

READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	15 JANUARY 2018	AGENDA ITEM:	11
TITLE:	MEDIUM TERM FINANCIAL STRATEGY		
LEAD COUNCILLOR:	CLLR JO LOVELOCK	PORTFOLIO:	LEADER / FINANCE
SERVICE:	FINANCE / CORPORATE	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To advise members of the Policy Committee of the development of the budget for 2018/19 and the Medium Term Financial Strategy (MTFS) for the period to 31 March 2021.
- 1.2. A schedule of savings for inclusion in the 2018-19 budget and MTFS is attached in the Appendices.

2. RECOMMENDED ACTIONS

- 2.1. It is recommended that the Policy Committee:

- 2.1.1. endorses the policy to keep annual revenue spending within the limit of ongoing income sources each year through the MTFS period and only use one-off funding to fund change and investments which contribute to closing the financial gap in a sustainable manner;
- 2.1.2. agrees the savings proposals in the Appendices for inclusion in the 2018/19 revenue budget and MTFS, and authorises directors, in consultation with the responsible lead councillor and the statutory officers, to implement the savings in their service areas as soon as practicable, and before the start of the 2018-19 financial year where possible, subject to:
 - a) undertaking and considering the outcome of any necessary statutory consultation for the service in question;
 - b) complying with the Authority's duties under Section 149 of the Equality Act 2010, including undertaking and considering the outcome

of an Equality Impact Assessment where appropriate;

- 2.1.3. instructs the Corporate Management Team to monitor the progress of implementing the budget savings in the Appendices, and to continue to prepare additional measures to close the financial gap,
- 2.1.4. notes that the existing methodology, which has enabled the Authority to arrive at this point, will not be sufficient alone, and therefore requires officers to develop more radical proposals to close the financial gap, including steps to:
 - a. altering service levels where current ones are no longer affordable;
 - b. look for locally developed alternative delivery models in appropriate service areas;
 - c. positively test existing services against the market;
 - d. restrict the growth of employment costs;
- 2.1.5. requires the Council to seek full cost recovery by charging wherever possible;
- 2.1.6. asks officers to continue to prepare the budget proposals with Council Tax increasing at the Referendum Limit;
- 2.1.7. endorses the approach to the Corporate Plan priorities in this report.

3. BACKGROUND

- 3.1. The Council, when considering its MTFS in February will need to do so in light of its policy priorities. It is currently undertaking a review of its corporate plan and members are invited to endorse the following statement on priorities, which will form the core of the new plan.

4. SHAPING READING'S FUTURE

- 4.1. Reading is a place with a great quality of life as well as having a high performing economy, currently the fastest growing economy in the UK outside London. It is one of the most diverse populations in the South East outside London with a history of strong and cohesive neighbourhoods. It has a rich, but sometimes hidden, history and heritage and a thriving arts and cultural offer.
- 4.2. At the same time Reading is now the 4th most unequal UK city where certain resident groups are being left behind and not benefiting from our successful economy. There is rising demand for services to support and protect older and vulnerable people and children at risk, which is impacting hugely on our budgets at a time when funding is reducing. This means since austerity and into the medium term balancing the Council's budget has been and continues to be very difficult.

