given the level of outstanding debt. Their potential impact on reserves was not highlighted or taken into account when the level of reserves was assessed.

## Medium Term Financial Strategy

- 2.23. The MTFS reporting to Members prior to the 2020/21 budget was limited. A table of projected income and expenditure for the period 2020/21 – 2022/23 was included as an appendix to the 2019/20 budget report but it isn't referenced in the report. No mention is made about potential risks arising from the fair funding review, business rates review and Comprehensive Spending Review. Potential savings of £4.2m were identified as required in 2020/21 but no explanation is given of how these will be achieved or the plan to deliver them which we consider to be a major weakness.
- 2.24. The basis for forecasting costs beyond the subsequent financial year was confined to the finance team, it omitted potential increased costs and it was not triangulated with other initiatives that RBWM was undertaking such as the regeneration in Maidenhead. This meant that in both the 2018/19 and 2019/20 budget reports there was a significant under-estimate of the savings required in future years.
- 2.25. RBWM had, in previous years, reduced its council tax resulting in it having by far the lowest charge in the country outside of London. This matched Members' objectives but budget reports did not highlight the risks of pursuing this. However, the 2019/20 budget report recommended that RBWM should increase Council Tax by the maximum amount.
- 2.26. The estimated funding gap for 2020/21, included in the February 2019 budget report, had a number of optimistic assumptions, particularly around savings and not fully reflecting some pressures. Others couldn't have been anticipated. This meant estimated pressures for 2020/21 increased by £9.8m between February 2019 and February 2020.
- 2.27. Cumulative savings required for the period 2020/21 – 2022/23 in the February 2019 budget report increased from £1.9m to £14.5m in the February 2020 report.
- 2.28. The Medium Term Financial Strategy should be linked to the Corporate Plan. In RBWM there was no linkage prior to the report being approved by Council in February 2020. It appeared that RBWM was just managing its finances on a year to year basis.
- 2.29. The estimates made no assumption of pay increases for staff, bar some one-off payments, meaning staff pay would fall behind those in neighbouring authorities increasing recruitment and retention problems. The same assumption was made for its partner organisations, Optalis and Achieving for Children where the recruitment of Social Workers is particularly difficult. This assumption was not documented, nor does it appear to be widely known in key departments of RBWM.
- 2.30. With regard to the MTFS we found that:
- RBWM did not have a robust and transparent medium-term financial strategy;

- There was a lack of clarity over the medium to long term financial position facing RBWM;
- The projections that existed were overly optimistic and did not highlight the significant funding risks faced by RBWM;
- There was no clear context for the medium-term financial projections to link them to the overall objectives of RBWM as set out within the Corporate Plan.

## **Budget Monitoring**

- 2.31. Early budget monitoring in 2018/19 identified significant variances to the approved budget. These were highlighted to the Management Team and informally to Cabinet but not formally reported openly or publicly until the budget monitoring report to Cabinet on 22<sup>nd</sup> November 2018.
- 2.32. Total service overspends at year-end were reported as £8m, over 10% of RBWM's net revenue budget and more than the level of opening general reserves of £7.4m. Services reduced overspends from additional savings and one-off measures to £4.1m. The overall position was further mitigated to £2.1m by one-off income relating to the Business Rate pilot.
- 2.33. In the RBWM July 2018 Budget Monitoring report the aggregated usable reserves were described as being in a healthy position at £8.7m, in excess of the £5.9m recommended minimum level set at the Council meeting in February 2018. Given the risks to the budget position and uncertainty for future years this position appears to be hard to justify, particularly as overspends of £8m were being identified at this point, although not being reported.
- 2.34. The s151 Officer explained that he had not reported the full position publicly to all Members in his reports in July, September and October [REDACTED]  
[REDACTED] He did not seek advice from CIPFA, the LGA or the Monitoring Officer in dealing with this issue.
- 2.35. The s151 Officer has a statutory role and guidance is provided by CIPFA in "The Role of the Chief Financial Officer" in fulfilling the responsibilities of the post. The finance team, and the wider organisation, was not taking account of this. Budget monitoring and reporting was therefore inadequate and risked the credibility of the finance function in undertaking its role.
- 2.36. The finance team's main focus is reporting, through the final accounts process and budget monitoring. Given the amount of input and therefore costs of this monthly process the outcomes and use of the information was and still is limited.
- 2.37. The budget monitoring report to September 2019 Cabinet was reported in draft to Cabinet Members with a forecast £0.5m overspend. This ignored known overspends in departments and, following a review requested by the Managing Director and undertaken by CIPFA, was increased to £4.2m. Officers and Members, appeared to be reluctant to report the correct position, replicating the previous year's issues.

2.38. The overspend in Adult Care reduced during the year, as in previous years, partly as a result of pro-active management, but there appears to have been a trend of large overspends being forecast in September and October albeit reduced at outturn. It is unclear what causes this and it is recommended that further work on profiling the budget is undertaken to predict spending in this area more accurately.

2.39. Our comments in relation to budget monitoring are that:

- RBWM did not receive frequent and transparent budget monitoring information;
- There were delays in reporting budget variances and risks to members;
- Financial reporting was overly reassuring;
- Officers appeared overly sensitive in providing bad news about RBWM's financial position and the poor publicity that it would bring to RBWM.

## **Treasury Management Strategy**

2.40. In recent years RBWM has increased its borrowing substantially to invest in the regeneration of the borough, pending some significant land sales. This means that the Treasury Management Strategy has even greater significance for RBWM.

2.41. CIPFA's Treasury Management code of practice requires that RBWM will receive:

- An annual report on the strategy and plan to be pursued in the coming year;
- A mid-year review;
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement.

2.42. We found that RBWM did not comply with the code of practice in that no mid-year review of Treasury Management was reported to Members, although cash-flow statements are published as part of budget monitoring reports. Also, no separate annual Treasury Management report was published. Some overall highlights of borrowing were published but as part of the following year's Treasury Management Strategy and they failed to fulfil the requirements of the code of practice.

2.43. The Treasury Management Strategy, approved by RBWM in February 2019, did not explain how the Finance team was intending to finance £341m of planned capital spending to 2035/36 in the short term. In the longer term this was to be financed from anticipated capital receipts but £167m of temporary borrowing would be required by 2021/22, which is the minimum forecast period required by the Prudential Code.

- 2.44. The approved 2019/20 Treasury Management Strategy explained how at 31 March 2018 RBWM had £57m of external long-term borrowing and £20m of short-term borrowing that was repaid in May 2018. However, it did not explain the forecast short-term debt of £88m at 31 March 2019 or the intention to increase temporary borrowing to £124m during 2019/20, which is a major omission.
- 2.45. The cost of the additional borrowing is not explained in the strategy nor is the current intention to borrow all of it on a short-term basis. No alternative strategy is proposed or discounted for this large increase in debt or the risk to RBWM of an increase in short-term interest rates above the 1% assumed.
- 2.46. The Treasury Management Code of Practice requires local authorities to make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years. These prudential indicators will be referred to as the estimates of capital financing requirement.
- 2.47. RBWM in their prudential indicators only quoted 2019/20 and 2020/21, not 2021/22 as is required or 2022/23 which in the MTFS appendix of the budget report was when debt charges were forecast to reduce.
- 2.48. The non-disclosure of key information on planned borrowing was a significant omission and did not enable Members to undertake their role in assessing the risks to RBWM when approving the Treasury Management Strategy for the year.
- 2.49. The spreadsheet that estimated the cost of debt charges in the MTFP was flawed in that it assumed the short-term debt was only required for six months of the year. The calculation resulted in the cost of borrowing £168m in 2020/21 showing as less than the cost of borrowing £88m in 2018/19. The spreadsheet has now been updated to correct the error and for other changes in assumptions. This one error represented an estimated underestimate of £700K of interest in 2020/21 above that assumed in the MTFP.
- 2.50. Despite RBWM's plan to increase borrowing significantly in 2019/20 it had not taken any external advice from Treasury Management advisers on the assumption that short-term borrowing rates would remain low. The risk of increases in interest rates had not been modelled nor had a strategy of fixing an element of the borrowing, to reduce risks to RBWM, been considered.
- 2.51. Following guidance from CIPFA RBWM appointed Treasury Management Advisers but this coincided with the Government decision to increase PWLB rates by 1%. As such the advice was to continue with the strategy of short-term borrowing. If the advisers had been appointed earlier RBWM would have been able to fix an element of its debt at historically low levels. It has transpired that interest rates have continued to remain low but this risk was not being managed.
- 2.52. Our key findings in relation to the Treasury Management Strategy are that:

- RBWM did not have a compliant Treasury Management Strategy;
- The Treasury Management Strategy did not highlight the significant risk of borrowing plans which involved £167m of temporary borrowing by 2020/21;
- There was no in year report on borrowing levels and the risks associated with them;
- Information on Treasury Management and borrowing levels was not set out in sufficient detail within a standalone report;
- Reports were not transparent about the level of additional borrowing that RBWM was undertaking or the impact of that borrowing on the medium-term financial plans;
- Council Officers did not seek external professional advice on borrowing levels, even when the increased level of borrowing presented a significant financial risk to RBWM;
- This meant that officers missed the opportunity to reduce financial risks by converting more council borrowing to fixed rates. (The Covid 19 national emergency means that this has not caused any loss to RBWM).

## **Capital Strategy**

- 2.53. In recent years RBWM has made considerable capital investment within the borough. CIPFA's Prudential Code requires all councils to approve a Capital Strategy as part of their budget process. Its intention is to provide a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services; along with an overview of how the associated risks are managed and the implications for future financial sustainability. It should show how revenue, capital and balance sheet planning are integrated.
- 2.54. The strategy should be informed by RBWM's priorities and links to other key strategy documents notably the Corporate Plan, Medium Term Financial Plan, Treasury Management Strategy, Asset Management Strategy and Property Investment Strategy.
- 2.55. The RBWM Capital Strategy is an appendix to the budget report and at just three pages long, is not a strategy document. It does not show how capital expenditure, capital financing and treasury management link together or what the associated risks of the strategy are to RBWM or how they are being mitigated.
- 2.56. In our opinion RBWM's Capital Strategy was not compliant with CIPFA's Prudential code and the budget report did not reference affordability in relation to its capital plans, a requirement of the 2003 Local Government Act.
- 2.57. The Prudential Code supports the system of capital investment in local authorities. It is integrated within the wider statutory and management processes of local government. These should be significant considerations when council's take decisions on capital investment, i.e. the level of capital

investment that can be supported is subject to tests of affordability and sustainability.

- 2.58. The Local Government Act 2003 refers to affordability and the requirement that local authorities keep under review the amount of money they can afford to borrow for capital investment.
- 2.59. RBWM has ambitious investment and regeneration plans, building a new leisure centre, spending additional money on roads above that provided by government grant, investing over £200m in new schools and facilitating new housing in the Royal Borough. The intention is that this spending will be financed by capital receipts and grants of £425m over the period to 2035/36. This plan was not articulated in the Capital Strategy approved by Members. There has been no consideration of the risks to the capital programme and revenue budget of not achieving the assumed level of capital receipts.
- 2.60. RBWM's capital investment plans are not linked to affordability. The budget report does not set out the ongoing costs of the capital programme, how it is intended to be financed and the risks to RBWM's future financial sustainability.
- 2.61. Our concerns over the Capital Programme are that:
- RBWM did not have a compliant Capital Strategy;
  - The Capital Strategy did not clearly set out RBWM's investment plans and now they aligned to its Corporate Plan and objectives;
  - The Strategy failed to show how it would prioritise competing demands for capital investment or set a long-term vision for capital investment;
  - The Capital Strategy failed to assess the affordability and deliverability of capital investment plans.



### 3. Clewer and Dedworth Capital Schemes

- 3.1. Two schemes were approved as part of the 2018/19 capital programme in the Clewer and Dedworth Ward:
  - PAVE Dedworth £100k;
  - Clewer & Dedworth Neighbourhood Improvements £350k.
- 3.2. The PAVE scheme was approved through the normal Council prioritisation process and had an outline of what could be delivered for £100K in terms of improvements to pavements. Some of the pavements are owned by local shop-keepers who rejected the request to contribute to the cost of the scheme. Based on advice from the Executive Member for Highways the scheme was reduced and the actual spend was £43K.
- 3.3. The £350K of neighbourhood improvements was a late request from the Ward Member that had no business case and was not part of the Highways Teams' prioritisation process. This proposal was agreed to be included in the Capital Programme for 2019/20 by the Member Budget Steering Group. No detailed scheme was agreed prior to the funding being approved by Council in February 2019.
- 3.4. In March 2018 the Ward Member made a further request to spend an additional £70K on two new schemes that he discussed with the then Managing Director. These were improvements to Sutherland Grange and Osgood Park (2 x £30K) and refurbishment and security works at the Spencer Denney Centre. None of these is a highways scheme.
- 3.5. The Managing Director appears to have agreed the spending but no approval or governance process was put in place around the proposed scheme. Officers included a breakdown of how the £350K should be spent in the Highways and Transport Investment Programme 2018-19 report approved by Cabinet on 24 May 2018. This involved 16 carriageway schemes, mostly re-surfacing and patching, and seven footway schemes. The breakdown in the report did not include the additional schemes requested by the Ward Member.
- 3.6. Officers assumed that an implied instruction in an email to the Ward Member from the Managing Director was sufficient authority to progress the new schemes.
- 3.7. The additional schemes were progressed in 2018/19 with £48K of additional expenditure authorised by the Manager for the £350K Neighbourhood Improvement scheme, causing it to overspend. A £56K overspend was reported in the Capital Outturn Report to 30 May 2019 Cabinet meeting as – "Scope of works increased".
- 3.8. Officers have stated subsequently that the unspent funds on the £100k PAVE scheme can be "vired" for use on the Parks schemes. They assumed that the Managing Director had the authority to do this and that they had, in essence, used her authority to do so. This is incorrect, they did not have this authority.

3.9. Officers assumed this authority to use funds flexibly was delegated to the Managing Director from one of the recommendations in the Highways and Transport Investment Programme 2018-19 report to Cabinet on 24th May 2018 which states:

*"Delegate authority to the Managing Director, in consultation with the Deputy Leader of RBWM, and Lead Member for Highways, Transport and Windsor, to agree minor amendments to the approved schemes (within approved budgets) and implement reserve or substitute schemes should this become necessary."*

3.10. Cabinet does not have the power to supersede the Constitution approved by Council and a minor amendment to a Highways and Transport programme does not include spending £70K on new Parks schemes, virement rules do not cover this spending either.

3.11. The email from the then Managing Director is not explicit in agreeing the new scheme and no Officer Decision notice was published to agree the spending.

3.12. The Senior Manager with overall responsibility for the scheme wrote to the Executive Director and the s151 Officer advising that the scheme was progressing and asking for clarification on what budget to use. Neither replied.

3.13. When the position was explained by CIPFA to RBWM's Monitoring Officer she agreed that there was no authority for the expenditure on the Parks schemes and that officers were acting beyond the authority set out in RBWM's constitution. This raises the question of whether the action is Ultra Vires and this should be reviewed.

3.14. She also felt that the approval process for the £350K neighbourhood improvement scheme was questionable in that the expenditure avoided a prioritisation process to the benefit of one ward.

3.15. There was generally a lack of understanding of individual authority in respect of capital and this is referred to in section 4. below. Members seemed unaware of this as there has been no challenge from Officers on the appropriateness of the expenditure.

3.16. Overall we have concerns that:

- Members were able to circumvent RBWM's approved policy framework to include additional schemes in the capital programme without appropriate challenge from officers;
- This indicates a lack of clarity and clear division between member and officer roles;
- Schemes appeared in the Capital Programme with no business case;

- Officers lack of awareness of basic governance procedures and not raising concerns with RBWM's Monitoring Officer, or asking for advice led to procedures being by-passed;
- There was a lack of action by the s151 Officer when it became apparent that non-approved expenditure in Parks was being charged to the scheme. The failure to consider that officers could be acting beyond the authority set out in RBWM's constitution is also an area of great concern and raises questions regarding potential Ultra Vires expenditure;
- Some Members believed this is how council business should be conducted.
- Overall, there was a lack of transparency around the financial implementation of capital schemes.

## 4. Capital Programme Approval and Monitoring Process

- 4.1. The Clewer and Dedworth schemes, set out in section 5. above highlight major weaknesses in the capital approval and monitoring process in RBWM. We set out below our detailed findings.
- 4.2. The overall process for authorising spend has been examined. It does not appear that there is a consistent business case approach to agreeing capital spend or that the finance team are involved in calculating necessary expenditure.
- 4.3. There are numerous schemes where spend approval is rolled forward without considering whether this is necessary. It is reported that approvals are vired to other schemes although this has not been examined as part of our review. Nor have we considered whether the virement process used is compliant with the Constitution. The lack of rigour and challenge of older schemes where unspent approval is carried forward by the Finance team is an area of concern.
- 4.4. Capital Monitoring is included in the monthly finance updates to Cabinet but has a lot less profile, detail and explanation than revenue monitoring which is inconsistent with best practice.
- 4.5. Even when approval processes appear to have been followed appropriately the lack of a comprehensive business cases meant that the Council spent considerable amounts on schemes when it was not clear they were affordable. It is questionable whether the approved costs were fully challenged and, for example, spend of £36m on a new leisure centre would appear to be considerable higher, by a large margin, than other facilities built by other councils.
- 4.6. In-year capital monitoring and reporting was unsatisfactory, for example the report to Cabinet in November 2018 shows no variance or slippage across the whole programme. However, the report in March 2019 identified slippage of £23m across the programme. The report itself gives no explanation of the variances or slippage. Major schemes have a line of detail with the rest of the programme reported in summary in an appendix.
- 4.7. In the final outturn report in May 2019 slippage in the capital programme was reported as having increased to £33m, 39% of planned spend although this was not broken down by scheme or explanations given.
- 4.8. Variances were reported against 85 completed schemes in the capital outturn but the table does not show the variance to the approved budget. No outturn information is given for 184 schemes that are in progress or are part of ongoing programmes.
- 4.9. Not all spending is accompanied by an official Purchase Order, a significant financial control weakness.

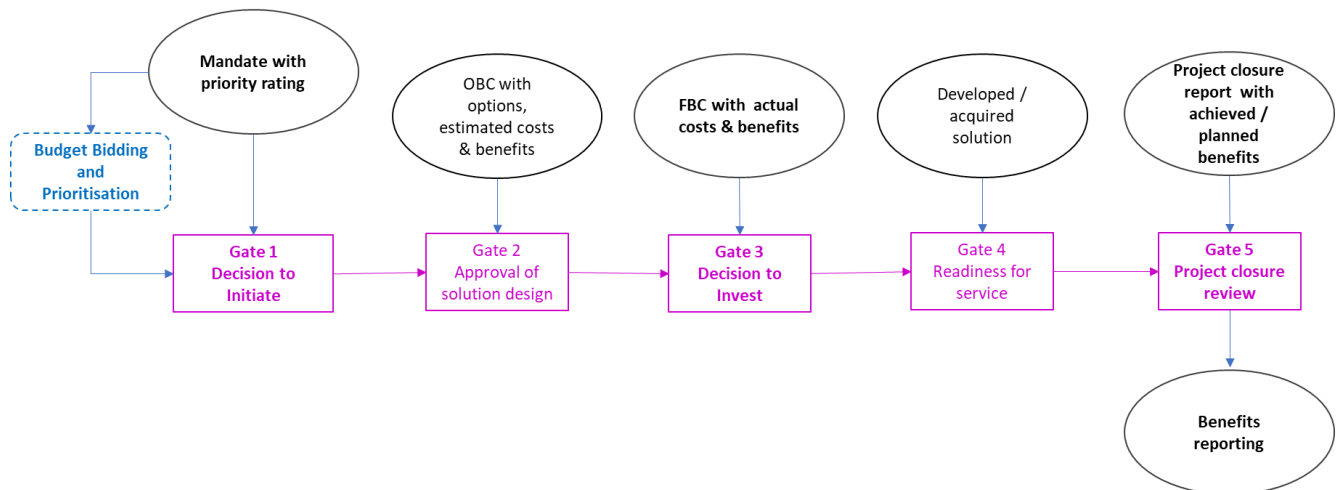
- 4.10. Approval by Council as an item in the capital programme in many cases was taken as adequate, despite there only being a line of detail in the report to Council and no published officer reports.
- 4.11. There was no de minimis to items placed in the capital programme. Also the financial implications of the schemes, interest and MRP (effectively the principal repayment) were charged centrally. As there was pressure on revenue budgets officers were keen to charge amounts to capital. This had a number of implications. The cost of capital was rising steadily, some items were charged to capital that should have been charged to revenue and the programme had become unmanageable.
- 4.12. Some areas of capital, around improvements to roads, bridges and buildings are necessary for Health and Safety purposes and, given the scale of the estate, recur year on year. RBWM had partly recognised the repetitive nature of the work in a corporate budget for revenue contributions to the capital programme, which was a sign of prudence. The budget was £1.6m in 2015/16, reduced to £1.1m in 2016/17, £0.4m in 2017/18 and zero in 2018/19 to achieve savings.
- 4.13. A de minimis level of £20k was put in place in September 2019 for future schemes. Officers were provided with training on capital expenditure and certain items were re-classified as revenue where necessary.
- 4.14. New governance arrangements have been put in place for 2020/21 to ensure appropriate approval is sought for each capital scheme, schemes above £500k requiring a Cabinet report and those between £50k and £500k a published Officer Decision report that are in the approved capital programme.
- 4.15. This means that there are now two "gateways" (decision points) for projects - the approval to make budget provision for projects over £20k either in the annual budget setting process or as a special in year item; and the approval to spend.
- 4.16. There were, however, some clear strengths in the previous arrangements:
- All projects had an owner who sat at CLT (Executive Director or Head of Service);
  - There were some project and programme boards in place. There were some professional project management resources and methods being used, particularly for the larger capital projects;
  - Effort and resourcing applied on project / programme management overheads was economical for an Authority of this size;
  - A new prioritisation method has been applied for the 2020/21 provision of capital budgets.
- 4.17. At the same time there are several weaknesses that potentially need to be addressed:

- There is no corporate visibility of the full projects' portfolio. This makes it difficult to monitor the full picture on status, progress and delivery;
- Projects are largely managed in isolation and there is limited management of dependencies;
- There is little in the way of attention to programme management focused on the delivery of specific outcomes, such as manifesto commitments;
- The use of a variety of different PPM methodologies, (in some cases ad hoc), makes it difficult to assure the quality of the project management;
- The lack of documented procedures adds to complexity and uncertainty. For example, some projects have a project board, and some do not. There needs to be consistent policy on when a project board is required;
- As well as the absence of documented procedures, roles (such as the responsibilities of the Senior Business Owner) are not defined;
- More control is needed in the form of a gateway process that will help ensure delivery of the right solutions, as well as staying within budget, throughout the project lifecycle;
- The absence of formal "gates" creates the risk that problems are not recognised and addressed early enough and that there is not enough challenge about options and the proposed solution;
- There is no clear corporate guidance on benefits realisation or project closure;
- There is limited use of business cases to justify project decisions, for the smaller projects;
- Key information about risks (RAG ratings) are missing in many instances and there is a lot of ad hoc verbal reporting, with subjective and selective content.

4.18. In addressing the weaknesses, there are several issues, practical factors and constraints to consider:

- There is limited resourcing and funding available for project management;
- These are several factors that will limit the scope for full standardisation across RBWM project management approaches and methods;
- Any changes have to be shaped by "the pull from the top". The form and extent of that pull has still to be assessed;
- It is most likely that RBWM will want to apply any planned changes for capital projects to other RBWM projects;

Project Lifecycle Controls:



- There are three important documents that will support the project lifecycle decision making:
  - The Mandate provides a brief preliminary description of the project and is designed to introduce the basic project concept and identify key issues at the earliest stages of project development,
  - The Outline Business Case (OBC) and Full Business Case (FBC) will build on and extend the Mandate contents for projects. Templates will be on-line, requiring minimal administrative effort, and scalable to the complexity/risk and value;
- The administrative burden for the gateway checks will be minimised by delegating more of the gate checking and approvals process. The extent of checking will be proportionate, for example, Readiness for Service checks for low risk and low value projects will be a decision only by the SBO, whilst Decision to Invest checks for high value or high risk projects will require approval from Senior Business Owner / Project Board, CIPB, CLT and Cabinet;
- There is a range of recurring annual provision items (for example: road resurfacing and traffic management schemes) which are essentially a programme of works rather than a one-off project. In terms of the gateway checks and the reporting procedures, it makes sense to treat the programme of works as a single project, with individual stages in order to avoid excessive administration with minimal risk impact;
- All projects with a total value in excess of £100K and for high risk projects less than £100K, the project manager will complete an on-line project report. The information captured at the corporate level will be accessible and available on-line to the project

manager, the SBO, the project board, the CIPB, the CLT and Cabinet.

- 4.19. The Senior Business Owner will be accountable for achieving the project benefits. RBWM will maintain a register of project financial / efficiency savings (savings tracker). The information will be captured from the Full Business case and updated from the Project Closure report together with any subsequent actions identified in the Closure report.
- 4.20. The general approach to the implementation of these proposals should follow "agile principles" in order to ensure that any changes are practical, as simple as possible, add real value (particularly in terms of reduced risks) and avoid unnecessary effort. It will be implemented in a phased build up over time.
- 4.21. The use of external as well as internal project management roles will continue. However, there will be additional commercial guidelines to ensure compliance with the RBWM project / programme management principles and procedures.
- 4.22. The main system components needed to support the new approach, and to minimise administrative burden, will need to be defined but are likely to include:
  - A corporate project register;
  - A mechanism for capturing project status reports;
  - A common structured repository for associated project documents including completed reports, business cases etc.;
  - Guidance on the procedures and templates, online;
  - Project information access and retrieval facilities;
  - Report generation provisions;
  - Dashboard for summary, highlights and exceptions across the corporate projects' portfolio.



## 5. Management of the Berkshire Pension Fund and Partnership Arrangements

### The Berkshire Pension Fund

- 5.1. RBWM is responsible for administering the Berkshire Pension Fund. As part of the annual audit of the fund the external auditor raised a number of concerns relating to the valuation of the fund and financial governance.
- 5.2. In respect of governance the concerns raised were:
- The minuting of meetings not being undertaken with appropriate rigour;
  - Interests not being appropriately registered;
  - Appointment of advisers not being transparent;
  - Roles and responsibilities of advisers not clear;
  - Electronic meetings not being adequately recorded;
  - Member level governance of the Fund is not clear.
- 5.3. RBWM agreed that the concerns needed addressing and appointed a local authority pension fund expert recommended by the LGA to determine a way forward. Following this work RBWM has appointed an experienced pension fund manager on an interim basis to oversee the improvements in governance required.

### Partnership Arrangements

- 5.4. RBWM has a number of partnership arrangements in place that in some cases have been put in place quickly without appropriate consideration of value for money and how these can be reviewed. The governance arrangements are also unclear.
- 5.5. To address this the Managing Director commissioned a series of additional work-streams during the latter part of 2019/20 to determine that the most appropriate arrangements are put in place.
- 5.6. The partnerships under review are set out below.

### Optalis

- 5.7. Optalis is a jointly owned company with Wokingham Borough Council that delivers Adults Social Care to both councils.
- 5.8. The service level agreement (SLA) for the services provided by Optalis and the shareholder agreement are unclear and the original business case for RBWM purchasing shares in the company has not been fulfilled.
- 5.9. Given that this company is responsible for the largest area of Council spending the arrangements need to be reviewed to ensure it is providing

value for money and is the most appropriate delivery model for the future. The SLA and shareholder agreement needs to be reviewed.

### **Achieving for Children**

- 5.10. Achieving for Children is a Community interest Company providing services to Kingston, Richmond and the Royal Borough of Windsor and Maidenhead.
- 5.11. RBWM has benefited from being part of the company in that service standards have improved to such an extent that Ofsted rated them as good in 2020.
- 5.12. There does though need to be more clarity over the financial arrangements with the company and how financial information is reported.
- 5.13. Since the services have transferred to the company the quality of the service has improved significantly with formally OFSTED recognising the improvements. However the service has significantly overspent and savings haven't been delivered.
- 5.14. RBWM has subsequently commissioned a review of delivery options for AfC and Optalis to assist it in developing a more robust medium term financial strategy.

## 6. Conclusions

### Revenue Budget Approval

- 6.1. Key budget decisions did not comply fully with statutory requirements (e.g. revenue budget s25 report);
- 6.2. Budget reports lacked detail and only provided a cursory assessment of the robustness of reserves and spending projections that did not reflect the complexity of RBWM's business;
- 6.3. Key items within the budget (e.g. special expenses) lacked transparency and annual review;
- 6.4. The precept increase was calculated incorrectly, which resulted in a potential loss of council tax income of over £152,000 in 2019/20.

### Inadequate Reserves

- 6.5. The assessment of the required level of financial reserves was flawed;
- 6.6. While the assessment considered potential service risks it did not take into account the level of reserves that may be required to balance the budget over two to three years;
- 6.7. There was insufficient explanation about how RBWM was managing one of the lowest level of reserves nationally.

### Robustness of Estimates

- 6.8. Budget reports were overly optimistic about the achievement of savings and almost never reflected negative issues or highlighted problems;
- 6.9. Reserves were used during the year to meet the cost of "unforeseen" in year pressures, rather than looking at ways to manage these pressures within the allocated budget. This further weakened RBWM's financial position;
- 6.10. Council Officers did not fully understand the risks surrounding business rates retention or consider how these could impact on the budget and its reserves;
- 6.11. Key assumptions were not set out clearly within budget reports i.e. the use of one-off resources. This meant that the necessary approval was not therefore sought to use these resources;
- 6.12. Bad debt provisions were inadequate and unrealistic given the level of outstanding debt. Their potential impact on reserves was not highlighted or taken into account when the level of reserves was assessed.

## **Medium Term Financial Strategy**

- 6.13. RBWM did not have a robust and transparent medium-term financial strategy;
- 6.14. There was a lack of clarity over the medium to long term financial position RBWM faced;
- 6.15. The projections that existed were overly optimistic and did not highlight the significant funding risks that RBWM faced;
- 6.16. There was no clear context for the medium-term financial projections to link them to the overall objectives of RBWM as set out within the Corporate Plan;
- 6.17. The lack of a robust medium-term financial strategy made it difficult for RBWM to make sound medium-term financial decisions.
- 6.18. Forecasting of future capital receipts was wildly optimistic and had no relationship to what happened. Future receipts were assumed and used to justify spend in advance of being delivered.

## **Budget Monitoring**

- 6.19. RBWM did not receive transparent budget monitoring information;
- 6.20. There were delays in reporting budget variances and risks to members;
- 6.21. Financial reporting was overly reassuring;
- 6.22. Officers appeared overly sensitive in providing bad news about RBWM's financial position and the poor publicity that it would bring to RBWM.

## **Treasury Management**

- 6.23. RBWM did not have a compliant Treasury Management Strategy (TMS);
- 6.24. The TMS did not highlight the significant risk of borrowing plans which involved £167m of temporary borrowing by 2020/21;
- 6.25. Information on Treasury Management and borrowing levels was not set out in sufficient detail within a standalone report;
- 6.26. Reports were not transparent about the level of additional borrowing that RBWM was undertaking or the impact of that borrowing on the medium-term financial plans;
- 6.27. Council Officers did not seek external professional advice on borrowing levels, even when the increased level of borrowing presented a significant financial risk to RBWM;

6.28. This meant that officers did not take the opportunity to reduce financial risks by converting more council borrowing to fixed rates. (The Covid 19 national emergency means that this has not caused any loss to RBWM).

### **Capital Strategy**

6.29. RBWM did not have a compliant Capital Strategy;

6.30. The Capital Strategy did not clearly set out RBWM's investment plans and now they aligned to its Corporate Plan and objectives;

6.31. The Strategy failed to show how it would prioritise competing demands for capital investment or set a long-term vision for capital investment;

6.32. The Capital Strategy failed to assess the affordability and deliverability of capital investment plans;

### **Clewer and Dedworth capital scheme**

6.33. Members were able to circumvent RBWM's approved policy framework to include additional schemes in the capital programme without appropriate challenge from Officers;

6.34. This indicates a lack of clarity and clear division between member and officer roles;

6.35. Schemes appeared in the Capital Programme with no business case;

6.36. Officers lack of awareness of basic governance procedures and not raising concerns with RBWM's Monitoring Officer or asking for advice led to procedures being by-passed;

6.37. There was a lack of action by the s151 Officer when it became apparent that non-approved expenditure in Parks was being charged to the scheme. The failure to consider that officers could be acting beyond the authority set out in RBWM's constitution is also an area of great concern and raises questions regarding potential Ultra Vires expenditure;

6.38. Overall there was a lack of transparency around the financial implementation of capital schemes.

## 7.Improvements already implemented in response to initial findings

7.1. RBWM put in place measures that ensure that they comply with all applicable local government financial legislation, regulations and codes of practice

- The [2020/21 budget report, Treasury Management Strategy and Capital Strategy](#) now comply with financial legislation, regulations and codes of practice. As does the requirement to produce a Treasury Management Outturn report and six month review.
- It is a robust budget and includes a contingency for unforeseen items and cover against slippage or non-delivery of savings.
- The budget report also set out the appropriate approval of Special Expenses for non-parished areas.
- The increase in Council Tax and the Adult Care precept was properly applied.

7.2. A fundamental review of the financial resilience of RBWM was undertaken that includes both the medium term financial plan and the capital programme

- This review was undertaken as part of the budgeting and medium term financial strategy process. A review was also undertaken of the capital programme and only essential works agreed. The budget report set's out in its introduction:
  - RBWM is facing a significant financial challenge
  - The position for the Royal Borough is more acute than other councils, due to its very low level of reserves. These are barely adequate to cover its current risks and are insufficient to cover future projected funding shortfalls in 2021/22 and beyond
  - If RBWM cannot set a balanced budget in 2021/22 or if its financial position markedly deteriorates in 2020/21 to a point reserves did not cover any overspend, RBWM S151 Officer would have to issue a s114 notice
- Staff and Members, through internal communications and presentations are fully aware of the financial position of RBWM. Something that was not apparent prior to September 2019.
- RBWM is embarking on a radical transformation programme with support from CIPFA and the LGA in order to address its financial challenges going forward.

