

READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	12 JUNE 2017	AGENDA ITEM:	8
TITLE:	PROJECTED OUTTURN POSITION 2016/17		
LEAD COUNCILLOR:	COUNCILLORS LOVELOCK/ PAGE	PORTFOLIO:	FINANCE
SERVICE:	FINANCIAL	WARDS:	BOROUGHWIDE
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1. EXECUTIVE SUMMARY

- 1.1 This report describes the projected outturn position for the 2016-17 financial year for the Council and builds upon the detailed monitoring carried out during the year.

2. RECOMMENDED ACTION

- 2.1 Policy Committee is asked to note the projected outturn position for 2016/17 set out below.
- 2.2 Policy Committee is asked to approve the use of the S106 Receipts as set out in Appendix A for part financing the capital programme and to approve the allocation of £908k (general) CIL funding as set out in paragraph 3.12.
- 2.3 Policy Committee is asked to approve the write off of 4 irrecoverable debt over £20,000 as set out in paragraph 3.19.

3. PROJECTED OUTTURN POSITION

- 3.1 The Council is in the process of finalising its accounts for 2016/17, ready for submission to the external auditor, EY. An important part of that process is to determine the outturn position for the year; i.e. the amount spent compared to the budget set for 2016/17 by the Council in February 2016. This part of the process is completed in two stages; "projected outturn" and "final outturn", the latter only being fully resolved when all necessary

technical adjustments are finalised and audited around the end of September.

- 3.2 Table 1 below shows the projected outturn position, compared to the budget approved by Council in February 2016, and the projected outturn position reported to Policy Committee in March 2017 (based on monitoring to the end of January 2017). This projected outturn at the end of the year builds upon the robust monitoring and the corrective action taken during the year.
- 3.3 As has been widely reported nationally, increased demands on both Adults and Children's care services is putting significant pressure on Council budgets across the country. Reading is no different. In the second quarter of 2016/17 it became clear that pressures within Children's Services and Adult Services were not able to be contained within the original approved budget. The report to the Policy Committee in October 2016 noted a forecast overspend of £7.49m after remedial action, of which £6.7m was in Children's Services and £925k in Adults Services. The December and March budget monitoring reports showed a similar position and one that is familiar to many authorities which deliver care services.
- 3.4 In preparing the budget for 2017/18, the Council took account of the increasing demand pressures on the care services and added significant amounts to those budgets.
- 3.5 In a report to the February 2017 Council meeting it was highlighted that the then reported overspend of £7.6m would be funded from reserves. The underlying overspend remains as projected, although the amount to be drawn from reserves has increased by £1m. This is due to a positive review of Reading Borough Council's business rates collection, which, perversely, leads to an increased payment to Government as described in the next paragraph.
- 3.6 It is normal procedure to review the business rates collected at the year end. This year it has been possible to reduce the appeals provision, which revealed that the Council's collection position is better than forecast. However, in the short term this improved position creates a liability to pay an increased business rates levy under the Government's rules. This must be charged to the 2016/17 accounts. This negatively impacts the outturn position for 2016/17, but the collection fund gain to the Council share is over £2m, which will flow into the 2018/19 year. Therefore, whilst the immediate draw on reserves is larger than forecast, in reality a much larger sum should be available in 2018/19 (subject to any further business rate movements in 2017/18).

Table 1: Initial Draft Outturn Position¹

	Budget	Projected Outturn as at 31/01/17	Initial Outturn Position	Variance to Budget	Variance to Projected
	2016-17	2016-17	2016-17		
	£'000	£'000	£'000	£'000	£'000
DENS	32,178	31,192	30,486	-1,692	-706
DCEEHS	33,927	40,953	41,385	7,458	432
DACHS	40,009	41,326	42,193	2,184	867
CSS	12,427	13,045	12,940	513	-105
Directorate Total	118,541	126,516	127,004	8,463	488
Capital Financing	9,300	8,998	8,873	-427	-125
Insurance	899	899	931	32	32
Property & Pension	2,889	2,867	3,872	983	1,005
Liabilities, Env. Agency Levy & NNDR Levy					
TOTAL	131,629	139,280	140,680	9,051	1,400
Capitalisation	0	0	-273	-273	-273
Use of Reserves & Funding Measures	-6,800	-13,877	-15,004	-8,204	-1,127
Grants	-4,606	-4,606	-4,606	0	0
Use of GF Balance	-26	-600	-600	-574	0
Budget Requirement	120,197	120,197	120,197	0	0

3.7 Environment & Neighbourhood Services

The outturn position for the Directorate is a variance of -£1.692m against the net budget of £32.178m, and reflects both reduced expenditure and over-achievement in income. Given the reported pressures on the overall budget in the second quarter, the Directorate actively sought to temporarily constrain expenditure in year in order to help mitigate the wider Council overspend. However, many of the one-off savings made in year are not considered sustainable going forward.