- 4.3. The Council has a long track record of maintaining front line services across our town to ensure vulnerable children, families and older people are protected and to keep our communities safe, clean and green. We recognise the significance of a successful and vibrant economy and the Council plays a key role in planning for our town's infrastructure, transport and housing ensuring it is great place to live, work and do business.
- 4.4. Aside from the well-rehearsed statutory requirement to be financially robust as a Council, we need to ensure that we are financially sustainable so that we can continue to shape and influence the future of Reading and play our part in protecting the most vulnerable and shaping the Town's future by:
 - 4.4.1. Ensuring that Reading achieves sustainable economic growth, which provides a wide range of job opportunities for people living in Reading and beyond.
 - 4.4.2. Ensure enough new homes and associated infrastructure are developed to meet local needs.
 - 4.4.3. To protect and enhance the life outcomes of vulnerable adults and children
 - 4.4.4. Keeping Reading's environment clean, green and safe.
 - 4.4.5. Ensure that there are good education, leisure and cultural opportunities for people in Reading.
- 4.5. Successful delivery of these priorities, with a backdrop of inadequate funding from Government, requires Reading Borough Council to operate as effectively and efficiently as possible, within the resources available, and with clear focus and determination. It means investing in growing the economy and increasing the supply of new homes so local income from business rates and council tax increases as a by-product. This also means we must implement new and different models of service delivery on a much bigger scale and do a lot more to encourage a culture of self-reliance across our communities to reduce demand. We also face making some difficult and very challenging decisions to reduce or stop services to protect priority services.
- 4.6. The latest modelling of the MTFS shows that, in order to deliver everything that we do now, in largely the way that we do it now, then the Council will need £43.2m more than is predicted to be available over the period to 2020/21. Of this sum, £20.5m is made up of demand pressures (£11.5m in 2018/19 alone), £10.0m in pay awards and increments, £5.2m of contract inflation and £4.5m of capital financing costs. Despite planned increases in Council Tax, the funding level remains fairly even across the MTFS due to reductions in Revenue Support Grant - to £0 by 2020/21. The resultant funding gap needs to be addressed and early action is needed to ensure that future success of the Council and to avoid any Government intervention.

	2017/18	2018/19	2019/20	2020/21
	£000's	£000's	£000's	£000's
Gross Budget	£ 142,765	£ 150,484	£ 163,690	£ 172,574
Funding	-£ 125,327	-£ 130,951	-£ 126,636	-£ 129,370
Savings in delivery 2017/18	-£ 12,987	£ -	£ -	£ -
Use of Balances	-£ 4,451			
Cumulative Base gap	£ -	£ 19,533	£ 37,054	£ 43,204

- 4.7. As members will recall, 2019/20 is the final year of the Government's four year settlement for local government, so for anything beyond 2019/20 it is necessary to use "informed guesswork" to estimate the Government resources and/or financial freedoms that might be forthcoming. Given the Chancellor's recent narrative about ongoing austerity and financial constraint, it is feared that our current estimates of funding may not be pessimistic enough; hence the £43m gap may transpire to be even larger.
- 4.8. In addition to the uncertainty of funding, there is the challenge of estimating demand pressures, especially those around the care services and children's social care in particular. At present, significant additional sums have been added to each of adult and children's social care over the MTFs period, with these being front-loaded. However, similar steps have been taken in the preparation of previous MTFs only to find that the additions have been insufficient to cope with emerging demands.
- 4.9. With all of the above in mind, the Council must prepare for the short term, in terms of a robust budget for 2018/19, and longer term to deliver a sustainable Council from 2019/20 onwards.

5. CLOSING THE GAP

- 5.1. In creating a MTFs for consideration in July 2017, members were faced with, and took, some difficult choices in order to set an agenda of cost reduction and/or service changes that would reduce the budget. In addition, members carefully set aside a contingency sum for unachieved savings and/or unexpected demand pressures and they set aside funds for investing in resources to bring about change; the change fund is valued by those drawing upon it. At the last point of reporting, while over 93% of 2017/18 savings were on target to be delivered, some 31% and 49% of 2018/19 and 2019/20 of previously agreed (July 2017) savings respectively were more than 10% off-target. This is a symptom of savings becoming more difficult to plan and deliver as time goes on.
- 5.2. The recent Local Government Finance Settlement brought some positive news for Reading Borough Council and its Berkshire partners. In addition to the potential to raise a further 1% (£0.817m) council tax (making the total increase up to 6% in 2018/19), the Government agreed the Berkshire Business Rates pilot. This means that the Berkshire authorities will retain 100% of their business rates for the pilot

period, being 2018/19 only. For Reading Borough Council this implies a one-off benefit of in excess of £1.5m for that year, with the majority (70%) of the additional funds retained in the area (estimated at £35m in total across Berkshire) being prioritised for use by the local enterprise partnership.