- RBWM's MRP policy and capitalising interest for schemes in progress meant a saving in 2019/20 of £1.7m and £1.9m in 2020/21.
- The use of flexible capital receipts and approval of a transformation fund also meant that RBWM could charge redundancy costs linked to its savings in 2019/20 and 2020/21. This reduces the charge on revenue by £0.3m in 2019/20 and £0.5m 2020/21.
- These two initiatives enabled RBWM to maintain its general reserve level at £7.9m at the start of 2020/21 rather than reduce it further to an inadequate £3.5m.
- As part of its COVID-19 response it had early discussions with MHCLG on the financial risks the crisis would have on its finances.
- Although the financial position is difficult RBWM is now doing all it can to ensure its future financial resilience.

### 7.3. The role and support to the s151 Officer is reviewed

- RBWM implemented a new management structure in October 2019 which included a new Strategic Director of Resources with s151 responsibility with the same status as the other Strategic Directors. This was in addition to the Head of Finance post that operated at a lower, Head of Service level. In addition a further £100k was added to the finance team's budget for additional posts previously deleted. The finance team will undergo a further review in 2020/21 to ensure it meets the needs of the organisation.

### 7.4. A detailed review of the way financial management operates within the Royal Borough is undertaken as a matter of urgency

- A series of work was carried out over the period September 2019 – March 2020 to coincide with the start of the new Director of Resources at the end of February. A lot of improvements have been implemented, particularly in respect of improved transparency of financial reporting and compliance. This has been recognised by senior members from all political groups. It is recognised that this will be an iterative process and there is an expectation that things will continue to improve over the course of 2020/21, particularly when the new Head of Finance starts in June 2020.
- The Finance team have been pro-active in organising budget manager training sessions for both revenue and capital.
- Financial Regulations have been updated, although greater awareness and compliance needs to occur going forward.

## **8. Further Recommendations**

- 8.1. RBWM has made good progress in resolving the weaknesses in financial governance but it will take time and a change in culture to embed the changes. Members have been understanding of the improvements required but there is an expectation of continuous improvement over the next 12 months, led by the new Director of Resources and Head of Finance. Together they will oversee the improvements and outstanding actions set out below.

### **Review of Medium Term Financial Strategy**

- 8.2. The strategy needs to be updated to take account of the impact of Covid-19, the decision of government to delay the implementation of Fair Funding and the increased business rate deficit.
- 8.3. It is likely this will put further pressure on RBWM, increasing the current estimate of savings above £4m, potentially significantly above available reserves.
- 8.4. Many other councils will be in similar positions and it is to be determined whether government will give further support to Local Government in these unprecedented times.
- 8.5. RBWM though needs to be clear of its budget gap going forward and how much it can deliver from transformation, service reductions and efficiency savings.

### **Transformation Resource**

- 8.6. The Council agreed to invest in Transformation resources to enable it to identify additional efficiencies through new ways of working. It needs to embed this work and pursue its commitment through the course of the year.

### **Capital Programme Management**

- 8.7. A new Capital Programme board needs to be established, chaired by either the Director of Resources or Head of Finance to drive through the improvements in governance.
- 8.8. The capital programme is reviewed to ensure all schemes have appropriate and robust business cases, have clear delivery outcomes and that risks are appropriately managed. These improvements will be part of the changes overseen by the capital programme board.
- 8.9. Reporting of slippage in spending needs more pro-active challenge from the finance team through the year and managers need to be accountable for failing to deliver schemes to agreed timescales and not reporting slippage in spend.



## **Further Review of Financial Management**

- 8.10. This will be undertaken by the new Head of Finance and will build on the work already undertaken, particularly in respect of challenge and compliance.
- 8.11. RBWM has a good IT system to manage its finances that has been implemented successfully by the finance team. A series of training programmes has been started with budget managers to ensure that they use the systems appropriately. This work needs to be embedded.
- 8.12. Only around 25% of transactions have a purchase order raised. For a number this is not necessary, foster care payments and utility bills for example. A review though needs to be undertaken to ensure that all goods requiring a purchase order have one.
- 8.13. A new financial model for the medium term financial planning needs to be developed for forecasting costs, savings and different scenarios. The current model was developed some years ago and understanding of how it works is limited to one individual. There are a number of linked cells, various linked work-sheets, some errors in particular cells and any update requires the use of the goal seek function to ensure the spreadsheet balances. The risk of error is high and understanding of what assumptions have been taken low.

## **Control Account Reconciliations**

- 8.14. There are two large unreconciled balances over £1m relating to bank reconciliation and Housing Benefits that go back a number of years. One a credit and one a debit. The finance team and Internal Audit have undertaken significant work to resolve the differences and given the lack of historical records cannot go any further. The amounts need to be written back to the revenue account and reported to Members.
- 8.15. A further review of bank reconciliations and control accounts need to be undertaken to ensure that they are regularly balanced and there is independent verification and assurance that they do.

## **Debt Management**

- 8.16. Debt is managed through the Revenues and Benefits team. There is limited reporting and review by services and the wider finance team. Provisions for bad debt are not regularly reviewed for appropriateness, e.g. Housing Benefit overpayments. There is a lack of resources and senior oversight of debt.

## **Council Tax and Business Rates Collection Fund**

- 8.17. There is a lack of understanding in the finance team of how the collection fund operates. RBWM have commissioned a separate review of how this is being managed, the recommendations of which will need to be taken forward when completed.

## **Equalities Impact Assessments**

- 8.18. Equalities impacts are produced for each of the budget proposals. These were produced late on in the budget process and CIPFA had to provide support to produce a cumulative equality impact assessment for the budget report. Something that hadn't previously been undertaken.
- 8.19. A central equalities resource needs to be established to ensure that the assessments are completed in a timely, consistent manner and that a cumulative assessment is undertaken that can be reviewed as part of the scrutiny process.

## **Management of Partnership Arrangements**

- 8.20. The reviews of the Pension Fund, Optalis and AfC need to be completed and their recommendations implemented.
- 8.21. RBWM need to consider some of their other partnership arrangements not subject to procurement to ensure that they are providing value for money and that this is kept under review. These should include the wholly owned Property Company and the shared Internal Audit service. Despite the weaknesses in the control framework neither the Internal Audit Service, nor until the recent change, the External Auditor highlighted the problems covered in this report.

## **Member Oversight**

- 8.22. The report highlights a lack of clarity between member and officer roles. It is essential that this clarity exists to enable RBWM to operate effectively. Accordingly it is recommended that the current Protocol Governing member and officer relationships is reviewed in the light of this report and additional training is provided to all officers and members once this protocol has been revised.
- 8.23. The audit committee was merged with the Corporate Overview and Scrutiny panel. Given the number of financial governance issues and the different roles of Scrutiny and Audit it is recommended that an independent Audit Committee is established, potentially with an independent chair.

## **Key Members and Officers Interviewed for initial work**

### **Officers**

Duncan Sharkey	Managing Director
Rob Stubbs	Head of Finance (s151 Officer)
Mary Severin	Monitoring Officer
Andy Jeffs	Executive Director of Communities
Hilary Hall	Director of Strategy and Commissioning
Ruth Watkins	Chief Accountant
Zarqa Raja	Corporate Accountant
Stuart Taylor	Lead Accountant – Adults & Health
Ben Smith	Head of Commissioning
Vikki Roberts	Principal Communities Officer
Catherine Hickman	Lead Specialist, Internal Audit

### **Members**

Councillor Dudley	Leader of RBWM
Councillor Hilton	Lead Member for Finance
Councillor Targowski	Chair of Overview and Scrutiny

### Further Work From September 2019

#### Further Work

Further work commenced in September 2019 with a number of CIPFA specialists assisting the finance team in improving financial governance, compliance and ensuring more transparent reporting. This work culminated in supporting RBWM approve a new Medium Term Financial Strategy and a more transparent budget report that was welcomed by both the lead and opposition parties. Additional areas of work included:

- Revising the content and format of budget monitoring reports
- Identifying additional gaps in the planned 2020/21 budget enabling RBWM to consider additional savings
- Revised Annual Governance Statement for 2018/19
- A new Treasury Management Strategy, outturn report for 2018/19 and mid-year report for 2019/20
- Update and publication of planned capital receipts supporting the capital programme
- Update of RBWM's Minimum Revenue Provision Policy, approved at December 2019 Council
- Re-prioritisation of the capital programme
- Recommended improved governance procedure for capital
- Capital Training for finance and managers
- Re-classification of revenue spend incorrectly coded as capital
- Pensions fund governance
- Re-writing financial regulations

Report Title:	<b>Contract Award for Emergency Duty Service</b>
Contains Confidential or Exempt Information?	No - Part I
Lead Member:	Councillor Carroll, Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health
Meeting and Date:	Cabinet - 30 July 2020
Responsible Officer(s):	Hilary Hall, Director of Adults, Health and Commissioning and Lynne Lidster, Head of Commissioning – People
Wards affected:	All

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## REPORT SUMMARY

1. This report seeks approval to let a direct award contract for an Emergency Duty Service (EDS) with Bracknell Forest Council. The service provides out of hours emergency social care for adults and children and emergency homelessness support. The contract, if approved, will commence 11 August 2020 for seven years with the option to give 12 months' notice at any time and for any reason.
2. The projected cost of the proposed contract is £1,599,230 over seven years, £228,490 per year, which is within the current annual budget of £258,000.
3. Bracknell Forest Council is the current provider of the service; it meets the requirements of the Royal Borough and therefore, entering into a new contract will provide continuity. The service is commissioned by all the local authorities across Berkshire which enables economies of scale and more importantly, the same pathway for emergency out of hours support for all other statutory partners including the police and NHS providers.

## 1. DETAILS OF RECOMMENDATION(S)

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

- i) **Approves a direct award contract for an Emergency Duty Service between The Royal Borough of Windsor and Maidenhead and Bracknell Forest Council from 11 August 2020 for seven years.**

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

### Options

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

Option	Comments
To award a contract to Bracknell Forest Council for the provision of an Emergency Duty Service.	This option provides the most cost effective way forward, aligns with the other authorities in Berkshire

Option	Comments
<b>This is the recommended option</b>	and provides continuity of other statutory providers, notably the police and the NHS.
To tender on the open market for the provision of an Emergency Duty Service  This is not recommended.	Soft market testing has been undertaken and the above option represents the best value for money.
To provide the Emergency Duty Service through Optalis and Achieving for Children  This is not recommended.	Moving existing staff terms and conditions in Optalis and Achieving for Children to provide 24/7 services will take time to negotiate and would not be cost effective.

- 2.1 The joint emergency duty service has been provided to the six authorities in Berkshire by Bracknell Forest Council for several years. It delivers out of hours emergency social care for adult and children's services, and emergency homelessness support. The service operates every day of the year which includes 5pm – 9am on weekdays and a 24-hour service at the weekends and bank holidays.
- 2.2 Achieving for Children and Optalis provide rotas for on call senior managers that can be contacted if there is a significant issue that requires notification or authorisation.
- 2.3 In 2019, the five authorities excluding Bracknell Forest undertook a joint commissioning exercise to determine the best option for out of hours provision. They produced a specification, see appendix 1, that was then shared with Bracknell Forest. All five authorities also undertook market analysis, using the specification, looking at:
- Commissioning a new service with Bracknell Forest in line with the new specification.
  - Exploring partnership with other councils.
  - Exploring the implications of taking the services in house.
- 2.4 The conclusion of the analysis was that there was a lack of appetite from other councils to provide the service within the cost envelope available and taking the services in house would require extensive renegotiation of existing staff terms and conditions.
- 2.5 Recommissioning Bracknell Forest Council would enable economies of scale across Berkshire and more importantly, provide the same pathway for emergency out of hours support for other statutory providers, notably the police and the NHS who work with all the councils in Berkshire.
- 2.6 Under the new contract, a commissioners' board will be set up to ensure more consistent and regular overview and monitoring of the service; the representative for the council will be the Head of Commissioning – People.
- 2.7 Whilst the contract, if approved, will be for seven years, all authorities have the option to give 12 months' notice at any time and for any reason.

### 3. KEY IMPLICATIONS

3.1 The key implications are set out in table 2.

**Table 2: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Out of hours service in place through Bracknell Forest Council	N/A	11 August 2020	N/A	N/A	11 August 2020

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The proposed contract provides a fixed element to the price and a variable element based on previous years' usage. This payment mechanism provides better value for money for smaller councils that make less use of the service such as the Royal Borough. The proposed new contract has a smaller fixed element to the price than the current contract. For the Royal Borough, the fixed element is £67,850 and the projected variable element, based on previous years' usage of the service, is £160,640. The annual projected value of the contract is, therefore, £228,490 per year and is within the current budget of £258,000.
- 4.2 The contract can be terminated at any time and for any reason, subject to 12 months' notice. The Royal Borough has the option to reduce the need for the Emergency Duty Service, and therefore reduce the variable costs, by operating services in Optalis and Achieving for Children for longer hours and this will be explored.

### 5. LEGAL IMPLICATIONS

- 5.1 The council has the power to take the actions proposed in this report in order to ensure services for vulnerable children and adults are provided out of hours, and the contract with Bracknell Forest Council will be subject to full legal oversight and agreement.
- 5.2 A waiver of the council's contract standing orders will be completed in order to make a direct award of contract to Bracknell Forest Council. This is permitted within the council's constitution.

**6. RISK MANAGEMENT**

6.1 The key risks and mitigations are set out in table 3.

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

<b>Risks</b>	<b>Uncontrolled risk</b>	<b>Controls</b>	<b>Controlled risk</b>
Failure of the service to appropriately safeguarding children and adults in the Royal Borough	MEDIUM	Commissioning board established to provide oversight and ongoing monitoring. Identified contract manager in the Royal Borough to monitor and address any local issues arising.	LOW

**7. POTENTIAL IMPACTS**

- 7.1 Equalities. An equality impact assessment screening has been undertaken and is published on the council website ([https://www3.rbwm.gov.uk/download/downloads/id/4886/eqia\\_2020\\_emergency\\_duty\\_service\\_contract.pdf](https://www3.rbwm.gov.uk/download/downloads/id/4886/eqia_2020_emergency_duty_service_contract.pdf)). The proposals set out in this report will have a positive and relevant impact on all groups with protected characteristics. The emergency out of hours care and support provided is for all residents in the borough. It will have a positive impact on individuals health by providing emergency social care services for adults and children and emergency support for people who are homeless. The contract requires the provider to have in place an equality and diversity policy regarding the delivery of services. During the lifetime of the contract, it is expected that the policy will be reviewed at least every two years which will be monitored by the commissioners’ board as described in 2.6. Bracknell Forest Council has in place an Equalities Scheme that addresses equality for people with protected characteristics.
- 7.2 Climate change/sustainability. There are no climate change/sustainability impacts as a result of the proposals in this report.
- 7.3 Data Protection/GDPR. Personal data will be processed by Bracknell Forest Council in carrying out the requirements of the contract and there is no change under the new contract in terms of the type of data and how it is processed. Authorised individuals in the service will have read only access to the council’s case management system and access to the system is subject to the council’s information security requirements. This will be reflected in the council’s privacy statement. An information sharing agreement is in place for the service.

**8. CONSULTATION**

8.1 Consultation has been undertaken with Bracknell Forest Council and the other authorities in Berkshire on the content of the specification and the proposals



submitted by Bracknell Forest Council. Relevant senior managers in adult social care, children’s services and housing services have been consulted and involved throughout the process.

## 9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Implementation date if not called in: 11 August 2020. The full implementation stages are set out in table 4.

**Table 4: Implementation timetable**

Date	Details
June and July 2020	Negotiation and agreement of the draft contract
11 August 2020	Implementation of new contract

## 10. APPENDICES

- 10.1 This report is supported by one appendix:
- Emergency Duty Service specification.

## 11. BACKGROUND DOCUMENTS

- 11.1 This report is supported by one background document:
- Equality Impact Assessment  
[https://www3.rbwm.gov.uk/download/downloads/id/4886/eqia\\_2020\\_emergency\\_duty\\_service\\_contract.pdf](https://www3.rbwm.gov.uk/download/downloads/id/4886/eqia_2020_emergency_duty_service_contract.pdf).

## 12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Carroll	Deputy Chairman of Cabinet, Adult Social Care, Children’s Services, Health and Mental Health	28/06/20	03/07/2020
Duncan Sharkey	Managing Director	28/06/20	29/06/20
Russell O’Keefe	Director of Place	28/06/20	03/07/20
Adele Taylor	Director of Resources/S151 Officer	28/06/20	01/07/20
Kevin McDaniel	Director of Children’s Services	28/06/20	30/06/20
Hilary Hall	Director Adults, Health and Commissioning	28/06/20	28/06/20
Andrew Vallance	Head of Finance	28/06/20	02/07/20
Elaine Browne	Head of Law	28/06/20	29/06/20
Mary Severin	Monitoring Officer	28/06/20	
Nikki Craig	Head of HR, Corporate Projects and IT	28/06/20	29/06/20
Louisa Dean	Communications	28/06/20	29/06/20
Karen Shepherd	Head of Governance	28/06/20	29/06/20

## REPORT HISTORY

<b>Decision type:</b> Key decision and date first entered into the Cabinet Forward Plan: TBC	<b>Urgency item?</b> No	<b>To Follow item?</b> No
Report Author: Lynne Lidster, Head of Commissioning – People; 07554 459628.		

# SCHEDULE 1

## SPECIFICATION FOR EMERGENCY DUTY SERVICE

### Contents

<b>SECTION A - Definitions and Interpretations .....</b>	<b>2</b>
<b>SECTION B – Introduction and Local Context .....</b>	<b>2</b>
1. Introduction .....	2
<b>SECTION C – Provision of Services .....</b>	<b>2</b>
2. Description of Service.....	2
3. Key Activities.....	3
4. Referral and access to the service.....	4
5. Service location / times of delivery .....	4
6. Charges to service users .....	5
7. Staffing and Service Capacity .....	5
8. Engagement and communication .....	6
9. Individual Service Specification (ISS).....	7
<b>SECTION 2 – Timeframe and Financial Envelope .....</b>	<b>1</b>
10. Timeframes.....	14
11. Financial Envelope .....	14
<b>SECTION 3 – Areas to develop during the lifetime of the commission .....</b>	<b>15</b>
12. Future areas of development to be carried out during the Agreement term ..	15
13. Requirements of our Partners and Commissioners.....	16
<b>SECTION 4 - Performance Management.....</b>	<b>18</b>
14. Key Performance Indicators and Outcomes .....	18
15. Monitoring and Review of Service Provision.....	19
<b>SECTION 5 - Quality.....</b>	<b>20</b>
16. Governance.....	20
17. Local Government Ombudsman.....	21
18. Emergency Duty Team Contact details .....	21
19. Documents related to this Specification .....	22

## **SECTION A - Definitions and Interpretations**

Please refer to Agreement for full comprehensive list of Definitions and Interpretations that apply to this Schedule

## **SECTION B – Introduction and Local Context**

### **1. Introduction**

- 1.1. This service specification is relevant to and sets the requirements for the delivery of/provision of an Emergency Duty Service to any Partner.
- 1.2. It is not the purpose of this specification to limit or restrict the service providers' innovation, ability to deliver a responsive service or exercise flexibility in how services are delivered. It is however the purpose of this specification to broadly identify the key characteristics by which these services will meet the needs of people who choose to use the service described in this specification.

## **SECTION C – Provision of Services**

### **2. Description of Service**

- 2.1. The Emergency Duty Service (EDS) is responsible for all social services emergencies and statutory duties, which arise outside normal office hours. The service is hosted, and managed, within the People's Directorate of Bracknell Forest Council, and is responsible for all client groups of the 6 Local Authorities of Berkshire.
- 2.2. EDS provides a service to individuals and families in social crisis which requires an immediate and/or urgent response. EDS' role is to carry out an initial screening of the presenting situation and establish a safe and viable solution pending follow up by the daytime services.
- 2.3. EDS operates when social service and other related services are closed. However, it is not a continuation of day services but will be responsible for matters that cannot safely wait until the next working day.
- 2.4. EDS requires specific skills and strategies of intervention, either to resolve the emergency as a self-contained task, or part of a longer-term situation. The planning and the work of EDS is carried out in the knowledge of its relationship with day services.
- 2.5. The Service provides an emergency social work service, outside of normal office hours on behalf of the 6 Local Authorities in Berkshire.
- 2.6. To undertake initial screening and offer services, for those individuals who find themselves in need of emergency accommodation under the Homelessness Reduction Act 2017.

### 3. Key Activities

3.1. In order to deliver the service there are key activities that the Host Authority is required to carry out. These will include but are not limited to the following:

- 3.1.1 To receive and prioritise referrals and carry out assessments of needs, and risk to service users. To offer a single point of access whereby all referrals/calls will be screened and signposted. Advice and information will be offered as appropriate.
- 3.1.2 To undertake assessments within the appropriate legislative framework, for Children and families i.e. to undertake the range of duties and responsibilities as specified in the Children Act 1989 (amended 2004 and 2017), and the Children and Families Act 2014, Pan Berkshire Children Safeguarding Procedures and such other legislations that may be appropriate to work with children and Families.
- 3.1.3 To undertake, and fulfil, all statutory duties under the Mental Health Act 1983 (amended 2007), and the amendments in the Police and Crime Act 2017, ensuring all requirements of the associated legislation including case law are considered and applied.
- 3.1.4 Assess and provide services for eligible adults under the Care Act 2014, Mental Capacity Act 2005, Pan Berkshire Adult Safeguarding Procedures and such other legislations that may be appropriate to work with vulnerable adults.
- 3.1.5 To respond to Intermediate Care enquiries, deal with unsafe hospital discharges and commission services to avoid unnecessary hospital admission.
- 3.1.6 To investigate and act on cases of homelessness arising out of hours, as per local authority duties stipulated in the Homelessness Reduction Act 2017.
- 3.1.7 Provide an Appropriate Adult service for Young People and Vulnerable Adults held in Police Custody.
- 3.1.8 To work effectively in partnership with professionals from other agencies, participate in multi-agency risk assessment and analysis to include strategy meetings to inform case management, and safe plans for all children and vulnerable adults that present out of hours.
- 3.1.9 Where it is possible and safe, to deal with the presenting situation by making arrangements, that avoid the need for the clients to be removed from the community or their existing placements.
- 3.1.10 Where it is not possible and/or safe to do this, to arrange for alternative placements with family, hospital, residential home, foster care or children's home as appropriate.
- 3.1.11 Deal with placement breakdowns, whether they are in respect of children or vulnerable adults.
- 3.1.12 Telephone advice and support, which are enabling to the caller, and protective of children and vulnerable adults.

- 3.1.13 Fully document all interventions/assessments completed by the EDS team and share with the responsible Partner.
- 3.1.14 Take any additional action necessary to ensure the safety of clients
- 3.1.15 Provide a 72 hr return home interviews (in accordance with statutory Children's guidance)
- 3.2 In order to deliver the service there are key activities that the Host Authority will not be required to carry out. These will include but are not limited to the following:
  - 3.2.1 EDS does not work with individuals who do not have a social care need
  - 3.2.2 EDS cannot undertake ongoing duties on behalf of daytime services, for example scheduled or unscheduled, community visits to service users unless in exceptional circumstances as agreed by EDS and Local Authority Management.
  - 3.2.3 EDS cannot accept referrals where the day teams or allocated social worker, have been pro-active during the day. For example, a mental health assessment, or child protection investigation/assessment started during the afternoon should be completed by the AMHP/social worker who started it even if it means working after 5:00pm unless in exceptional circumstances as agreed by EDS and Local Authority Management.
- 3.3 The requirements of service delivery may change over the life of the contract and the Host Authority must be willing to work in partnership with the Partner and other relevant stakeholders to ensure that the way that the service is accessed/delivered meets the needs of those eligible to use it.

#### **4. Referral and access to the service**

- 4.1 All 'alerts' from professionals regarding potential issues should be initially completed on the EDS electronic Warning form, and then e-mailed to EDS on [emergency.duty-team@bracknell-forest.gov.uk](mailto:emergency.duty-team@bracknell-forest.gov.uk)
- 4.2 Referrals received by the Partner during their operational hours continue to be their responsibility.
- 4.3 There may be occasions which may require work to be passed on to EDS. In these circumstances, authorisation between a Partner Manager and an EDS Manager is required. A direct line for head of service (on call) can be provided to EDS to avoid unnecessary delays if required by the Partner
- 4.4 All referrals handed over to EDS must include relevant and concise detailed information, outlining the risks, including a robust contingency plan.

#### **5. Service location / times of delivery**

- 5.1 EDS work 365 days a year and is operational to the general public from 17:00 to 09:00 Monday to Friday, and from 17:00 Friday to 09:00 Monday to cover weekends. Bank Holidays will be covered in the same way as weekends.

- 5.2 On Christmas Eve and New Year's Eve EDS will commence operational duties at 15:00.
- 5.3 EDS Management and Administration are available to Professionals only between 09.00 to 17.00, Monday to Friday on 01344 786512.
- 5.4 The EDS team currently operates out of Building B, The Commercial Centre, Old Bracknell Lane West, Bracknell, RG12 7LH, the Host Authority reserves the right to change the location and or venue at any point during the Agreement Term. The cost of which will be born equally across all Partners and in accordance with clause 11 of the Agreement.
- 5.5 Any and or all notices in respect of the clause 5.4 shall be given in writing not less than 3 months before any additional costs are incurred.
- 5.6 The service will ensure that all eligible users within the borough, irrespective of location or address, can access and make full use of the service.
- 5.7 The service will operate within the times as stated above, and/or negotiated contractual arrangements Partner officers have formally agreed with the Host Authority.
- 5.8 The Host Authority will advertise, publish and make widely available information that clearly informs people who may wish to use this service, when this service is available and how it can be accessed.

## 6. Charges for service users

- 6.1 No additional charges for service users are anticipated with this service provision. However, in the event that the Host Authority or Partner decides that charges may apply:-
- 6.1.1 Charging will be discretionary and the service will establish criteria for determining who will be charged and how much they will be charged. These criteria will be agreed with Bracknell Forest Council and shared with stakeholders and service users.
- 6.1.2 Partners will be advised of any charges relating to service users that fall outside of standard service provision and will be advised of the amount of any charge before any services are provided.

## 7. Staffing and Service Capacity

- 7.1 A copy of the current staffing structure can be found below:-

Head of Service	1.00 FTE
Team Manager	1.00 FTE
Business Services Manager	1.00 FTE
Administrator / AA Co-Ordinator	1.00 FTE

Administrator	0.43 FTE
Assistant Team Manager (Children's)	2.00 FTE
Assistant Team Manager (AMHP Lead)	1.00 FTE
Senior Child Care Practitioners	4.98 FTE
AMHP's	4.00 FTE
Adult Safeguarding & Hospital Discharge / Avoidance Officers	2.00 FTE
Screening Officers	3.50 FTE

Please note: There is a bank of staff on relief contracts to cover absences (sickness and annual leave) in addition to a bank of Appropriate Adult Volunteers

- 7.2 The Host Authority will always deploy a sufficient number of staff to enable this service to operate at capacity and ensure that appropriate management support is available to staff and volunteers and therefore reserves the right to amend with prior notice in accordance with Clauses 11 and 14 of this Agreement.
- 7.3 The Host Authority must ensure that staff employed to deliver the service are appropriately trained, skilled and experienced in order to meet the statutory duties of the service and are committed to delivering a high quality, person-centred service. This will include attending training sessions delivered by Partner Organisations in the specific use of their processes and systems.
- 7.4 It is expected that staff and volunteers should have or develop:
- Experience with working in an Emergency response environment
  - Experience of proactive and innovative ways of providing outcome-focused support in line with statutory obligations
  - An understanding of the impact of emergency issues and needs
  - The ability to work in a sensitive manner
  - The ability to work creatively and flexibly to meet the needs of Partners and service users alike
  - The ability to manage the complex dynamics within service settings in order to foster good interactions between service users and avoid the escalation of difficult situations
  - A full understanding of safeguarding issues and procedures
  - An understanding of the Partners service requirements and procedures as well as those of local social care and health services
- 7.5 The deployment of staff specifically AMHP'S from any other partners to ensure that sufficient provisions are contained in their respective contractual employment agreements to allow for this to happen.

## 8. Engagement and communication

- 8.1 Regular communication should be facilitated to ensure people who are eligible for the service are aware of what the service can offer and how they can access it.
- 8.2 The service will facilitate regular Partner consultation and involvement with regard to the service, including the following areas:



- Policy and changes
- Monitoring of service delivery
- Service improvement and changes
- Major changes to the support service
- Service steer and delivery
- Commercial or financial impacts
- Inspections and peer reviews

There are shared and agreed protocols e.g. AMHP cross border protocol and notification of death protocol to ensure joint working with both LA and partner agencies.

EDS will be part of inter-agency reviews and meetings for strategic issues, information sharing and performance monitoring. These include representatives from the 6 Local Authorities, various Health departments within Pan Berkshire as well as TVP and voluntary sector departments

- 8.3 A formal Management Board will be established and required to meet on a six-monthly basis. This Management Board will comprise of nominated decision makers within each Partner organisation with the delegated authority to make key service decisions. This will include a full financial appraisal of the service provision in order to support the effective management of future demand.
- 8.4 Formalised quarterly review meetings will also be diarised with the Head of Service and Finance representative (or nominated delegate) by the Host Authority throughout the contract term. The Host Authority will be responsible for providing documented minutes of the meeting.
- 8.5 The Host Authority will encourage attendance and endeavour to find a suitable date and time for these meetings to be held, but will not be held accountable for the repeat unavailability of representatives from Partner organisations.
- 8.6 Monthly Information reports will be provided to each Partner which will provide each Partner with key service performance indicators. Details of which are contained within section 4 of this Specification.
- 8.7 The service will actively seek feedback from Partners and stakeholders throughout the Agreement term.
- 8.8 The above will be sought, encouraged and facilitated by the service using a number of methods that will maximise participation and it will ensure that where required support is provided to individuals to secure their engagement and gain their input.
- 8.9 The service operates a complaints procedure with stated response timescales. These procedures will be made widely in appropriate formats. Complaints and their outcomes should be logged and made available to the Host Authority upon request. Any serious complaints shall be reported to the Host Authority as a matter of urgency.

## **9. Individual Service Specification (ISS)**

- 9.1 An EDS Screening Officer will be the first point of contact to the Service:

- They will determine if the request falls within the EDS remit.
- They will determine if it is of a critical nature, or there are valid reasons why the request cannot await a response until the next working day or signposted to an alternative Agency.
- The information will be logged on the EDS system, and electronically sent to the Duty Manager.
- Duty Manager will triage, prioritise and allocate accordingly.
- All referrals and reports completed by practitioners on the EDS information management system are electronically send to individual Local Authorities and received by them at the start of the next working day.

9.2 The following statutory and primary tasks will be undertaken by the EDS team with regards to **Children & Young People:-**

- 9.2.1 Take emergency action under Child Protection procedures -Conducting child protection inquiries under section 47 of the Children Act 1989 i.e.
- 9.2.2 Joint interventions with health, Police, Parents/Carers and the relevant Agencies.
- 9.2.3 This will involve single/joint agency with the Police, strategy telephone discussions/meetings, 'Achieving Best Evidence' interview, forensic medicals and other duties as required.
- 9.2.4 EDS will safeguard children under Section 20 (CA 1989) and Section 46 (CA 1989) Police Powers of Protection where the threshold has been met. This will be undertaken in partnership with Police, relevant agencies and Parents.
- 9.2.5 Where the risk requires, EDS will consider the use of an Emergency Protection Order (EPO) under Section 44 (CA 1989) and Recovery Order under Section 50 (CA 1989).
- 9.2.6 Assess and provide services under S17 (CA 1989) – emergency accommodation or subsistence for children and their families.
- 9.2.7 Emergency family support to prevent family break downs and children being received into Partner accommodation when families are in crisis.
- 9.2.8 Make appropriate provision for Unaccompanied Asylum-Seeking Children (UASC). E.g. arranging accommodation, visits and subsistence.
- 9.2.9 EDS will not undertake Age Assessments given the legal ramifications due to the specialism surrounding such assessments.**
- 9.2.10 Acting as an Appropriate Adult for young people in custody under PACE 1984.
- 9.2.11 Responding to reports of all missing children. Taking required action where there are specific concerns around Child Criminal Exploitation (CCE) and Child Sexual Exploitation (CSE) or other vulnerable children.

- 9.2.12 Respond and consider all requests for Mental Health Act Assessments for children and young people.
- 9.2.13 Work in partnership in supporting children and families undergoing mental health crisis.
- 9.2.14 Follow Rapid response procedures following an unexpected or unexplained child death.
- 9.2.15 Attend Child Protection conferences where there is significant input to be offered by EDS.
- 9.3 The following statutory and primary tasks will be undertaken by the EDS team with regards to **Mental Health:-**
- 9.3.1 Respond to families and individuals who are in mental health crisis in collaboration with Partner Agencies including Crisis and Resolution Home Treatment Teams (CRHTT), Child and Adolescents Mental Health Services (CAMHS), Psychological Medical Service (PMS), Street Triage, Liaison and Diversion (L&D), Police and other emergency services.
- 9.3.2 Consider requests for Mental Health Act Assessments under MHA 1983 and undertake all the duties of an AMHP as stipulated in the MHA 1983 and the related legislation.
- 9.3.3 Approved Mental Health Professionals (AMHPs) will respond to requests for consultation by the Police under Section 136 MHA 1983.
- 9.3.4 Provide Appropriate Adults for vulnerable adults with mental health issues who are in custody under PACE 1984.
- 9.3.5 EDS AMHP arrangements will be as follows, as there are two sets of Approved Mental Health Professionals employed by EDS:
- 9.3.5.1 The first ones are those that are permanently employed and are approved to act as an approved mental health professional for the purposes of the Act, under Section 114, (1) of the Mental Health Act 1983 by Bracknell-Forest as the Host Local Social Service Authority (LSSA). In these circumstances Bracknell -Forest both approve and employ the AMHPs.
- 9.3.5.2 The second set of AMHPs are Relief/Sessional AMHPs that are employed and approved by the other Local Authorities in Berkshire. With the agreement of their approving Local Social Services Authority, the relief AMHPs are employed by Bracknell-Forest on a Relief Contract with EDS to fill any gaps on the rota. In these cases the AMHP's are employed by Bracknell-Forest whilst discharging functions under the EDS contract but they are approved by other LA's. The approving LA's expressly agree to allow their approved AMHP's to work for Bracknell-Forest for the purpose of discharging mental health services under the EDS contract.
- 9.3.5.3 Under the joint arrangements both sets of AMHPs act on behalf of the Berkshire Local Authorities as per Sections 13 (3) and 114 Mental Health Act 1983 (MHA) as amended by the Mental Health Act 2007.