The delivery of certain savings targets has been delayed and therefore not achieved in-year within the Transport and Streetcare Service. However, these have been more than compensated for by prudent in-year cost controls, an over-achievement of income from parking and bus contracts, and savings from the associated costs of street lighting and fleet management. Where delays in savings plans are still expected during 2017/18 compensating measures are being identified to offset any pressures. At the end of February this service was predicting a net year-end variance of -£461k, which has reduced slightly to -£402k

¹ The total budget is as agreed at Council for the year in February 2016. The budget has been subject to adjustments and virement in year, and therefore directorate totals have been adjusted so the budget, projected outturn at 31/1/17 and projected year-end outturn are consistent.

During the final months of the year, Planning, Development & Regulatory Services achieved new rental income arising from strategic investment acquisitions and planning fees income. This additional income, together with strict cost controls, has resulted in a variance of -£304k since the position reported for February. Therefore, the service delivered the agreed savings and achieved a variance of -£785k in 2016/17. The service has experienced a range of in-year pressures, including changes to licensing fees and a delay in the delivery of a significant savings target in Corporate Facilities Management. However, overall, these pressures have been more than offset by an over-achievement of Planning fees and the additional rental income from recently acquired investment properties at Friar Street and Adelphi House, alongside one-off in-year spend controls on salaries and building maintenance.

The bulk of services delivered within Economic & Cultural Development generate significant levels of income. An underachievement of 'parks' income of £184k, largely relating to unavoidable reductions in rental income, has been the primary pressure on budget for 2016/17. However, this pressure has been more than offset by savings across other service areas achieved through a combination of tight control of costs and additional income. Overall performance against budget has been better than expected with an underspend of £39k for the year against a total net budget of £1.92m and gross expenditure of £10.46m

Managing demand and spend on Homelessness continues to be a key focus for the Housing & Neighbourhoods Service and a range of actions and initiatives helped to address the anticipated overspend that was predicted in the first half of the financial year. Having reviewed progress and the impact of mitigations in place and planned, additional measures were implemented during 2016/17 to prioritise moves for larger families and those who have been in placements for longer periods. This has led to an outturn spend of £143k below the adjusted budget.

3.8 Children, Education & Early Help Services

The outturn position for DCEEHS is an overspend of £7.458m, which has been reported during the 2016/17 budget monitoring process as highlighted in paragraphs above. This reflects a further adverse movement of £432k since January's budget monitoring exercise, most of which is as a result of an increase in external placement costs £429k, higher transport costs relating to the increased demand for transport for pupils with SEN £41k; £117k pressure for the Emergency Duty Service (EDS) joint arrangement; which are all partially offset by an increase in the savings from the Early Help Service of £94k.

The key other overspends for DCEEHS can be summarised as follows:

The continued challenge of recruiting social workers has led to the use of agency social workers to deliver key services. This, combined with some additional senior posts in Children's Social Care, resulted in an overspend of

£3.85m. In conjunction with this, the unachieved historical savings for Children's Social Care accounted for an overspend of £545k. External Placements including the Children with Disabilities Placements were £2.675m overspent. This is as a result in a significant increase in the Looked After Children population, with the use of external providers to manage this increased demand. Home to School Transport costs were overspent by £621k, which was partly due to failing to meet the savings target, but also as an increased demand for transport for pupils with special education needs (SEN). Additional skills and capacity to drive service improvement cost £541k. These overspends have been partially offset by the underspend on the Early Help Service of £537k following held vacancies and restructures within service.

This reflects the General Fund position for DCEEHS, but does not include the final Dedicated Schools Grant (DSG) position for 2016/17. The overall deficit for the DSG is £3.2m, arising from the increased number of pupils with SEN requiring support and increasing the deficit carried forward from 2015/16. Recovery measures have included reducing School budget factors by 1% in 2017/18, with a SEN Strategy to be developed to transform the SEN provision for Reading and to address the increasing costs for pupils with SEN. This is reduction of £400k which was previously reported. This will be carried forward into 2017-18 Schools funding and has been reported to the Schools Forum on 18th May 2017.