- 5.3. The Local Government Association has expressed disappointment that no new central funding was found to close the growing resource gap for children's services where demand has grown nationally and a significant number of councils are in intervention processes. Neither was any new money found nationally for adult social care pressures, which are well documented.
- 5.4. There is no doubt that balancing the budget for 2018/19 will require additional, challenging, short term decisions, but that making the MTFS sustainable will require broader thinking about the size, shape and delivery mechanisms of the Council; the current model is no longer fit for purpose and there is very little time now available to make the radical changes that are now essential for survival.
- 5.5. Senior officers have been working, principally, with members of the Administration Group since September 2017 to develop new savings proposals to go on top of the savings of nearly £11m for 2018/19 agreed in July 2017; further proposals of £6.0m have been identified, of which £3.7m are put forward for consideration at this meeting. However, even if all of these are agreed and then delivered at full value (i.e. without moderating for the confidence percentage), there remains a gap of £2.9m in 2018/19. As the savings proposals are developed and reviewed it will also be necessary to review the level of revenue contingency set aside for unexpected pressures and non-delivery of savings. The size of the contingency required is also influenced by the level of general balances, currently at the minimum recommended level of £5m. It is therefore intended to increase the general balances from the one-off (2018/19) sum available from the business rates pilot (estimated at £1.5m), which will have a positive, moderating impact on the size of revenue contingency required.
- 5.6. Further savings of £8.0m (£4.4m put forward for consideration with this report) and £7.4m (£3.2m put forward for consideration with this report) in each of 2019/20 and 2020/21 respectively are also being developed by officers for consideration, but, again, even if all are accepted at full value then gaps of £4.9m and £3.7m remain in the latter two years of the MTFS as illustrated in the table below. The gap in 2020/21 reduces (compared to 2019/20) due to the proposals for alternative delivery models put forward by officers for delivery in that year.

	2017/18	2018/19	2019/20	2020/21
	£000's	£000's	£000's	£000's
Gross Budget	£ 142,765	£ 150,484	£ 147,075	£ 140,467
Funding	-£ 125,327	-£ 130,951	-£ 126,636	-£ 129,370
Savings Agreed July 2017	-£ 12,987	-£ 10,599	-£ 7,420	£ -
Savings presented to this Committee		-£ 3,734	-£ 4,377	-£ 3,253
Savings in development		-£ 2,282	-£ 3,695	-£ 4,119
Use of Balances	-£ 4,451			
Cumulative Base gap	£ -	£ 2,918	£ 4,947	£ 3,725

5.7. This table illustrates that significant further savings are required even if everything currently proposed is agreed by members and is deliverable. Further proposals to bridge the gap are under development and will be presented to members in due course.

5.8. Officers must now advise members that continuing with our existing approach to finding savings and within the current principles of our operating model, we will not be able to close the MTFS gap. The current operating model is characterised by being in-house dominated, part of the national agreement for pay, having high levels of personal transactions with customers and offering significant choice for those with social care needs. The Council has effectively found savings of over £80m within this model of service delivery, which is a considerable achievement, but it has now reached the limits of what is possible. In short, the Council is running out of ways of trimming this model and now needs to seriously re-think the style of operation if it is to re-build its resilience and find a way to develop a three-year financial model.

5.9. Some areas of savings being considered are, for example:

- Getting better at procurement;
- Encouraging more on-line transactions;
- Tighter application of policies;
- Working to reduce growth in children's and adult social care costs;
- Reviewing the structure (spans of control/layers of management) of the workforce;
- Further improving the prompt collection of debt;
- Reviewing our approach to risk assessment in regard of matters such as litigation;
- Investing more in preventing demand by promoting well-being, self-help and engaging with society in child protection.

5.10. New proposals being examined, which would fundamentally challenge the current approach in Reading, are:

- Stopping some services and/or radically reducing service levels;

- Moving services to different delivery models such as trust and arms lengths companies managed on the basis of outcomes they achieve rather than form of delivery;
- Market testing services to promote change and innovation in our in-house teams and externalising if there remains a significant cost gap with the market;
- Changes to the rewards and policy framework for employees.