The Act states that although an Approved Mental Health Professional (AMHP) can only be approved by one Local Social Services Authority, they can perform AMHP functions in the area of another authority but only if that authority has authorised the AMHP to perform such functions in its area.

9.3.5.4 Where the EDS AMHP have completed an assessment for detention under Section 2 MHA, this will be on behalf of one of the six Berkshire Local Authorities. The responsibility for making arrangements for a further assessment, for admission for treatment under Section 3 MHA, will remain with the Local Authority, identified by the EDS AMHP for the purposes of the Section 2 application as per Section 13(1)(b)(c) of the Mental Health Act 1983 as amended by the Mental Health Act 2007.

9.3.5.5 The current Cross Border Protocol for the six Local Authorities of Berkshire states that, in the exceptional case where the Local authority is misidentified by the EDS AMHP, the responsibility to carry out further assessment would lie with the Local authority, that should have been identified as having the duty to assess, under Section 13(1), although there is nothing to prevent any of the Local Authorities exercising their powers to arrange for an AMHP to consider a patient's case on their behalf if this were discussed and considered appropriate, see subsection Section 13(1) ss. (5), paragraph 14.37 of the Code of Practice and additional pointers highlighted in the Cross Border Protocol at 4.1.

9.4 The following statutory and primary tasks will be undertaken by the EDS team with regards to **Adults:-**

9.4.1 Assess and provide services for eligible adults under the Care Act 2014, Mental Capacity Act 2005, Pan Berkshire Adult Safeguarding Procedures and such other legislations that may be appropriate to work with vulnerable adults.

9.4.1.1 It is important to note that each Authority currently has different arrangements for Intermediate Care Service or Reablement. Any changes to current arrangements will be by mutual agreement between both EDS and the relevant Partner.

Current arrangements are as follows:-

**Bracknell:** EDS monitors and coordinates ICS referrals that require a service or for sharing information.

**Wokingham:** ICS is managed by Optalis – EDS coordinates hospital admission, call cancellations, additional calls requests and liaise with Optalis as necessary.

**West Berkshire:** ICS is managed by their in house service - EDS coordinates hospital admission, call cancellations, additional calls requests and liaise with the West Berkshire ICS Coordinator: West Berkshire have access to a night warden service. EDS can book this by calling the ICS Coordinator.

**Reading:** In-house Reablement service - EDS coordinate hospital admission, call cancellations. However additional calls requests are coordinated by EDS. Reading also have access to a night warden service. EDS can book this by calling the ICS Coordinator.

**Slough:** Have their own ICS in-house service. EDS signposts agencies, families and service users to the out of hours number.

**Royal Borough of Windsor and Maidenhead:** Reablement is managed by Optalis. EDS signpost agencies, families and service users to the out of hours number.

9.4.1.2 For all LAs EDS will assess and coordinate or signpost any Adult referrals relating to:

Welfare Visits/Calls

Night sitting services

Live In Care

Residential Care

Hospital Recall

Medication Errors

Pet feeding/Kennels

Carer breakdown

Deaths

Carer hospital admissions

9.4.2 Respond to Adult Safeguarding concerns under Section 42 of the Care Act 2014.

9.4.3 Single/joint assessment with police under the Berkshire Adult Safeguarding Policy & Procedures 2008.

9.4.4 Record of strategy discussion/meeting, arrangements made to safeguard the vulnerable adult until the next working day.

9.4.5 Assessment and arrangement of intermediate care to facilitate hospitals discharge or to avoid hospital admission in collaboration with other partners.

9.4.6 Provision of appropriate service where there is carer breakdown.

9.4.7 Support to carers and families in crisis

9.4.8 Responding to queries in respect of existing domiciliary care services.

9.5 The following statutory and primary tasks will be undertaken by the EDS team with regards to **Homelessness:-**

- 9.5.1 Responding and assessing under Homeless Reduction Act 2017 for Families who are No Recourse to Public Funds, Families who find themselves intentionally homeless and vulnerable adults.
- 9.6 The following statutory and primary tasks that fall under **Miscellaneous** will be undertaken by the EDS team:-
- 9.6.1 Any other additional services that may be required out of EDS remit, will be discussed and approved at the Quarterly Monitoring Meetings if appropriate.

### **Protocol for Contacting Emergency Duty Service Manager / Locality Authority Senior Manager**

- 9.7 Emergency Duty Service managers have the following responsibilities:-
- 9.7.1 During out of hours the EDS shifts are managed by an Assistant Team Managers (ATM) or a Shift Lead (who is usually one of the experienced senior social workers). The duty managers are responsible for management oversight of cases and any staffing and operational issues.
- 9.7.2 They are available on shift from 4:30pm-00:00 Monday to Friday and from 08:30-00:00 during weekends and bank holidays.
- 9.7.3 Outside of these hours there will be an on-call manager who is usually the ATM, the Team manager or Head of Service. Partners will be provided with an EDS management rota so that contact can be made if necessary.
- 9.7.4 EDS shift and on-call arrangements are operated on a Rota basis.
- 9.7.5 The Head of Service (or nominated individual of equal standing within service) shall always be on-call for escalation of complex and serious incidents and in their absence, the Assistant Director will be contactable
- 9.8 EDS practitioners should contact the on-call Emergency Duty Service Manager to:
- Discuss complex cases and major incidents.
  - Agreement to deploy standby social worker or any additional resources/support required for example family support worker/ night sitter.
  - For authorisation of any expenditure exceeding £500
  - Discuss any proposed accommodation of a child / adult
  - Death or serious injury of a Looked After Child or Child subject to child protection or Child in Need plan.
  - Death or injury of a child in any suspicious circumstances
  - Death or serious injury in unusual circumstances of any client child or adult in accommodation or receiving a service provided by the independent sector whether known or unknown to the Local Authority.
  - Major incident – includes serious injury to a child or adult that is known to services or a serious 'near miss'.
  - Advise of allegations of abuse against Social Care staff
  - Advise on any significant disciplinary issues
  - Media contact or request to contact the media
  - Any other significant matter

9.9 The responsibilities of Partner's Senior On Call Managers are as follows:-

9.9.1 Each Partner is required to send a monthly list of senior 'on call' managers that will be available for contact outside of normal office hours for both children and adult social care. The Emergency Duty Service will make every effort to avoid calling except in emergency or agreed circumstances.

9.10 EDS Practitioners should contact the on-call Local Authority Managers for:

- Proposed need to accommodate a child with in-house or in Independent Fostering Agency/accommodation provision.
- For authorisation for any monthly expenditure exceeding £500
- Major incident – as above
- Death of a child in any suspicious circumstances
- Death or serious injury in unusual circumstances of any client child or adult in accommodation or receiving a service provided by the independent sector whether known or unknown to the Local Authority.
- The use of additional resources/support where there will significant financial implications on the Local Authority
- Media contact or request to contact the media
- Any other significant matter

9.11 The following procedures for Information Sharing – Child Protection and Data base Checks will apply to this Agreement:

9.11.1 The Emergency Duty Service provides crisis intervention to all people, young or old who may require urgent intervention from Social Care Services outside of normal office hours. As such the Emergency Duty Service is often the first point of contact for the police, paramedics and health professionals such as A&E staff.

9.11.2 The Emergency Duty Service is often asked to share personal information from all said agencies. Information sharing is often necessary to enable early intervention and preventative work for safeguarding and promoting welfare and for the wider public protection. It is therefore paramount that practitioners at the Emergency Duty Service can share information appropriately and confidently.

9.11.3 The Emergency Duty Service has access to all the Berkshire Partner data bases for both Adults and Children and Families known to social care and other related services. As such the Service is contacted by many agencies requesting information where there are concerns about a child or a vulnerable adult or to just check if a client is open to services. This in most cases enables the enquirer to make informed decisions about the necessary intervention to support or safeguard children and vulnerable adults jointly with EDS.

9.11.4 Any disclosure of information by EDS should be necessary to ensure the safeguarding, support planning and resource allocation for clients and not as a routine administrative procedure by A&E departments.

The EDS team will have 'read only' access only to all six Unitary Authorities data bases both Adult and Children. EDS have full access to the mental

health database RIO. Service Level Agreements are in place with each of localities re the accessing of databases. However, it is not expected that general recording onto the data bases will be made by EDS. Rather the EDS report will be provided in a timely manner each morning enabling Partners to scan or enter the details onto their systems.

## SECTION 2 – Timeframe and Financial Envelope

### 10. Timeframes

10.1 The following timescales apply to this agreement:-

<b>Start date:</b> 11 August 2020	<b>End date:</b> 31 July 2027	<b>Duration:</b> 7 years
--------------------------------------	----------------------------------	-----------------------------

10.2 Any termination of services will be in accordance with Clause 19 of this Agreement

### 11. Financial Envelope

11.1 Anticipated costs of the service are detailed below:-

Year 1	Year 2	Year 3
<b>£228,490</b>	To be provided by December 2020 based on current years activity	TBC

11.2 For each Financial Year of the Contract Period the equal shared cost of the Parties payable by each of the Parties (“the Allocated Costs”) is as shown in Appendix A to this Specification.

11.3 A more detailed explanation of the Allocated Costs which will be equally shared across all Partners of the service can be found within Appendix A of this Specification (Charging model)

11.4 Payment for the service are accounted for within the Berkshire joint arrangement. This consolidates several different services and calculates payments to / from Berkshire authorities without the requirement to raise invoices. The joint arrangement requires payments to be made on a quarterly basis. As with other services within the joint arrangement, the Host Authority adds on 6% to the cost to cover overheads.

11.5 In addition to its contribution towards the Out-Turn Amount each of the Other Parties shall pay to the Host Authority all payments made to other persons or organisations and other disbursements incurred in providing the Service which are met by the Host Authority on behalf of each of the Other Parties. This will include any payments made using a Corporate Purchasing card in order to make emergency third party provider payments with a tolerance of up to £500 per partner without requiring further approval. Any expenditure exceeding this limit will follow standard authorisation procedures and



- require prior approval by the Partner organisation before proceeding.
- 11.6 The Host Authority will provide a full breakdown of expenditure as part of a monthly information report. The agreed figure of £500 per authority will only be changed by the Host authority with the written agreement from the relevant Berkshire authority.
- 11.7 The Host Authority shall use its reasonable endeavours to ensure that the Out-Turn Amount is kept within the Approved Budget so far as is reasonably practicable or if it is not reasonably practicable that the excess of the Out-Turn Amount over the Approved Budget is kept to the minimum reasonably practicable.
- 11.8 Future budgets will be set in accordance with Clauses 11 and 14 of the Agreement

### **SECTION 3 – Areas to develop during the lifetime of the commission**

#### **12. Future areas of development to be carried out during the Agreement term**

- 12.1 Quarterly review meetings will require both Head of Service and finance representation. One of the primary focuses will be to focus on effectively managing future demands as a means of controlling costs of the service. The Host Authority will be required to provide management data to support these discussions in a timely manner.
- 12.2 Effective delivery of the service requires ongoing collaboration with Partners. The Host Authority will therefore continue to work with Partners throughout the Agreement term to ensure effective communication.
- 12.2.1 Prior to commencement of this Agreement, Partners will be provided with suggested wording for both their recorded messaging and website information relating to the Emergency Duty Service. Whilst it is not mandatory that Partners adhere to this request, the Host Authority requires Partners to consider whether their current messaging clearly outlines the importance of it being an Emergency service as opposed to Out of Hours.
- 12.3 The Host Authority will continue to work with Partners to ensure that the Performance data provided satisfies each Partners ability to meet statutory obligations.
- 12.3.1 The Host Authority will be required to provide a number of Key Performance Indicators in accordance with Section 5 of this Specification.
- 12.3.2 Additional requests will be dealt with in accordance with Section 5 of this Specification and clauses 11 of the agreement.
- 12.4 Partners will be required to update the EDS in a timely manner of any changes to services or closures of services within their locality that may impact on the EDS.

## SECTION 4 - Working with other commissions and partners

### 13. Requirements of our Partners and Commissioners

#### 13.1 Each of the Partners shall:

- 13.1.1 provide a rota to the Host Authority using a standard template provided to each Partner prior to the commencement of this Agreement., and notify of any changes to the rota, of on-call senior representatives who can be contacted by the EDS i.e. expenditure, placing a child in local authority care and any serious cases which may attract media attention. The Partners shall keep the Host Authority notified of any changes made to their Secure Email contact details.
- 13.1.2 on a weekly basis each other Partner will forward to the Host Authority a list of available local authority foster care placements and independent foster care accommodation using a standard template provided to each Partner prior to the commencement of this Agreement.
- 13.1.3 on commencement of the Agreement each other Partner will provide the Host Authority with a comprehensive list of all recognised Frameworks that they are currently signed up to for use by the Host Authority. Partners will be required to review and update this list as part of the weekly return of information.
- 13.1.4 Where the Partner fails to provide an up to date list of available Placement Frameworks or fails to ensure that the information stored by the Host Authority is current, the Host Authority will look to make a placement outside of any Agreement in line with existing authorisation protocols. The Host Authority will not be held accountable for the cost or regulation of any placement providers that the Host Authority are forced to use in instances where the Partner has not adhered to the conditions of 13.1.3 or 13.1.4 alike.
- 13.1.5 on commencement of the Agreement each other Partner will provide the Host Authority with a copy of their Sufficiency Plan. It will be the Partners responsibility to ensure that any changes to this plan that take place during the course of the Agreement are communicated in a timely manner to the Host Authority. The Host Authority will be required to refer to this Plan in the absence of any available placements.
- 13.1.6 on a weekly basis send 'extracts' sometimes known as 'imports' to ensure the EDS MIS database records remain current and up to date
- 13.1.7 on a daily basis provide the Host Authority with an up to date list of those individuals who have already been assessed and accommodated elsewhere, in order to ensure that the Host Authority is able to make an assessment on whether emergency accommodation should be provided
- 13.1.8 in order to fulfil statutory duties and to ensure the delivery and provision of the Service, afford the Host Authority access to the data held by that other Partner on their Social Services and Housing Management information systems via GCSX connection only, or, following prior notification to the Host

Authority that access to the data held by the other Partner on their Social Services and Housing Management information systems is to be withdrawn or altered, ensure that alternative arrangements are made to allow the Host Authority access to social services data of the other Partner by a method and manner which is sufficient to enable the Service to be properly provided and which will not involve additional costs being incurred by the Host Authority

- 13.1.9 give notice in writing to the EDS Head of Service when it becomes apparent that an EDS Officer's attendance, participation or interview will be required in any formal processes including but not limited to legal proceedings and complaint procedures
- 13.1.10 ensure that at all times any employee is available to be contacted by the Host Authority if a decision in providing the Service has to be taken which is not within the Specification
- 13.1.11 ensure that the employee available for contact pursuant to the above is properly authorised to take all appropriate decisions in connection with the Service
- 13.1.12 keep the Host Authority properly and accurately informed as to the identity and telephone number and fax number of the employee available to the Data Sharing Agreement with the Host Authority if in the view of the Host Authority, it is appropriate.
- 13.1.13 provide the Host Authority with a planned schedule of ICT maintenance work and work with the Host Authority to agree reasonable work arounds during this time.
- 13.1.14 provide the Host Authority where possible with an emergency Out of Hours ICT contact to cover the service times specified in 5.1 of this Specification. This must be submitted using the standard template provided to all Partners prior to the Agreement commencement date. However, in the absence of out of hours ICT provision, the Host Authority will not be deemed responsible for delays incurred in accessing information due to an inability to access systems. Normal protocols for escalating to the appropriate manager will remain if unable to access the system data.

### 13.2 The Host Authority shall:

- 13.2.1 use the 'extracts' or reports provided by the Partner for contingency and to save the Host Authority creating a client record only. The live database provided will at all times be used (unless not available) to view Client Information
- 13.2.2 contact the Partners IT provider, as notified by the Partners in accordance with 13.1.12, as soon as reasonably practical, if the live system is not available
- 13.2.3 will contact the Partner if there are issues with staffing levels and will do its best to ensure staffing levels are maintained
- 13.2.4 provide a response to the Partner during normal office hours. A message facility is available should the office be unmanned.

## SECTION 4 - Performance Management

### 14. Key Performance Indicators and Outcomes

14.1 The Host Authority will report on the delivery and performance of the service to Partners and other stakeholders (as appropriate) on a monthly basis to ensure Partner's ability to conform to their statutory obligations. This will include:

- Performance against set KPI's

#### KPIs

No	KPI	Method of Measurement	Frequency of Reporting
KPI 1	Monthly breakdown of total calls	MI report	Monthly
KPI 2	Total call times in hours and minutes	MI report	Monthly
KPI 3	Breakdown of each user group with the number of monthly referrals	MI report	Monthly
KPI 4	Monthly breakdown of adult safeguarding cases with qualitative data	MI report	Monthly
KPI 5	Monthly breakdown of adult social case cases with qualitative data	MI report	Monthly
KPI 6	Monthly breakdown of adult mental health cases with qualitative data	MI report	Monthly
KPI7	Monthly breakdown of MHAA with qualitative data	MI report	Monthly
KPI8	Monthly breakdown of S.47 referrals with qualitative data	MI report	Monthly
KPI9	Monthly breakdown of CIN referrals with qualitative data	MI report	Monthly
KPI10	Monthly breakdown of LAC referrals with qualitative data	MI report	Monthly
KPI11	Monthly breakdown of Missing children referrals with qualitative data	MI report	Monthly
KPI12	Monthly breakdown of placement breakdown with qualitative data	MI report	Monthly
KPI13	Monthly breakdown of Appropriate Adults requests with qualitative data for both Young People and Vulnerable Adults.	MI report	Monthly
KPI14	Monthly breakdown of cases of homelessness / housing / SWEP with qualitative data	MI report	Monthly
KPI15	Breakdown of each user group with the number of monthly referrals	MI report	Monthly
KPI16	Monthly breakdown of adult safeguarding cases with qualitative data	MI report	Monthly
KPI17	Monthly breakdown of adult social case cases with qualitative data	MI report	Monthly
KPI18	Monthly breakdown of adult mental health cases with qualitative data	MI report	Monthly
KPI19	Monthly breakdown of MHAA with qualitative data	MI report	Monthly

- 14.2 Any additional Key Performance Indicators requested by an individual Partner should be requested in writing to the Host Authority.
- 14.3 With the exception of legislative changes, additional Key Performance Indicators will only be additions to the Agreement with the agreement of the Host Authority.
- 14.4 Where an agreement between all Parties cannot be reached, Clause 41 of the Agreement shall apply.
- 14.5 The Host Authority reserves the right to charge a Partner for any addition and should be dealt with in accordance with Clause 11 and 14 of the Agreement. The Host Authority will be required to provide evidence to the Partner of the additional work involved in producing the additional request where an additional cost is involved.
- 14.6 Charges for additional requests will be calculated as per Clause 14.5 of the Agreement
- 14.7 Where a change to Key Performance indicators affect more than four Partners, the Management Board will have decision making powers to apply Clause 14.5 to the Approved Budget with the intent that all Partners shall contribute to any additional costs attributable to the variation according to the Allocated Costs of the Out-Turn Amount for which they are otherwise liable with 30 days' notice. These measures subject to clauses 11 and 14 of the Agreement.
- 14.8 The Head of the EDS will provide an Annual Report to Partners in March of every year

## **15. Monitoring and Review of Service Provision**

- 15.1 The Host Authority will co-operate with monitoring and evaluation activities undertaken by the Partner in relation to this Agreement.
- 15.2 Monitoring referred to above is additional to any requirements made by the appropriate registration and inspection body or any other regulatory body or organisation.
- 15.3 Copies of any Host Authority policies should be made available to the Partner upon request.
- 15.4 The Partner will be entitled to monitor the Host Authority's performance of its obligations under this Agreement by whatever reasonable means that it considers appropriate, provided that the Partner exercises that right in a reasonable and considerate manner, so as not to cause any unreasonable disturbance or inconvenience to either the Host Authority or the day to day operation of the Service.
- 15.5 The Host Authority will undertake quarterly strategy meetings with designated Partner managers and commissioners of the appropriate sign off level. A finance representative from the Host Authority will also be in attendance where possible unless not required by the Partner manager.

- 15.6 A Management Board will be established prior to the commencement of this Agreement. This Board will require each Partner to nominate a representative to perform the following duties:-
- Monitor progress against published plans and actions
  - Monitor spend against budget
  - Resolution of issues
  - Management of risks and dependencies
  - Management of changes
  - Provide resources and information at an appropriate level to ensure that effective service delivery is achieved
  - Review and advise action for any tolerance breaches, exception reports and recommendations provided by the Host Authority's Head of Service
  - Can recommend the closure or extension of the group, subject to effectiveness
- 15.7 Where a Partner fails to provide a representative on 2 or more consecutive meetings, the Management Board will retain the right to make a decision on behalf of all Partners in their absence.
- 15.8 The Host Authority will retain responsibility for organising and minuting Management Board meetings, in addition to the distribution of minutes to all Partners of the Agreement in a timely manner, however Partners of the service may be requested to host from time to time.
- 15.9 The Host Authority will ensure that any performance data required to perform these duties is made available at least 3 working days prior to any meeting held.

## SECTION 5 - Quality

### 16. Governance

- 16.1 As a minimum requirement, the Partner expects the provider to have in place and be working to the following policies and procedures. Where the Policy is owned by the Host Authority, it is expected that these documents are refreshed and reviewed at least bi-annually.
- Equality and Diversity policy
  - Business continuity plan
  - Incident reporting and recording
  - Safeguarding policy and procedures
  - Data Protection policy and Information Sharing policy
  - Compliments, Complaints and Whistleblowing policy
  - Disciplinary and Grievance policy and procedures
  - Lone Worker policy and procedures
  - Recruitment, Training and Induction policy and procedures
  - Customer involvement policy and procedures
  - Staff supervision
- 
- Children Act 1989 (amended 2004 and 2017)
  - Children and Families Act 2014,
  - Pan Berkshire Children Safeguarding Procedures and such other legislations that may be appropriate to work with children and Families.

- Mental Health Act 1983 (amended 2007)
- Policing and Crime Act 2017
- Care Act 2014
- Mental Capacity Act 2005
- Pan Berkshire Adult Safeguarding Procedures and such other legislations that may be appropriate to work with vulnerable adults.
- Homelessness Reduction Act 2017

- 16.2 The Host Authority shall provide the Partner with a copy of the policy and updates as requested.
- 16.3 The relevant policy and procedure will be made clear to Staff via induction, training and development, Staff meetings and supervision.
- 16.4 The Host Authority shall comply with all Legislation, regulatory requirements and codes of practice applicable to the provision of the Services and shall comply with all further reasonable written requirements and instructions of the Partner in relation to any ISS.

## **17. Local Government Ombudsman**

- 17.1 Under the Local Government Act 1974, Section 26(1) and Social Care Ombudsman, the local government ombudsman may investigate a complaint about an action taken by the Host Authority when undertaking work on behalf of any Partner.
- 17.2 The Host Authority will co-operate fully with any such investigation and will reimburse the Partner any payment made to a complainant by the Partner, either when an investigation by the ombudsman takes place, to a finding of maladministration and injustice as a result of fault by the Host Authority, or where a payment is made under the terms of an early settlement of a complaint to the ombudsman without a formal investigation and report.

## **18. Emergency Duty Team Contact details**

- 18.1 Out of Hours Operational Telephone Number: 01344 786 543

Daytime Office Number: 01344 786 512

Head of Service Number: 01344 786 534

Team Manager: 01344 786 6545

E-mail: [Emergency.Duty-Team@bracknell-forest.gov.uk](mailto:Emergency.Duty-Team@bracknell-forest.gov.uk)

Address: (Not to be disclosed to members of the public)

The Commercial Centre  
Old Bracknell Lane West,  
Bracknell  
RG12 7QT

## 19. Documents related to this Specification

- |      |                          |  |
|------|--------------------------|--|
| 19.1 | Schedule 1<br>Appendix A | Specification document v4<br>Charging Model<br>Master Agreement v4 |
|------|--------------------------|--|



**JOINT ARRANGEMENT FOR A SOCIAL SERVICES EMERGENCY DUTY TEAM (EDT)****APPENDIX A CHARGING MODEL**

- 1.1 The recharging model contains two elements:
- Equal shared cost element
  - Variable Cost - Remaining cost of service based on the amount of time EDT spends on delivering the service to individual Partners
- 1.2 Equal Shared costs are those costs that will be equally distributed across all Parties of the Agreement and can be found listed in the table below.
- 1.3 Any amendments to Equal Shared costs will be done so by the Host Authority in accordance with Clause 11.7 of the Agreement
- 1.4 The equal shared cost will be made up of the following charges, to be split equally across all Partners

Spend Category	Equal Shared cost Total £	Total amt per Partner £
<b>Equal Shared Costs (Fixed Costs):</b>		
<b>Salary Costs:</b>		
- Head of Service	87,500	14,583
- Team Manager	73,460	12,243
- Business Services Manager	41,880	6,980
- Administrators	44,360	7,393
- Past Service Deficit	58,590	9,765
<b>Non-Salary Costs:</b>		
- Staff Advertising / Recruitment Costs	3,000	500
- Staff Training & Subscriptions	10,680	1,780
- Premises	24,800	4,133
- Leased Cost / Insurance and Management Costs of Vehicles	9,500	1,583
- Equipment & Furniture	6,000	1,000
- Printing, Stationery & Postage etc	2,100	350
- Telephones (including recording system)	4,000	667
- Computer Maintenance / Software	7,000	1,167
- Pocketpals	5,000	833
- Other Costs	1,880	313
6% Joint Arrangement Overhead	22,780	4,556

Please note: The role of Head of Service will be subject to an official job evaluation process as a priority and therefore any changes will be communicated to Partners in line with the clauses set out in the Agreement. Please refer to clauses 11 and 14 of the Agreement.

- 1.5 'Variable costs' are the salaries and employer on costs of the social workers. Apportionment of the variable costs is on the basis of recorded caseload, which social workers enter onto MIS, the information system; this includes the social worker recording how much time an individual episode working with an individual person took, together with the relevant client group. As each 'individual' belongs to an authority, this

gives the total hours recorded per authority. This figure is divided by the total hours across authorities to give a percentage share for each authority

- 1.6 Projected annual cost for the provision of this service to **Royal Borough of Windsor & Maidenhead** is as follows:-

Equal Shared Cost 20/21	£67,850
Projected Variable Cost 20/21	£160,640
<b>Projected Total Service cost 20/21</b>	<b>£228,490</b>

- 1.7 Each Partner will be provided with specific Performance indicators on a monthly basis detailing the monthly breakdown of calls in line with the full list of indicators found within Section 4 of the Specification.
- 1.8 In addition, a full overview of variable charges will be provided to Partners on a Quarterly basis as part of a formalised review meeting covering both finance and performance data
- 1.9 Any significant increases to the total cost of service delivery shall also be flagged and reported to the Management Board in accordance with Clause 41.2 of the Agreement.
- 1.10 Forecasted budget figures will be provided in November of each year to cover the following financial period to support effective future budget setting. These matters will be dealt with in accordance with clauses 11 and 14 of the Agreement.

#### Current Contractual Level of staffing:

Head of Service	1.00 FTE
Team Manager	1.00 FTE
Business Services Manager	1.00 FTE
Administrator / AA Co-Ordinator	1.00 FTE
Administrator	0.43 FTE
Assistant Team Manager (Children's)	2.00 FTE
Assistant Team Manager (AMHP Lead)	1.00 FTE
Senior Child Care Practitioners	4.98 FTE
AMHP's	4.00 FTE
Adult Safeguarding & Hospital Discharge / Avoidance Officer	2.00 FTE
Screening Officer	3.50 FTE

**Bracknell Forest Borough Council**  
**People Directorate**  
**Time Square**  
**Market Street**  
**Bracknell**  
**RG12 1JD**

# ROYAL BOROUGH OF WINDSOR & MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

ESSENTIAL INFORMATION										
<b>Item being assessed</b> (Please tick):	Strategy		Policy		Plan		Project		Service/Procedure	Y
<b>Responsible Officer:</b>	Lynne Lidster				<b>Service:</b>	Strategy and Commissioning				
					<b>Directorate:</b>	Adults, Health and Commissioning				
STAGE 1: EqIA SCREENING (MANDATORY)					STAGE 2: FULL ASSESSMENT (IF APPLICABLE)					
<b>Date created:</b>	20/05/2020				<b>Date created:</b>					
					<b>Date reviewed by Law &amp; Governance:</b>					
<b>Approved by Head of Service / Overseeing group/body / Project Sponsor:</b>	<i>"I am satisfied that an equality impact has been undertaken adequately."</i>									
	<b>Signed:</b>	Lynne Lidster								
	<b>Date:</b>	25 June 2020								

### GUIDANCE NOTES

### **What is an EqlA and why do we need to do it?**

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with 'protected characteristics' and those without them.
- Fostering good relations between those with 'protected characteristics' and those without them.

EqlAs are a systematic way of taking equal opportunities into consideration when making a decision, and should be conducted when there is a new or reviewed strategy, policy, plan, project, service or procedure in order to determine whether there will likely be a detrimental and/or disproportionate impact on particular groups, including those within the workforce and customer/public groups.

### **What are the “protected characteristics” under the law?**

The following are protected characteristics under the Equality Act 2010: age; disability (including physical, learning and mental health conditions); gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

### **What's the process for conducting an EqlA?**

The process for conducting an EqlA is set out at the end of this document. In brief, a Screening Assessment should be conducted for every new or reviewed strategy, policy, plan, project, service or procedure and the outcome of the Screening Assessment will indicate whether a Full Assessment should be undertaken.

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### **Openness and transparency**

RBWM has a 'Specific Duty' to publish information about people affected by our policies and practices. Your completed assessment should be sent to the Strategy & Performance Team for publication to the RBWM website once it has been signed off by the relevant manager, and/or Strategic, Policy, or Operational Group. If your proposals are being made to Cabinet or any other Committee, please append a copy of your completed Screening or Full Assessment to your report.

### **Enforcement**

Judicial review of an authority can be taken by any person, including the Equality and Human Rights Commission (EHRC) or a group of people, with an interest, in respect of alleged failure to comply with the general equality duty. Only the EHRC can enforce the specific duties. A failure to comply with the specific duties may however be used as evidence of a failure to comply with the general duty.

**1.1 What is the overall aim of your proposed *strategy/policy/project etc* and what are its key objectives?**

This screening accompanies a report to Cabinet for the approval to award the Emergency Duty Service contract to Bracknell Forest Council for a period of seven years. The overall aim of the Emergency Duty Service is to provide an emergency social services provision for both adults and children and emergency homelessness advice and support.

**1.2 What evidence is available to suggest that your proposal could have an impact on people (including staff and customers) with protected characteristics?**

*Consider each of the protected characteristics in turn and identify whether your proposal is **Relevant** or **Not Relevant** to that characteristic. If **Relevant**, please assess the level of impact as either **High / Medium / Low** and whether the impact is **Positive** (i.e. contributes to promoting equality or improving relations within an equality group) or **Negative** (i.e. could disadvantage them). Please **document your evidence** for each assessment you make, **including** a justification of why you may have identified the proposal as “Not Relevant”.*

Protected characteristic	Relevance	Level	Positive / Negative	Evidence
<b>Age</b>	Relevant	High	Positive	The emergency out of hours care and support provided is for all residents in the borough. This is an out of hours service that will have a positive impact on an individual's health and wellbeing in providing emergency social services for adults and children and people who are homeless.
<b>Disability</b>	Relevant	High	Positive	
<b>Gender reassignment</b>	Relevant	High	Positive	
<b>Marriage and civil partnership</b>	Relevant	High	Positive	
<b>Pregnancy and maternity</b>	Relevant	High	Positive	
<b>Race</b>	Relevant	High	Positive	
<b>Religion or belief</b>	Relevant	High	Positive	
<b>Sex</b>	Relevant	High	Positive	
<b>Sexual orientation</b>	Relevant	High	Positive	

## OUTCOMES, ACTION & PUBLIC REPORTING

Screening Assessment Outcome	Yes / No / Not at this Stage	Further Action Required / Action to be taken	Responsible Officer and / or Lead Strategic Group	Timescale for Resolution of negative impact / Delivery of positive impact
<b>Was a significant level of negative impact identified?</b>	No	None	Lynne Lidster	Positive impact upon contract implementation date (01.08.20)
<b>Does the strategy, policy, plan etc require amendment to have a positive impact?</b>	No	None	Lynne Lidster	Positive impact upon contract implementation date (01.08.20)

If you answered **yes** to either / both of the questions above a Full Assessment is advisable and so please proceed to Stage 2. If you answered "No" or "Not at this Stage" to either / both of the questions above please consider any next steps that may be taken (e.g. monitor future impacts as part of implementation, re-screen the project at its next delivery milestone etc).