3.9 Adult Care & Health Services

The outturn for DACHs is an overspend of £2.2m. This is an increase of £0.85m since January monitoring. The main causes for the increase are spend on Community Services packages, additional costs on EDS contract and an accrual for an OR case.

There continues to be a considerable pressure on care costs, and at year end the overspend amounts to £2m, across all primary support reasons and all services. There is also an issue where a number of prior year invoices have been paid that were not accrued for (this is around £0.5m of the £2.2m overspend).

There have also been overspends arising from the engagement of additional capacity to drive service improvement. The service improvement programme has reduced expenditure by around £1.4m in year (from a savings target of £2.5m). However, the on-going impact is expected to increase to £1.9m once the full year effect of changes is realised. The remainder will need to be found in 17/18 in order to reduce the ongoing pressure.

There have been further pressures arising from the cost of Deprivation of Liberty Standards (DOLS) assessments within Safeguarding

There have been underspends within Social Work teams, the Wellbeing and Commissioning service and also different use of Disabled Facilities Grant

(DFG) grant within the Better Care Fund (BCF) to fund adaptations and equipment.

During May 2017 the Secretary of State for Local Government has decided that RBC should be liable for a high cost package going back to 2014 (because the client is deemed to be Ordinarily Resident in Reading, though we are considering an appeal). If RBC is required to refund costs for this client this will amount to around £0.8m, which has now been accrued for.

Learning and Workforce Development overspent by £211k due to unachieved savings on training costs across the whole Council. This was an improved position compared to that reported in January.

3.10 Corporate Support Services

The projected outturn position for Corporate Support Services is £513k overspent on a budget of £12.4m. This is a reduction of £104k since February monitoring. However there are some final adjustments that still need to be put through and in particular the recovery of Housing Benefit overpayments still needs to be fully reviewed.

The overspend is due to a reduction in Housing Benefit grant of £523k, increased caseloads for Childcare lawyers £349k, additional consultancy fees £93k and pressure on Land Charges £104k. This has been partially offset by additional income from Registration £302k and other minor variances across the directorate.

3.11 Capital Financing & Other Non-Service lines

The capital financing position is slightly better than forecast; the dividend return on the CCLA Property Fund investment has exceeded forecast, and actual borrowing is lower than forecast. The overall variance is £427k under the original budget.

Non-service lines include various property and pension liabilities as well as the NNDR Levy. The Council continues to have a pension fund deficit, and the draft position includes allowances to meet costs that will fall due for payment that are unlikely to be covered by other resources in the near future. The main variation here is a technical one.

Following review (after recent appeals have been settled, and some withdrawn), we have concluded that the business rate appeals provision can be reduced from £16.5m to £10.5m. This change together with other business rate collection changes has led to the business rates balance at the year end being significantly higher than forecast. This money will actually flow into the General Fund in the 2018/19 financial year, but it is necessary to accrue an additional rates levy of £1.5m at this stage.

3.12 Capital Expenditure

The table below shows a comparison by service between the Draft Outturn and Revised Approved Budget as reported to Policy Committee & Council in February.

Table 2: Capital

	Initial budget	Revised Approved Budget	Draft Outturn
	£'000	£'000	£'000
Safeguarding & Protect Vulnerable	2,275	3,437	3,402
Providing best life through education, early help and healthy living	27,327	19,954	15,583
Providing homes for those most in need	13,425	12,254	10,183
Keeping the town clean, safe, green and active	11,060	5,711	6,886
Providing infrastructure to support the economy	6,119	9,638	8,614
Remaining financially sustainable to deliver these service priorities	9,897	32,451	29,605
Total	70,103	83,445	74,273
General Fund Capital	56,288	70,817	63,376
HRA Capital	13,815	12,628	10,897
Funded by:			
Grant	17,824	9,491	23,516
S106 Receipts & CIL# Contributions	1,335	1,238	3,174
Borrowing	40,899	63,617	37,760
Other (mainly HRA MRA*)	10,045	9,099	9,823
	70,103	83,445	74,273

*MRA (Major Repairs Reserve - approx. £7.39m used, leaving nil balance)
 #CIL (Community Infrastructure Levy - £0.908m general contributions used)

Up to March 2017 the Council has received £2.172m of Community Infrastructure Levy (CIL) receipts. CIL differs fundamentally from S106 in that the funds collected are not tied to a specific development or the provision of specific infrastructure. Unlike infrastructure provided through S106 planning obligations, which must be necessary to mitigate the impact of a particular development and used only for that specific purpose, CIL funds can be used more flexibly to fund any infrastructure as defined within the regulations and contained in the Council's Regulation 123 list. A

proposed CIL protocol was considered at the February 2017 Policy Committee with the Committee concluding that the protocol should be referred to a future Committee to allow further reflection and debate.