5.11. It is known that these approaches are new to Reading and not without risk or controversy. However, the advice from senior officers to members is that these approaches must now be embraced, with some pace, if the Council is to be secure in its future; it will be unable to present a balanced budget without embracing this change in approach.

6. MAKING CHANGE HAPPEN

6.1. We know that having a robust plan to deal with our financial challenges is of key importance to the Council and is a subject of keen interest to our external auditors, EY. Indeed, members will recall that EY commented, adversely, on future financial planning within the S24 letter that was issued earlier in 2017. In addition, during August 2017 the Director of Finance had to prepare and submit to EY a statement about the “going concern” status of the Council, which covered at least one forward year. The statement was positive because of the strong approach taken to agreeing savings in the July Policy Committee. A refreshed going-concern statement will have to be prepared as the 2016/17 accounts are finalised in January/February 2018; it is important that this statement is able to reflect the positive action that the Council has taken and is taking to address our financial challenges.

6.2. Another such statement will have to be prepared for the 2017/18 accounts closure, probably in May/June 2018. It will be helped by the positive implementation of the agreed savings in 2017/18, which improves our credibility, and by adopting the approach outlined in this report for future years. This will show that the Council understands the scale of the task and is willing to adopt a new approach to reducing costs.

6.3. To make the organisational changes described in this report, the Council will be moving towards outcomes focussed budgeting, members will direct strategic outcomes from services and for the community rather than mandating the mode of delivery. To be successful at delivering this scale of change in a compressed timescale, the Council should consider how it might accelerate the pace of implementation of proposals, with regular and appropriate scrutiny of progress. While more detail of proposed changes to process will be brought forward for consideration, for the sake of pace members accept that, where agreed, the savings proposals within this document can proceed without further Committee authority.

7. CONCLUSION AND NEXT STEPS

- 7.1. Before the February Policy Committee papers are finalised, the underlying budget assumptions will be validated, the 2016/17 accounts closure exercise will be completed and individual measures in line with the strategy outlined above will be costed and risk assessed. We will engage external advice on market testing services and alternative delivery models where necessary to develop proposals and engage legal advice on modernising employee terms and conditions through a re-engagement process.
- 7.2. What is very clear from the narrative above is that we must maintain and accelerate the pace of change if Reading Borough Council is to ensure its future sustainability for the benefit of Reading. Officers and members will work closely together to develop its decision-making approaches that will enable new ideas and proposals to be discussed and agreed swiftly.

8. CONTRIBUTION TO STRATEGIC AIMS

- 8.1. A robust MTFS is essential to ensure that funding is in place to support the delivery of the Council's Corporate Plan priorities:
1. Safeguarding and protecting those that are most vulnerable;
 2. Providing the best start in life through education, early help and healthy living;
 3. Providing homes for those in most need;
 4. Keeping the town clean, safe, green and active;
 5. Providing infrastructure to support the economy; and
 6. Remaining financially sustainable to deliver these service priorities.
- 8.2. This MTFS is being created with a clear focus on the demands being placed upon Council services, the funding required and hence savings necessary, and the priorities of the Council as expressed by the people of Reading.

9. COMMUNITY ENGAGEMENT AND INFORMATION

- 9.1. Local authorities are under a Duty to Consult representatives of a wide range of local persons. Authorities must consult representatives of council tax payers, those who use or are likely to use services provided by the authority and those appearing to the authority to have an interest in any area within which the authority carries out functions. Authorities should include local voluntary and community organisations and small businesses in such consultation. This should apply at all stages of the commissioning cycle, including when considering the decommissioning of services.
- 9.2. Consultation and community engagement will take place on individual savings proposals as appropriate.

