

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

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Your Ref:

Direct: ☎ 0118 937 2303
e-mail: simon.a.hill@reading.gov.uk

9 February 2018

Your contact is: Simon Hill - Committee Services

NOTICE OF MEETING - POLICY COMMITTEE - 19 FEBRUARY 2018

A meeting of the Policy Committee will be held on Monday 19 February 2018 at 6.30pm in the Council Chamber, Civic Offices, Reading. The Agenda for the meeting is set out below.

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

ITEMS FOR CONSIDERATION IN CLOSED SESSION

The following motion will be moved by the Chair:

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

<u>ACTION</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO</u>
1. DECLARATIONS OF INTEREST FOR CLOSED SESSION ITEM	-	-
2. PROPERTY RATIONALISATION PROGRAMME	BOROUGHWIDE	A1

Councillors Lovelock & Page / Director of Environment and
Neighbourhood Services

ITEMS FOR CONSIDERATION IN PUBLIC SESSION

3. CHAIR'S ANNOUNCEMENTS

4. DECLARATIONS OF INTEREST

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

5. MINUTES

B1

To confirm the Minutes of the Policy Committee meeting on 15 January 2018.

6. PETITIONS AND QUESTIONS

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

7. DECISION BOOK REFERENCES

8. REPLACEMENT OF WATER STORAGE, MAINS WATER SUPPLIES AND DISTRIBUTION PIPEWORK TO COLEY HIGH RISE TOWER BLOCKS AND INSTALLATION OF SPRINKLER FIRE SUPPRESSION SYSTEM

MINSTER

C1

Councillor Ennis / Director of Environment and Neighbourhood Services

The report seeks approvals related to a project to replace the existing water storage facility, water supply mains and distribution pipework at the Coley High Rise Flats in Wensley Road, incorporating the installation of a new fire suppression sprinkler system to each block of flats

9. LIBRARY SERVICE OFFER 2018/19: SAVINGS PROPOSALS

BOROUGHWIDE

D1

Councillor Hacker / Director of Environment and Neighbourhood Services

This report sets out proposals to deliver savings from the Libraries Service and seeks approval for public consultation on a number of the options proposed.

10. PROPERTY RATIONALISATION PROGRAMME

BOROUGHWIDE

E1

Councillors Lovelock & Page / Director of Environment and Neighbourhood Services

This report provides an update on progress of the property rationalisation programme and sets out proposals for Phase 2 of the programme.

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|-----|--|-------------|----|
| 11. | PROJECT FUNDING AWARDS - C-ITS AND SMART CITY CLUSTER | BOROUGHWIDE | F1 |
| | Councillor Page / Director of Environment and Neighbourhood Services | | |
| | This report sets out details of capital funding awards for two transport related projects (Co-operative Intelligent Transport Systems (C-ITS) and Smart City Cluster) and seeks spend and scheme approval, as well as delegated authority to enter into contracts for delivery of the projects. | | |
| 12. | SCHOOL ADMISSION ARRANGEMENTS 2019/20 | BOROUGHWIDE | G1 |
| | Councillor Jones / Director of Children’s Services, Education & Early Help Services | | |
| | This report invites the Committee to determine the admissions arrangements for Community Primary Schools in Reading for the school year 2019/20, and the coordinated schemes for primary, junior and secondary schools. | | |
| 13. | ELECTORAL REGISTRATION AND ELECTIONS UPDATE | BOROUGHWIDE | H1 |
| | Councillor Lovelock / Electoral Registration Officer & Returning Officer | | |
| | This report provides an update on the results of the 2017/18 annual canvass, and the 2018 electoral register published on 1 December 2017. | | |
| 14. | BUDGET MONITORING | BOROUGHWIDE | J1 |
| | Councillors Lovelock & Page / Director of Finance | | |
| | This report sets out the projected Council revenue budget outturn position for 2017/18 based on actual, committed and projected expenditure for the Council as at the end of December 2017; it also contains information on the capital programme, capital receipts and the Housing Revenue Account. | | |
| 15. | BUDGET 2018-19 AND MEDIUM TERM FINANCIAL STRATEGY | BOROUGHWIDE | K1 |
| | Councillor Lovelock / Director of Finance | | |
| | This report presents proposals for the General Fund revenue budget for 2018/19 & Medium Term Financial Strategy for the period to 2020/21, alongside proposals for capital expenditure over the same period. | | |

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Please speak to a member of staff if you have any queries or concerns.