Notwithstanding the intention to present the CIL protocol to the July Policy Committee a decision to use some of the CIL money available to fund expenditure on strategic infrastructure should be taken now to avoid unnecessary capital financing costs to the Council in the 2017/18 financial year. The allocation of £0.908m of general CIL money does not affect the 15% 'local' allocation which requires councillor consideration as part of the protocol and wider consultation

Between the initial budget and the February projection there was slippage from 2015/16, increases in the programme from further approvals, notably the decision to invest in commercial property and some transport related grant awards.

3.13 Early Termination (Redundancy) Costs

As part of in-year budget reductions to keep net expenditure within the approved budget and the requirement to make savings so that the budget could be set for 2017/18 within the available resources, taking account of the on-going reductions in government support for the council's activities, the Personnel Committee has agreed redundancy, compensation and early retirement packages to a value just over £861k for 38 employees.

3.14 Capital Receipts

During 2016/17 the Council received £2.4m of general fund capital receipts and sold 26 housing dwellings under RTB for £4.1m, £1.1m of which was paid to the Government. Of the remaining £3.0m, £1.84m must be spent on replacement housing under the "1-1 replacement" arrangements for sold council houses. Subject to the approval of Policy Committee the Council will use £1.65m of receipts to finance its capital programme (this was mainly 1-1 receipts on affordable housing (including the purchase of 3 properties and assisting a housing association with a development)).

Government rules permit the flexible use of capital receipts to meet one off revenue costs of delivering on-going savings and the above £861k of redundancy costs have been financed in that way, leaving £8.2m of General Fund receipts before budget funding measures have been completed. £1.5m of this has then been used to repay (internal) debt with a consequent adjustment to the revenue provision in line with the agreed policy. Therefore £6.7m of receipts are carried forward, though £3.5m of these are being held for equal pay purposes (as set out below) for use in 2017/18.

£5.5m HRA Receipts (which can generally be used) and £6.8m HRA 1-1 Receipts (which must be used on replacement housing) were also carried forward into 2017/18.

3.15 Use of Reserves & Funding Measures

The table above shows that when the budget was set £6.8m of reserves were needed to finance the budget, and with overspends as described above the final projected use of reserves is £15.6m. Council in February provided a delegation to the Interim Director of Finance to determine the best way of financing this, in the context of the 2 year approach explained in the report to Council.

In summary the overall resources available as at 31/3/17 in comparison to the earlier forecast are as follows

£'000	February Forecast	Projected Outturn before Financing	Use of £15.6m to Finance the Budget	Projected Outturn after Financing
General Fund Balance	5,621	5,621	585	5,036
General Fund Reserves (usable)	11,100	12,165	10,015	2,150
GF Capital Receipts	7,600	8,200	5,000	3,200
GF Capital Receipts held for Equal Pay			-3,500	3,500
Equal Pay Provision (cash backed)	11,350	11,350	3,500	7,850
	35,671	37,336	15,600	21,736

This will preserve the General Fund Minimum balance of £5m, and in addition carry forward £2.15m of other revenue reserves, though they will be needed, on current forecasts, over the period 2017 - 2019. The Equal Pay cash backed provision, taking account of the £3.5m of receipts held for that purpose remains at £11.35m, and other GF capital receipts carried forward are £3.2m. As envisaged in February the Council is reliant on receipts expected during 2017/8 to balance that year's budget with very limited room for adverse change.

3.9 Borrowing Outstanding

In line with the requirements of the CIPFA Prudential Code there will be a treasury outturn report to Audit and Governance Committee as part of the final accounts package setting out in full the outturn Prudential Indicators. Table 3 shows the summary position of capital debt outstanding as measured by the adjusted capital finance requirement

Table 3: Capital Debt Outstanding

(Adjusted CFR)	February Projection	Outturn
	£m	£m
General Fund	251.8	226.2
HRA	190.2	190.0
Total	442.0	416.2

Actual borrowing at 31 March 2017 was £353.4m and £327m net of investments. (The investments the Council had were the £15m in the CCLA Long Term Property Fund, and the remainder between a bank and two instant access money market funds).