**All completed EqIA Screenings are required to be publicly available on the council's website once they have been signed off by the relevant Head of Service or Strategic/Policy/Operational Group or Project Sponsor.**

## STAGE 2: FULL ASSESSMENT

### 2.1 SCOPE & DEFINE

**2.1.1** Who are the main beneficiaries of the proposed strategy / policy / plan / project / service / procedure? *List the groups who the work is targeting/aimed at.*

**2.1.2** Who has been involved in the creation of the proposed strategy / policy / plan / project / service / procedure? *List those groups who the work is targeting/aimed at.*

**2.2 INFORMATION GATHERING/EVIDENCE**

**2.2.1** What secondary data have you used in this assessment? *Common sources of secondary data include: censuses, organisational records.*

191

**2.2.2** What primary data have you used to inform this assessment? *Common sources of primary data include: consultation through interviews, focus groups, questionnaires.*

Equality Duty Statement	Protected Characteristic	Advancing the Equality Duty		Negative impact		Explanation & Mitigations
		Does the proposal advance the Equality Duty Statement in relation to the protected	If yes, to what level? (High / Medium / Low)	Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	
						Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic

		characteristic (Yes/No)				
Eliminate discrimination, harassment, victimisation	Age					
	Disability					
	Gender reassignment					
	Marriage and civil partnership					
	Pregnancy and maternity					
	Race					
	Religion or belief					
	Sex					
	Sexual orientation					
Advance equality of opportunity	Age					
	Disability					
	Gender reassignment					
	Marriage and civil partnership					
	Pregnancy and maternity					
	Race					
	Religion or belief					
	Sex					
	Sexual orientation					
Foster good relations	Age					
	Disability					
	Gender reassignment					
	Marriage and civil partnership					

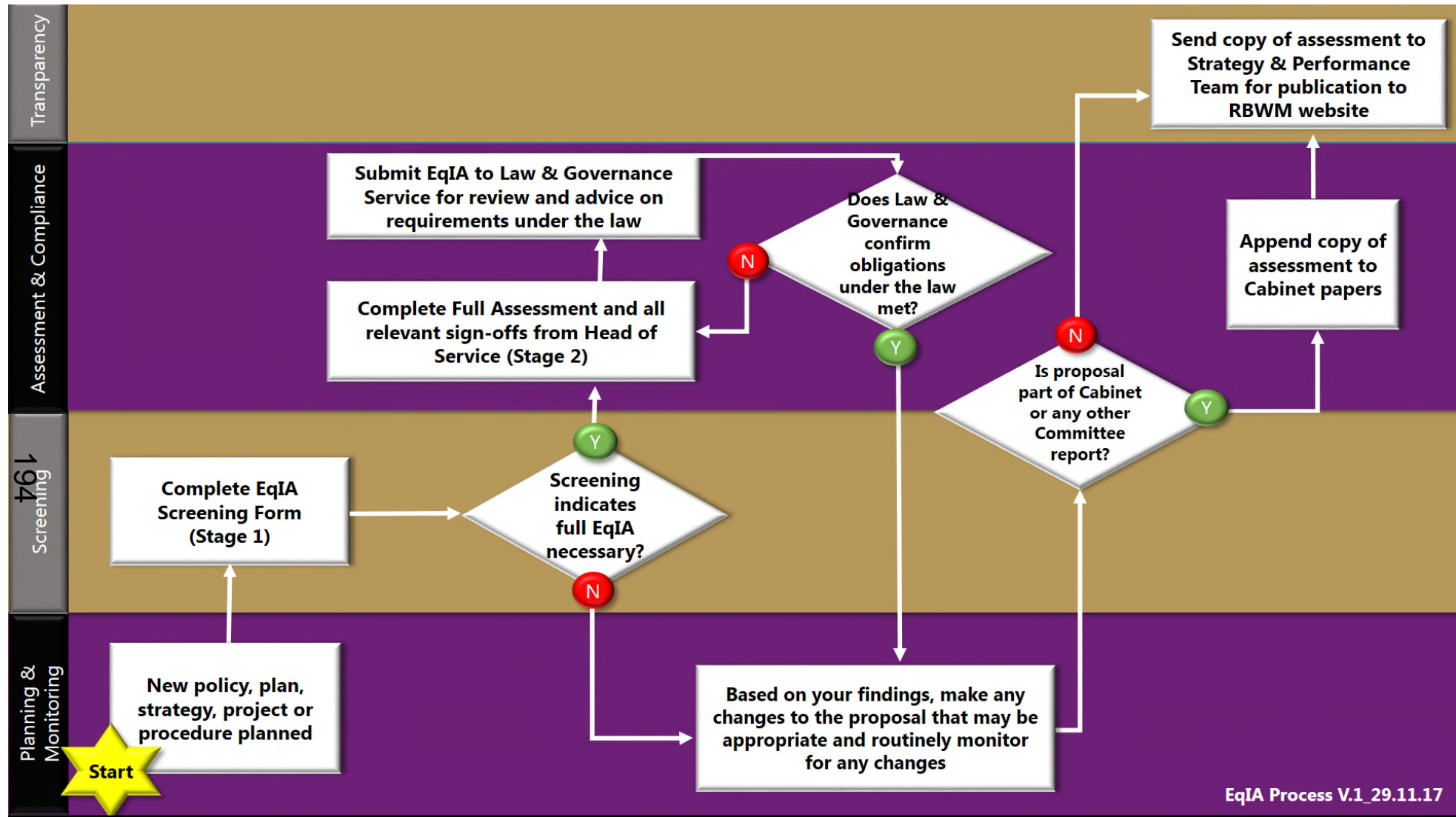
192



	Pregnancy and maternity					
	Race					
	Religion or belief					
	Sex					
	Sexual orientation					

**2.4 Has your delivery plan been updated to incorporate the activities identified in this assessment to mitigate any identified negative impacts?**  
*These could be service, equality, project or other delivery plans. If you did not have sufficient data to complete a thorough impact assessment, then an action should be incorporated to collect this information in the future.*

# EqIA Process



Report Title:	<b>Finance Update: July 2020</b>
Contains Confidential or Exempt Information?	No - Part I
Member reporting:	Councillor Hilton, Lead Member for Finance and Ascot
Meeting and Date:	Cabinet – 30 July 2020
Responsible Officer(s):	Andrew Vallance, Head of Finance and Deputy S151 Officer
Wards affected:	All

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## REPORT SUMMARY

- 1 This report sets out the financial position of the Council in respect of the 2020/21 financial year as at the end of Month 2.
- 2 The report reviews the various element of the council's financial position including the revenue budget and its funding, the capital programme, and the council's financial reserve position.
- 3 The report reviews the main areas of financial risk impacting on the revenue and capital budgets and in respect of these risks sets out the assumptions that underpin the forecast position for the year.

## 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION: That Cabine notes the report andt:**

- i) **Notes the council's projected revenue & capital position for 2020/21.**
- ii) **Notes the budget movements;**
- iii) **Approves the Capital variances and slippage.**
- iv) **Approves a fully funded capital budget addition of £500,000 for SEND Special Provision. See 11.2 for further information.**
- v) **Approves a virement of £200,000 from the Secondary Expansions Risk Contingency to Bisham General Refurbishment. See 11.3 for further information.**
- vi) **Approves a fully funded capital budget addition of £87,000 for a Wider Area Growth Study. See 11.4 for further information.**
- vii) **Approves a fully funded capital budget addition of £140,000 for the Emergency Active Travel Fund. See 11.5 for further information.**
- viii) **Approves a fully funded capital budget addition of £381,000 for design and construction changes to Braywick Leisure Centre. See 11.6 for further information.**

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

- 2.1 Cabinet are requested to note the council's financial position.

### 3. KEY IMPLICATIONS

**Table 1: Key implications**

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
General Fund Reserves Achieved	<£6,370,000	£6,370,000 to £6,500,000	£6,500,001 to £16,900,000	> 16,900,000	31 May 2021

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The council revenue budget position and projected outturn for 2020-21 as at the 31<sup>st</sup> of May 2020 is shown in **Table 2** below. As this is the first report of 2020-21 there are no previously reported variances and therefore no changes to date.
- 4.2 The current projected outturn position for the council is an adverse variance of £4,158,000 in 2020-21 including net costs for COVID-19 of £6,918,000, this results in a pre Covid projected favourable variance of £2,760,000 and a general fund reserve outturn of £1,855,000.
- 4.3 The service budgets of £86,531,000 project an adverse variance of £12,112,000 including COVID19 costs of £13,218,000 resulting in a pre Covid projected favourable service variance of £1,106,000.
- 4.4 Non service budgets of £8,144,000 are projected to be underspent by £7,954,000 this includes £6,300,000 of COVID19 grant resulting in a favourable variance on non-services of £1,654,000.
- 4.5 As approved in the 2020-21 budget £1,519,000 is transferred to general fund reserves from the Business rates volatility reserve leaving £750,000 in that reserve to fund future business rates risk when required.
- 4.6 The underspend of £162,000 on pension deficit recovery arises as a result of the council prepaying their annual pension deficit payment and receiving a discounted rate for doing so.
- 4.7 A full breakdown of variances against each service area is attached at **appendix A** and the reconciliation of the projected variance to that included in the Budget Reports 2020/21 that went to council on 25th February 2020 is set out in the table below:

**Table 2: Summary Revenue budget position**

Directorate	Current Budget £000	Forecast Outturn £000	Forecast Outturn Variance £000
<b>Managing Director</b>	2,909	2,880	(29)
<b>Adult Health &amp; Commissioning</b>			
- Adult Social Care	36,130	37,150	1,020
- Commissioning Infrastructure & other	11,552	15,869	4,317
<b>Resources Directorate</b>	10,402	9,810	(592)
<b>Place Directorate</b>	2,347	8,502	6,155

Directorate	Current Budget £000	Forecast Outturn £000	Forecast Outturn Variance £000
<b>Children's Services</b>	23,191	24,432	1,241
<b>Total Service Expenditure</b>	<b>86,531</b>	<b>98,643</b>	<b>12,112</b>
Non service expenditure	8,144	190	(7,954)
<b>Net Revenue Budget</b>	<b>94,675</b>	<b>98,833</b>	<b>4,158</b>
<b>Special Expenses</b>	(1,217)	(1,217)	0
<b>Transfer to / from Reserves</b>	0	(4,158)	(4,158)
<b>Gross Ctax Requirement</b>	<b>93,458</b>	<b>93,458</b>	<b>0</b>

#### 4.8 Table 3: Significant service variances over £1,000,000 to 31.05.20.

SIGNIFICANT VARIANCES OF £1,000,000 ACROSS ALL DIRECTORATES	
SERVICE	£,000
Children's Services Achieving for Children contract	1,108
Commissioning – Infrastructure	4,210
Corporate Management & Contingency	(1,300)
Communities	3,060
Property Service	1,568
<b>TOTAL SIGNIFICANT VARIANCES</b>	<b>8,646</b>

A summary of the significant variances to May 2020 is shown in **Table 3 above**, further details can be found in the report as detailed below:

- **Children's services adverse variance of £1,108,000** is a result of lost income, additional staffing and placement costs both during and following the COVID19 lockdown period. Further details are on page 18-23 of this report.
- **Commissioning – Infrastructure adverse variance of £4,210,000** is as a result of lost income from car parking mainly during the COVID19 lockdown period. Further details are on page 10-12 of this report.
- **Corporate Management and contingency favourable variance of £1,300,000** is the release of contingency for unachievable savings that are reported within the appropriate service areas.
- **Communities adverse variance of £3,060,000** mainly arises as a result of the change in leisure concession contract and loss of leisure income due to COVID19, further details are on page 17-18 of this report.
- **Property service adverse variance of £1,568,000** - is the projected shortfall of Commercial property income as a result of unpaid rent due to COVID 19, further details are shown on page 17-18 of this report.

#### 4.9 Savings Tracker

The monitoring of built in savings for 2020-21 is shown in the savings tracker attached in **appendix B**. This shows the projected unachievable savings for 2020-21 as £1,758,000 against a savings target of £7,009,000.

## 5. Managing Director's Directorate Revenue Position

The Directorate is forecasting an underspend of £29,000 for the year 2020/21 as shown in **table 4** below.

**Table 4: Managing Director Revenue budget position**

Ref:	Managing Director	Current Budget £000	Forecast Outturn £000	Forecast Outturn Variance £000
	<b>Management</b>	249	249	0
	<b>Governance:</b>			
	Land Charges Income	(237)	(157)	80
	Elections, Mayoral and Democratic	1,487	1,429	(58)
	Legal and Magistrates Court	794	758	(36)
	Facilities	617	602	(15)
	<b>Total MD</b>	<b>2,909</b>	<b>2,880</b>	<b>(29)</b>

### Areas of Risk & Opportunity (Significant)

- 5.1 Land charges income, as a result of the suspension of the housing market (COVID 19 pandemic), demand for land charges services has fallen. The actual adverse variance against this income to the end of May is £40,000. Although the market has now reopened, it is anticipated that there will be a continuing impact on demand. The annual pressure has been estimated at the equivalent of four months budget £80,000.
- 5.2 Savings and opportunities this year of £109,000 are anticipated in Democratic Services, Information Governance and facilities.

Not all potential Special Responsibility Allowances positions have been filled individually and members receive only the highest allowance if they hold more than one position, savings anticipated £53,000.

Staff working from home has reduced some variable costs within the facilities team resulting in a £15,000 net saving. A chargeable data protection service has been offered to schools this year and it has been successfully taken up. Additional income of £36,000 is expected.

## 6. Adults Health & Commissioning Directorate revenue position

### 6.1 Adult Social Care.

The Adult Social Care gross expenditure budget is £48,760,000 and the income budget is £12,630,000 giving a net budget of £36,130,000. An overspend of £1,020,000 is forecast for the year. The detailed variances are summarised below and set out in **table 5** below.

- 6.2 In line with government guidance the council is supporting providers of adult social care with financial support in meeting the additional costs they are incurring in dealing with the Covid 19 pandemic. Funding of £796,000 has been provided up to 31<sup>st</sup> May, and this is forecast to increase to £1,500,000. These are costs not covered by the Infection Control Grant.
- 6.3 The council is supporting the NHS by providing residents with social care support to assist their discharge from hospital and to prevent their admission into hospital. The cost of care provided to support the NHS in this way is reimbursed by the NHS through the East Berkshire Clinical Commissioning Group, with £700,000 income anticipated this year.
- 6.4 The number of residents supported long term in nursing homes has fallen significantly below budget due to the impact of Covid 19. Numbers are forecast to increase over the remainder of the year however the net expenditure budget is expected to underspend this year by £471,000. This saving is partially offset by a £150,000 overspend in funding temporary and respite placements in residential and nursing care.
- 6.5 The cost of providing homecare and direct payments is £677,000 above budget. Expenditure on the provision of homecare has increased significantly over the past year, with a further increase from April this year due to the Covid 19 pandemic.
- 6.6 In summary the net additional care pressures noted above total £356,000, added to which is the £1,500,000 covid 19 cost of supporting providers, and these are offset in part by the £700,000 funding channelled through the CCG and other budget savings giving the £1,020,000 net pressure noted above.

**Table 5 Adult Social Care Revenue Budget Position**

Summary Type	Care Group / Service	Current Budget £000	Forecast Outturn £000	Forecast Variance £000	Percentage variance %
	<b>Older People &amp; Physical Disability</b>				
Exp	Home Care	4,531	5,289	758	17%
Opt	Direct Payments	1,904	1,823	(81)	(4)%
Inc	Older People Non-Residential Income	(1,225)	(1,090)	135	11%
Exp	Residential & Nursing care block	8,388	8,388	0	0%
Opt	Residential & Nursing care – spot	7,596	6,778	(818)	(11)%
Inc	Income from charges excl. homecare	(6,041)	(5,630)	411	7%
Opt	Older People Day & other Care	1,468	1,645	177	12%
Opt	Short Term Support & Re-ablement	2,180	2,060	(120)	(6)%
Exp	Equipment	621	541	(80)	(13)%
C&S	Emergency Duty Team	258	308	50	19%
Opt	Care Teams staffing	2,478	2,478	0	0%
	<b>Older People PD Total</b>	<b>22,158</b>	<b>22,590</b>	<b>432</b>	<b>2%</b>
	<b>Learning Disability</b>				
Exp	Residential; Nursing; Supported Living block	1,838	1,838	0	0%
Opt	Residential & Nursing care – spot	6,219	6,149	(70)	(1)%
Opt	Residential & Supported Living - Optalis	3,419	3,370	(49)	(1)%
Opt	Supported Living – spot	2,799	2,799	0	0%



Summary Type	Care Group / Service	Current Budget £000	Forecast Outturn £000	Forecast Variance £000	Percentage variance %
Opt	Learning Disability Day & Other Care	2,533	2,523	(10)	0%
Inc	Income from charges	(1,463)	(1,463)	0	0%
Inc	Other Learning Disability Income	(598)	(598)	0	0%
Opt	Care Team staffing	761	701	(60)	(8)%
	<b>Learning Disability Total</b>	<b>15,508</b>	<b>15,319</b>	<b>(189)</b>	<b>(1)%</b>
	<b>Other</b>				
Opt	Mental Health services	2,442	2,442	0	0%
Opt	Mental Health Team	1,144	1,144	0	0%
Inc	Mental Health Income	(421)	(421)	0	0%
Exp	Transport & Voluntary sector support	365	342	(23)	(6)%
Opt	Safeguarding, Management & Support	1,857	1,857	0	0%
C&S	Joint Commissioning Team staff	282	282	0	0%
C&S	Provider support & CCG income	0	800	800	
Opt	Better Care Fund Income Optalis	(4,320)	(4,200)	120	3%
Inc	Better Care Fund Income RBWM	(2,885)	(3,005)	(120)	(4)%
	<b>“Other” Total</b>	<b>(1,536)</b>	<b>(759)</b>	<b>777</b>	<b>51%</b>
	<b>Total Adult Social Care net budget</b>	<b>36,130</b>	<b>37,150</b>	<b>1,020</b>	<b>3%</b>
	<b>Summary Position</b>				
C&S	<b>Commissioning &amp; Support</b>	540	1,390	850	157%
Exp	<b>RBWM Expenditure budgets</b>	15,743	16,398	655	4%
Inc	<b>RBWM Income budgets</b>	(12,633)	(12,207)	426	3%
Opt	<b>Optalis Contract Total</b>	32,480	31,569	(911)	(3)%
	<b>Total Adult Social Care Net Budget</b>	<b>36,130</b>	<b>37,150</b>	<b>1,020</b>	<b>3%</b>

Note; The “Summary Type” column indicates where the budget line falls into the “Summary Position” section at the foot of this table. Thus lines with Summary Type “Opt” will sum to the line “Optalis Contract Total” at the foot of this table.

## 6.7 Areas of Risk & Opportunity

### A. Placements of Older People in nursing homes.

Residents over 65 years old who require social care support and cannot be cared for in their own home are placed either in residential care homes or in nursing homes. Residents are financially assessed to ascertain how much they should contribute towards the cost of their placement. Nursing care is commissioned under block contracts (97 beds) and spot contracts (95 beds). Block contracts are generally maintained at capacity and by their nature the financial risk is low. The spot contract budget of £4.3m is volatile, varying with the impact of ‘flu epidemics, winter conditions and the Covid 19 pandemic.

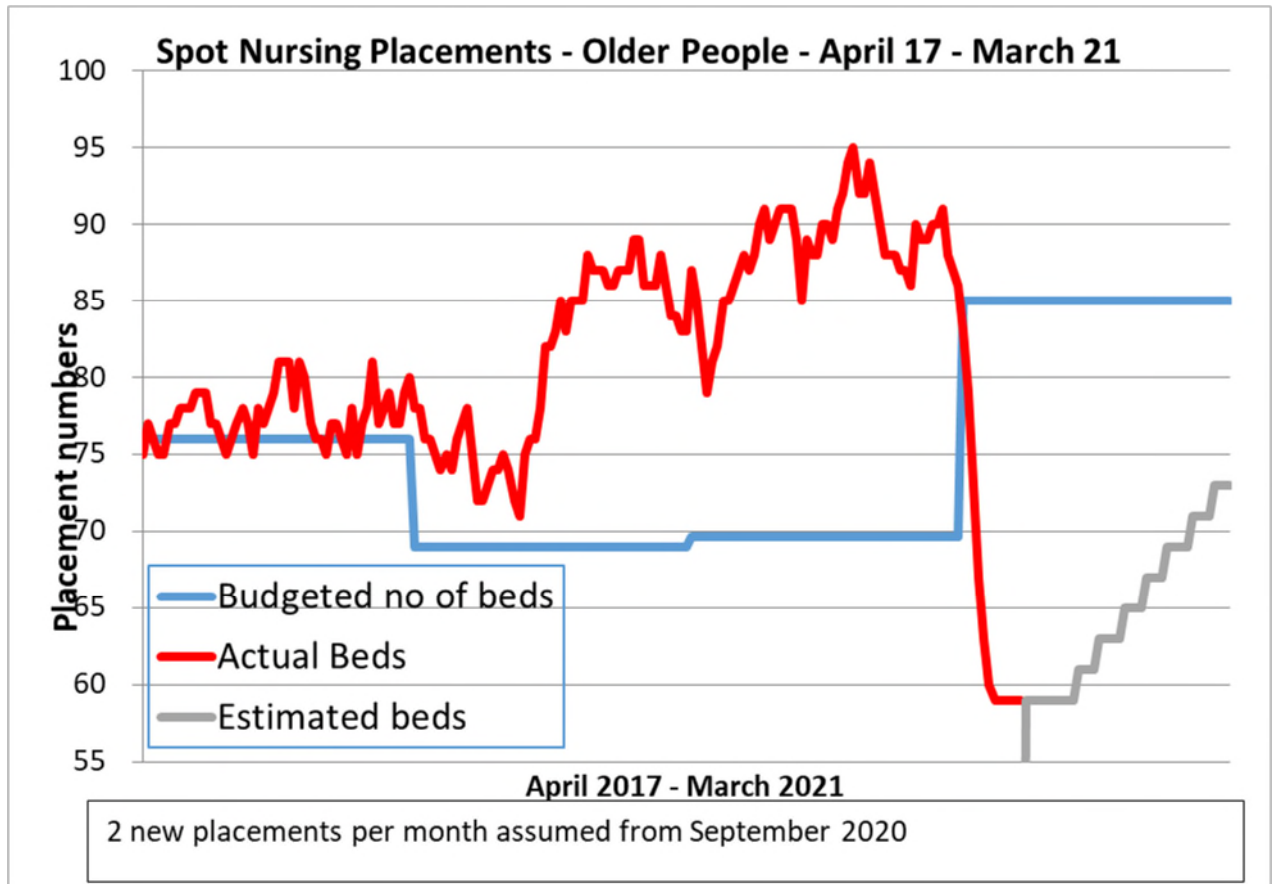
The nursing care expenditure budget was based upon the actual number of residents in nursing care during 2019/20. The current estimated cost for the year extrapolates from the current low numbers being cared for, and assumes a gradual increase in numbers over the remainder of the year. These assumptions support the forecast underspend in nursing case spot placements expenditure this year of £826,000. Hand



in hand with lower spend comes lower income from contributions from residents and from free nursing care (FNC) income. The net saving this year is estimated at £471,000.

The commissioning of spot nursing care placements over recent years is shown in the graph below. This graph shows the numbers of spot placements commissioned at any one time from April 2017 to date, with a forecast till the financial year end. The reduction in placements commencing in March this year is evident.

**Chart 1: Spot Nursing Placements**



**B. Homecare & Direct Payments to older people**

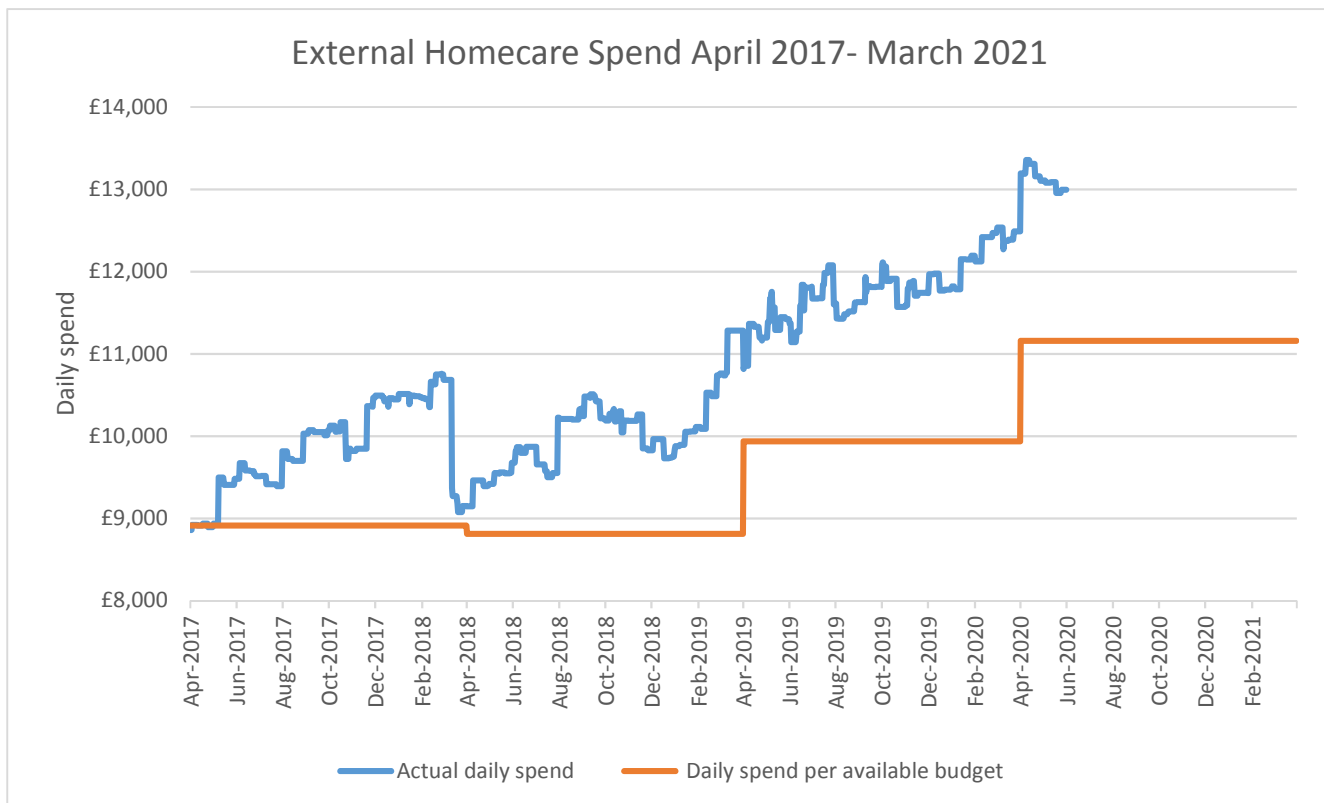
Residents over 65 years old who are assessed to require social care support and can be cared for in their own home are provided with a package of care that will usually include a homecare service. Residents are financially assessed to ascertain how much they should contribute towards the cost of care package. Homecare is another volatile budget also varying with the impact of ‘flu epidemics, winter conditions and the Covid 19 pandemic.

The homecare budget is set at £4,470,000 for 2020/21. This is based upon the actual costs incurred during 2019/20. The daily spend over recent years is shown in the graph below.

Following the onset of the Covid 19 pandemic in March this year, there has been an increase in spend on homecare. However grant funding has been made available

through the CCG to fund the costs of domiciliary care packages that enable hospital discharges and prevent hospital admissions, from 19th March. After accounting for this income an over spend of £408,000 is forecast this year.

**Chart 2: Daily Expenditure on Homecare**



### C. People with Learning Disability requiring high level of support

The council supports a number of adults with learning disability who are assessed to require social care support. The support varies from funding services such as day-care that enable the resident to remain in their parental home, to assisting the resident to live in their own rented accommodation, known as “supported living”, and to commissioning a residential care placement.

Significant costs are incurred by the council in funding supported living and residential care packages. The cost of these packages varies considerably depending upon the needs of individual residents. The table below shows the numbers of residents supported by the council in cost bandings shown by £/week.

There can be significant variations from budget forecasts due to changes in the number of high cost packages. The number of packages will change for a number of reasons including children transitioning to adults, eligibility for continuing health care (CHC), movements into and out of the borough and changes in the ability of elderly parents to look after their learning disabled children.

The 2020/21 budget for residential care and supported living for people with a learning disability is £10,339,000. The numbers of people supported by cost banding is shown in **table 6** below.

**Table 6 Learning Disability – residents supported shown by cost bandings.**

Placement Band £/week	Average Cost £/week	Budget number	Current number (June)	Change in number
0 – 500	196	102	98	(4)
501 – 800	598	27	26	(1)
800 – 1000	902	10	10	-
1,000 – 2,000	1,504	61	59	(2)
2,000+	2,426	25	24	(1)

#### **D. Continuing Health care**

Where residents needs meet specific health criteria they will be eligible for continuing healthcare funding (CHC) for their entire care package.. Residents are not required to make a financial contribution towards a CHC package.

Where the council is funding social care for a resident the council may request the CCG consider whether that resident is eligible for CHC. If the CCG agrees they are eligible the CCG will fund the package cost back dated to when the request was registered with the CCG. Conversely, a resident in receipt of CHC funding may be reviewed by the CCG and lose their CHC funding if they no longer meet the appropriate eligibility criteria. In a minority of cases the council and the CCG do not agree on the application of the eligibility criteria and the case is disputed and goes to arbitration.

The care needs and therefore the care costs of residents who are on the borderline of qualifying for CHC are generally high. Therefore the impact on the council and the CCG of the application of the eligibility criteria is financially significant. The table below summarises the number of cases currently under consideration and gives the aggregate cost of these cases. The impact on the council in this financial year of all cases being considered eligible and of all cases being considered ineligible, is shown. These are unlikely scenarios and the totals are given as an indication of the risk and potential impact on the budget. The outcome of individual requests and reviews will be unknown until the review is complete which can take up to a year, and where disputed this can add several months to the period of uncertainty.

**Table 7 showing number & value of current reviews of CHC eligibility.**

Category of Claim	No. of cases	Aggregate Annual care package cost £000	Current year maximum cost avoided if eligible £000	Current year maximum cost if not eligible £000
Applications for CHC funding made to CCG – in progress	6	591	348	265
Application to CCG under dispute	2	157	225	0
CCG review of people with CHC funding, review in progress	3	348	0	201
CCG review outcome disputed	2	364	0	364
<b>TOTALS</b>	<b>13</b>	<b>1,460</b>	<b>573</b>	<b>830</b>

## 6.8 Adult Health & Commissioning - Infrastructure & other services

6.9 The Commissioning – Infrastructure budgets include budgets for the provision of car parking service, highways, street cleaning, transport, grounds maintenance and waste.

The Commissioning & Support budgets cover the Director and her immediate support, Public Health budgets, the Better Care Fund, the Commissioning Team for people services, Transformation & Systems Team and Communications & Marketing.

The Public Health budget is fully funded by the £4,761,000 ring fenced Public Health Grant. Underspends on this budget must be carried forward in a public health reserve.

The Better Care Fund is a budget held in partnership with East Berkshire Clinical Commissioning Group and is accounted for in totality in the council's accounts. Variances to planned spend on individual projects are shown in the service area to which that project relates.

**Table 8 Infrastructure & Other Revenue budget position**

Ref:	Infrastructure & Other	Current Budget £000	Forecast Outturn £000	Forecast Outturn Variance £000
	<b>Commissioning – Infrastructure:</b>			
	Parking Income	(10,106)	(6,471)	3,635
	Parking Expenditure	3,062	3,215	153
	Highways street works income	(722)	(422)	300
	Highways Other	4,629	4,659	30
	Waste	9,357	9,319	(38)
	Transport & Traffic	874	924	50
	Other	76	76	0
	Commissioning Team	1,135	1,215	80
	Concessionary Fares	1,285	1,285	0
	<b>Total Commissioning - Infrastructure</b>	<b>9,590</b>	<b>13,800</b>	<b>4,210</b>
	Director & support	163	163	0
	Public Health – gross spend	4,761	4,761	0
	Better Care fund – other	13,750	13,747	(3)
	Better Care fund & Public Health Grant income	(17,278)	(17,278)	0
	Commissioning – people services	(159)	(104)	55
	Transformation & Systems	289	289	0
	Communications & Marketing	439	491	52
	<b>Total Infrastructure &amp; Other</b>	<b>11,552</b>	<b>15,869</b>	<b>4,317</b>

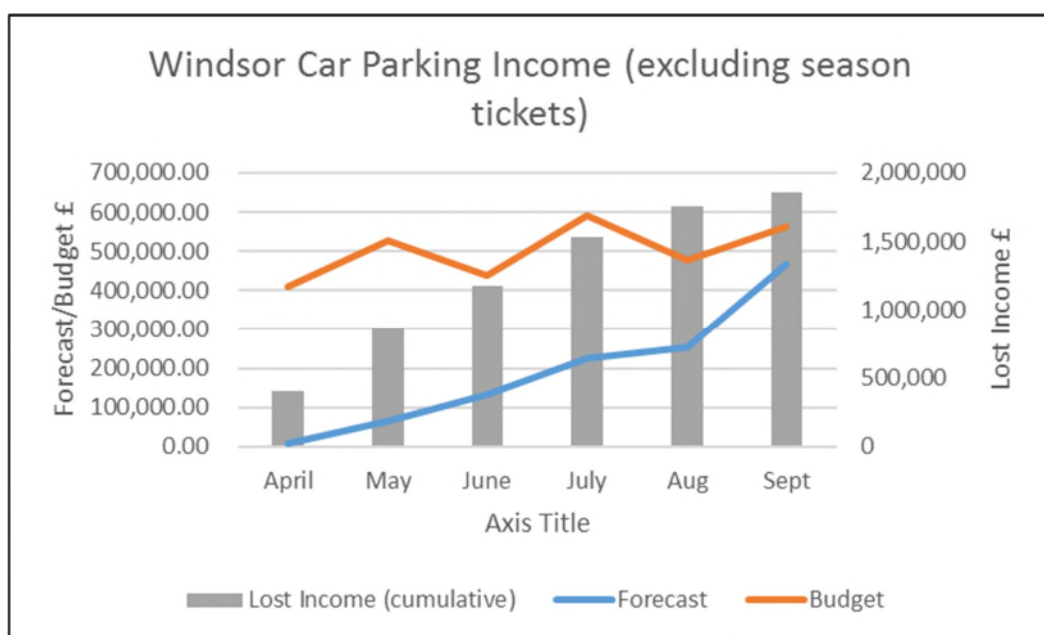
## 6.10 Areas of Risk & Opportunity (Significant)

**A. Car parking income** has been significantly impacted by the COVID emergency, not only with regard to a drop in demand in the period to date, but also in the ability of the service to deliver the in-built savings of £730,000 relating to the removal of the advantage card subsidy from 1<sup>st</sup> April. A further free period of parking for advantage card users has been agreed by members to help stimulate the retail economy and this is expected to cost a further £35,000.