POLICY COMMITTEE MINUTES - 15 JANUARY 2018

Present: Councillor Lovelock (Chair)

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

57. MINUTES

The Minutes of the meeting held on 27 November 2017 were agreed as a correct record and signed by the Chair.

58. QUESTIONS

Questions on the following matters were submitted by councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	Local Neighbourhood Money	Cllr Page
2.	Cllr White	Public Drinking Water Fountains to Cut Plastic Waste	Cllr Page

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

59. CHILDREN'S SOCIAL CARE, EARLY HELP AND EDUCATION SERVICES IN READING - UPDATE ON DEVELOPMENT OF CHILDREN'S COMPANY

Further to Minute 26 of the meeting of the Adult Social Care, Children's Services and Education Committee on 5 October 2017, the Chief Executive submitted a report giving an update on setting up 'The Children's Company', an independent local authority company for the delivery of children's services to the Council. The proposed operational strategy, governance and commissioning arrangements and service scope for the company were set out in the current version of the 'Reading Prospectus', attached to the report at Appendix 1.

The report noted that, in order to comply with the statutory direction issued by the Department for Education, and the recommendation of the Commissioner to establish a 'full service' children's company, the Council would need to agree formally to transfer its education and early help services to the Company as well as Child Protections services. The report outlined the procurement process for engaging specialist expertise and support for the development and transition to the company, and sought approval to award a contract to support this work. It also sought authorisation for the Chief Executive and Director of Children, Education & Early Help Services to accept the Department for Education funding to enable the establishment of the company and to undertake all necessary steps required to establish the company by autumn 2018.

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Resolved -

- (1) That the latest position in the development of an independent local authority company for the provision of Children's Services be noted;
- (2) That Reading's children's company include education and early help along with child protection functions;
- (3) That the programme support contract be awarded to Mutual Ventures Ltd;
- (4) That the Chief Executive and Director of Children, Education & Early Help Services be authorised to accept funding from the Department for Education on behalf of the Council to enable the set-up of the new Children's Company;
- (5) That the Chief Executive be authorised to undertake all necessary steps required to establish the company by autumn 2018;
- (6) That a report be submitted to a future meeting of the Committee to transfer and agree a service contract with the Company.

60. SOUTH READING MRT PHASES 3 & 4 - SCHEME & SPEND APPROVAL

The Director of Environment and Neighbourhood Services submitted a report seeking scheme and spend approval for Phases 3 & 4 of the South Reading Mass Rapid Transit (MRT) scheme, and authority to enter into a contract for implementation of the proposals.

The report noted that the South Reading MRT scheme was a series of bus priority measures on the A33 corridor between Mere oak Park & Ride and Reading town centre. The scheme would reduce congestion and journey times, improve the attractiveness of public transport services through enhanced frequency and reliability, and enable sustainable economic and housing development on the main growth corridor into Reading. Phases 3 & 4 of the scheme had been granted funding approval from the Berkshire Local Transport Body in November 2017.

The proposals for Phases 3 & 4 of the scheme were summarised in the report and shown at Appendix A; Phase 3 proposals included construction of an outbound bus lane on London Street, extension of the inbound bus lane on Bridge Street, and upgrade of the traffic signals on the Oracle roundabout to a MOVA method of control. Phase 4 included an outbound bus lane on the A33 approach to Rose Kiln Lane; an outbound bus lane on the A33 between Rose Kiln Lane and Lindisfarne Way (Kennet Island); an inbound bus lane on the A33 between Longwater Avenue and Island Road; and upgrade of the traffic signals on the Bennet Road gyratory to a MOVA method of control. The scheme would not reduce existing highway capacity along the A33 as additional lanes were being implemented for public transport usage and all existing

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lanes for general traffic would be retained.

The report set out the intended timescales for the scheme and explained that it was proposed to run separate single stage open procurement exercises for Phase 3 and Phase 4 in accordance with the Public Contract regulations (2015). The report sought authority to enter into a separate contract for each Phase, based upon the most economically advantageous tender in accordance with the criteria stated in the specification.