10. EQUALITY IMPACT ASSESSMENT

- 10.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

10.2. Assessment of Equality Impact will take place on individual savings proposals as appropriate.

11. LEGAL IMPLICATIONS

11.1. There is a legal requirement for the Council to set a balanced budget, normally by 17 March each year. The proposals referred to in this report will contribute to setting a balanced budget and MTFS, with further proposals being presented to the Committee and Council in February 2018.

12. FINANCIAL IMPLICATIONS

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

13. BACKGROUND PAPERS

13.1. None

14. APPENDICES

14.1. Appendix A Savings and Income Summary

14.2. Appendix B Savings and Income Options - summary detail

14.3. Appendix C Detailed proposals for change (to follow)

Appendix A

SAVING AND INCOME OPTIONS FOR 2018/19 - 2020/21

ALL	£'000's			
	2018/19	2019/20	2020/21	TOTAL
Savings as agreed by July 2017 Policy Committee	12,925	7,886	0	20,811
Adjustments agreed by CMT/Corporate Programme Delivery Group	-1,326	-466	0	-1,792
Agreed savings after adjustments	11,599	7,420	0	19,019
Saving and income proposals recommended to this Policy Committee	3,734	4,377	3,253	11,364
Savings in development for member consideration at a future Policy Committee	2,282	3,695	4,119	10,096
<i>TOTAL SUM OF OPTIONS TO CLOSE BUDGET GAP</i>	17,615	15,492	7,372	40,479

Corporate Support Services	£'000's			
	2018/19	2019/20	2020/21	TOTAL
Savings as agreed by July 2017 Policy Committee	2,570	2,666	0	5,236
Adjustments agreed by CMT/Corporate Programme Delivery Group	-1,040	-960	0	-2,000
Agreed savings after adjustments	1,530	1,706	0	3,236
Saving and income proposals recommended to this Policy Committee	1,193	620	50	1,863
Savings in development for member consideration at a future Policy Committee	852	383	250	1,485
<i>TOTAL SUM OF OPTIONS TO CLOSE BUDGET GAP</i>	3,575	2,709	300	6,584

Directorate of Environment and Neighbourhood Services	£'000's			
	2018/19	2019/20	2020/21	TOTAL
Savings as agreed by July 2017 Policy Committee	5,596	3,533	0	9,129
Adjustments agreed by CMT/Corporate Programme Delivery Group	-286	494	0	208
Agreed savings after adjustments	5,310	4,027	0	9,337
Saving and income proposals recommended to this Policy Committee	1,096	604	350	2,050
Savings in development for member consideration at a future Policy Committee	229	1,510	2,303	4,042
<i>TOTAL SUM OF OPTIONS TO CLOSE BUDGET GAP</i>	6,635	6,141	2,653	15,429

Directorate of Adult Care and Health Services	£'000's			
	2018/19	2019/20	2020/21	TOTAL
Savings as agreed by July 2017 Policy Committee	1,839	1,163	0	3,002
Adjustments agreed by CMT/Corporate Programme Delivery Group	0	0	0	0
Agreed savings after adjustments	1,839	1,163	0	3,002
Saving and income proposals recommended to this Policy Committee	1,050	850	100	2,000
Savings in development for member consideration at a future Policy Committee	1,201	1,802	147	3,150
<i>TOTAL SUM OF OPTIONS TO CLOSE BUDGET GAP</i>	4,090	3,815	247	8,152

Directorate of Children, Education and Early Help Services	£'000's			
	2018/19	2019/20	2020/21	TOTAL
Savings as agreed by July 2017 Policy Committee	2,920	524	0	3,444
Adjustments agreed by CMT/Corporate Programme Delivery Group	0	0	0	0
Agreed savings after adjustments	2,920	524	0	3,444
Saving and income proposals recommended to this Policy Committee	395	2,303	2,753	5,451
Savings in development for member consideration at a future Policy Committee	0	0	1,419	1,419
<i>TOTAL SUM OF OPTIONS TO CLOSE BUDGET GAP</i>	3,315	2,827	4,172	10,314