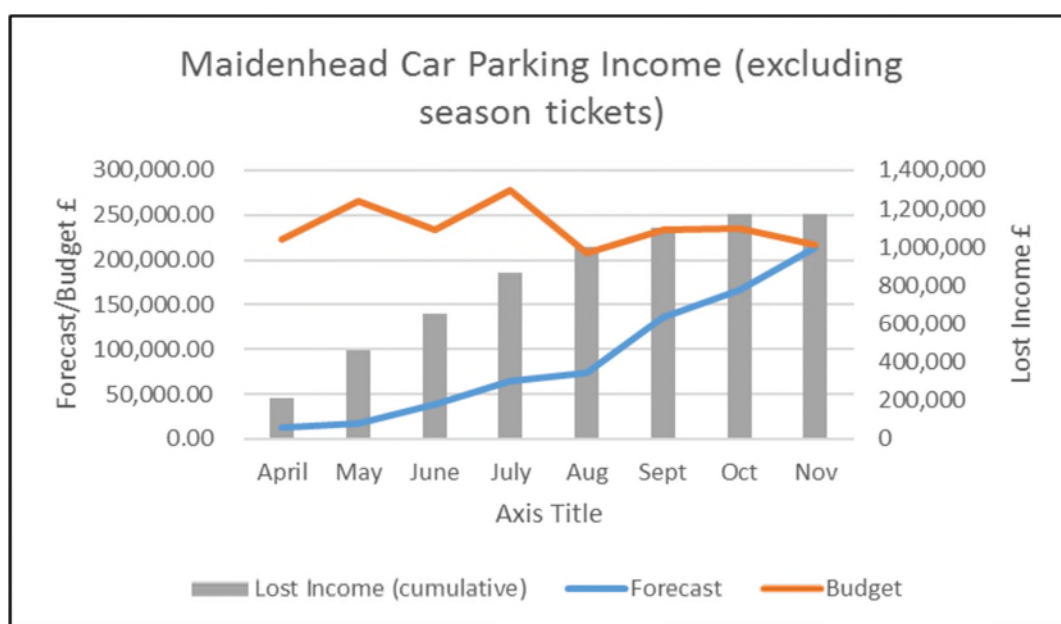
The actual adverse variance as at May for all car parking income was £1,500,000. It is anticipated that the full year pressure as a result of COVID 19 will be in the region of £3,600,000. To arrive at this estimate, a model has been used to predict future income. This model includes assumptions based on past experience, income to date, anticipated step changes in income as demand increases in direct relation to the government easing of lockdown restrictions and the nature of past demand. In Windsor that is driven by tourism and short stay parking; in Maidenhead, it is commuters and season ticket sales.

The following graphs show the trajectory forecast in car parking ticket sales as they recover to normal levels. Early indications are that the income in Windsor will recover quicker than Maidenhead due to the return of visitors to the area.

**Chart 3 – Windsor Car Parking Income**



**Chart 4: Maidenhead Car Parking Income**



Total lost income for car parking tickets is anticipated to be £3,000,000. Other income including season tickets, penalties and lost advertising amount to a further £600,000 (budget £1,500,000). The model is updated regularly for actual data and assumptions will be reviewed in light of experience.

The forecast car parking expenditure of £107,000 includes a service charge in relation to the Sainsbury's Rotunda building that has been in excess of budget for a number of years. The overspend this year is forecast to be £77,000.

A 12 month trial for additional warden patrols to cover rural areas where there were issues with illegal parking was approved by Cabinet on 29th August 2019. It is anticipated that this will cost £49,000 this year.

Highways Street works and licencing is another income generating service impacted by lockdown, as utility companies have delayed streetworks activities and events which attract fees by using the public highway have been cancelled. The actual adverse variance as at May was £116,000. It is anticipated that lost income could reach £300,000 for the year. This is based on £58,000 per month for 4 months plus a further £68,000 impact for the remainder of the year.

The £55,000 overspend forecast against Commissioning is due to estimated overspends in the Coroners service of £47,000, and £8,000 in Modern Records.

The £52,000 overspend in Communication and Marketing is due to a reduction in income from Windsor Guildhall lettings and from the film unit, both due to the Covid 19 emergency.

## 7 Resources Directorate

The Directorate is forecasting an overspend of £708,000 for the year before the contingency adjustment of £1,300,000. This overspend represents 9.4% of the current budget of £7,517,000.

The contingency budget of £1,300,000, set aside for undeliverable savings built into the 2020/21 budget is for all services. Undeliverable savings within resources amounts to £100,000 and relates to parking permit income.

Analysis of the overspend follows **table 9** below.

**Table 9 Resources Revenue budget position**

Ref:	Resources	Current Budget £000	Forecast Outturn £000	Forecast Outturn Variance £000
	<b>Resources:</b>			
	Director of Resources	210	210	0
	R&B Management & Administration	1,066	1,222	156
	Parking and Permits	(382)	(239)	144
	Registrars	(320)	(110)	210
	Libraries & Residents Services	2,974	3,077	102

Ref:	Resources	Current Budget £000	Forecast Outturn £000	Forecast Outturn Variance £000
	<b>Resources:</b>			
	<b>R,B,L&amp;RS Total</b>	<b>3,338</b>	<b>3,950</b>	<b>612</b>
	Housing Benefits	91	187	96
	HR, Corporate Projects& IT	2,601	2,601	0
	Finance	1,322	1,322	0
	Corporate Management	(41)	(41)	0
	<b>Sub Total</b>	<b>7,521</b>	<b>8,229</b>	<b>708</b>
	<b>Corporate Contingency:</b>			
	Demographic growth Adults	750	750	0
	Demographic growth Childrens	431	431	0
	Savings Delivery	1,300	0	(1,300)
	Contract costs	400	400	0
	<b>Total Contingency</b>	<b>2,881</b>	<b>1,581</b>	<b>(1,300)</b>
	<b>Total Resources</b>	<b>10,402</b>	<b>9,810</b>	<b>(592)</b>

## 7.1 Areas of Risk & Opportunity (Significant)

**A. Revenues and Benefits Management & Administration** – the impact on this service from increased public demands has been significant. Grants to businesses to help them survive the COVID emergency lockdown is likely to be in the region of £30,000,000 this year (fully funded). The administration of this, and benefit changes has led to increased staffing costs forecast as a £82,000 pressure this year. New burdens funding was received in early July to fund staffing and additional systems costs.

Additional agency cover as well as overtime for existing staff has been required to process a 140% increase in new claims, 400% increase in changes in benefits plus the pressure outlined above.

Courts are currently closed and as result the income normally charged to help fund costs of the Ctax / NNDR recovery service has been nil. There is a provisional opening date of July although there is likely to be a backlog of cases. CTAX/NNDR liability hearings may be delayed into the Autumn. The anticipated reduction in associated income this year is estimated at £71,000, based on the actual revenue achieved last year up to June. Reprofiting of payment arrangements will push any costs recovered into future years

**B. Parking and Permits** – income from parking administration (suspensions, dispensations, visitor vouchers etc.) is currently nil. Losses of £10,000 per month for 4 months are anticipated £40,000.

The introduction of charges for residents parking built into the budget at £250,000 is now not fully achievable as permits have been issued over the last 18 months for a period of two years. Thus there is now a delay to the full implementation of charging. This results in a delay and a pressure this year of £100,000. The saving will be fully deliverable in 2021/22.



**C. Registrars**, again this service has been significantly impacted by the COVID lockdown as a significant source of income from Weddings, has been prohibited.

Wedding income achieved in the period to 17<sup>th</sup> June is 70% is down against the level seen for the same period in 2019/20. Of the 500 weddings booked for 2020/21, 30 have moved to a new date this year, 210 have postponed to next year or have no new date. The impact of recession and increasing levels of unemployment may have an impact on income too. Currently estimated lost wedding income this year is 50% of the budget £163,000 plus notice fees income losses of £37,000.

**D. Other Library and resident services** library closures and loss of a tenant as a result of lockdown is having an impact on income – forecast to be a £44,000 pressure this year. Further costs of £41,000 relate to historical savings which are undeliverable. There may be an opportunity to utilise available s106 contributions to ease pressures this year.

The closure of the libraries and continued successful delivery of services is an opportunity to review how the service is delivered and take advantage of new ways of working to protect the service, while delivering savings for the council.

**E. Housing Benefits**, with the suspension of enforcement and closure of the courts, recovering overpaid housing benefit has become more difficult. The longer the recovery process takes, the less likely recovery is. Overpayment mainly results from changes in claimants circumstances, involving retrospective benefit entitlement reductions. Actual income was down £30,000 against the expected level at the end of May. It is anticipated that there will be pressure on this budget until the end of the furlough scheme on October. Current estimates are that there will be a £96,000 pressure.

**F. Corporate Contingency**, the contingency is made up of a number of specific elements. £1,300,000 was set aside to bridge the gap where savings became undeliverable. It is anticipated that this will be required this year.

## 8 Place Directorate

The Directorate is forecasting an overspend of £6,155,000 for 2020/21 due to COVID 19. The two significant areas of pressure are in leisure and commercial rents, both of which may have significant impacts on the MTFP in this and future years.

Savings built into the budget for increases in planning income £100,000 and Visitor management are now forecast as being undeliverable due to COVID 19.



Analysis of the overspend follows **table 10** below.

**Table 10 Place Revenue budget position**

Ref:	Place	Current Budget £000	Forecast Outturn £000	Forecast Outturn Variance £000
	ED Place	245	245	0
	<b>Housing &amp; Environmental Health:</b>			
	Housing	818	865	47
	Homelessness and Advice	567	1425	858
	Environmental Health	913	883	(30)
	<b>Total H&amp;EH</b>	<b>2,298</b>	<b>3,173</b>	<b>875</b>
	<b>Planning:</b>			
	Development Control Income	(1,351)	(951)	400
	Planning Other	2,461	2,461	0
	<b>Total Planning</b>	<b>1,110</b>	<b>1,510</b>	<b>400</b>
	<b>Communities:</b>			
	Licencing/Enforcement Team	(466)	(319)	147
	Leisure Centres Concession Contract	(2,772)	75	2,848
	Communities Other	3,246	3,311	65
	<b>Total Communities</b>	<b>8</b>	<b>3,068</b>	<b>3,060</b>
	<b>Infrastructure, Sustainability &amp; Transport:</b>			
	Visitor Management	89	325	237
	Other IS&T	1,274	1,290	15
	<b>Total IS&amp;T</b>	<b>1,363</b>	<b>1,615</b>	<b>252</b>
	<b>Property:</b>			
	Industrial & Commercial Estates	(3,234)	(1,732)	1,502
	Other Property	557	623	66
	<b>Total Property</b>	<b>(2,677)</b>	<b>(1,109)</b>	<b>1,568</b>
	<b>Total Place</b>	<b>2,347</b>	<b>8,502</b>	<b>6,155</b>

#### 8.1 Areas of Risk & Opportunity (Significant)

**Homelessness**, the pressure on this service has been increasing since before the COVID 19 emergency. The additional government directive to house all homeless in March and to ensure social distancing within temporary accommodation provision has added to the complexity of providing not only accommodation but support services to multiple sites. The chart below shows the growth in demand over the last year.

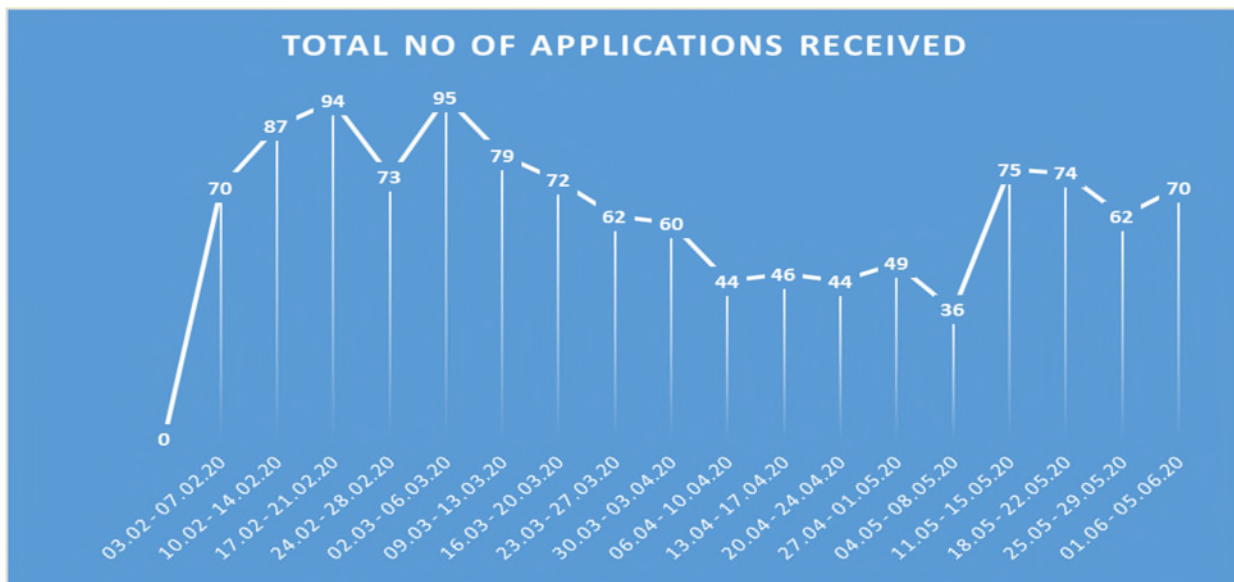
**Chart 5: Homeless Households**



The increase in demand relating to the COVID emergency, including 75 homeless clients now on the council’s pathway, is forecast to cost the council an additional £805,000 this year.

**Planning,** The number of planning application fell significantly after COVID 19 lockdown measures were announced by the government and employees began being furloughed. That dip can be seen in the graph below and although there are signs of a recovery it is not certain what medium term impact the COVID emergency will have. Looking at current income against budget and the demand data, the service is predicting a pressure this year of £400,000 due to COVID 19. This forecast is being regularly reviewed and associated costs monitored.

**Chart 6: Planning Application Numbers**



**Licencing income** is down against budget at the end of May by £96,476 due to COVID 19. Lockdown has had an impact on the taxi industry eliminating demand for new and renewed licences. Street traders and Licenced premises have mainly been closed and will remain so until early July. At that time it is unlikely that they will all re-open. It is anticipated that 30% of licencing income will be lost this year £147,000 out of a budget of £466,000 Income

**Leisure centres concession contract** – anticipated net loss of management fee 2020/21 £2,848,000 due to COVID 19. The impact of the COVID 19 lockdown and closure of leisure centres has made the contract financially unsustainable.

At the current time the council and contractor are completing the transition of the service to a new provider. The new arrangements are unlikely to include any income to the council this year from the leisure facilities. The financial impact of the change this year and on the MTFP is outlined in the table below. Further details can be found in the Part 2 Cabinet report on Leisure Services – Cabinet 25<sup>th</sup> June 2020. The service will take at least 18 months to recover from the COVID emergency measures and impacts of ongoing social distancing. There is expected to be a net income stream from the new arrangement from 2021/22.

The impact on the councils MTFP is significant (**see table 11 below**) and will increase savings required over the course of the MTFP by at least £5,198,000.

**Table 11 Change in Leisure Provision**

	2020/21 £000	2021/22 £000	2022/23 £000
Loss of management fee from Parkwood Leisure	2,885	2,885	2,885
Income from New Provider based on initial business plan		(1,142)	(2,307)
Net Settlement payment from Parkwood Leisure after costs	(37)	0	0
<b>Total Pressure</b>	<b>2,848</b>	<b>1,758</b>	<b>592</b>

**Visitor management** has been dramatically hit by the COVID 19 emergency. Commissions from events which have been postponed until 2020/21 or are behind closed doors (£50,000 loss), advertising through publications (£70,000 loss) and income from local businesses (Windsor partnership £75,000 loss). This income was essential to achieving the savings built into the budget of £60,000 for 2020/21.

The forecast overspend in this service due to COVID 19 is £237,000.

**Industrial and commercial estates** - COVID 19 has had and will have a growing and significant effect on the council's commercial rent position and also how the council is able to effectively manage rental income collection. Closed businesses and those that have furloughed staff, have limited ability to generate cash to pay their commercial rent. Those cash reserves are likely to diminish during the year, making Q2-Q4 rents increasingly difficult to collect.

**Table 12** below splits annual rents between tenant risk profiles to give an estimated pressure this year of £1,282,738 on income.

**Table 12 – Assessment of Tenant Risk**

Tenant Risk Category	Best Case Probability	Best Case Impact	Base Case Probability	Base Case Income Loss
High	45%	£1,064,625	65%	£904,833
Medium	25%	£221,801	45%	£225,358
Low	15%	£154,984	35%	£152,547
		<b>£1,441,410</b>		<b>£1,282,738</b>

The forecasts above are subject to review on an ongoing basis.

## 9. Children's Services

Since August 2017 Children's Services of the Royal Borough of Windsor and Maidenhead have been provided through the partnership arrangement with Achieving for Children a community interest company (a not for profit social enterprise). Achieving for Children work across the London Borough of Richmond, the Royal Borough of Kingston and the Royal Borough of Windsor and Maidenhead. Our services in Windsor and Maidenhead are rated as "good" by Ofsted following an inspection in January 2020.

As a social enterprise Achieving for Children strives to achieve excellence in everything we do by putting children and young people first in the design, delivery and evaluation of every service we provide, to ensure that they are supported to live safe, happy, healthy and successful lives. Our broad service is informed by leading practice and a strong evidence-based of what works best. It is guided by our daily work with children and young people and the organisations that work with us to help and support them.

Our focus is always on maximising the use of resources by creating economies of scale and reducing management and overhead costs, so that we can ensure high quality frontline services that really deliver results.

The overall budget for Children's Services including the Dedicated Schools Grant is £89,501,000 with a net forecast variance of £1,436,000 of which £195,000 is transferred to the Dedicated School deficit resulting a net overspend on Children's Services non Dedicated Schools Grant of £1,241,000. The financial position for 2020/21 is set out in table 13.

**Table 13 – Children's Services budget position 2020/21**

	Service	Current Budget £000	Forecast Outturn £000	Forecast Variance £000	Percentage Variance %
	<b>Children's Services non Dedicated Schools Grant</b>				
*	Social Care and Early Help	16,698	18,014	1,316	8%
*	Business Services	3,042	3,099	57	2%
*	Education	895	926	31	3%
*	Operational Strategic Management	295	295	0	0%
*	Public Health	1,725	1,725	0	0%
*	Special Educational Needs and Children with Disabilities	3,144	2,849	(295)	(9%)
	Children's Services - Retained	(2,609)	(2,477)	132	5%
	<b>Total Children's Services non Dedicated Schools Grant</b>	<b>23,191</b>	<b>24,432</b>	<b>1,241</b>	<b>5%</b>
	<b>Dedicated Schools Grant</b>				
*	AfC Contract - Dedicated Schools Grant	11,135	11,555	420	4%
	Dedicated Schools Grant - Retained	55,175	54,950	(225)	0%
	Dedicated Schools Grant Income (transfer to DSG deficit)	(66,310)	(66,505)	(195)	0%
	<b>Total Dedicated Schools Grant</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
	<b>Summary Position</b>				
*	Achieving for Children Contract	36,934	38,463	1,529	4%
	Children's Services - Retained	(2,609)	(2,477)	132	5%
	Dedicated Schools Grant - Retained	55,175	54,950	(225)	0%
	<b>Total Children's Services budget</b>	<b>89,501</b>	<b>90,937</b>	<b>1,436</b>	<b>2%</b>

\* denotes budget lines that form part of the Achieving for Children contract

The services included within the Children's Services Directorate are set out below in **appendix H**.

### Areas of Risk & Opportunity

The forecast variance of £1,241,000 consists of the following material variances as set in **table 14**

**Table 14 – Children's Services material variances**

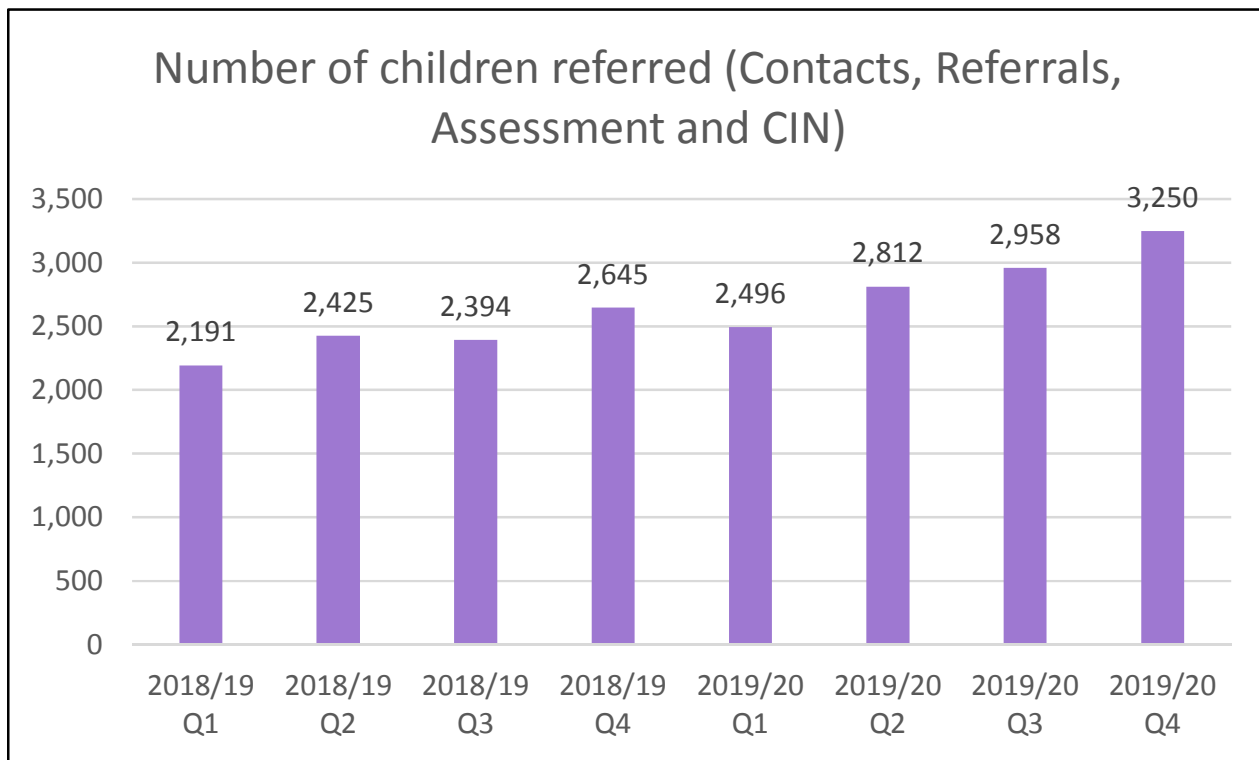
	Business As Usual	Covid 19	Forecast Outturn Variance	Note
	£000	£000	£000	
Total Social Care and Early Help	273	1,043	1,316	
Total Achieving for Children Other	57	-265	-208	
<b>Total Achieving for Children</b>	<b>330</b>	<b>778</b>	<b>1,108</b>	<b>1</b>
Children's Services – Retained	104	28	132	<b>2</b>
<b>Total Children's Services non Dedicated Schools Grant</b>	<b>434</b>	<b>807</b>	<b>1,241</b>	
AfC Contract - Dedicated Schools Grant	420	0	420	
Dedicated Schools Grant - Retained	-225	0	-225	
<b>Total Dedicated Schools Grant</b>	<b>195</b>	<b>0</b>	<b>195</b>	<b>3</b>
<b>Total Dedicated Schools Transfer to Reserve</b>	<b>-195</b>	<b>0</b>	<b>-195</b>	<b>4</b>
<b>Total Net Dedicated Schools Grant</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Forecast Outturn Variance</b>	<b>434</b>	<b>807</b>	<b>1,241</b>	

### Total Achieving for Children non Dedicated Schools Grant (Note 1)

The overspend of **£1,108,000** comprises of service overspends of £330,000 mainly relating to the underachievement of the savings plans in respect of the transformation of the new community hubs model £160,000 and Legal Services £25,000; additionally the legal services contract is projecting an overspend due to increased complex cases £50,000; placements has a net overspend of £38,000; currently projections indicate it is expected a request to drawdown the full demography fund will need to be submitted to RBWM due to increased volumes. Increased placement unit costs are expected to be contained within the overall Children's Services budget. Further overspends include increased operational costs including interest on balances £40,000 (which is matched by reduced costs within RBWM) and the cost of mobile phones across the service £17,000. **These variances total £330,000.**

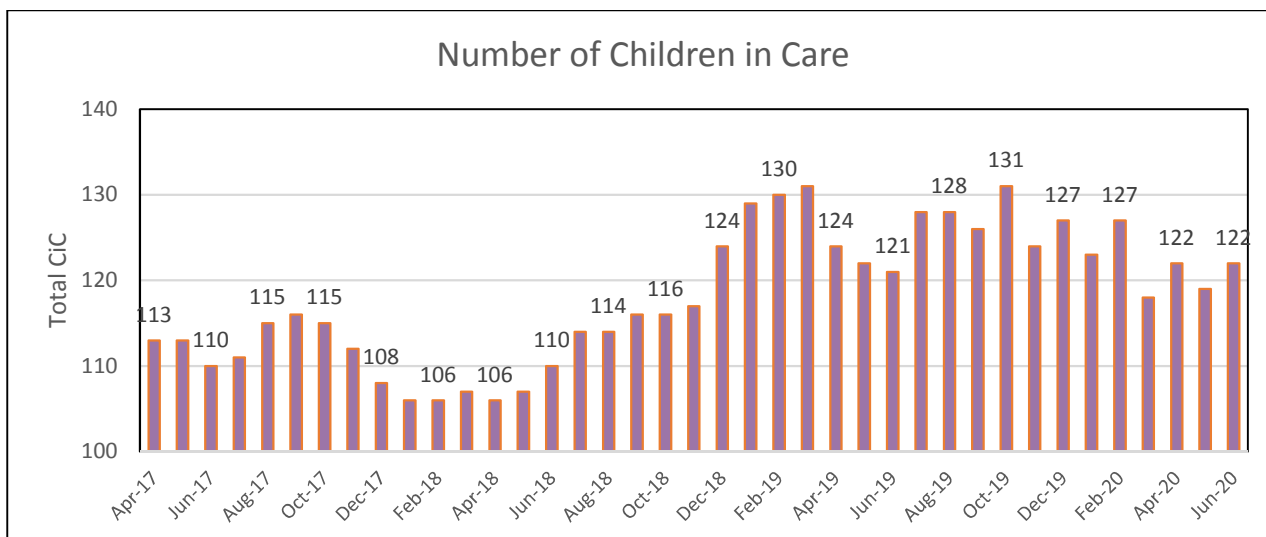
There are a number of key performance indicators that underlie the demands on the service. The charts below reflect the levels of demand on the service since April 2018.

### Chart 7: Number of children referred to Contacts, Referrals, Assessment and Children In Need



The increase in the number of children referred reflects a significant increase in contacts generally and the impact of working with partner organisations to actively raise the profile of the service leading to a greater rate of referrals.

**Chart 8: Number of Children in Care**



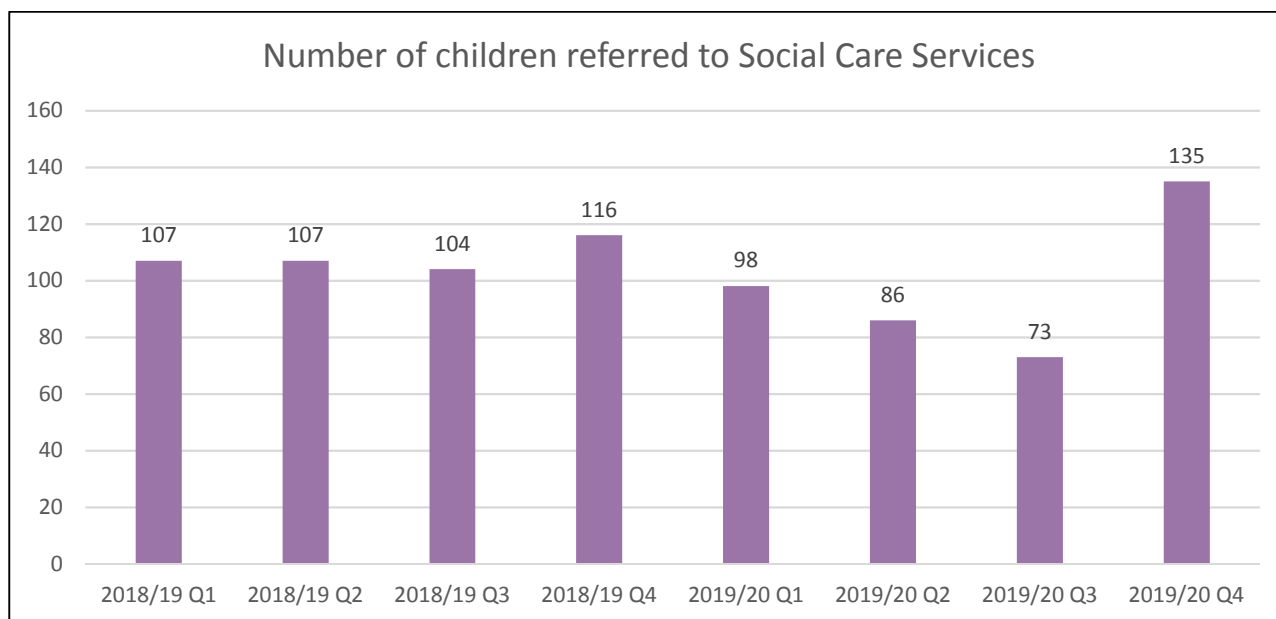
During the period between August 2017 and May 2020 there has been a steady increase in the number of Children in Care with a peak of 131 in both March 2018 and October 2019. The average number of Children in Care across the full period is 118, however, for the last 12 months this average has been 125. Recent research by the Department of Education shows that the national number of children in care has gone up by 28% in the past decade. Most recently there has been an increase in the need for specialist placements to meet children with more complex needs.

The latest national published data per 10,000 population is set out below:

	2018/19
National (2015/16 60)	65
Mean All England	69
Highest All England	101
South East	53
RBWM	35

The national average of Children in Care for 2018/19 per 10,000 population of 65 has increased from 60 since 2015 representing an 8% increase. RBWM has seen the rate of Children in Care increase due to better identification, assessment and intervention in order to keep children and young people safeguarded and their welfare promoted. The RBWM rate remains comparatively low.

**Chart 9: Number of Children referred to Social Care Services**



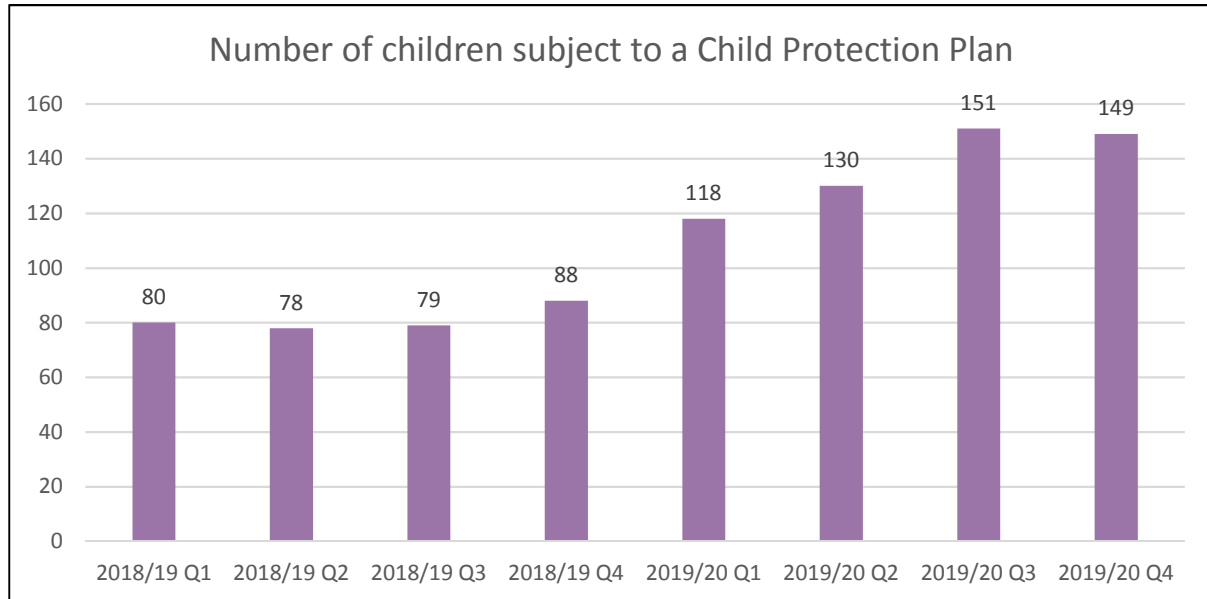
It can be seen that for 2018/19 the number of children referred to Social Care Services was fairly stable. During 2019/20 this rate reduced across the year increasing to a peak in 2019/20 quarter 4.

Extensive work has been undertaken with the multi-agency partnership to increase their awareness of the referral process and when they should be making a referral. The spikes in contacts are evident after multi-agency workshops have taken place. The rate of referrals can also vary depending on the national and local issues of the day. For example, after a published case review into the death or serious



injury of a child, spikes will regularly be seen, as professionals are more likely to be cautious and refer a child.

**Chart 10: Number of children subject to a Child Protection Plan**



The number of children subject to a Child Protection Plan has increased by almost 100% between 2018/19 quarter 1 and 2019/20 quarter 4. This position is more in line with national data and statistical neighbours.

Historically, RBWM have been below the national average rate for Child Protection Plans, therefore, in 2018/19 analysis was undertaken leading to the introduction of enhanced systems, processes and the undertaking of quality improvement work with staff. From April 2019, an increase in the Child Protection Plan rate could be seen bringing RBWM inline with statistical neighbours. Achieving for Children and its partners are now more confident that there is appropriate safeguarding of our most vulnerable children and young people.