3.10 General Fund Balance

Based on the provisional outturn the General Fund Balance as at 31st March 2017 is as follows:

Table 4: General Fund Balances

	Approved Budget £'000	Forecast (February) £'000	Actual £'000
1 April 2016	5,033	5,621	5,621
Use of Balances	(26)	(600)	(585)
Transfer to balances	0	0	0
31 March 2017	5,007	5,021	5,036

3.11 Housing Revenue Account

The outturn position for the Housing Revenue Account is set out in table 5

Table 5 Preliminary Outturn - Housing Revenue Account

	Budget 2016/17 £'000	Projected Outturn 2016/17 £'000	Draft Outturn 2016/17 £'000	Variance to Budget £'000	Variance to Projected £'000
Repairs	14,961	14,361	13,497	-1,464	-864
Management	16,654	16,102	15,615	-1,039	-487
Capital	10,600	10,377	10,035	-565	-342
Total Expenditure	42,215	40,840	39,147	-3,068	-1,693
Rents	35,450	36,355	36,552	-1,102	-197
PFI Allowance/Grant	3,997	3,997	3,997	0	0
Other Income	728	1,177	1,250	-522	-73
Total Income	40,175	41,529	41,799	-1,624	-270
Net Income	2,040	-689	-3,436	-4,692	-1,963

HRA Balance b/f	22,101	22,101	22,101		
Use of b/f balances	1,200				
HRA Balance c/f	21,261	22,790	25,537		

3.12 Final Accounts Process

Appendix B explains the final requirements for Local Authority Accounts and in particular the formal approval process at the end of June & September. The draft accounts which must be prepared in a prescribed format will be “signed off” by the Director of Finance by the end of June prior to audit before being presented to the Audit & Governance (A+G) Committee before the end of September for approval. The external auditor (EY) is expected to review the draft accounts during July and August, prior to issuing an opinion on them at the A+G Committee at the end of September. The accounts will be published on the Council’s website as signed off initially (with a “subject to audit” cover) and with the audit opinion at the end of September. At the time of preparing this report, not all the figures set out above had been checked in detail, and therefore may vary in the final accounts. Any significant variations, if not apparent from a full reading of the accounts will be explained in the cover report to the Audit & Governance Committee.

3.13 Debt Outstanding

The accounts include various streams of income where money was owed to the Council at the year end, and the remaining sections of this report include a commentary on those debtor streams.

3.14 Council Tax

Table 6 shows the Council Tax Collection Rate over the last 4 years:

	2013/14	2014/15	2015/16	2016/17
Collection Rate	96.93%	96.61%	96.84%	96.68%

In 2016/17 collection performance slightly reduced following changes to the working age Council Tax Support Scheme which required an increased contribution from non pensioner households. In addition to in year collection, previous year’s arrears to the value of almost £1.7m (2015/16 £1.2m) were also collected, leaving gross arrears (for all years since 1997/98) at 31 March 2017 of £12.4m (31/3/16 £11.3m). We anticipate collecting around £2.0m of this in due course (based on our historic arrears collection performance; we would expect to collect at least £1.7m of this arrears in 2107/18, and the remainder in later years).

We have accounted accordingly, and now anticipate a year end council tax surplus on the collection fund of around £0.8m, of which RBC’s share is £0.7m, slightly lower than the £0.9m share of the forecast £1.05m surplus.

Recovery activity of recent years has resulted in irrecoverable debt written off being very low. Only £12k was written off in 2016/17. However, of the total £12.3m historic debt, £2.5m is more than 10 years old and can be regarded as almost wholly irrecoverable. During 2017/18 we will consider formally writing this off.

3.15 Business Rates

Arrears of Business Rates total £6.1m in 2016/17 (£4.9m in 2015/16). For 2016/17 the in year Collection Rate was 97.9% (almost 97.9% in 2015/16).

The Committee will recall that in January we estimated that there would be an NNDR collection fund surplus of £1.8m. During the final quarter several appeals were resolved in a way that has led to a reduction in the appeals provision without significant loss of rate income. We have also completed an analytical review of the overall position since (50% localisation started in 2013/14) and concluded that the NNDR closing balance should be £11.2m, £9.4m higher than forecast. Of the increase, 50% goes straight to the Government and the Council has to pay a 44% levy on its 49% share, so the net gain (that will benefit the 2018/19 budget in due course) is about £2m.

3.16 Housing Rents

Arrears of rents from Council Housing and Temporary Accommodation totalled just below £0.9m broken down as follows:

2016-17	Current Tenants		Former Tenants	
	£'000	% of rent	£'000	% of rent
Council Housing	456	1.2%	321	0.9%
Temporary Accommodation	35		69	
	491		390	

A bad debt provision of £0.6m has been made to cover the risk of non-recovery. In comparison at 31 March 2016, current tenants rent arrears were £488k and former tenants rent arrears were £399k.