Appendix B - NEW SAVING AND INCOME OPTIONS FOR 2018/19 to 2020/21

B.1 Corporate Support Services

		SAVINGS				DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?
SAVINGS AND INCOME PROPOSAL	TOTAL	2018/19	2019/20	2020/21		
CSS1-C	Reduction/Elimination of Cheque Payments	150	50	50	50	Reduction / elimination of taking cheques as payment for services. The current process for receipt and processing of cheque payments is complicated and involves several hand-offs between teams. It is likely that the majority of the processing cost comes from this manual processing, but this will require further investigation.
CSS2-C	Communications Income Generation Sponsorship	20	15	5	0	Seek to generate income from event sponsorship and selling advertising within event publications/e-publications/email bulletins.
CSS4-C	Corporate approach to Reducing Fraud	196	196	0	0	Expansion of Fraud Team to maximise income through fraud prevention.
CSS5-C	Generate Income through Investment by Expanding Joint Legal Team	50	50	0	0	Expand service to existing clients and look for business from councils outside Berkshire
CSS7-C	Increase Court Fees for Council Tax Recovery	57	57	0	0	Increase current court summons cost by £6, from £108 (£68 summons £40 Liability Order) to £114 (£74 Summons £40 Liability Order). We have not reviewed our current court costs for 2 years. Summons costs act as a deterrent for customers and encourage payment on time
CSS13-C	IT contract savings costs	60	60	0	0	Negotiated changes to the ICT Managed Services Contract to achieve a contract saving.
CSS14-C (CSS39-A)	Further Corporate Procurement contracts savings	1,100	200	900	tbc	To identify further savings from contracts
CSS16-C (CSS6-B)	Increasing Minimum Contribution to 35% for Council Tax Support Scheme	230	565	-335	0	For 2018/19 raise the minimum contribution to 35% and consider introducing new earned income bands for Council Tax Support. This replaces the existing 2019/20 saving of £335k.
		1,863	1,193	620	50	

B.2 Directorate of Environment and Neighbourhood Services

SAVINGS

SAVINGS AND INCOME PROPOSAL		TOTAL	2018/19	2019/20	2020/21	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?
DENS2-C	Parks & Open Spaces Invest to Save	130	65	65	0	Aim to increase Parks and Open Spaces revenue by £130k over 3 years by restructure and investment in staff and equipment on an invest to save basis.
DENS3-C	Increase the Green Waste Charge	145	0	145	0	Increase Green Waste collection charges by £10 for bins and £5.00 for bags in 2019/20. (Bins are currently £50 per annum and bags are currently £15 per annum)
DENS7-C	Increase on-street pay & display charges.	38	19	19	0	It is proposed that the charges for on-street (Highway) pay & display parking are increased by £0.10 per tariff band.
DENS8-C	Increased income from Greenwave Bus Subsidy	100	100	0	0	There is an existing budget saving proposal to make a saving of £60k on the Greenwave bus service from April 2018 as presented to Policy Committee in 2017. Following a review of the existing budget and projected increased patronage on the route it is proposed that an additional £100k saving can be made on the Greenwave service, resulting in a £160k saving from April 2018 in total when combined with the previous saving proposal.
DENS10-C	Revise existing access restriction Beresford Road junction with Portman Road and convert into bus gate	50	25	25	0	The conversion of this existing junction restriction to a bus gate will allow effective enforcement against non-authorised vehicles, protect the local environment for Residents, and ensure effective vehicular controls are in place prior to the opening of Cow Lane bridges in September 2018.
DENS11-C	Introduce further areas of pay and display in the town centre, and other local centres such as Caversham, Shinfield, Tilehurst, Oxford Road, Wokingham Road and London Road	100	50	50	0	Introduce further areas of pay and display in the town centre and other local centres such as Caversham, Shinfield, Tilehurst, Oxford Road, Wokingham Road and London Road. There are several areas that are either unrestricted, or have existing limited waiting areas for short term parking. As with the Hospital and University pay and display model, creation of such areas provides residents and visitors with more certainty of short term parking, and a higher turnover of available spaces.
DENS12-C	Capitalise Highways Operatives Salaries	0	75	-75	0	Capitalise posts in the Highways & Drainage Service to implement capital improvement works funded from grant funding in 18/19 only.
DENS13-C	Introduce a 24 hours a day, 7 days a week charge for all Town Centre Pay & Display (P&D)	70	45	25	0	To amend the charges for use of pay and display areas within the Town Centre to apply 24 hours a day, 7 days a week (currently applies 8am-8pm)