Additionally, the financial impact on the service of COVID19 has been estimated relating to the increased demand on the service and the impact on our current business delivery model. **These variances total £778,000.** The estimated forecast financial impact is summarised as follows:

**Table 15 – Achieving for Children forecast financial impact of COVID19**

Classification	£000	Explanation
Staffing	318	Increased demand on service of 5% and impact on staffing levels requiring additional staffing backfill
Placements	345	Increased demand on service of 5% and impact on placements requiring additional levels of care

Savings	220	Delays in ability to implement placement and premises related efficiencies and savings
Income	190	Loss of income in from lettings, fees and charges for the Youth Service, Children's Centres and Outdoor Education Activities; Restriction on the ability to charge for unauthorised school absenteeism
Operational	(295)	Reduced Home to School Transport costs during lockdown and whilst the "new normal" is embedded
<b>Total</b>	<b>778</b>	

### Children's Services – Retained non Dedicated Schools Grant (Note 2)

The overspend of **£132,000** comprises of service overspends of £128,000 mainly relating to reduced grant as a direct result of the re-aging of a number of Unaccompanied Asylum Seeking young people resulting in a 75% reduction in Home Office funding £221,000; adverse impact on the revenue budget of a change in accounting treatment of some items previously reported as capital expenditure £54,000; partly offset by increased Intensive Family Support Grant of (£171,000). **These variances total £104,000**

Additionally, the financial impact on the service of COVID19 has been estimated relating to the increased demand on the service and the impact on our current business delivery model. **These variances total £28,000.** The estimated financial impact is summarised as follows:

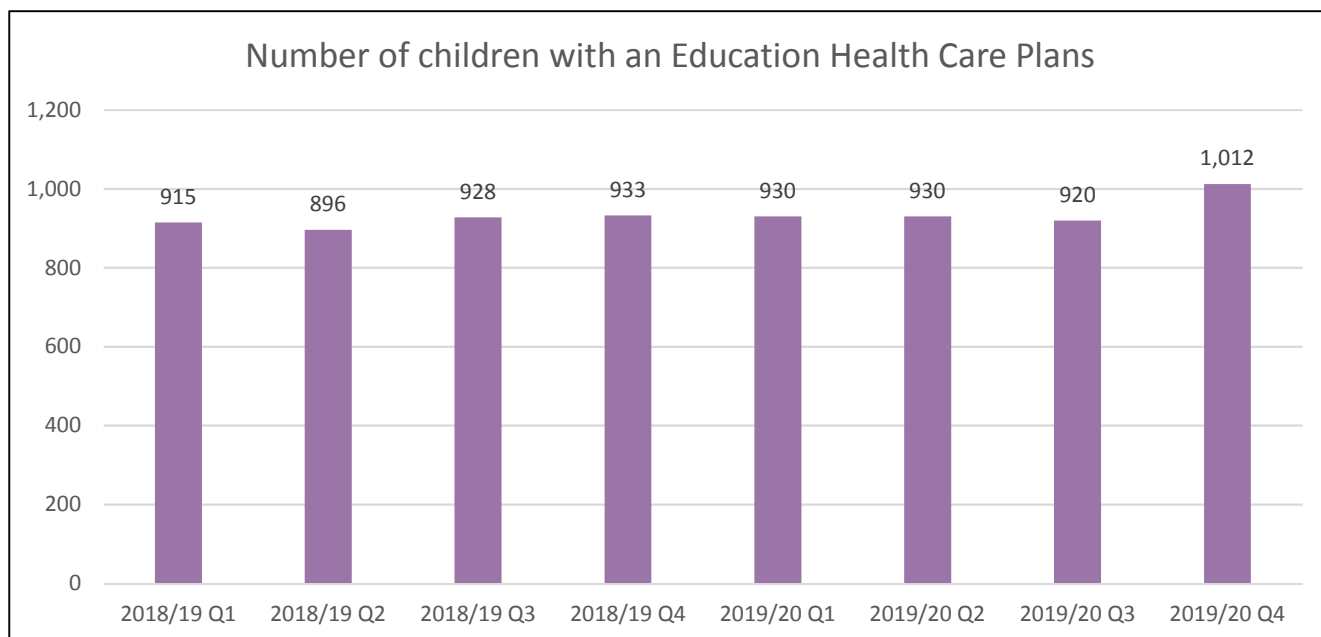
**Table 16 – Children's Retained forecast financial impact of COVID19**

Classification	£000	Explanation
Operational	28	Extension of the contract of a previously identified communication tool to ensure robust communications with schools
<b>Total</b>	<b>28</b>	

### Total Dedicated Schools Grant (Note 3)

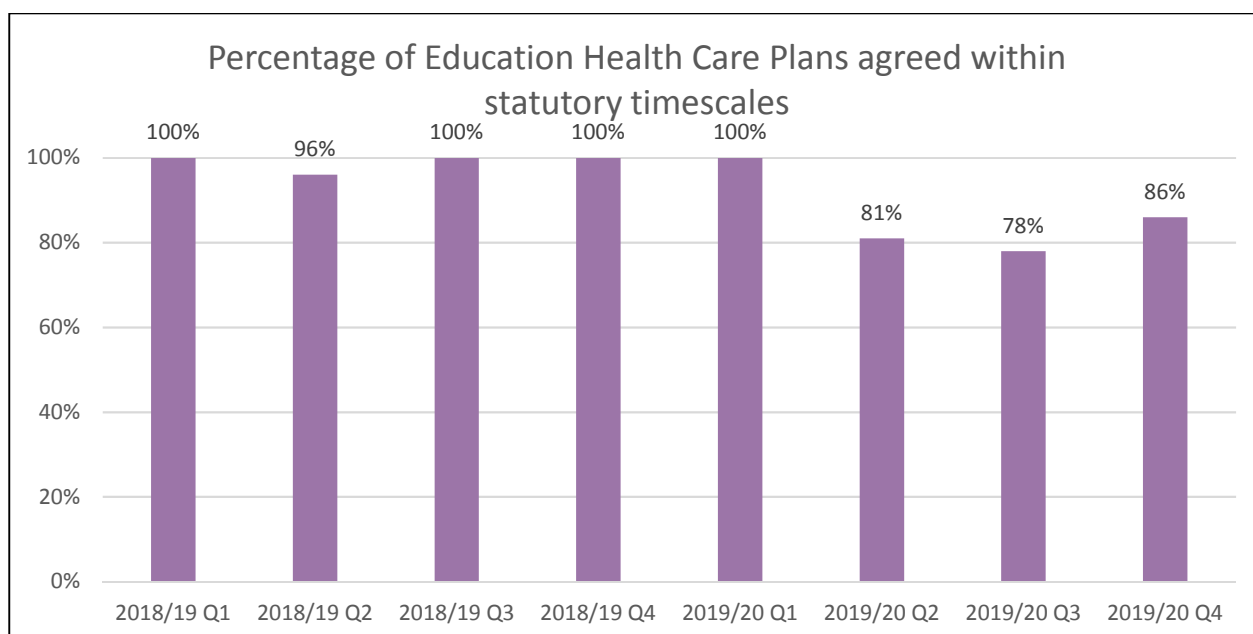
The overspend of **£195,000** mainly consists of High Needs Block pressures of £815,000 including Pupil Top Up funding and other direct support packages based on the 2019-20 outturn, uplifted to reflect known increases, the increase in allocations paid to schools include changes to the Special Educational Needs funding matrix, re-assessments and new plans. The indicative block funding for 2020/21 does not meet the increase in pressures. The final notification will be received in the summer of 2020 and at this stage budgets will be reset leading to an update in the forecast variance. The High Needs Block overspend is partly offset by the Schools Growth Fund underspend due to lower levels of pupil growth than funded (£450,000); Early Years Block Private, Voluntary & Independent Nurseries clawback settlement 2019/20 (£145,000) due to lower levels of take-up. **These variances total £195,000.**

**Chart 11: Number of children with an Education Health Care Plans**



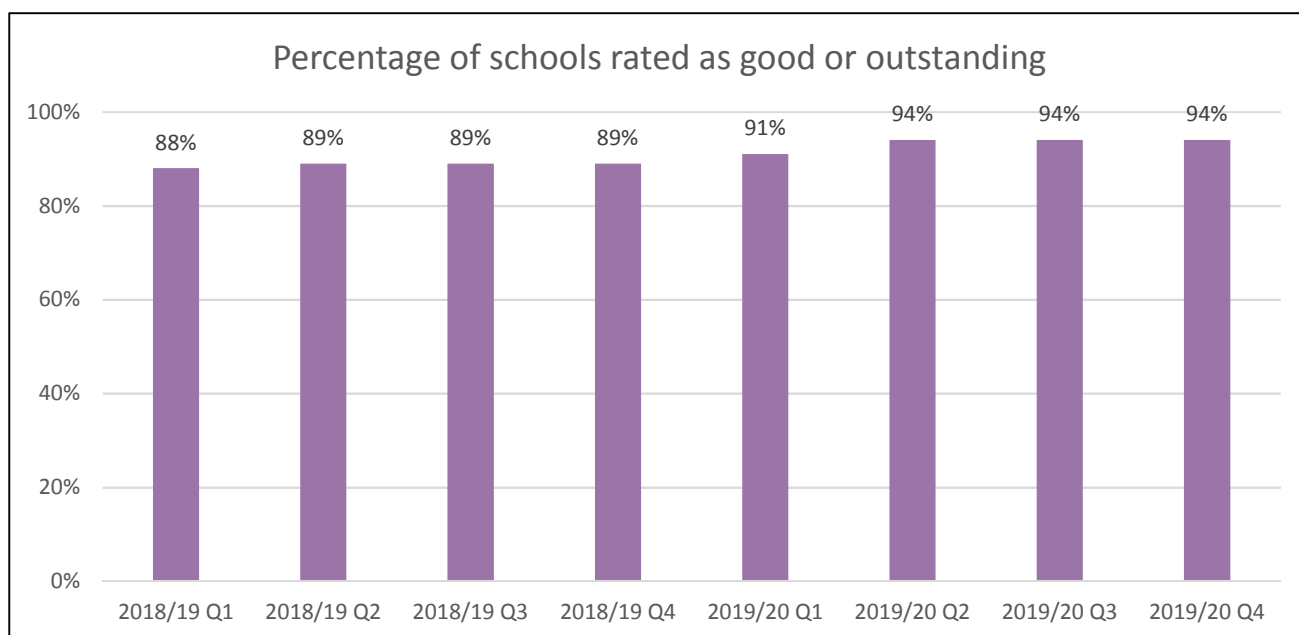
The number of children with an Education, Health Care Plan has remained constant over the period until 2019/20 quarter 4 which recognises an increase of 11%. Nationally, authorities are reporting an increase in Education, Health Care Plans. The Department of Education’s review of the detail shows that numbers in secondary schools continue to decline with the rise occurring mainly in primary and special schools.

**Chart 12: Percentage of Education, Health Care Plans agreed within statutory timescales**



After a reduction in 2019/20 quarters 2 & 3 in the percentage of children with an Education, Health Care Plan agreed within statutory timescales the number has increased towards previously high levels.

**Chart 13: Percentage of schools rated as good or outstanding**



The percentage of schools rated as good or outstanding has remained constantly high, the 2019/20 quarter 4 reports a 94% success. This provides education for 95% of the pupils attending school within the Borough.

#### **Total Dedicated Schools Transfer to Reserve (Note 4)**

To fund the in-year forecast overspend the negative variance of **£195,000** reflects the transfer of the net in-year deficit to the Dedicated Schools Grant reserve. The estimated deficit carry forward as at 31st March 2021 of £1,223,000 represents a 0.99% cumulative deficit. **These variances total (£195,000).**

All local authorities that have a cumulative Dedicated Schools Grant deficit are required to submit a recovery plan outlining how they will bring their deficit back into balance within a reasonable time frame. Achieving for Children have been in discussions with the DfE and a detailed deficit recovery plan will be presented at the September 2020 Schools Forum.

#### **Other Revenue Budget Issues**

##### **10. Collection Fund**

10.1. The majority of Council spending relies on collecting Council Tax and Business Rates The Council's budgeted share of these two precepts is £88m in 2020-21. Collection rates are therefore closely monitored.

10.2. At the end of May 2020 £20.099 million equating to 20.84% of Council Tax had been collected against a target collection of 21.5%. Business rate collection was £10.831 million equating to 19.98% against a target collection of 20.0% as shown in Table 17 below:

- 10.3. As a result of Covid 19, government introduced two new forms of Business Rate Relief i.e. Nursery Relief and Expanded Retail Relief. To date £664k has been awarded to qualifying Nurseries and £38.7m to businesses qualifying for the Expanded Retail Relief, reducing the Business Rates bill of these premises to £0 for 2020/21
- 10.4. In addition, two Grant schemes were also announced by Government. £25m has been awarded in cash grants for businesses qualifying for the Small Business, Retail, Hospitality and Leisure Grant Fund and £800k has been awarded under the Discretionary Grant Scheme.

**Table 17: Collection Fund income**

<b>COLLECTION FUND INCOME 2019-20 TO 2020-21</b>							
	Total Income collectable for 2020-21	Total Income collected to the 31 <sup>st</sup> of May for 2020-21	Total Income collected in the month for 2020-21	% of Income Collected for 2020-21	% of Income collected to the 31 <sup>st</sup> of May for 2019-20	Target % Income to the 31 <sup>st</sup> of May 2020-21	Current Income outstanding for 2020-21 as at 31 <sup>st</sup> of May 2020
<b>CTAX</b>	£	£	£	£	£	£	£
<b>2019-20</b>							
B/F April 2019	91,823,170	11,071,693	11,071,693	12.06%	11.66%	11.6%	80,751,477
C/F March 2020	91,913,932	90,343,171	1,352,888	98.29%	98.05%	98.5%	1,570,761
<b>2020-21</b>							
Apr-20	96,457,722	11,105,447	11,105,447	11.51%	12.06%	11.6%	85,352,275
May-20	96,424,469	20,099,148	8,993,700	20.84%	21.75%	21.5%	76,325,321
<b>NNDR</b>							
<b>2019-20</b>							
B/F April 2019	93,494,227	9,515,703	9,515,703	10.18%	11.94%	12.0%	83,978,524
C/F March 2020	89,651,398	88,061,488	78,545,785	98.23%	96.92%	98.3%	1,589,910
<b>2020-21</b>							
Apr-20	55,685,160	5,960,082	5,960,082	10.70%	10.18%	12.0%	49,725,077
May-20	54,208,499	10,831,149	10,831,149	19.98%	19.90%	20.0%	43,377,350

### 10.5 Outstanding Sundry debts

The current level of outstanding sundry debts is £7,407,000 as at the 31<sup>st</sup> of May 2020. The age of the debts is shown in **Table 18** below. The debt currently outstanding up to 6 months old is higher than would normally be expected due to COVID19 and the restraints on our debt collection procedures.

**Table 18: Outstanding Sundry Debts**

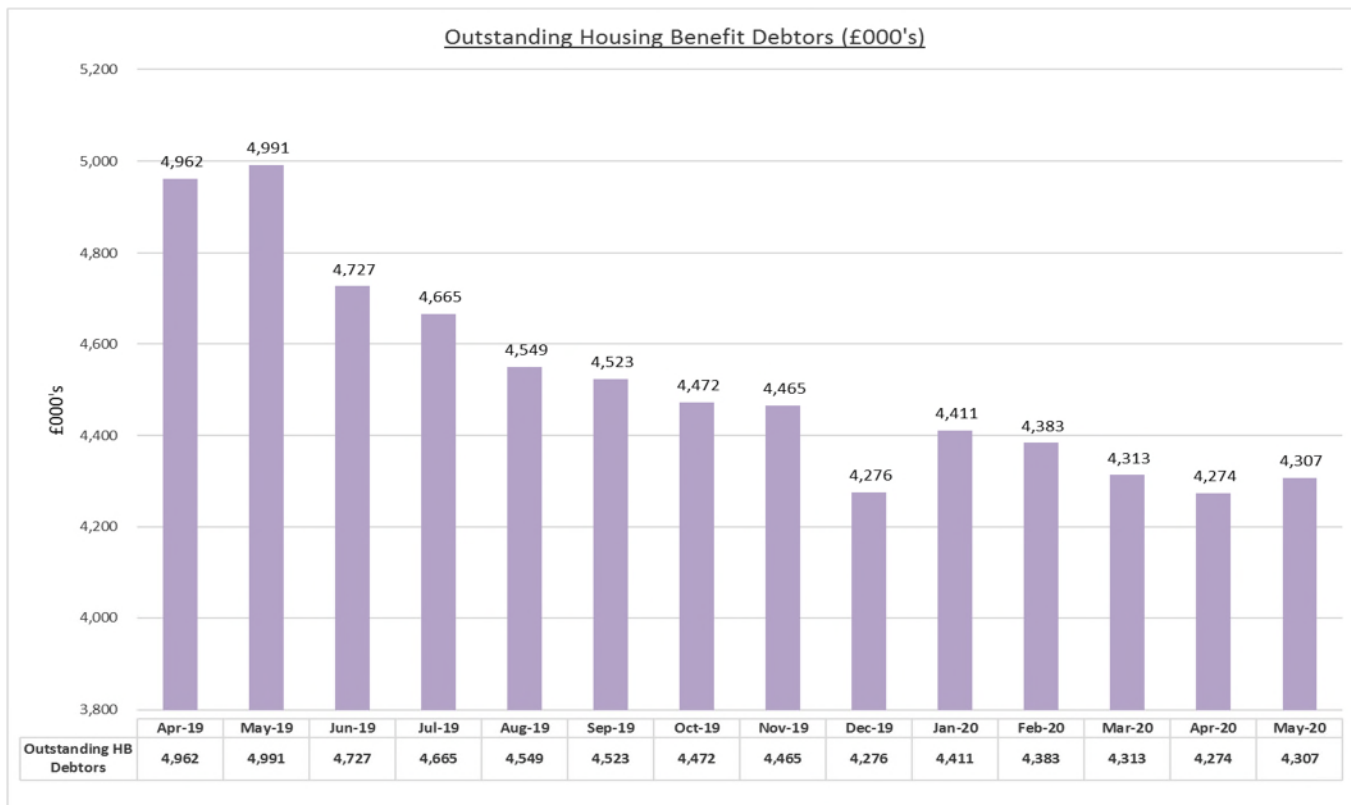
**OUTSTANDING DEBTS AND PROJECTED BAD DEBT PROVISION REQUIREMENT AS AT 31ST MAY 2020**

SERVICE	2019/20	2020/21 to the 31st of May 2020						Remissions
	Debt Outstanding	Debt Outstanding	<1 month	>1 mth and < 6 months	> 6 months < 1 year	1 to 2 years	> 2 years	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Education and Youth	33	103	17	59	2	9	16	600
Schools	0	55	8	0	0	0	47	0
Housing Loans	313	340	15	9	2	10	304	0
Temporary Accommodation - bed & bfast	358	224	8	80	67	14	55	1
Adult Social care	3,371	3,733	321	1,956	473	550	433	91
Adult deferred payments	684	688	0	33	138	251	267	0
Corporate including Highways and Commercial Property	2,236	2,262	389	1,660	36	35	142	176
<b>TOTAL DEBT</b>	<b>6,995</b>	<b>7,407</b>	<b>757</b>	<b>3,798</b>	<b>717</b>	<b>869</b>	<b>1,265</b>	<b>868</b>
<b>% of outstanding debt</b>			<b>10.22%</b>	<b>51.28%</b>	<b>9.68%</b>	<b>11.73%</b>	<b>17.08%</b>	

**10.6 Outstanding Housing benefit debtors**

Outstanding Housing benefit debtors as at the 31<sup>st</sup> of May 2020 is shown below in **Chart 14**, This debt has decreased to £4,307,000 compared to £4,991,000 in the same period of 2019-20.

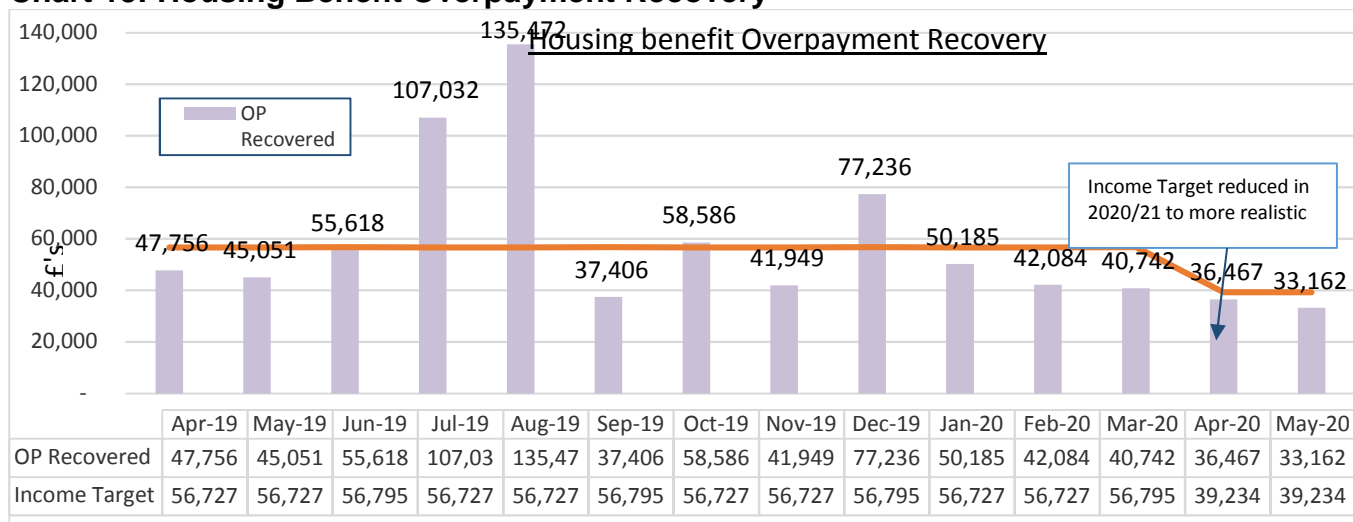
**Chart 14: Outstanding housing benefit debtors as at the 31<sup>st</sup> of May 2020**



## 10.7 Housing benefit overpayment recovery

Housing benefit overpayment recovery rates are shown in **Chart 15** below. The income target was reduced in the 2020-21 budget build to make it a realistic target based on 19-20 projected outturn.

**Chart 15: Housing Benefit Overpayment Recovery**



## 10.8 Revenue budget movements

Any movements to the revenue budget are monitored and reported to Cabinet each month; a full analysis is set out in **Table 19** below:

**Table 19: Revenue budget movement**

Revenue Monitoring Statement 2020-21						
		Funded by the General Fund (1)	Funded by Provision (2)	Included in the original budget (3)	Total	Approval
		£'000	£'000	£'000	£'000	
	<b>Original Budget</b>				<b>86,504</b>	
1	Severance	8	19		27	Feb 2020 Council
	<b>Changes Approved</b>	<b>8</b>	<b>19</b>	<b>0</b>	<b>27</b>	
	<b>Approved service budget July Cabinet</b>				<b>86,531</b>	
<b>NOTES</b>						
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 of £19,000 is held for revenue severance costs. This has been used to part fund the additional budget in services for the costs of redundancy they have incurred this year.					
3	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 award/reward budgets. Pay reward payments are not approved until June. The budget therefore has to be re-allocated.					

## 10.9 Funding

Additional COVID19 funding has been received since the 11<sup>th</sup> of March 2020. The grants are included in the service COVID19 projections in Appendix A. The funding announcements and details as known to date are detailed in **Table 20** below:

**Table 20: COVID 19 funding**



COVID 19 FUNDING SUMMARY				
FUNDING DESCRIPTION	TYPE OF FUNDING	DATE OF RECEIPT	ACTUAL SPEND TO 31ST OF MAY	AMOUNT RECEIVED
				£,000
Expanded retail relief	Instalments through 20/21	Monthly	39,499	33,164
Council Tax Hardship relief	Up front cash	03/04/2020	0	564
Business rates grants	Up front cash	01/04/2020	25,460	28,638
Housing grant	Reimbursement	Reimbursement pending	30	30
COVID Grant Tranche 1	Up front cash	27/03/2020	2,983	2,983
COVID Grant Tranche 2	Up front cash	18/05/2020	4,149	4,149
COVID grant Tranche 3	Up front cash	TBC	994	994
Test and Trace	Up front cash	19/06/2020		436
Emergency Travel fund	Up front cash			699
Infection Control Fund	Up front cash			2,200
Additional grant top-up	Up front cash		1,058	1,457
Original business rate top-up	Up front cash		230	230
Emergency Food grant	Claim completion		TBC	88
Reopening high streets safely fund	Reimbursement following agreed plan from 1st of June	Reimbursement		134
New Burdens for Business grants support	Up front cash	07/07/2020		170
New funding package for lost income	Up front cash	TBC		TBC
<b>TOTAL FUNDING</b>			<b>74,403</b>	<b>75,936</b>

## 10.10 Revenue Reserve

At 31.03.2020 the Council had general fund reserves of £8,231,000. As at 31.05.20 these reserves are forecast to be £1,855,000 at year end. Usable and unusable reserves as well as provisions are shown in **appendix I**.

If future COVID19 funding is received in 2020-21 to cover any or part of the £7,912,000 shortfall for COVID19 related costs as shown in **appendix A** then the reserves would increase by the additional funding value received. For this report it would result in a reserve balance of £8,773,000 instead of the £1,855,000 reported if all costs were fully funded in year.

The current £5,152,000 projected overspend which includes £8,422,000 of COVID19 costs results in a general fund reserve of £1,855,000 which is £4,516,000 below the minimum level approved by Council.

**Table 21 General Fund reserve projection**

<b>General Fund Reserve Projection at 31.05.20</b>	<b>£000</b>
Opening Balance 01.04.20	8,231
One-Off contribution from reserves	(2,218)
	6,013
Year-end overspend	(4,158)
Current Projected Balance at 31.05.20	<u>1,855</u>

### Medium Term Financial Strategy

- 10.11 The MTFP assumptions will be reviewed over the next few months particularly given the evolving impact of the global pandemic on the Council.

#### Borrowing projection

- 10.12 Throughout the year the Council's borrowing levels are updated based on cash-flow and spending on the capital programme as shown in **Appendix D**. Currently the Council is borrowing temporarily pending anticipated capital receipts in future years and short-term interest rates remain low. The details of the current borrowing are shown in **Table 22** below:

**Table 22 Total Borrowing**

<b>Borrowing Type</b>	<b>Actual Start of Year £000</b>	<b>Actual Previous Month £000</b>	<b>Actual Current Month £000</b>	<b>End Forecast Previous Month £000</b>	<b>End Forecast Current Month £000</b>
Long Term	57,049	57,049	57,049	57,049	57,049
Short Term – Local Authority	134,000	119,000	94,000	184,000	184,000
Short Term – LEP	33,521	46,700	46,700	0	0
Investments	(51,726)	(45,436)	(43,186)	(20,000)	(20,000)
<b>Net Borrowing</b>	<b>172,844</b>	<b>177,313</b>	<b>154,563</b>	<b>221,049</b>	<b>221,049</b>

## 11 Capital Programme

- 11.1 The approved capital programme budget for 2020/21 is currently £82,812,000. Slippage of £13,686,000 has been identified which mainly relates to Maidenhead regeneration schemes which have been reprofiled based on latest timescales. Further detail is available in **Appendix F**. One adverse variance of £45,000 has been confirmed as a result of the COVID-19 outbreak as detailed in Appendix F. In total net savings of £2,445,000 have been identified as a result of a review of slippage from 2019/20 and new 2020/21 schemes.

### 11.2 **SEND Special Provision Capital Funding**

The Borough has been allocated £1,227,000 from the Department for Education to invest in improving the quality and range of provision for children and young people with SEN and disabilities aged 0-25. Cabinet considered a [report in February 2020](#) authorising consultation on proposals for new provision to be funded using the grant. The outcome of that consultation is due to be reported to Cabinet in August 2020. Feasibility works are underway and detailed design works will commence in September 2020. It is expected that £500,000 of the grant will be spent by March 2021. Approval is sought to add £500,000 of fully funded budget to the 2020/21 capital programme. The remainder of the grant will be spent in 2021/22.

### 11.3 **Bisham General Refurbishment**

Bisham School converted to academy status in 2017. The Royal Borough and the school's new multi academy trust, the Ashley Hill Trust, signed a Commercial Transfer Agreement, transferring the various contracts from the Borough to the new academy. One of the stipulations committed the Royal Borough to payments totalling £480,000 over four academic years from 2017/18 to 2020/21. The final payment of £200,000 is now due. It is proposed that £200,000 of savings from the Secondary Expansions Risk Contingency budget is used to fund this commitment. Approval is sought to vire the budget to meet this commitment.

### 11.4 **Capital Budget Addition - Wider Area Growth Study**

The Council in partnership with Slough and Buckinghamshire Council were successful in a bid for external funding from the MHCLG Joint Working Fund to carry out a Wider Area Growth Study. The second stage of this work is now ready to commence. Approval is sought to add £87,000 fully funded budget to the Capital programme so that the funding held on behalf of the other Councils can be spent.

### 11.5 **Capital Budget Addition - Emergency Active Travel Fund**

On 29 May the DfT issued provisional funding allocations for local authorities from the 'Emergency Active Travel Fund'. The allocations total £225m and are part of a wider £283m package of funding announced on 23 May by the DfT on funding to 'protect and increase transport services, level up infrastructure and regenerate local economies after the coronavirus (COVID-19) outbreak'. The Royal Borough's allocation (tranche 1) is £140,000 which is subject to approval of a submitted funding bid. The bid is focussed mainly in the town centres of Maidenhead, Windsor and Ascot to support the local economy and ensure that residents feel safe to visit the newly re-opened town centres on foot, cycling or by public transport. Detailed works programmes have been developed and shared with Ward Members. Approval is sought to add £140,000 fully funded budget to the capital programme once DfT have agreed the bid.

### 11.6 **Design and construction changes to Braywick Leisure Centre.**

It was previously determined that £107,000 of s106 funds and £274,000 of existing grants held in reserves could be utilised to fund design and construction changes of the project and formal approval is now sought to apply these funds to the project. A final

settlement figure is pending and completion of the project is expected in September 2020.

**Table 23** summarises the projected outturn for the financial year.

**Table 23: Capital Projections**

	<b>Exp.</b>	<b>Inc.</b>	<b>Net</b>
	£'000	£'000	£'000
Revised Budget	82,812	(25,850)	56,962
Variances identified	(2,574)	129	(2,445)
Slippage to 2021/22	(13,686)	-	(13,686)
Projected Outturn 2020/21	66,552	(25,721)	40,831

Capital programme scheme status is shown in **Table 24**. Further detail is available in **Appendix E**.

**Table 24: Capital programme status**

	<b>June 2020</b>
<b>Number of schemes in programme</b>	<b>250</b>
Yet to start	20%
In progress	58%
Completed	2%
Ongoing programmes e.g. Disabled Facilities Grant	20%

### **Transformation Plan funded from flexible reserves**

The second year of the transformation plan for 2020-21 has a budget of £1,000,000 using flexible capital reserves, this was approved by Council with the budget in February 2020. There is slippage from the 2019-20 transformation plan of £347,091 resulting in £1,347,091 of available budget for transformation in 2020-21. The spend and commitments on the transformation projects to 31-05-2020 is £816,000. Further details are shown below in **Table 25**.

**Table 25: Transformation Plan actuals and commitments to 31.05.20**

<b>TRANSFORMATION CAPITAL SUMMARY 2019-20 TO 2020-21</b>		
	<b>STAFFING AND CONSULTANTS FEES</b>	<b>REDUNDANCIES</b>
	<b>£,000</b>	<b>£,000</b>
<b>BUDGET</b>	<b>700</b>	<b>1,000</b>
SPEND	236	280
COMMITMENTS	66	234
<b>TOTAL ALLOCATED</b>	<b>302</b>	<b>514</b>
<b>UNALLOCATED BUDGET</b>	<b>398</b>	<b>486</b>

## **12 LEGAL IMPLICATIONS**

12.1. In producing and reviewing this report the council is meeting its legal obligations to monitor its financial position.

## **13 RISK MANAGEMENT**

13.1. The increase in projected variance will require additional mitigation to reduce it during the financial year.

## **14 POTENTIAL IMPACTS**

14.1. Equalities – none

14.2. Climate change/sustainability – none

14.3. Data Protection/GDPR -none

## **15 CONSULTATION**

15.1 None.

## **16 TIMETABLE FOR IMPLEMENTATION**

16.1 Implementation date if not called in: immediately.

## **17 APPENDICES**

17.1 This report is supported by nine appendices:

- Appendix A Revenue Monitoring Statement
- Appendix B Savings Tracker 2020-21
- Appendix C Capital budget summary
- Appendix D Capital monitoring report
- Appendix E Major capital scheme progress
- Appendix F Capital budget movements
- Appendix G Borrowing forecast
- Appendix H Children’s variance analysis

- Appendix I Reserve and provisions

## 18 BACKGROUND DOCUMENTS

18.1 This report is supported by one background document:

- Budget Report to Council February 2020.