3.17 General Debtors

Most other money owed to the Council is collected through the General Debtors System. The amounts outstanding can vary significantly from month to month depending upon levels of invoicing, and the extent to which people pay on time. We also allow a month for "normal" payment before recognising the debt as outstanding and overdue. In particular at any point in time we are usually owed large amounts of money by other public sector bodies; notably in the health sector linked to the close working between health and social care.

The table at Appendix C summarises the level of general debtors outstanding of £11.5m greater than 30 days old, beyond the normal payment terms process.

The most significant areas of debt relate to Housing Benefit Overpayment and Community Care. In the latter case, the majority of debt relates to domiciliary care and older peoples residential accommodation awaiting administration of clients' estates. A large proportion of the debt is being paid by instalments or awaiting legal action.

Where Housing Benefit overpayments occur in most cases 40% is claimable through subsidy and the Council seeks to recover the overpayment from the claimant by either deductions from on-going benefit or by raising an invoice. In many cases arrangements to pay are agreed with claimants linked to ability to pay hence the age of the debt.

3.17 Write Offs

Financial regulations require that Committee approval is given for write offs above £20,000. Your approval is therefore requested for the following write offs for the reasons stated.

NDR - Company Dissolved	£22,421.26
NDR - Liquidation	£63,374.03
Gen Debtor - Liquidation	£80,081.50
General Debtor - Lease Ended - Unable to pay	£37,625.00

4 Contribution to Strategic Aims

- 4.1 The production of accounts does not in itself contribute to the Council's strategic aims, however maintaining a "healthy" financial position is a key element underpinning sound Corporate Governance of the organization.

5 Community Engagement and Information and Legal Implications

- 5.1 None directly from this report.

6 Financial Implications

- 6.1 As set out above.

7 Background Papers

- 7.1 Budget Report to Full Council - February 2016
7.2 Budget Report to Full Council - February 2017

Appendix A - S106 Receipts to be applied 2016/17

S106 Receipts to be applied 2016-17

Scheme	Contribution fettered to:	Total Applied
<u>Whitley Wood Community Art Project</u>		
3106 - Former Berkshire Brewery, Imperial way	- Public Art	<u>3,000.00</u>
Whitley Wood Community Art Project total:		<u><u>3,000.00</u></u>
<u>Bugs Bottom Environmental Improvements</u>		
647 - Phase 8, Shipnell's Farm	Leisure	<u>800.00</u>
Bugs Bottom Environmental Improvements total:		<u><u>800.00</u></u>
<u>Kennet Towpath Improvements</u>		
629 -Unit 3, 4a and 5 Rose Kiln Lane	Leisure	<u>7,626.15</u>
Kennet Towpath Improvements total:		<u><u>7,626.15</u></u>
<u>Tree Replacement Works</u>		
1175 - 3/3A Parkside Road & 74B Bath Road	Environment	4,000.00
1480 - 17 Lawrence Road	Environment	<u>158.73</u>
Tree Replacement Works total:		<u><u>4,158.73</u></u>
<u>Arthur Newbery Park</u>		
1916 - 18 Weald Rise	Leisure	2,393.63
2100 - 83-89 School Road	Leisure	10,977.86
3112 - The Bird in Hand, 14 Lower Armour Road	Leisure	4,132.83
3300 - 98-100 School Road	Leisure	2,554.36
3332 - Land r/o 54a-66 Norcot Road	Leisure	12,276.30
4025 - Highlands School, Wardale Avenue	Leisure	28,251.86
3189 - 46a and 46b Armour Road	Leisure	<u>2,686.42</u>
Arthur Newbery Park total:		<u><u>63,273.26</u></u>
<u>Forbury Gardens</u>		
1440 - Princes Court, 20-24 Vachel Road	Leisure	3,792.79
3174 - 27 Castle Street	Leisure	<u>557.21</u>
Forbury Gardens total:		<u><u>4,350.00</u></u>
<u>Robert Hewitt Recreation Ground</u>		
3015 - 23 Russell Street	Leisure	<u>4,181.17</u>
Robert Hewitt Recreation Ground total:		<u><u>4,181.17</u></u>
<u>Prospect Park</u>		

1726 - 137 Honey End Lane	Leisure	631.26
Prospect Park total:		<u>631.26</u>

Thames Parks Plan

1442 - Land adj to Lyefield Court	Leisure	9,974.57
3141 - Abbotsmead Place/School Lane	Leisure	8,688.23
Thames Parks Plan total:		<u>18,662.80</u>