Resolved -

- (1) That scheme and spend approval be given for Phases 3 & 4 of the South Reading MRT scheme;
- (2) That the Director of Environment and Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, the Head of Legal & Democratic Services and the Head of Finance, be authorised to enter into a contract for the implementation of Phase 3 of the scheme and a separate contract for Phase 4.

61. PROPOSED WITHDRAWAL OF COMMUNITY LINK BUS SERVICES 28 & 991

Further to Minute 21 of the meeting held on 18 July 2016 the Director of Environment and Neighbourhood Services submitted a report summarising the results of consultation on a budget saving proposal to withdraw financial support for the operation of the Community Link bus routes 28 (plus 18 and 28a) and 991.

The report explained that consultation on the proposal had taken place between July and October 2017, and an analysis of the responses was attached to the report at Appendix A. An Equality Impact Assessment was attached to the report at Appendix B. The report summarised the use and costs of the Community Link buses, and recommended that, as neither the Council nor Reading Buses was in a position to continue to subsidise the operation of the loss making routes, they be withdrawn from April 2018. However, in order to provide more notice of the cessation of the Community Link bus routes and to enable it to operate until the end of the current academic year, Councillor Page, Lead Councillor for Strategic Environment, Planning and Transport, proposed that the services should continue until July 2018.

Resolved -

That Reading Buses be given notice of the Council's intention to withdraw the operation of bus routes 28 (plus 18 and 28a) and 991 from the end of the current academic year in July 2018.

62. BUDGET MONITORING

The Director of Finance submitted a report setting out the projected Council revenue budget outturn position for 2017/18 based on actual, committed and projected expenditure for the Council as at the end of November 2017. It also contained information on the capital programme, capital receipts and the Housing Revenue Account.

The report explained that it was projected that the revenue budget would be underspent by £0.9m as at the year end, with an unused contingency of £1.6m should there be no further unexpected pressures and savings shortfalls. However, there remained some serious concerns, in particular that the total of negative variances was £9.1m, which included some projection of further pressures on care places through to the year-end. In addition many of the positive variances and mitigations were not ongoing, so would not provide relief for any of the negative variances that were ongoing into 2018/19 and beyond. This produced a pressure in 2018/19 of £7.396m at this stage, some of which was a projection of growth in children's social care demand into that year. This pressure was being built into the budget setting process for 2018/19.

The report explained that service directors had identified immediate steps to reduce spending in 2017/18 and these actions were in place. Further strong management was required in order to prevent further overspending during the remainder of 2017/18.

The Chief Executive paid tribute to the action in the Directorates to deliver the latest budget position in the current financial year. The Directorate for Children, Education & Early Help Directorate had a duty to provide services to vulnerable children at risk of harm and it should be recognised that savings worth £1.8m had been made on these vital services that had to be purchased. This was a considerable feat requiring extensive officer effort to drive down costs. The Directorate of Environment & Neighbourhoods had managed to reduce its overall budget by 5%, without a discernible difference to the service received by the public, which was an impressive achievement. In Adult Social Care, officers had delivered savings and remedial action totalling £2m, which had mitigated against the immense growth in demand for these services and had minimised the overspend in this Directorate.

Resolved -

That it be noted that, based on the position at the end of November 2017, budget monitoring forecast that the budget would be underspent by £0.9m, without using the remaining contingency of £1.6m.

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63. BUDGET 2018-19: APPROVAL OF COUNCIL TAX BASE, NNDR1 ESTIMATE & ESTIMATED COLLECTION FUND SURPLUS; APPROVAL OF THE LOCAL COUNCIL TAX SUPPORT SCHEME 2018/19

The Director of Finance submitted a report asking the Committee to recommend to full Council on 23 January 2018 the approval of the council tax support scheme, the estimated Council Tax collection rate, Council Tax base for 2018/19, and NNDR1 form.