## 19 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date issued for comment	Date returned with comments
Cllr Hilton	Lead Member for Finance and Ascot	02/07/20	02/07/20
Duncan Sharkey	Managing Director	02/07/20	02/07/20
Russell O'Keefe	Executive Director	02/07/20	02/07/20
Adele Taylor	Executive Director and Section 151 Officer	01/07/20	01/07/20
Kevin McDaniel	Director of Children's services	02/07/20	
Nikki Craig	Head of HR and Corporate Projects	02/07/20	02/07/20
Louisa Dean	Communications	02/07/20	
Andrew Vallance	Head of Finance	30/06/20	01/07/20
Hilary Hall	Deputy Director of Commissioning and Strategy(DASS)	02/07/20	02/07/20

## REPORT HISTORY

Decision type:	Urgency item?	To Follow item?
For information	No	No
Report Author: Ruth Watkins, Chief Accountant		

Revenue Monitoring Statement 2020/21						
Original Budget	SUMMARY	Inbuilt Savings included in the Revised Budget	Revised Budget	Projected Outturn including COVID 19	Projected Variance including COVID 19 costs	COVID 19 costs
£000		£000	£000	£000	£000	£000
	<b>Managing Director</b>					
351	Management	0	249	249	0	0
2,686	Governance	(115)	2,660	2,631	(29)	63
<b>3,037</b>	<b>Total Managing Director's Directorate</b>	<b>(115)</b>	<b>2,909</b>	<b>2,880</b>	<b>(29)</b>	<b>63</b>
	<b>Children's Services</b>					
(79)	Director of Children's Services	0	(79)	(79)	0	0
25,799	Children's Services - Achieving for Children Contract	(1,550)	25,799	26,908	1,109	779
(2,535)	Children's Services - Retained	0	(2,530)	(2,398)	132	28
11,135	Dedicated Schools Grant - Achieving for Children Contract	0	11,135	11,555	420	0
55,175	Dedicated Schools Grant - Retained	0	55,176	54,951	(225)	0
(66,310)	Dedicated Schools Grant - Income	0	(66,310)	(66,505)	(195)	0
<b>23,185</b>	<b>Total Children's Services Directorate</b>	<b>(1,550)</b>	<b>23,191</b>	<b>24,432</b>	<b>1,241</b>	<b>807</b>
	<b>Adults, Health and Commissioning</b>					
162	Director of Adults, Health & Commissioning	0	163	163	0	
488	Commissioning	(51)	381	1,986	1,605	1,500
9,550	Commissioning - Infrastructure	(1,596)	9,590	13,800	4,210	4,092
30,921	Adult Social Care - Optalis Contract	(605)	32,480	31,116	(1,364)	
17,111	Adult Social Care - Spend	(601)	15,743	16,151	408	(300)
(12,634)	Adult Social Care - Income	0	(12,633)	(12,207)	426	135
13,288	Better Care Fund - Spend	0	13,747	13,747	0	
4,657	Public Health - Spend	(56)	4,761	4,761	0	
(16,713)	Grant & BCF Income	0	(17,278)	(17,278)	0	
290	Transformation & Systems	0	289	289	0	
413	Communications & Marketing	(48)	439	491	52	65
<b>47,533</b>	<b>Total Adults, Health &amp; Commissioning Directorate</b>	<b>(2,957)</b>	<b>47,682</b>	<b>53,019</b>	<b>5,337</b>	<b>5,492</b>
	<b>Resources</b>					
210	Executive Director of Resources	0	210	210	0	
3,347	Revenues, Benefits, Library & Resident Services	(598)	3,338	3,950	612	451
90	Housing Benefit Subsidy	0	91	187	96	96
2,574	Human Resources, Corporate Projects & IT	(40)	2,601	2,601	0	5
2,805	Corporate Management & Contingency	(100)	2,840	1,540	(1,300)	
1,352	Finance	0	1,322	1,322	0	
<b>10,378</b>	<b>Total Resources Directorate</b>	<b>(738)</b>	<b>10,402 0</b>	<b>9,810</b>	<b>(592)</b>	<b>552</b>
	<b>Place</b>					
245	Executive Director of Place	0	245	245	0	
2,362	Housing	0	2,298	3,173	875	805
1,110	Planning Service	(174)	1,110	1,510	400	400
(5)	Communities	(336)	8	3,068	3,060	3,099
1,335	Infrastructure, Sustainability & Transport	(212)	1,363	1,615	252	210
(2,676)	Property Service	(529)	(2,677)	(1,109)	1,568	1,790
<b>2,371</b>	<b>Total Place Directorate</b>	<b>(1,251)</b>	<b>2,347</b>	<b>8,502</b>	<b>6,155</b>	<b>6,304</b>
<b>86,504</b>	<b>TOTAL EXPENDITURE</b>	<b>(6,611)</b>	<b>86,531</b>	<b>98,643</b>	<b>12,112</b>	<b>13,218</b>

Original Budget	SUMMARY	Inbuilt Savings included in the Revised Budget	Revised Budget	Projected Outturn including COVID 19	Projected Variance including COVID 19 costs	COVID 19 costs
£000		£000	£000	£000	£000	£000
<b>86,504</b>	<b>Total Service Expenditure</b>	<b>(6,611)</b>	<b>86,531</b>	<b>98,643</b>	<b>12,112</b>	<b>13,218</b>
(2,218)	Contribution to / (from) Reserves		(2,218)	(2,218)	0	
	Contribution to / (from) Capital Fund		0	0	0	
0	Contribution from NNDR volatility reserve		0	(1,519)	(1,519)	
4,217	Pensions deficit recovery		4,217	4,055	(162)	
0	COVID 19 MHCLG funding		0	(6,300)	(6,300)	(6,300)
(1,767)	Provision for Business rates release		(1,767)	(2,421)	(654)	
0	Empty property and Council tax reduction scheme	(400)	0	0	0	
1,767	Collection fund deficit		1,767	2,421	654	
0	Transfer from provision for redundancy		(27)	0	27	
162	Environment Agency levy		162	162	0	
6,010	Capital Financing inc Interest Receipts		6,010	6,010	0	
<b>94,675</b>	<b>NET REQUIREMENTS</b>	<b>(7,011)</b>	<b>94,675</b>	<b>98,833</b>	<b>4,158</b>	<b>6,918</b>
(1,217)	Less - Special Expenses		(1,217)	(1,217)	0	
0	Transfer to / (from) balances		0	(4,158)	(4,158)	
<b>93,458</b>	<b>GROSS COUNCIL TAX REQUIREMENT</b>		<b>93,458</b>	<b>93,458</b>	<b>0</b>	
	<b>General Fund</b>					
	Opening Balance		8,231	8,231		
	Contribution to / (from) Reserves		(2,218)	(2,218)		
	Budget Transfers (from) Balances		0	(4,158)		
			<u>6,013</u>	<u>1,855</u>		
	Transfers (from) Balances, Variance		(4,158)			
	Budget General Fund Outturn		<u>1,855</u>			



RBWM SAVINGS 20/21		General Information					Financials Month			If savings impacted as a result of COVID when will the full-year							
Ref / Savings per Budget 20/21	Directorate	Service	MTFP Savings Title	How will savings be achieved?	Lead Officer	Finance Lead	2020/21 Savings Target £000	% of target full year forecast	Overall Performance RAG	Explanation of Current Savings Forecast and Remedial Action planned to address underperformance and Mitigation Strategies <i>(must be completed for all savings that have an amber or red overall performance RAG)</i>	Savings Forecast £000	Yes / No Covid impact	savings be achieved				
													2020/21	2021/22	Saving not achievable at all		
1	B4	Optalis Contract															
2	B4	Commissioning & Support	Review of posts in Optalis	Staffing	Lynne Lidster	David Trim	31	100%	GREEN	Completed - saving achieved.	31	No	No	No	No		
3	B2	AFC Contract - LA Funded	Review of posts in commissioning function	Staffing	Dan Brookman	Tracy Watkins	20	100%	AMBER	Completed - saving achieved.	20	No	No	No	No		
			Transform youth and early years services to be targeted at the most vulnerable	Staffing	Kevin McDaniel		450	13%	AMBER	Loss of income in Youth Service, Children's Centres and Outdoor Education Activities due to COVID19 £160,000. RBWM Property Company have identified delays in achieving property related savings in light of COVID19 £70,000. Following Cabinet April 2020 there was a subsequent decision to "call in" the proposed transformation of the community hubs. This will lead to a delay in implementation, now planned as 01-01-21 resulting in additional non achievement of planned savings £160,000.	60	Yes	No	Yes	No		
4	B4	Adult Social Care - Spend															
5	B4	Adult Social Care - Spend	Optimise the provision of carers services	Contracts	Lynne Lidster	Tracy Watkins	75	100%	GREEN	Completed - saving achieved.	75	No	No	No	No		
6	B4	Adult Social Care - Spend	Optimise the delivery of the supported employment service by integration with council-owned services	Contracts	Lynne Lidster	David Trim	166	100%	GREEN	Completed - saving achieved.	166	No	No	No	No		
7	B4	Adult Social Care - Spend	Deliver befriending service in a new and different way	Contracts	Lynne Lidster	Tracy Watkins	35	71%	AMBER	Decision to extend the befriending service for three months in the light of Covid-19 and requirement for more befriending services for residents to deal with the current crisis.	25	Yes	No	Yes	No		
			Deliver adult social care transformation programme	Contracts	Hilary Hall	Alan	495	61%	AMBER	This is difficult to quantify because we just don't know what the impact of Covid-19 will be on our cohorts of service users.	300	Yes	No	Yes	No		
8	B4	Adult Social Care - Spend				Abrahamson				We will continue to deliver transformation but outcomes are unclear at this stage. Equally we don't know the impact of the provider uplifts which are being driven nationally. I have assumed a reduction in the saving on the basis of uncertainty but more work will be needed to quantify.							
9	B4	Adult Social Care - Spend	Optimise the delivery of the Recovery College	Contracts	Anna Richards	Tracy Watkins	35	100%	GREEN	Completed - saving achieved.	35	No	No	No	No		
10	B2	AFC Contract - LA Funded	Implement technology enabled care across adult services	Contracts	Dan Brookman	Alan Abrahamson	120	100%	GREEN	Technology solutions have been expedited due to Covid-19 so expect to deliver full saving.	120	No	No	No	No		
			Optimise costs of placements for children in the care of the local authority	Other	Kevin McDaniel		700	100%	GREEN	Total saving £700,000, £316,000 already delivered, remaining £384,000 includes 6 planned staying put agreements totalling £109,000 which will not slip due to COVID 19. Other savings still on track to be delivered in-year, however, recognition there may be some slippage as the availability of placements is reducing and Public Health England is restricting conditions for movement.	700	Yes	No	Yes	No		
11	B4	Adult Social Care - Spend															
12	B4	Adult Social Care - Spend	Optimise the delivery of health checks	Other	Anna Richards	Tracy Watkins	10	100%	GREEN	Completed - saving achieved.	10	No	No	No	No		
13	B4	Adult Social Care - Spend	Allocation of Public Health reserve to meet current needs	Other	Anna Richards	Tracy Watkins	46	100%	RED	Completed - saving achieved.	46	No	No	No	No		
14	B2	AFC Contract - LA Funded	Introduce an online financial assessment for adults to calculate financial contributions for care and support	Other	Hilary Hall	Alan Abrahamson	-		RED	Initial work will be completed this year and savings may be achievable in 2020-2021.	-	Yes	No	Yes	No		
15	B2	AFC Contract - LA Funded	Remove additional local authority support for school improvement in Academy schools	Other	Kevin McDaniel		20	100%	GREEN	Work with Academy schools to ensure fully aware of changes in support. Savings delivered.	20	No	No	No	No		
16	B2	AFC Contract - LA Funded	Recruitment drive to improve Social Worker workforce stability and outcomes	Staffing	Kevin McDaniel		100	100%	RED	Implementation of new service structure with vision to reduce reliance upon interim social workers due to changes in practice and as a direct result of OFSTED; Social Worker recruitment expected to achieve saving in full; status is "succeeding" based on recent recruitment offers and agency staff conversions.	100	Yes	Yes	Yes	No		
			Legal savings in Achieving for Children	Staffing	Kevin McDaniel		25	0%	RED	Due to issues with contractual charging rates it was agreed not to move to the proposed new supplier, therefore, saving are not going to be delivered in 2020/21. Current provider contract extended from 01-04-20 with ongoing discussions relating to increased contract efficiencies with the expectation that savings will be delivered for 2021/22.	-	No	No	No	Yes		
17	B2	AFC Contract - LA Funded															
18	B2	AFC Contract - LA Funded	Operational efficiency within the Achieving for Children finance team	Staffing	Kevin McDaniel		25	100%	GREEN	Savings delivered.	25	No	No	No	No		
19	B5	Community, Protection & Enforcement Services	Delete a vacant post in the Achieving for Children Management team	Staffing	Kevin McDaniel		110	100%	GREEN	Savings delivered.	110	No	No	No	No		
20	B6	Library & Resident Services	Re-focus Community Wardens on problem solving, acheiving staff savings	Staffing	David Scott		180	100%	GREEN	Restructure being implement wef 6 April, full saving will ot be in place until 1st june so 10 month saving should be achieved.	180	No	No	No	No		
			Focus customer service in Windsor at Windsor Library	Staffing	Angela Huisman		220	100%	GREEN	The changes to make the following savings have already been implemented: York House £75K, Digital Channel Shift £20k, Contact Centre reduction in opening hours - £25K. £100K is due to be made by reducing opening hours at libraries. The Public Consultation has been delayed by Covid-19. The savings will be dependent on when the Public Consultation can commence. Savings now anticipated to be met in full this year.	220	Yes	Yes	Yes	No		
21	B5	Community, Protection & Enforcement Services	Increase the use of 24/7 digital options on the council website														
			Align Library opening hours to service demand														
			Align call centre opening hours to service demand														
22	B5	Community, Protection & Enforcement Services	Removal of PCSO funding	Staffing	David Scott		74	100%	GREEN	Notice given. Expect saving to be achieved in full.	74	No	No	No	No		
23	B5	Community, Protection & Enforcement Services	WAM Get Involved support	Grants	David Scott		33	100%	GREEN	SLA ends in June so saying should be delivered.	33	No	No	No	No		
24	B4	Communications	STRIVE	Grants	David Scott		8	100%	GREEN	Completed - saving achieved.	8	No	No	No	No		
25	B3	Communities, Enforcement and Partnerships	Deliver system efficiencies through the new customer relationship management system	Contracts	LD		25	100%	AMBER	CRM and CMS project have started with a project plan. Target date for completion is August 2020	25	No	No	No	No		
26	B5	Communities, Enforcement and Partnerships	Review grant payments in line with developing voluntary sector funding strategy	Grants	Karen Shepherd	Karen Reader	100	100%	AMBER	On going review of how this can be achieved in the light of capital vs revenue issues being raised	100	No	No	No	No		
27	B5	Infrastructure, Sustainability & Transport	Citizens Advice Bureau grant	Grants	David Scott		16	100%	GREEN	Will be achieved	16	No	No	No	No		
28	B5	Infrastructure, Sustainability & Transport	Reduce the current grant provision for The Old Court, Windsor from September 2020.	Grants	Suzie Parr	Karen Reader	8.50	100%	GREEN	Savings from September 20	9	No	No	No	No		
29	B6	Revenues & Benefits	Reduce the current grant provision for Norden Farm from September 2020	Grants	Suzie Parr	Karen Reader	17	100%	GREEN	Savings from September 20	17	No	No	No	No		
			Cease the provision of the GROW service with residents being signposted to alternative forms of assistance.	Staffing	Louise Freeth		63	102%	GREEN	Staff redundant wef 31.03.20.	64	No	No	No	No		





		General Information					Financials				If savings impacted as a result of COVID when will the full-year savings be achieved				
Savings Ref / FYE	Directorate	Service	MFTP Savings Title	How will savings be achieved?	Lead Officer	Finance Lead	Month		Overall Performance RAG	Explanation of Current Savings Forecast and Remedial Action planned to address underperformance and Mitigation Strategies <i>(must be completed for all savings that have an amber or red overall performance RAG)</i>	Savings Forecast £000	Yes / No Covid impact	2020/21		
							2020/21 Savings Target £000	% of target full year forecast					2020/21	2021/22	Saving not achievable at all
Savings per Budget 20/21															
30	B3	Law & Governance	Cease support for the One Stop Shop in Datchet	Grants	Karen Shepherd	Karen Reader	1	100%	GREEN	Relate to things we simply won't do next year.	1	No	No	No	No
31	B6	IT	Rationalise the council's current mobile phone usage to reduce operating costs	Contracts	Nikki Craig		10	100%	GREEN	Whilst maybe not from reduction in mobile phone line rental, this will be achieved through telephony savings.	10	No	No	No	No
32	B3	Law & Governance	Remove budget for individual members to attend conferences/training	Other	Karen Shepherd	Karen Reader	3	100%	GREEN	Relate to things we simply won't do next year.	3	No	No	No	No
33	B3	Law & Governance	Removal of all refreshments from council meetings, member briefings and member training sessions	Other	Karen Shepherd	Karen Reader	10	100%	GREEN	Relate to things we simply won't do next year.	10	No	No	No	No
34	B6	Revenues & Benefits	No longer print and distribute Council Tax leaflet with bills	Other	Louise Freeth		5	100%	GREEN	Costs end of year	5	No	No	No	No
35	B4	Communications	Optimise use of digital distributing Around the Royal Borough	Other	Louisa dean	Tracy Watkins	23	100%	GREEN	ATRB is being reduced to two issues this year. Due to COVID-19, one has also been removed from the schedule. A newsletter will be delivered to all homes in the next few weeks but this will be less than ATRB costs. However, there is no advertising income being generated	23	No	No	No	No
36	BTL	CTAX Income	Empty Properties Relief - reduction	Income	Louise Freeth		70	100%	GREEN	Collection fund item	70	No	No	No	No
37	BTL	CTAX Income	Review of Council Tax Reduction Scheme Discount levels	Income	Louise Freeth		330	100%	GREEN	Collection fund item	330	No	No	No	No
38	B6	Finance	Vacancy Factor/Recruitment Freeze	Staffing	Adele Taylor		100	100%	GREEN	Allocation to be confirmed by Finance, should be achievable	100	No	No	No	No
39	B6	Library & Resident Services	Charging for Resident's Parking Permits, £50 each and £70 for second permit, £100 for third and subsequent permits. Also apply and increase charges for all visitor vouchers	Income	Angela Huisman		250	60%	AMBER	Delay in implementation, expected savings now reduced for this year	150	Yes	No	Yes	No
40	B5	Property Service	Additional Management Fee from Countryside	Income	Russell O'Keefe		300	100%	GREEN	It is on track to be delivered in March	300	No	No	No	No
41	B5	Community, Protection & Enforcement Services	Post Deletions	Staffing	David Scott		200	100%	GREEN	All actioned in the 20/21 budget build	200	No	No	No	No
42	B4	Commissioning-Infrastructure	Increase green waste annual subscription charge to £65 per annum in line with neighbouring authority charges.	Income	Ben Smith	Abid Hussain	250	80%	AMBER	Savings are dependant upon being able to deliver the full service during the Covid-19 response and recovery and resident behaviours not being adversely affected from modelled projections	200	Yes	Partial	Yes	No
43	B4	Commissioning-Infrastructure	Remove free Saturday garden waste collection	Income	Ben Smith	Abid Hussain	25	100%	GREEN	Contract reduced to remove free Saturday collection	25	No	No	No	No
44	B4	Commissioning-Infrastructure	Remove Advantage Card discounts for parking.	Income	Ben Smith	Abid Hussain	650	0%	RED	Linked to parking model	-	Yes	No	Yes	No
45	B4	Commissioning-Infrastructure	Advertising on car park tickets/car parks	Other	Ben Smith	Abid Hussain	30	0%	RED	This work will now be low priority and negotiations with potential customers will be delayed until 2021/22.	-	Yes	No	Yes	No
46	B4	Commissioning-Infrastructure	Parking season ticket income	Other	Ben Smith	Abid Hussain	50	0%	RED	Linked to parking model	-	Yes	No	Yes	No
47	B4	Commissioning-Infrastructure	Review and optimise the number of subsidised bus routes	Other	Ben Smith	Abid Hussain	100	50%	AMBER	£100k saving was built in as a part year effect (latter part of year) from reviewing bus routes we currently provide. However, this is likely to be pushed back and we are now estimating that only 50% of this will be achieved.	50	Yes	No	Yes	No
48	B4	Commissioning-Infrastructure	Traffic signal costs - capital spend	Other	Ben Smith	Abid Hussain	65	100%	GREEN	Completed - saving achieved.	65	No	No	No	No
49	B4	Commissioning-Infrastructure	Efficiency saving from traffic counter machines	Other	Ben Smith	Abid Hussain	15	100%	GREEN	Completed - saving achieved.	15	No	No	No	No
49	B4	Commissioning-Support	Concessionary Fares	Other	Lynne Lidster	Abid Hussain	100	50%	AMBER	Changes to the concessionary fares scheme will not be implemented until later in 2020/21 due to the Covid-19 impact; government direction to support transport operators and awaiting recovery to assess further	50	Yes	Partial	Yes	No
50	B6	HR	Corporate	Staffing	Nikki Craig	Abid Hussain	30	100%	GREEN		31	No	No	No	No
<b>Total Savings Per Budget 20/21</b>							<b>5,824</b>	<b>73%</b>			<b>4,226</b>				
<b>Full Year Effects of savings per Budget 19/20</b>															
51	B4	Commissioning-Communities	Volker highways		Vikki Roberts	Abid Hussain	100	100%	GREEN		100	No	No	No	No
52	B4	Adult Social Care - Spend	BCF mitigation 20/21		Lynne Lidster	Tracy Watkins	166	100%	GREEN	This forms part of the CCG minimum contribution to Adult Social Care for 20/21	166	No	No	No	No
53	B4	Adult Social Care - Spend	LD supported living mitigation		Hilary Hall	David Trim	50	100%	GREEN		50	No	No	No	No
54	B4	Commissioning-Communities	Windsor coach park rental		Ben Smith	Abid Hussain	11	100%	GREEN		11	No	No	No	No
55	B4	Adult Social Care - Spend	Drugs and Alcohol contract		Anna Richards	Tracy Watkins	64	100%	GREEN	Completed - saving achieved.	64	No	No	No	No
56	B4	Commissioning-Communities	Waste contract full year effect		Naomi Markham	Abid Hussain	200	100%	GREEN		200	No	No	No	No
57	B2	AFC Contract - LA Funded	Removal of 19/20 pay reward growth for AFC		Hilary Hall		120	100%	GREEN	Completed	120	No	No	No	No
59	B5	Community, Protection & Enforcement Services	Principal enforcement manager		Christopher Mash		11	100%	GREEN		11	No	No	No	No
60	B5	Planning	Planning application fee income		Adrien Waite		100	0%	RED	Demand led income, little service can do to generate this demand, income levels kept under regular review.	-	Yes			



		General Information				Financials					If savings impacted as a result of COVID when will the full-year savings be achieved				
Savings Ref / FYE	Directorate	Service	MTFP Savings Title	How will savings be achieved?	Lead Officer	Finance Lead	2020/21 Savings Target £000	% of target full year forecast	Overall Performance RAG	Explanation of Current Savings Forecast and Remedial Action planned to address underperformance and Mitigation Strategies <i>(must be completed for all savings that have an amber or red overall performance RAG)</i>	Savings Forecast £000	Yes / No Covid impact	2020/21	2021/22	Saving not achievable at all
Savings per Budget 20/21															
61	B5	Community, Protection & Enforcement Services	CPES Lower out of hours prof fees		Christopher Nash		2	100%	GREEN		2	No	No	No	No
62	B5	Community, Protection & Enforcement Services	3 year SLA for sports able		David Scott		12	100%	GREEN		12	No	No	No	No
63	B5	Property Service	New property income		Gary Ellis		225	100%	GREEN		225	No	No	No	No
64	B5	Property Service	Recharges for Energy & Efficiency		Russell O'Keefe		4	100%	GREEN		4	No	No	No	No
65	B5	Infrastructure, Sustainability & Transport	Tourism additional saving		Julia White		60	0%	RED	VisitWindsor Partnership Fees - cannot be invoiced currently as partners closed and lockdown has had a significant impact on the leisure and tourism industry	-	Yes			
66	B6	Revenues & Benefits	Capitalisation of PKN and EG		Louise Freeth		30	100%	GREEN		30	No	No	No	No
67	B6	Library & Resident Services	Continuing with RDS where possible		Angela Huisman		15	100%	GREEN	Income target - get £12-£15 per year from schools, billing due in Autumn	15	Yes			
68	B6	Library & Resident Services	CLASS		Angela Huisman		15	100%	GREEN	Income acjieved - required to pay for staff so associated pressure on costs declared. Funding not permanent.	15	No	No	No	No
			<b>Total FYE Per Budget 20/21</b>				<b>1,185</b>	<b>86%</b>			<b>1,025</b>				
			<b>Total Savings Per Budget 20/21</b>				<b>7,009</b>	<b>75%</b>			<b>5,251</b>				
										<b>Deficit 20/21</b>	<b>1,758</b>				



	2020/21 Original Budget			New Schemes - 2020/21 Approved Estimate A			Unspent budget from Schemes Approved in Prior Years B			Revised Budget 2020/21 A+B		
	Gross £000's	Income £000's	Net £000's	Gross £000's	Income £000's	Net £000's	Gross £000's	Income £000's	Net £000's	Gross £000's	Income £000's	Net £000's
<b>Portfolio Summary</b>												
Managing Director												
Law & Governance	200	0	200	200	0	200	244	0	244	444	0	444
<b>Total Managing Director</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>244</b>	<b>0</b>	<b>244</b>	<b>444</b>	<b>0</b>	<b>444</b>
Place Directorate												
Property	19,418	(153)	19,265	14,010	(150)	13,860	17,073	(32)	17,041	31,083	(182)	30,901
Housing	650	(650)	0	600	(600)	0	404	(361)	43	1,004	(961)	43
Communities & Enforcement & Partnerships	3,767	(39)	3,728	3,696	(10)	3,686	5,447	(1,401)	4,046	9,143	(1,411)	7,732
Planning	410	0	410	365	0	365	1,382	(393)	989	1,747	(393)	1,354
Green Spaces & Parks	0	0	0	0	0	0	52	(28)	24	52	(28)	24
Infrastructure, Sustainability & Transport	4	0	4	0	0	0	262	(87)	175	262	(87)	175
<b>Total Place Directorate</b>	<b>24,249</b>	<b>(842)</b>	<b>23,407</b>	<b>18,671</b>	<b>(760)</b>	<b>17,911</b>	<b>24,620</b>	<b>(2,302)</b>	<b>22,318</b>	<b>43,291</b>	<b>(3,062)</b>	<b>40,229</b>
Adults, Health & Commissioning												
Head of Commissioning - Infrastructure	26,125	(19,917)	6,208	19,549	(15,873)	3,676	7,432	(3,774)	3,658	26,981	(19,647)	7,334
Head of Commissioning - People	0	0	0	0	0	0	200	(200)	0	200	(200)	0
<b>Total Adults, Health &amp; Commissioning</b>	<b>26,125</b>	<b>(19,917)</b>	<b>6,208</b>	<b>19,549</b>	<b>(15,873)</b>	<b>3,676</b>	<b>7,632</b>	<b>(3,974)</b>	<b>3,658</b>	<b>27,181</b>	<b>(19,847)</b>	<b>7,334</b>
Childrens Services												
Non Schools	0	0	0	0	0	0	1,103	(100)	1,003	1,103	(100)	1,003
Schools - Non Devolved	2,987	(1,087)	1,900	1,087	(1,087)	0	5,505	(633)	4,872	6,592	(1,720)	4,872
Schools - Devolved Capital	196	(196)	0	196	(196)	0	487	(909)	(422)	683	(1,105)	(422)
<b>Total Childrens Services</b>	<b>3,183</b>	<b>(1,283)</b>	<b>1,900</b>	<b>1,283</b>	<b>(1,283)</b>	<b>0</b>	<b>7,095</b>	<b>(1,642)</b>	<b>5,453</b>	<b>8,378</b>	<b>(2,925)</b>	<b>5,453</b>
Resources												
Finance	1,475	0	1,475	1,475	0	1,475	138	0	138	1,613	0	1,613
Technology & Change Delivery	1,000	0	1,000	1,000	0	1,000	232	0	232	1,232	0	1,232
Revenues & Benefits	0	0	0	0	0	0	44	0	44	44	0	44
Library & Resident Services	559	(64)	495	364	(16)	348	265	0	265	629	(16)	613
<b>Total Resources</b>	<b>3,034</b>	<b>(64)</b>	<b>2,970</b>	<b>2,839</b>	<b>(16)</b>	<b>2,823</b>	<b>679</b>	<b>0</b>	<b>679</b>	<b>3,518</b>	<b>(16)</b>	<b>3,502</b>
<b>Total Committed Schemes</b>	<b>56,791</b>	<b>(22,106)</b>	<b>34,685</b>	<b>42,542</b>	<b>(17,932)</b>	<b>24,610</b>	<b>40,270</b>	<b>(7,918)</b>	<b>32,352</b>	<b>82,812</b>	<b>(25,850)</b>	<b>56,962</b>
	(£'000)									(£'000)		
<b>Portfolio Total</b>	<b>56,791</b>									<b>82,812</b>		
External Funding												
Government Grants	(21,400)									(23,036)		
Developers' Contributions	(96)									(1,702)		
Other Contributions	(610)									(1,112)		
<b>Total External Funding Sources</b>	<b>(22,106)</b>									<b>(25,850)</b>		
<b>Total Corporate Funding</b>	<b>34,685</b>									<b>56,962</b>		



## Capital Monitoring Report 2020/21

At 30 June 2020 the revised budget stood at £82.812m

	Exp.	Inc.	Net
	£'000	£'000	£'000
Revised Budget	82,812	(25,850)	56,962
Variances identified	(2,574)	129	(2,445)
Slippage to 2021/22	(13,686)	-	(13,686)
Projected Outturn 2020/21	66,552	(25,721)	40,831

Projected outturn after taking into account slippage and variances is £66.552m

## Overall Projected Expenditure and Slippage

Variances are reported as follows.

	£'000	£'000	£'000
Commissioning - Infrastructure			
CD43 Flood Prevention	(2)	0	(2) Slippage from 2019/20 no longer required
Law & Governance			
CLF1 Desborough Theatre Improvements	(6)	0	(6) Slippage from 2019/20 no longer required
Infrastructure, Sustainability & Transport			
CY21 Pop-up Market Stalls Programme	(12)	0	(12) Slippage from 2019/20 no longer required
CY15 Bright Ideas Competition	(5)	0	(5) Slippage from 2019/20 no longer required
CY23 Maidenhead Wayfinding	(20)	0	(20) Slippage from 2019/20 no longer required
Communities & Enforcement & Partnerships			
			Unforeseen costs due to delays in the work schedule and resourcing issues relating to the Covid outbreak. Works to complete 6 weeks behind
CV41 Clewer Memorial Pavilion, Windsor-Modifications	45	0	45 schedule.
CX29 Windsor Coach Park Lift Upgrade	(85)	19	(66) Budget no longer required
CY13 Economic Development	(22)	22	0 Slippage from 2019/20 no longer required
CY32 Marketing Strategy-Make Maidenhead	(10)	0	(10) Slippage from 2019/20 no longer required
CD47 Replace DPPO's with Public Space PO Signage	(5)	0	(5) Slippage from 2019/20 no longer required
CV38 Advantage Card System-Replacement	(2)	0	(2) Slippage from 2019/20 no longer required
Housing			
CT55 Brill House Capital Funding	(5)	5	0 Slippage from 2019/20 no longer required
DG50 Assisted Transfer Scheme	(25)	0	(25) Slippage from 2019/20 no longer required
CE07 Digitalisation-Environmental Health Documentation	(18)	0	(18) Slippage from 2019/20 no longer required
Infrastructure, Sustainability & Transport			
CZ77 Transformation Projects	(3)	0	(3) Slippage from 2019/20 no longer required
CZ98 Heritage Signage	(4)	0	(4) Slippage from 2019/20 no longer required
CZ96 Archive Exhibitions	(12)	11	(1) Slippage from 2019/20 no longer required
CZ95 RBWM Improvements	(3)	3	0 Slippage from 2019/20 no longer required
CZ97 Arts in the Park	(1)	1	0 Slippage from 2019/20 no longer required
CLC2 Collection Care and Storage	(22)	22	0 Slippage from 2019/20 no longer required
CLB6 MALS Digital Offer	(29)	29	0 Slippage from 2019/20 no longer required
CC68 Royal Borough Ambassador Equipment	(8)	0	(8) Slippage from 2019/20 no longer required
CC39 Old Court Improvements	(3)	0	(3) Slippage from 2019/20 no longer required
CY03 Energy Savings Initiative	(74)	0	(74) Slippage from 2019/20 no longer required. Strategy under review.
CY04 Water Meters	(19)	0	(19) Slippage from 2019/20 no longer required. Strategy under review.
CV22 New Power Points-Ascot High Street Events	(10)	0	(10) Slippage from 2019/20 no longer required
Non Schools			
CKVL Hurley Canoe Centre Storage Facility	(15)	15	0 Slippage from 2019/20 no longer required
CKVP Children's Centres buildings	(7)	0	(7) Slippage from 2019/20 no longer required
CKVM Youth Centre upgrades	(2)	2	0 Slippage from 2019/20 no longer required
Planning			
CI68 Windsor Placemaking-Public Realm Improvements	(35)	0	(35) Slippage from 2019/20 no longer required
CI65 Conservation Area Appraisals	(38)	0	(38) Slippage from 2019/20 no longer required
CI74 Energy Performance Certificates	(75)	0	(75) Budget no longer required
Property			
CX41 Commercial Investment Property Portfolio-Repairs	(42)	0	(42) Slippage from 2019/20 no longer required
CX53 Legionella Compliance Work	(79)	0	(79) Slippage from 2019/20 no longer required
CX59 16a Hampden Road, Maidenhead-Refurbishment	(5)	0	(5) Slippage from 2019/20 no longer required
CX40 Operational Estate Improvements	(120)	0	(120) Slippage from 2019/20 no longer required
CI62 Hines Meadow CP - Dilapidations	(50)	0	(50) £70k of £93k slippage budget no longer required.
CI49 Maidenhead Golf Course	(1)	0	(1) Slippage from 2019/20 no longer required
CC80 Temp Parking Provision-Maidenhead Regeneration	(90)	0	(90) £90k of £293k slippage-in from 2019/20 no longer required.
CI33 Clyde House	(58)	0	(58) £58k of £108k slippage-in from 2019/20 no longer required.
CX25 Wessex Way Shopping Parade Repairs	(31)	0	(31) Slippage from 2019/20 no longer required
CX51 Theatre Royal-Sub Stage / Orchestra Pit Refurb	(50)	0	(50) Slippage from 2019/20 no longer required
CX52 12, Church St, Windsor-External Repairs	(80)	0	(80) Slippage from 2019/20 no longer required
Schools-Non Devolved			
CSGX Dedworth Middle School Expansion	(276)	0	(276) Final accounts on this scheme. A saving of £276k on this scheme can be made immediately.
CSHW Secondary Expansions Risk Contingency	(510)	0	(510) £510k of £2m slippage in from 2019-20 no longer required.
CSJR Works to explore expansions for all Schools	(650)	0	(650) £650k of the £776k capital slippage-in no longer required. Detailed paper exploring expansion schemes planned for October 2020
	(2,574)	129	(2,445)

Slippage to date has been identified as follows.

## Property Services

CC78 Vicus Way Car Park	(3,961)	0	(3,961) Scheme slippage based on entering a contract in July and starting on site in September having delayed entering into a contract in March due to Covid 19.
CI29 Broadway Car Park & Central House Scheme	(9,105)	0	(9,105) Planning application for the new car park was submitted at the end of May 2020 and the earliest a permission could be expected is at the end of the year followed by the JR period. Following that vacant possession of the land required across the Nicholsons Centre site.