Beresford Road Recreation Ground

1445 - Land at Battle Hospital site (Kingsoak S106)	General	3,950.51
Beresford Road Recreation Ground total:		<u>3,950.51</u>

Kensington Road Recreation Ground

1445 - Land at Battle Hospital site (Kingsoak S106)	General	13,809.49
Kensington Road Recreation Ground total:		<u>13,809.49</u>

Cintra Park Infrastructure

1695 - 16a Alpine Street	Leisure	1,887.00
Cintra Park Infrastructure total:		<u>1,887.00</u>

Emmer Green Recreation Ground

1603 - Field View, Derby Road	Leisure	544.50
3982 - North side of Evesham Road	Leisure	11,724.85
Emmer Green Recreation Ground total:		<u>12,269.35</u>

Tree Works at Fobney

3254 - Kennet Island Phase 3	Leisure	16,667.00
Kennet Island Phase 3 total:		<u>16,667.00</u>

Edenham Project Works

324 - Courage Sports Ground	Leisure	16,537.00
Edenham Project Works total:		<u>16,537.00</u>

Palmer Park

1611 - Land at Green Road Reading	Leisure	704.53
3127 - 318a Kings Road	Leisure	22,268.96
4011 - 42 Kenavon Drive	Leisure	161,245.43
3293 - 276 Wokingham Road	Leisure	4,110.85
4079 - Wells Hall, Upper Redlands Rd	Leisure	54,531.06
Palmer Park total:		<u>242,860.83</u>

Abbey Quarter

1905 - 128 Oxford Road	Leisure	3,832.46
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1910 - 73 Edinburgh Road	Leisure	4,767.85
1921/3315 - Mansfield Hall	Leisure	157,604.76
Abbey Quarter total:		<u>166,205.07</u>
Arts and Leisure Total:		<u>580,869.62</u>
<u>Oxford Road Academy</u>		
1445 - Land at Battle Hospital site (Kingsoak S106)	General	300,000.00
1910 - 73 Edinburgh Road	Education	18,360.88
2093 - 116-118 Chatham Street	Education	35,992.73
3045 - 32 Brunswick Street	Education	11,334.32
3273 - Land rear of Baker Street and Waylen Street	Education	5,597.20
3248 - Chatham Place (Phase 2)	Education	62,227.35
Oxford Road Academy total:		<u>433,512.48</u>
<u>Caversham Primary</u>		
3022 - 326 Hemdean Road	Education	1,550.96
Caversham Primary total:		<u>1,550.96</u>
<u>Churchend Primary</u>		
3988 - Land at 77 St Michaels Road	Education	10,610.10
Churchend Primary total:		<u>10,610.10</u>
<u>E P Collier Primary</u>		
3116-120 Oxford Road	Education	13,717.89
E P Collier Primary total:		<u>13,717.89</u>
<u>Geoffrey Field Infant School</u>		
3254 - Kennet Island Phase 3	Education	11,556.93
3995 - 103 Basingstoke Road (3995)	Education	2,419.13
Geoffrey Field Infant School total:		<u>13,976.06</u>
<u>Katesgrove Primary School</u>		
1695 - 16a Alpine Street	Education	57,488.50
Katesgrove Primary School total:		<u>57,488.50</u>
<u>Moorlands Primary</u>		
1564 - Sadina Pierces Hill	Education	9,500.00
1062 - 2 Kentwood Hill	Education	1,543.48
1039 - 50 St Michaels Road, Tilehurst	Education	315.00
3224 - Bird in Hand, 14 Lower Armour Road	Education	5,678.39
3277 - 93 Chapel Hill	Education	16,403.72
3332 - Land r/o 54a-66 Norcot Road	Education	23,201.42
Moorlands Primary total:		<u>56,642.01</u>
<u>New Town Primary</u>		