Attached to the report at Appendix A were The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2017, and at Appendix B a summary of consultation responses on the proposed changes to the Local Council Tax Support Scheme. An Equality Impact Assessment on the proposed changes to the local Council Tax Support Scheme was circulated to the Committee prior to the meeting. The proposed changes to the Scheme, to apply from 1 April 2018 for 2018/19 and future years, were as follows:

- to increase the minimum contribution from 25% to 35%,
- reduce capital level from £6,000 to £3,000
- increase levels of Non-Dependant deductions (based on income) from £7.50 to £10.00 for those non-dependants not engaged in remunerative work (working less than 16 hours per week) and/or have gross earnings less than £196.95 per week
- increase levels of non-dependant deductions (based on income) from £12.50 per week to £15.00 per week for any non-dependants engaged in remunerative work (16 hours or more) with gross weekly earnings of £196.95 per week and above
- Apply administrative easements to the process of claiming Council Tax Support for those customers transferring to Universal Credit. This would enable them to continue to receive and claim Council Tax Support as easily and as efficiently as possible without causing additional risk of overpayment, and excessive numbers of new bill and award notifications being sent to them.

It was reported at the meeting that information required for the draft NNDR1 return had not yet been received and that the recommendations relating to NNDR were therefore withdrawn. The NNDR1 return would be submitted to the full Council meeting on 23 January 2018.

Recommended -

- (1) That the 2018 uprating of the allowances in the council tax support scheme and other amendments to the scheme as set out in paragraph 1.5 of the report be approved, in particular the increase in the minimum contribution payable by those of working age from 25% to 35%;

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- (2) That it be noted that the following had previously been adopted:
- (i) the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (SI 2886(2012)) in 2013;
 - (ii) the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013 (SI 3181 (2013)) in 2014;
 - (iii) the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014 in 2015;
 - (iv) the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015 in 2016
 - (v) the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016 in 2017;

and that these would remain in place as the basis of the 2018-19 scheme, to the extent that the requirements in each regulation remained prescribed;

- (3) That the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2017 which came into force on 12 January 2018 be adopted and apply to local schemes from 1 April 2018 and (in the case of three of the 17 regulations) 6 December 2018, as set out in Appendix A;
- (4) That the proposed local changes set out in Appendix B for 2018/19 and the overall Local Council Tax Support Scheme for 2018/19 be approved;
- (5) That the Council's "plain english" guide to the Council Tax Support Scheme which explained how these regulations as amended locally would work together, and that an update would be published on the website to reflect the 2018/19 scheme, be noted;
- (6) That for the purpose of, and in accordance with, the provisions of the Local Authorities (Calculation of Council Tax Base) Regulations, 1992 (as amended):
- (a) The estimated Council Tax collection rate for the financial year 2018/19 be set at 98.75% overall (unchanged since 2015/16);
 - (b) Taking account of the Council Tax technical changes made since 2013/14 and set out above, the amount calculated by the Council as its Council Tax base for the financial year 2018/19 shall be 54,850;

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- (7) That it be noted that neither a surplus nor deficit had been estimated in respect of Council Tax transactions as at 31 March 2018, and Reading's share of this was therefore £0;
- (8) That, as the information required for the NNDR1 return had not yet been received, it was noted that the recommendations relating to NNDR would be prepared directly for submission to Council on 23 January 2018.

64. MEDIUM TERM FINANCIAL STRATEGY

The Director of Finance submitted a report advising the Committee of the development of the budget for 2018/19 and the Medium Term Financial Strategy for the period to 31 March 2021, and seeking approval for budget savings proposals, which were appended to the report. The Committee had received detailed 'proposals for change' for all the options for consideration.

The report explained that, with a backdrop of inadequate funding from Government, the Council had to operate as effectively and efficiently as possible, within the resources available. The latest modelling of the MTFS showed that, in order to deliver services to the current model, the Council would need £43.2m more than was predicted to be available over the period to 2020/21. Of this sum, £20.5m was 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 remained fairly even across the MTFS due to reductions in Revenue Support Grant, which would decline to zero by 2020/21. The resultant funding gap needed to be addressed and early action was required to ensure the future success of the Council and to avoid any Government intervention.

The Chief Executive stated that balancing the budget for 2018/19 would require additional, challenging, short term decisions. However, more fundamentally, he said making the MTFS sustainable would require broader thinking about the way the Council delivered services as the current model was no longer viable and there was limited time to make the radical changes to achieve the unprecedented level of savings that the Council would have to deliver in the next three years. He stated that Council spending would have to contract by a third over the period of the MTFS and 15% alone in the next financial year. The difficult decisions before the Committee were being presented in order to ensure that the Council remained in control of its finances and services as failure to set a legal budget could lead to intervention from the secretary of state. Due to the magnitude of the savings required, it was also important to deliver them at pace so as to ensure the maximum effect was achieved. Any delays to implementation would put additional pressure on the budget and require more remedial action to be taken.