DENS15-C	Adjustments to Base Assumptions	100	100	0	0	The saving is proposed by identifying surplus Business Rates. It is proposed that these will be removed from the budget for 2018/19.
DENS17-C (DENS39-B)	A further saving to reduce Bed and Breakfast expenditure.	450	250	100	100	Reduce expenditure on emergency accommodation for homeless households. Reducing B&B use and length of stay is a key priority for the Council to deliver the best outcomes for homeless families.
DEN18-C	Transfer of void council housing properties to Homes For Reading Ltd.	0	0	0	0	Transfer of five void HRA houses per annum in 2017/18 and 2018/19 to the Council's wholly-owned housing company, Homes for Reading to generate capital receipts circa £925K per annum. Government regulation permits the transfer of up to five properties per year in this way. The receipts are needed to help fund the cost of transformation, also permitted by different regulations.
DENS19-C	Charge Time for Work Related to Investment Purchases / Disposals	25	25	0	0	Revised fee and income assumptions and increase recovery of state costs associated with asset management.
DENS20-C	Capitalisation of Salaries	57	57	0	0	Revised fee and income assumptions and increase recovery of state costs associated with asset management.
DENS21-C	Fees from s106 viability appraisals	10	10	0	0	Revised fee and income assumptions and increase recovery of state costs associated with asset management.

DENS22-C (DENS23-A)	Further initiative to increase income from commercial property acquisitions.	750	250	250	250	Continue to invest in the Council's property investment portfolio.
DENS23-C	Planning Fee Income	25	25	0	0	Revised fee and income assumptions and increase recovery of state costs associated with asset management.
		2,050	1,096	604	350	

B.3 Directorate of Adult Care and Health Services

		SAVINGS				DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?
SAVINGS AND INCOME PROPOSAL	TOTAL	2018/19	2019/20	2020/21		
DACHS1-C	Changes to Adult Social Care Fees & Charges	50	50	0	0	The Care and Support Charging & Financial Assessment Framework (or Charging Policy) was comprehensively reviewed last year, and following consultation a number of changes were introduced for April 2017. These have delivered significant additional income during the current financial year. This proposal would progress some further changes to the Appendices of the Framework for 2018-19 in line with the Council Budget Setting Progress. These are expected to generate additional income
DACHS2-C	Changes to the Adult Social Care Front Door	250	250	0	0	<p>Access to Adult Social Care will be promoted through</p> <ul style="list-style-type: none"> • Online portal • Phone contact to the Contact Centre <p>Online referral and simple assessment will be developed so that people can see whether they may be eligible for services. A first level financial assessment will also be developed for use online so that people can see whether they may have to pay for services. Both developments will sit alongside the Reading online directory which will help people to make their own choices about advice, information, care and support.</p> <p>The contact centre will provide information and advice as needed, and also provide a simple assessment. The current arrangements between the contact centre and the Department will be revised so that expert advice is available at the front door. The combination of both developments will result in savings of £250,000 made up of</p> <ol style="list-style-type: none"> 1. Reduced demand for services as people self-serve 2. Reduced time spent on assessments as the first stage will be completed at the front door