3152 - 102 Kings Road	Education	1,886.41
3127 - 318a Kings Road	Education	15,276.90
3210 - 17 Eldon Square	Education	2,255.00
3323 - 32-36 Kings Road	Education	2,073.59
4011 - 42 Kenavon Drive	Education	905,435.84
New Town Primary total:		<u><u>926,927.74</u></u>
<u>Oxford Road Primary</u>		
3211 - 10 Prospect Street	Education	4,214.55
Oxford Road Primary total:		<u><u>4,214.55</u></u>
<u>The Ridgeway Primary</u>		
1967 - 4-8 Winchester Road	Education	12,290.77
2006 - 89 Cressingham Road	Education	6,408.74
4020 - 17 Newcastle Road	Education	8,421.04
The Ridgeway Primary total:		<u><u>27,120.55</u></u>
<u>Southcote Primary</u>		
3303 - The Roundhead PH, Wensley Road	Education	2,376.15
3989 - 242 Gainsborough Road	Education	3,716.44
Southcote Primary total:		<u><u>6,092.59</u></u>
<u>St Michaels Primary</u>		
2065 - 644 Oxford Road	Education	10,505.95
St Michaels Primary total:		<u><u>10,505.95</u></u>
<u>Thameside Primary</u>		
1931 - Plot 2 Vallpineda, The Warren	Education	10,557.37
3975 - Land at Caversham House, 13-17 Church Road	Education	10,553.46
Thameside Primary total:		<u><u>21,110.83</u></u>
Education total:		<u><u>1,583,470.21</u></u>
<u>Battle Community Hub</u>		
1445 - Land at Battle Hospital site (Kingsoak S106)	General	7,500.00
Battle Community Hub total:		<u><u>7,500.00</u></u>
Corporate total:		<u><u>7,500.00</u></u>
<u>Town Centre CCTV Schemes</u>		
1266/1354 - Signal House, Letcombe Street	General	2,455.50

1371 - 108 Friar Street	General	5,277.48
1305 - Chatham Street Car Park Complex	General	6,780.49
775 - 126-127 Friar Street	General	18,000.00
718 - 20 Hosier Street	Environment	8,588.30
767 - 73-74 Broad Street	Environment	18,000.00
803 - 59-60 St Mary's Butts	Environment	1,592.21
Town Centre CCTV Schemes total:		<u><u>60,693.98</u></u>

Traffic Management near EP Collier School

4092 - EP Collier School	Transport	<u>33,559.31</u>
Traffic Management near EP Collier School total:		<u><u>33,559.31</u></u>

Transport total:		<u><u>94,253.29</u></u>
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Capital total to fund using S106 receipts:		2,266,093.12
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Appendix B

Final Accounts Process

The final audited accounts for years prior to 2016/17 can be accessed on the Council's website. A cursory glance at these documents will show that the presentation therein is somewhat different to that used for the Council's budget, and indeed in the above explanation of year end variances. This is because the accounts must be prepared in accordance with the Code of Practice for Local Authority Accounting (the "Accounts Code").

Amongst other things, the code requires that the Council's accounts are presented in in with International Financial Reporting Standards (IFRS). Furthermore, the Accounts Code requires many adjustments to the day to day accounts by which the Council manages its budget including capital charges for all services, the apportionment of support services across front line services.

However, there have been some changes to the code this year that enable and require some information to be presented on a similar (directorate basis) to that which we use for internal budget monitoring, intended to strengthen the links between budget reports throughout the year and the final accounts.

We are however also required, along with all other local authorities to prepare some financial information for government in line with the same accounting guidance, so comparative information drawn between authorities that is reasonably accurate, and fairly represents the relative total cost of services. In addition the Account Code requires the council to produce group accounts that include the activities of companies we own; principally Reading Transport.

The Accounts Code is published by CIPFA and each year they consult about amendments to the Code to keep local authority accounting practice up to date. CIPFA's Local Authority Accounting Panel (which the Head of Finance attends) produces guidance notes to explain how to prepare most aspects of the accounts.

The Accounts & Audit Regulations currently require the Director of Finance to sign the accounts off by the end of June. They are then audited and must be approved by Councillors (hopefully with their audit opinion) by the end of September. Audit & Governance Committee formally do this approval on behalf of the Council. Next year the approval date will move forward to 31 May (for CFO sign off) and July (Audit & Governance Committee approval). Given the proximity of the May date to the election date and timing of meetings, we will need to revise our approval process and timetable through committee to meet the new requirements.

As in previous years the accounts both pre audit, after the end of June, and following audit at the end of September will be published on the website.

Appendix C

General Debtor Arrears (accounts over 30 days old)

The table sets out the arrears by service @ 31 March 2017
By Age of debt (days)

	TOTAL	31-60	61-90	91-120	120+
Community Care	2,474	306	261	52	1,855
Culture & Sport	309	177	8	12	112
Education & Early Help	145	1	58	2	84
Environment	181	21	31	8	121
Housing	517	20	19	18	459
Valuation	280	34	21	39	186
Corporate Support	376	66	53	3	254
Housing Benefit Overpayments	7,264	144	211	167	6,742
Total	11,544	769	663	300	9,813

As at 31 March 2016, debt totalled £9.989m.