As a result, in order to address the financial challenges identified in the report and

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summarised above, Directorates had identified the following areas as proposals for change for the Committee to consider:

Corporate Support Services (Total savings £1.863m, 2018/19-20/21)

- Reduction/Elimination of Cheque Payments
- Communications Income Generation Sponsorship
- Corporate approach to Reducing Fraud
- Generate Income through Investment by Expanding Joint Legal Team
- Increase Court Fees for Council Tax Recovery
- IT contract savings costs
- Further Corporate Procurement contracts savings
- Increasing Minimum Contribution to 35% for Council Tax Support Scheme

Environment & Neighbourhood Services (Total savings £2.5m, 2018/19-20/21)

- Parks & Open Spaces Invest to Save
- Increase the Green Waste Charge
- Increase on-street pay & display charges
- Increased income from Greenwave Bus Subsidy
- Revise existing access restriction Beresford Road junction with Portman Road and convert into bus gate
- 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
- Capitalise Highways Operatives Salaries
- Introduce a 24 hours a day, 7 days a week charge for all Town Centre Pay & Display (P&D)
- Adjustments to Base Assumptions
- A further saving to reduce Bed and Breakfast expenditure
- Transfer of void council housing properties to Homes For Reading Ltd*
- Charge Time for Work Related to Investment Purchases / Disposals
- Capitalisation of Salaries
- Fees from s106 viability appraisals
- Further initiative to increase income from commercial property acquisitions.
- Planning Fee Income

Adult Care & Health Services (Total Savings £2m, 2018/19-20/21)

- Changes to Adult Social Care Fees & Charges
- Changes to the Adult Social Care Front Door
- Reducing Adult Social Care contracts spend
- Increased usage of Assistive Technology and Equipment
- Increased usage of Direct Payments

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Children, Education & Early Help Services (Total Savings £5.451m, 2018/19-20/21)

- Increase income target with Education Welfare Officer to taper reduction in revenue spend
- Review of Continuing Health Care (CHC) funding for children
- Position edge of care services as 'wraparound' adolescent service in order to prevent adolescent Looked After Children (LAC)
- Increase Reading Borough Council foster carers
- Increase capacity of local 'under 20 mile' placements for Looked After Children (LAC)
- Designate specialist foster carers for emergency provision
- Increase income target with targeted and specialist youth to taper reduction in revenue spend
- Revise under 5 offer to make best use of early years and childrens centre provision
- Design and implement a Reading supported lodging scheme either in house or with a local provider to reduce costs of supported lodgings
- Introduction of Charging policy for Section 20 cases
- Review all post order payments
- Review all direct payment and short break provision
- Review of school transport provision.

Resolved -

- (1) That 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, be endorsed;
- (2) That the savings proposals in the Appendices be agreed for inclusion in the 2018/19 revenue budget and MTFS, and that Directors, in consultation with the relevant Lead Councillors and statutory officers, be authorised 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;
- (3) That the Corporate Management Team be instructed to monitor the progress of implementing the budget savings in the Appendices, and to continue to prepare additional measures to close the financial gap;

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- (4) That it be noted that the existing methodology, which had enabled the Authority to arrive at this point, would not be sufficient alone, and that officers therefore be required to develop more radical proposals to close the financial gap, including steps to:
 - a. alter service levels where current ones were 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;
- (5) That the Council seek full cost recovery by charging wherever possible;
- (6) That officers be asked to continue to prepare the budget proposals with Council Tax increasing at the Referendum Limit;
- (7) That the approach to the Corporate Plan priorities in this report be endorsed.

(Councillors Lovelock, Ennis and Hopper declared pecuniary interests in this item, insofar as it related to a proposal for the Transfer of void council housing properties to Homes For Reading Ltd*. They left the meeting and took no part in the debate or decision on this proposal, which was considered separately from the other budget savings. Councillor Page took the Chair for this discussion. Nature of interest: the Councillors were Directors of Homes for Reading Ltd.)

(The meeting started at 6.30pm and closed at 7.52pm).