DACHS3-C	Reducing Adult Social Care contracts spend	1200	450	750	0	It is proposed that re-provision of the Home Care Framework contract due in 2019 be based on a revised approach using outcome based Commissioning. The elements within the proposal of change were planned delivery to support the achievement of existing savings targets within the ASC Transformation Programme but will also deliver the savings within the new proposal.
DACHS5-C	Increased usage of Assistive Technology and Equipment	200	200	0	0	<p>The increased use of telecare and Assistive Technology is part of a Berkshire West 10 scheme to transform the way in which this service is delivered. The use of telecare works most successfully when</p> <ul style="list-style-type: none"> • There is a corresponding decrease in the use of home care • It reduces the need or delays the need for residential or nursing home care • It is used as part of a total package which also includes adaptations and equipment. <p>In the first instance this will mean building on the work already undertaken to reduce “double up “ calls and exploring the use of telecare to ensure that needs are being met. Through the BW10 partnership, PA Consulting have been engaged to develop a business case for a new service model for assistive technology, which will calculate the cost/benefits of different options and support the delivery of the savings for RBC.</p>
DACHS7-C	Increased usage of Direct Payments	300	100	100	100	Increasing the number of people managing their care and support with a direct payment is a priority for Adult Social Care. As part of our person-centred outcome based commissioning plan for 18/19 we want to provide support that focuses on enabling as many individuals as possible to live independent choice based lives. Within this work there is potential to deliver savings through changes to the way that people’s needs are met.
		2,000	1,050	850	100	

B.4 Directorate of Children, Education and Early Help Services

SAVINGS					DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?
SAVINGS AND INCOME PROPOSAL	TOTAL	2018/19	2019/20	2020/21	

DCEEHS1-C	Increase income target with Education Welfare Officer to taper reduction in revenue spend	30	5	10	15	This service is partly bought back - aspiration is full cost recovery.
DCEEHS2-C	Review of Continuing Health Care (CHC) funding for children	300	50	100	150	Investment in resource required - fixed term Social Worker for 12 months to assess all cases and on going Business Support in Access to Resources Team.
DCEEHS3-C	Position edge of care services as 'wraparound' adolescent service in order to prevent adolescent Looked After Children (LAC)	244	0	60	184	Cost avoidance to reduce Looked After Children spend which will fund the Edge of Care Team.
DCEEHS4-C	Increase Reading Borough Council foster carers	175	23	58	94	Impact of recruitment of foster carers, projecting two in 2018/19, five in 2019/20 and eight in 2020/21.
DCEEHS5-C	Increase capacity of local 'under 20 mile' placements for Looked After Children (LAC)	3,076	0	1,538	1,538	The proposal is to increase the capacity of local 'under 20 mile' placements for looked after children (LAC). <ul style="list-style-type: none"> • Re-profiling of LAC to lower cost placements Expansion of market offer and development of placements. Analysis of Looked after Children profile and community to identify market provision and development. To include exploration around residential settings, increase in local in house foster carers, including specialisms.
DCEEHS6-C	Designate specialist foster carers for emergency provision	143	0	76	67	Assuming one agency officer per month from 2019/20 preventing emergency foster placements being placed with Independent Fostering Agency placements.
DCEEHS8-C	Increase income target with targeted and specialist youth to taper reduction in revenue spend	90	15	30	45	Approximately 33% income already generated from partners currently - this will be a stretch target.
DCEEHS9-C - Option 1	Revise under 5 offer to make best use of early years and childrens centre provision	500	150	150	200	Generate income or reduction in staff.
DCEEHS10-C	Design and implement a Reading supported lodging scheme either in house or with a local provider to reduce costs of supported lodgings	391	52	130	209	Investment in resource required - Coordinator for Supported Lodgings within Access to Resources would be required to manage the market.

DCEEHS12-C	Introduction of Charging policy for Section 20 cases	0	0	tbc	tbc	Charging policy to be developed, flat rate for 0 to 15 year olds and full cost recovery for over 16's, this may bring challenge. Under review by a number of authorities. Additional resource will be required to complete this work.
DCEEHS13-C	Review all post order payments	25	25	0	0	This is a one off saving.
DCEEHS14-C	Review all direct payment and short break provision	127	25	51	51	Reduction of Service over 3 year period, with targets of 5%, 10% and 10%. Will be done in collaboration with parents and carers forum.
DCEEHS15-C	Review of school transport provision	350	50	100	200	Full year effect from April 2018.
		5,451	395	2,303	2,753	