## Head of Commissioning - Infrastructure

CC95 Cookham Bridge Refurbishment & Structural Repair	(600)	0	(600) Surveys, inspections, design development, options appraisal and preliminary works to be carried out in 2020/21. Remaining works to continue in 2021/22.
CD83 Traffic Signal Review	(20)	0	(20) One scheme deferred until 2021/22. To be co-ordinated with other works
	(13,686)	0	(13,686)

## Overall Programme Status

The project statistics show the following position:

Scheme progress	No.	%
Yet to Start	49	20%
In Progress	145	58%
Completed	6	2%
Ongoing Programmes e.g., Disabled Facilities Grant	49	20%
Devolved Formula Capital Grant schemes budgets devolved to schools	1	0%
<b>Total Schemes</b>	<b>250</b>	<b>100%</b>



Major Capital Scheme Progress																								
CC Description	TOTAL SCHEME VALUE	2020/21			APPROVED SLIPPAGE			TOTAL BUDGET			PROJECTIONS		PROJECT STATUS											
		APPROVED ESTIMATE			FROM PRIOR YEARS			2020/21			2020/21 Projected Variance (Underspend as negative)	2021/22 SLIPPAGE Projected	Yet To Start	Preliminary / Feasibility Work	Work On-site	Ongoing Annual Programme								
		Gross	Income	Estimate	Gross	Income	Estimate	Gross	Income	Estimate														
	£'000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000											
Place Directorate																								
Property																								
CI29	Broadway Car Park & Central House Scheme	35,313	6,100	0	6,100	4234	0	4234	10,334	0	10,334		9,105											
Housing																								
CT52	Disabled Facilities Grant	600	600	0	600	0	0	0	600	0	600													
Communities & Enforcement & Partnerships																								
CZ18	Braywick Leisure Centre	36,386	3,341	0	3,341	2374	0	2374	5,715	0	5,715													
Adults Health & Commissioning																								
Head of Commissioning - Infrastructure																								
		0	0	0	0	0	0	0	0	0	0	0	0											
CD42	Maidenhead Station Interchange & Car Park	4,500	3,750	(3,750)	0	1532	(644)	888	5,282	(4,394)	888													
CF09	Maidenhead Local Plan Site Works	2,165	0	0	0	1989	(1,649)	340	1,989	(1,649)	340													
CD12	Roads Resurfacing-Transport Asset & Safety	1,900	2,000	(2,000)	0	112	(112)	0	2,112	(2,112)	0													
CC62	Maidenhead Missing Links (LEP Match Funded)	4,720	2,242	(2,242)	0	1881	(1,254)	627	4,123	(3,496)	627													
CC89	Elizabeth Bridge	1,600	750	0	750	693	0	693	1,443	0	1,443													
Childrens Services																								
Schools - Non Devolved																								
CSJX	St Peters Middle	2,700	0	0	0	1,714	0	1714	1,714	0	1,714	0	0											

**Capital Programme Movements 2020/21****Original Budget 2020/21****Budget Changes to 30 June 2020**

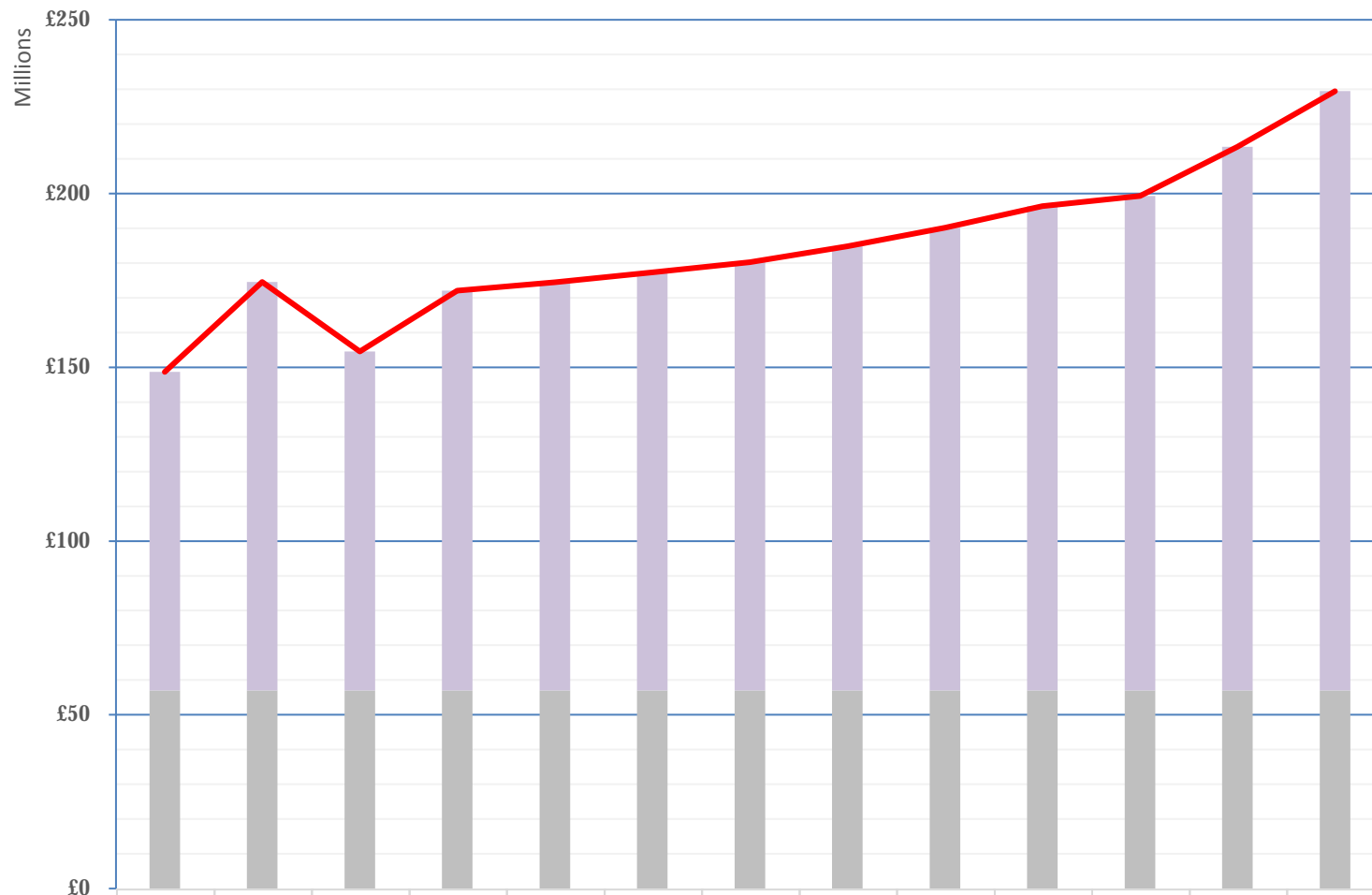
Additional Slippage in from 2019/20

DFG capital budget alignment to BCF 20-21 plan

**Revised Budget 2020/21**

<b>Expenditure</b>	<b>Income</b>	<b>Net</b>
<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>56,791</b>	<b>(22,103)</b>	<b>34,688</b>
		-
<b>26,054</b>	<b>(3,780)</b>	<b>22,274</b>
<b>(33)</b>	<b>33</b>	<b>-</b>
<b>82,812</b>	<b>(25,850)</b>	<b>56,962</b>

**Borrowing Forecast - May 2020**



	Mar-20 Actuals.	Apr-20 Actuals.	May-20 Actuals.	June-20 Est.	July-20 Est.	August- 20 Est.	Sep-20 Est.	Oct-20 Est.	Nov-20 Est.	Dec-20 Est.	Jan-21 Est.	Feb-21 Est.	Mar-21 Est.
Short term borrowing £'000	91,625	117,511	97,514	114,970	117,393	120,291	123,204	127,749	133,079	139,288	142,217	156,403	172,397
Long term borrowing £'000	57,049	57,049	57,049	57,049	57,049	57,049	57,049	57,049	57,049	57,049	57,049	57,049	57,049
Total borrowing £'000	148,675	174,560	154,563	172,019	174,442	177,341	180,253	184,798	190,129	196,337	199,266	213,453	229,447

**Children's Services**

Service	Business as Usual				
	Original Budget	Current Budget	Forecast Outturn Variance	Previously reported variance	Change in reported variance
	£'000	£'000	£'000	£'000	£'000
<b>Children's Services non Dedicated Schools Grant</b>					
<b>Social Care and Early Help</b>					
* Employee & Operational Related Expenditure	5,878	5,878	318	565	(247)
* Legal Services	510	510	75	75	0
* Inhouse Fostering	1,467	1,467	57	57	0
* Residential, therapeutic & Direct Payments	4,199	4,199	(208)	(334)	126
* Independent Fostering Agencies	1,696	1,696	12	2	10
* Leaving Care-Care Costs	988	988	636	734	(98)
* Adoption Allowances	147	147	0	0	0
* Children-in-Need Care Costs	630	630	36	36	0
* Children's Centre & Youth Services	1,183	1,183	390	390	0
<b>Total Social Care and Early Help</b>	<b>16,698</b>	<b>16,698</b>	<b>1,316</b>	<b>1,525</b>	<b>(209)</b>
<b>Other</b>					
* Business Services	3,042	3,042	57	57	0
* Education	895	895	31	30	1
* Operational Strategic Management	295	295	0	0	0
* Public Health	1,725	1,725	0	0	0
* Special Educational Needs and Children with Disabilities	3,144	3,144	(295)	(164)	(131)
Children's Services - Retained	(2,609)	(2,609)	132	153	(21)
<b>Total Other</b>	<b>6,493</b>	<b>6,493</b>	<b>(75)</b>	<b>76</b>	<b>(151)</b>
<b>Total Children's Services non Dedicated Schools Grant</b>	<b>23,191</b>	<b>23,191</b>	<b>1,241</b>	<b>1,601</b>	<b>(360)</b>
<b>Dedicated Schools Grant</b>					
* AfC Contract - Dedicated Schools Grant	11,135	11,135	420	538	(118)
Dedicated Schools Grant - Retained	55,175	55,175	(225)	(225)	0
Dedicated Schools Grant Income	(66,310)	(66,310)	(195)	(220)	25
<b>Total Dedicated Schools Grant</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>(93)</b>
<b>Total Children's Services and Dedicated Schools Grant</b>	<b>23,191</b>	<b>23,191</b>	<b>1,241</b>	<b>1,694</b>	<b>(453)</b>
<b>Summary Position</b>					
Achieving for Children Contract	36,934	36,934	1,529	1,986	(457)
Children's Services - Retained	(2,609)	(2,609)	132	153	(21)
Dedicated Schools Grant - Retained	55,175	55,175	(225)	(225)	0
<b>Total Children's Services net budget</b>	<b>89,501</b>	<b>89,501</b>	<b>1,436</b>	<b>1,914</b>	<b>(478)</b>

\* denotes budget lines that form part of the Achieving for Children contract

**Social Care and Early Help**

Since the budget 2020/21 was set a number of Children in Care Placements have been re-categorised which is reflected in the above projected variance, resulting in movements between budget lines. The overall impact is net nil on the budget.

Costc	Description	20/21 PROVISIONAL B/F £'000	20/21 Movements in £'000	20/21 Movements out £'000	20/21 Balance as at 18/06/20 to C/F £'000
<b><u>USABLE RESERVES</u></b>					
<b><u>School Balances</u></b>					
AK14	Schools Revenue Balances	-1,462			-1,462
AK26	General DSG Reserve	1,159			1,159
AK9H	Earmarked DSG Reserve	-134			-134
		-437			-437
<b><u>Other Reserves</u></b>					
AK08	Insurance control account		-3	331	328
AK13	Insurance Fund (Reserve)	-960	-536		-1,496
AK37	Earmarked Capital Grant	-2,191	-281		-2,472
AK38	Community Infrastructure Levy	-4,841	-161	272	-4,730
AK40	NNDR Contingency Reserve	-2,269		1,519	-750
AK48	Better Care Fund Reserve	-1,383			-1,383
AK50	Public Health Reserve	-332			-332
AK54	Optalis Development Reserve	-81			-81
AK55	Brexit Funding	-299			-299
AK63	Cap Rcpts Unapplied Gen Fund	-551			-551
AL01	Graves In Perpetuity Mtce Fund	-8			-8
AL03	Arthur Jacob Nature Rsve Fund	-123			-123
AL04	Old Court Maintenance Fund	-34	-9		-43
AL08	Covid 19 Reserve	-			-
AK20	Net Revenue General Fund BUDGET OUTTURN	-8,231		6,376	-1,855
	<b>TOTAL USABLE RESERVES</b>	<b>-21,740</b>			<b>-14,232</b>

Costc	Description	20/21 PROVISIONAL B/F £'000	20/21 Movements in £'000	20/21 Movements out £'000	20/21 Balance as at 18/06/20 to C/F £'000
<b>UNUSABLE RESERVES</b>					
AG33	Capital Adjustment Account	-191,784			-191,784
AG34	Revaluation Reserve	-227,476			-227,476
AK39	Financial Instruments Revaluation Reserve	2,034			2,034
AK25	Pensions Reserve	249,304			249,304
AF22	Collection Fund-NNDR	5,337			5,337
AF51	Collection Fund - Council Tax	54			54
AG36	Accumulated Absences Account	1,934			1,934
	<b>TOTAL UNUSABLE RESERVES</b>	<b>-160,597</b>	-	-	<b>-160,597</b>
	<b>TOTAL RESERVES</b>	<b>-182,337</b>	-	-	<b>-174,829</b>
<b>PROVISIONS</b>					
AE09	Redundancy Provision	-24			-24
AE13	MMI Clawback liability	-242			-242
AE14	National Living Wage Sleep-Ins	-			-
AE22	Provision for NNDR Deficit	-2,421			-2,421
AF53	Appeals provision for Business Rates	-1,024			-1,024
	<b>TOTAL PROVISIONS</b>	<b>-3,711</b>	-	-	<b>-3,711</b>

Report Title:	<b>Interim Council Strategy 2020-21</b>
Contains Confidential or Exempt Information?	No - Part I
Lead Member:	Councillor Johnson, Leader of the Council
Meeting and Date:	Cabinet 30 <sup>th</sup> July 2020
Responsible Officer(s):	Duncan Sharkey, Managing Director
Wards affected:	All

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## REPORT SUMMARY

1. To reflect that as a result of the Covid19 pandemic the Council Strategy has been impaired and to outline the interim strategy the Council is following as a result.
2. To outline the thinking behind the need for an interim strategy, identify the objectives of such a strategy and highlight the need for a revised Medium Term Financial Plan (MTFP) for 2020 and the following five years. This will include immediate changes to the shape of service delivery as a result of the pandemic and the opportunities that has afforded to achieve longer term change objectives.

## 1. DETAILS OF RECOMMENDATIONS

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

- i) Approves the Interim Council Strategy 2020-21; and
- ii) Requests Officers to develop reports for relevant decision making bodies to progress the objectives therein.

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

### Options

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

Option	Comments
Approve the Interim Strategy and develop reports to deliver its objectives.	This will allow the Council to be clear to the public, partners and our colleagues what we aim to do over the course of the financial year and offer a framework for prioritisation of resources and energy.
<b>This is the recommended option</b>	This strategy attempts to identify the areas of greatest priority for the Council including responding to the pandemic, delivery of key strategic programmes and projects and

Option	Comments
	managing the financial crisis Covid has created.
To reject the recommendations and requests a revised strategy is developed for future consideration.	This strategy has been developed in discussion with the Leader of the Council, senior managers and Leaders Board. Clearly other objectives could be pursued and if this option were to be taken then decision makers would need to explicitly suggest what alternatives they wished to see.
Determine not to implement a new strategy (do nothing option)	This would not allow clarity of resource allocation nor would it address the fact that the current strategy has become very 'dated' since its adoption.

- 2.1 The world is a very different place now than pre-Covid. The Council is currently working to deliver the 'Building a Borough for Everyone' Council Plan 2017-21. The objectives and policies associated with that plan drive operational planning and a number of different processes and documents – for example our communications plan, financial strategy, people plan – hang from this.
- 2.2 These objectives, whilst still important, are not as relevant in our current context and many have been delivered over the last three years such as, 'deliver services that protect children, young people and vulnerable adults from harm, use modern technology to benefit customers and staff and work with schools to ensure high-quality education for all.'
- 2.3 Other objectives are no longer relevant or have changed in a significant way because of the pandemic and its impacts. It makes little sense to continue with this overarching strategy when actual delivery and resources are being focussed in an entirely different way as a result of the pandemic and its impact.
- 2.4 Clearly the outcomes of our current strategy are still important for the future and unless resource reprioritisation affects them, they will continue - for example Maidenhead Regeneration, Borough Local Plan - but at this point in time it would help the organisation, by giving clarity, to identify the revised priorities we are responding to.
- 2.5 Currently there is a huge amount of resource being used to respond to managing the pandemic and recovering from the pandemic. This includes developing the Outbreak Plan, supporting care homes, managing a shielded cohort of nearly 3,000 people, supporting schools, bringing our services back on line in a safe and appropriate way, playing a full part in the local, regional and national response systems, supporting communities and visibly acting as a local leader, leading recovery work locally and regionally, helping people



affected in whatever way. Responding to and recovering from the pandemic is both a moral and legal obligation of the Council and it has been prioritised throughout the pandemic.

- 2.6 The Council has also recently received and considered or is considering several important reports whose objectives need to be delivered. Such work will not be properly embedded if the momentum associated with it is lost. These include the Climate Change Strategy, CIPFA Report on Governance and the wider council transformation strategy.

### 3. KEY IMPLICATIONS

- 3.1 The key implications of adopting the interim strategy will be formally to refocus resources and activity on the current issues facing our communities and our organisation.

**Table 2: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Adopt Interim Strategy covering: <ul style="list-style-type: none"> <li>• Covid Response and Recovery</li> <li>• Council Priorities</li> <li>• Financial Strategy</li> </ul>	Not adopted	Adopted	Adopted with a significant improvement in our financial position	Adopted with the impact of the pandemic mitigated and a significant improvement in our financial position	31 July 2021

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 There are no direct financial implications of the proposed recommendations. If a new Medium Term Financial Plan is approved that will change the budget position in due course.
- 4.2 Introducing a number of new objectives will shift resources towards those objectives, however this is largely happening anyhow. The obvious example of this being the pandemic where resources have been shifted to response and recovery without any strategic underpinning.
- 4.3 A range of different reports will be brought forward as part of the interim strategy outlining actions in support of the new strategic objectives. Each of these reports will included any resource implications associated.

### 5. LEGAL IMPLICATIONS

- 5.1 The Council has the powers to draw together a strategy explaining our overall approach to focusing resources on current priorities. It is not a requirement to

publish a strategy however it clearly is a helpful thing to do and allows both Members and officers to take ownership of their part in delivery. This is fully in line with our new values and empowers people to deliver against clear objectives.

- 5.2 The Council has a policy framework that lists strategies that by law must be approved by Full Council. A corporate strategy is not included in that framework so Cabinet is able to approve this strategy.

## 6. RISK MANAGEMENT

- 6.1 The risks and mitigations are set out in table 3.

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

<b>Risks</b>	<b>Uncontrolled risk</b>	<b>Controls</b>	<b>Controlled risk</b>
Confusion as to objectives at either partnership or individual level	MEDIUM	Publicise the interim strategy to all colleagues and relevant partners with supporting material to explain individual roles	LOW
Previous objectives still being prioritised	HIGH	Management will ensure resource is focussed on the Interim Strategy, where previous objectives can still be delivered without affecting delivery of interim objectives; this is a good thing and will be supported.	MEDIUM
Appraisal system will not be responding to correct objectives	MEDIUM	All staff will be briefed on the Interim Strategy and any new objectives for colleagues will be added through monthly one to one sessions.	LOW
Financial positions will need to be reworked to support new objectives	HIGH	Part of the Interim Strategy is to prepare a new MTFP which would fully address this risk.	LOW

## 7. POTENTIAL IMPACTS

- 7.1 Equalities. The Interim Strategy is particularly a response to Covid19 and it is established that there has been a disproportionate impact on BAME communities. Any work as part of the development of such objectives must consider this fully. The Council is also working to develop a meaningful response to the Black Lives Matter campaign and the murder of George Floyd. Time will be prioritised to support the entire workforce to work to address

issues from this work and embedding our new values, which also include a strong commitment to ‘embrace diversity in all ways.’

7.2 Climate change/sustainability. The Strategy prioritises the emerging Climate Change Strategy Action Plan.

7.3 Data Protection/General Data Protection Regulation. No direct impact as a result of this report.

## 8. CONSULTATION

As this report is in response to a major incident it has not been possible to consult substantially in advance. Discussion with Leaders Board and Group Leaders has taken place.

## 9. TIMETABLE FOR IMPLEMENTATION

9.1 Implementation date if not called in: Immediately.

## 10. APPENDICES

10.1 This report is supported by one appendix:

- Interim Strategy

## 11. BACKGROUND DOCUMENTS

11.1 This report is not supported by any background documents.

## 12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Johnson	Leader of the Council	4/7/2020	8/07/2020
Russell O’Keefe	Director of Place	4/7/2020	9/07/2020
Adele Taylor	Director of Resources	4/7/2020	9/07/2020
Kevin McDaniel	Director of Children’s Services	4/7/2020	9/07/2020
Hilary Hall	Director Adults, Commissioning and Health	4/7/2020	5/7/2020
Andrew Vallance	Head of Finance	4/7/2020	9/07/2020
Elaine Browne	Head of Law	4/7/2020	6/7/2020
Mary Severin	Monitoring Officer	4/7/2020	-
Nikki Craig	Head of HR, Corporate Projects and IT	4/7/2020	9/07/2020
Louisa Dean	Communications	4/7/2020	6/7/2020
Karen Shepherd	Head of Governance	4/7/2020	3/7/2020
Dan Brookman	Transformation and Systems Manager	4/7/2020	

REPORT HISTORY

<b>Decision type:</b> Non-key decision	<b>Urgency item?</b> No	<b>To Follow item?</b> No
Duncan Sharkey, Managing Director		

# Interim Strategy in response to Covid19 Pandemic 2020-21



# RBWM Current Strategic Framework

- Current strategic framework
  - Corporate Plan 2017-21
  - MTFS February 2020
  - Underpinning support strategies and plans
- New Strategic Framework
  - Borough of Opportunity and Innovation (under development during 2020, paused do to pandemic)



# RBWM Covid19 Response/Recovery Objectives

Emergency Objectives implemented in response:

1. Protect Lives
2. Community Leadership and Reassurance
3. Lead Recovery - provide visible leadership of recovery in our own organisation and the Borough recognising Covid19 as part of the new normal
4. RBWM Business Continuity



# Pandemic Impact on RBWM

## Strategic Context

- Impact of Covid19 Pandemic:
  - Response requirements - PPE, testing, communications
  - Safety of staff and customers - service delivery impact
  - New service requirement e.g. contact tracing, shielding, Outbreak Management
  - Finances
  - Organisational capacity and focus
  - Revised transformation planning – seizing opportunities
  - Recovery planning
- Existing Strategic Framework is no longer relevant, political and leadership focus has shifted to new objectives





# RBWM New Strategic Objectives 2020-21

- Covid19 Strategic Objectives
  - Covid19 Response (immediate)
  - Covid19 Recovery (long term)
  - Covid19 New Service Requirements
- Interim Focus Objectives 2020-21
  - Service Stand Up Plans (business continuity)
  - Revised Service Operating Plans
  - Transformation Plan
  - Climate Strategy
  - Governance
  - People Plan – Values, Leadership, Black Lives Matter
- Revised MTFS 2020-2024
  - Impact on medium and long term viability and specifically:
    - Reserves (s114 impact)
    - Income and Collection Fund
    - Service Costs
    - Covid19 Response Costs
    - Capital financing and pension contributions



# RBWM Covid19 Strategic Objectives

- Response requirements
  - Provide PPE via LRF
  - Coordinate testing and testing sites
  - School and Care Homes support
  - Communications
- Recovery Planning
- Safety of staff and customers
  - Covid safe spaces (Council sites)
  - Support, advise and regulate social distancing measures in other places – town centres, businesses, etc.
- New service requirement
  - Outbreak Planning Management
  - Shielding
  - Public Health data, coordination and control functions



# RBWM Interim Focus Objectives

- Operating Plans
  - Service Stand Up Plans – ensure all service outcomes are being/are capable of being delivered
  - Revised Service Operating Plans – when services need to change to operate safely, viably, to meet new needs
- Strategy Action Plans
  - Transformation – deliver transformational outcomes for communities and the organisation, productivity and efficiency
  - Climate Change Strategy – initial objectives of strategy
  - Governance – response to recent reports
  - People Plan – embedding new values and behaviours, leading in a virtual world, embracing diversity in all ways
- Values
  - All of the above will be developed in line with our new values



# RBWM Revised Service Operating Plans

- Office Accommodation (final proposal to be determined)
  - State and enforce minimums and maximums of attendance
    - Minimum 1 day per fortnight for a 'team touchdown'
    - Maximum number of days per week (to be calculated)
  - Consider exceptions where circumstances dictate – inappropriate home circumstances, DA
  - Work to make sure anyone not mobile at present can be mobile in the future (about 40 people)
  - Close down (with a view to moving out RBWM) St. Marys, Tinkers Lane, other office locations and use the Town Hall, Maidenhead as the key 'desk' location and York House as the 'team touchdown' location
  - Provide some hot desk provision for field workers in a operational buildings across the Borough



# RBWM Revised Service Operating Plans

- Libraries
  - Reopen service by developing a digital click and collect or click and deliver system using some libraries
  - Building based service for book browsing to remain closed whilst alternative options are developed for safety of customers and staff
  - Mobile services to resume to support most vulnerable and hard to reach customers
  - Work to develop community focussed hubs with health and other colleagues where local services can be safely delivered (long lead in time for this for safety reasons)
  - Expanded digital offer developed during lockdown continue to be grown
- Customer Services Face to Face
  - No reopening of face to face drop in customer services
  - Use appointments for face to face meetings to protect staff and customers.
  - Focus on digital, telephone and appointments in that order
  - No customer service offer at libraries
- Museums and Tourist Information
  - Close museum as large number of staff and volunteers are shielding and any tourist market has disappeared
  - Potential to offer museum and custody of collection to another body
  - Close face to face tourist information and move entire set up to digital offer focussed on attracting people to the area overall



# RBWM Revised Service Operating Plans Risks

- Office Accommodation
  - Equalities impact, need to make sure all circumstances considered
  - Management/leadership – risk of moving to a command and control culture
  - Organisational cohesion – potential for the organisation to separate as ‘human bond’ is weakened
- Libraries
  - Legal requirement to operate libraries
  - Impact on ancillary functions/outcomes libraries delivered previously will need to be resolved
- Customer Services Face to Face
  - Equalities impacts, need to ensure no one excluded, home visits?
  - Need to improve transactional value of web services – new website and CRM will come on stream in August 2020 - and telephone capacity
  - Document management/printing needs
- Museums and Tourist Information
  - Collection will still need to be maintained and managed



# RBWM Revised MTFS Plan

263

## Development Phase (June to August )

- Month 2 monitoring plus subsequent months
- Line by line review of service budgets
- Scenario planning by each service on cuts of 15,20, 25%
- Review of capital programme
- Review capital funding including CIL & S106
- Identification of cross cutting transformation benefits
- Identification of any additional resources required
- Review all inflation assumptions in the MTFS

## Build Phase (September to October)

- Overall funding review
- Review all reserves and provisions
- Prioritisation and detailed work-up of initial service proposals
- Mid year review of Treasury Management
- Officer challenge on risks, issues, equalities and deliverability
- Completion of revised MTFS including reserve management strategy

## Challenge Phase (November to January)

- Member challenge and scrutiny
- Completion of all capital, investment and treasury management strategies
- Draft budget completion
- Finalisation of tax bases

Formal budget setting February 2021

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# RBWM Interim Strategic Plan

264



## Covid-19 Strategic Objectives

immediate response, long term recovery and new service requirements



## Interim Focus Objectives 2020-2021

stand up plans, revised operating plans, transformation plan, climate strategy, governance, people plan



## Revised Medium Term Financial Strategy

impact of Covid directly, economic downturn Government policy

Strong Foundations, Empowered to Improve, One Team and Vision, Respect and Openness





Report Title:	<b>RBWM Outbreak Control Plan</b>
Contains Confidential or Exempt Information?	No - Part I
Lead Member:	Councillor Carroll, Lead Member for Adult Social Care, Children Services, Health and Mental Health
Meeting and Date:	Cabinet - 30 July 2020
Responsible Officer(s):	Hilary Hall, Director of Adults, Health and Commissioning; Anna Richards, Consultant in Public Health
Wards affected:	All

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## REPORT SUMMARY

1. In the Covid-19 pandemic, all upper tier local authorities need to develop local outbreak control plans. Local Directors of Public Health are responsible for producing the plans, working through Covid-19 Health Protection Boards. Local authorities also have a role to set-up Local Outbreak Engagement Boards which will provide political ownership and public-facing engagement and communication for outbreak response.
2. The purpose of this report is to share, for information, the RBWM Outbreak Control Plan Summary and to highlight the role of the Local Outbreak Engagement Board.
3. The aim of the Outbreak Control Plan is to keep our residents as safe as we can from Covid-19 until better treatments and/or a vaccine is available.
4. The objectives of the Outbreak Control Plan are to:
  - detail the roles and responsibilities in prevention and management of Covid-19 outbreaks and incidents with a view to minimising spread of infection
  - ensure coordinated communications to the public, partners and the media
  - ensure that the response can be escalated if required
5. The [Outbreak Control Plan Summary](#) was published on the RBWM website on 30 June 2020. The Outbreak Control Plan, which remains a working document, is not currently published. The Plan will be refined and adapted as we learn more about Covid-19 and local outbreaks.

## 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Cabinet notes the report

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

**Options**

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

<b>Option</b>	<b>Comments</b>
Do nothing	If this option was taken, the council would be failing to meet its responsibility to produce a plan
Recognise the Outbreak Control Plan	Members should be aware the council has published an Outbreak Control Plan Summary
<b>This is the recommended option</b>	

2.1 The RBWM Outbreak Control Plan was signed-off by Duncan Sharkey, RBWM Managing Director and Tessa Lindfield, Strategic Director of Public Health for Berkshire and Trish Mannes, Thames Valley Health Protection Team, Public Health England on 25 June 2020. In line with national instruction from the Department of Health and Social Care this plan was completed by 30 June.

2.2 The plan refers to the newly established RBWM Local Outbreak Engagement Board. Local Outbreak Engagement Boards are the mechanism for listening to the public's concerns and feedback and for bringing our residents with us along the Covid-19 journey. Communications and engagement are the key focus areas of this group. The RBWM Local Outbreak Engagement Board, which met for the first time on 13 July 2020, reports into the Health & Wellbeing Board.

### **3. KEY IMPLICATIONS**

3.1 The plan exists to guide our response to the ongoing Covid-19 pandemic, to put in place measures to identify and contain outbreaks and protect the public's health. It is required by the Department of Health and Social Care as part of the national response to the pandemic.

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

4.1 There are no financial implications arising directly from this report; however, one off grant money has been made available to local authorities, based on the public health grant funding formula, to support the implementation of the plan.

4.2 In responding to outbreaks in line with the outbreak control plan, there may be additional costs which arise as a result of implementing the plan and these will be dealt with on a case by case basis.

### **5. LEGAL IMPLICATIONS**

5.1 Building on the foundation of the statutory role of Directors of Public Health at the upper tier local authority level, and working with Public Health England's local health protection teams, local government will build on existing health protection plans to put in place measures to identify and contain outbreaks and protect the public's health. Local Directors of Public Health will be

responsible for defining these measures and producing the plans (in June 2020), working through Covid-19 Health Protection Boards. They will be supported by and work in collaboration with Gold command emergency planning forums and a public-facing Board led by council Members to communicate openly with the public (this is the Local Outbreak Engagement Board).

- 5.2 There is no legal requirement for Cabinet to agree the plan. It is the responsibility of the Local Authority Chief Executive/Managing Director, Director of Public Health and Director of the local Public Health England Health Protection Team to sign-off, as happened by 30 June 2020.

## **6. RISK MANAGEMENT**

- 6.1 No risks identified specifically with this report. The Outbreak Control Plan is a risk management tool and contains the details of the risks it seeks to mitigate.

## **7. POTENTIAL IMPACTS**

- 7.1 The plan itself has some specific elements around equalities for our vulnerable groups, in particular:
- Black and Asian Minority Ethnic communities
  - People facing homelessness
  - Faith groups
  - People shielding/people self-isolating
- 7.2 In responding to outbreaks we will continue to monitor the impact on vulnerable groups and where appropriate ensure that the response addresses their specific needs.
- 7.3 As the Outbreak Control Plan already addresses the needs of a number of vulnerable groups and is a living document with an important focus on equality, a full EQAI is not considered appropriate.
- 7.4 Climate change/sustainability. No implications from this report.
- 7.5 Data Protection/GDPR. We are not publishing the full plan because it contains personally identifiable information of council officers and partners.
- 7.6 The plan requires us to share data with other organisations. We are entering into the appropriate data sharing agreements. In the current plan, there is no requirement for the local authority to collect and process personal data as a result of this plan.

## **8. CONSULTATION**

- 8.1 The following groups and individuals have been consulted and endorsed the Outbreak Control Plan:
- Gold Command
  - Local Outbreak Engagement Board
  - East Berkshire Health Protection Board (standardised sections)

- Thames Valley Health Protection Team, Public Health England
- Tessa Lindfield, Strategic Director of Public Health for Berkshire

## 9. TIMETABLE FOR IMPLEMENTATION

- 9.1 The Outbreak Control Plan Summary was published on 30 June 2020 in line with guidance.

## 10. APPENDICES

- 10.1 This report has no appendices but references the [Outbreak Control Plan Summary](#)

## 11. BACKGROUND DOCUMENTS

- 11.1 Local Outbreak Control Plan Communication Package. Local Outbreak Control Plans, Department of Health and Social Care, 22 May 2020
- 11.2 Letter to Council Leaders at the end of May 2020, from the Minister for Patient Safety Suicide Prevention and Mental Health, about the need to set up new arrangements to manage Covid-19 locally.

## 12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Carroll	Lead Member for Adult Social Care, Children Services, Health and Mental Health	17/7/20	22/07/20
Duncan Sharkey	Managing Director	17/7/20	22/07/20
Russell O'Keefe	Director of Place	17/7/20	
Adele Taylor	Director of Resources/S151 Officer	17/7/20	
Kevin McDaniel	Director of Children's Services	16/7/20	16/7/20
Hilary Hall	Director Adults, Commissioning and Health	17/7/20	17/7/20
Andrew Vallance	Head of Finance	17/7/20	
Elaine Browne	Head of Law	17/7/20	20/7/20
Mary Severin	Monitoring Officer	17/7/20	
Nikki Craig	Head of HR, Corporate Projects and IT	17/7/20	17/7/20
Louisa Dean	Communications	17/7/20	
Karen Shepherd	Head of Governance	17/7/20	20/7/20
Tessa Lindfield	External	17/7/20	

## REPORT HISTORY

<b>Decision type:</b> For information	<b>Urgency item?</b> No	<b>To Follow item?</b> No
Report Author: Anna Richards, Consultant in Public Health, anna.richards@rbwm.gov.uk		

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# Agenda Item 8

By virtue of paragraph(s) 1, 2, 3, 4, 5, 6, 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

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