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	19 FEBRUARY 2018	AGENDA ITEM:	8
TITLE:	REPLACEMENT OF WATER STORAGE, MAINS WATER SUPPLIES AND DISTRIBUTION PIPEWORK TO COLEY HIGH RISE TOWER BLOCKS AND INSTALLATION OF SPRINKLER FIRE SUPPRESSION SYSTEM		
LEAD COUNCILLOR:	CLLR JOHN ENNIS	PORTFOLIO:	HOUSING
SERVICE:	HOUSING AND NEIGHBOURHOODS	WARDS:	MINSTER
LEAD OFFICER:	LAURENCE CROW	TEL:	0118 937 4234
JOB TITLE:	PRINCIPAL BUILDING SURVEYOR	E-MAIL:	Laurence.crow@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 The report seeks the following approvals as part of the project to replace the existing water storage facility, water supply mains and distribution pipework at the Coley High Rise Flats in Wensley Road, incorporating the installation of a new fire suppression sprinkler system to each block of flats:

- Authority to award a contract for the works which are to be undertaken over two phases following a successful competitive tendering exercise; and
- Approval to spend a total of up to £2.5m (including a contingency sum of circa 10% of the estimated project cost);
- Approval to submit a Planning application for the ground level water storage tank and pumping station.

2. RECOMMENDED ACTION

- 2.1 That Policy Committee provide delegated authority to the Head of Housing and Neighbourhood Services in consultation with the Lead Councillor for Housing to award a contract for the replacement of water storage, mains water supply and distribution pipework and the installation of fire suppression sprinkler systems to flats at Coley High Rise, Wensley Road, Reading, following the selection of a contractor after a successful competitive tender exercise.
- 2.2 That Policy Committee approves capital expenditure of up to £2.5m in the Housing Revenue Account across the financial years 18/19 and 19/20.
- 2.3 That Policy Committee approves the submission of a Planning application for the ground level water storage tank and pumping station required.

3.1 Introduction and background

Water Supply

- 3.2 Coley High Rise Tower Blocks are located off Wensley Road, Reading and provide accommodation comprising 267 two and three bedroom flats and bedsits, distributed equally over the three blocks. The blocks are approximately 50 years old. Internal water supply pipework is built into service risers running from ground floor to roof levels, located within the bathroom/kitchen areas providing potable water to the kitchens/bathrooms and to large roof mounted water storage tanks.
- 3.3 Due to the age of the pipework an increasing number of repairs are being undertaken by the maintenance team, receiving regular callouts to leaking water supply pipework throughout the risers. Repairs involve removing boxing and finishes to tenant's bathrooms for access, carrying out repairs in restricted spaces, followed by reinstatement and making good. In all cases there is inconvenience to our tenants. In some cases the leaks have caused damage to the flats below causing further disturbance and distress to our tenants and additional costs to the Council.
- 3.4 The water storage tanks have previously been lined to extend their lifespan, however, this lining is at the end of its useful life and there is an increasing risk of Legionella occurring within the tanks. A regime of regular monitoring, testing and treatment has been implemented to mitigate this risk and ensure the safety of tenants, however, this can only be taken as a short term solution and it is advised that the storage tanks be replaced as soon as possible. The instances of water supply pipework failure and leaks will only increase over time, along with potential for leaks to the storage tanks.
- 3.5 As part of a wider study of the feasibility of a district heating system to the local area, WSP Parsons Brinckerhoff, a specialist services consultancy, were instructed to also review the existing installation and concluded that the water supply pipework had exceeded its operational lifespan as had the water storage tanks and that the tank linings were decaying. WSP concluded that the main water supply system along with the water storage facilities require replacement.
- 3.6 The total cost of the replacement works to the water mains is estimated at £1.53m.
- 3.7 As part of the replacement works, the opportunity to relocate the risers from within the flats to the communal corridors is being taken. This will benefit both our residents and tenants by reducing the need to gain access to flats and associated inconvenience. Additionally costs will be reduced by removing the requirement to disturb internal flat finishes and reducing non-productive trade's team time due to improved ease of access to the installation.
- 3.9 As part of the project the water storage tanks in each block will be relocated from roof level to a single ground level storage tank. This is required to be compliant with current water regulations. Benefits include a more efficient, up

to date design and compact installation, compliant with current water regulations. The new storage tanks would be expected to have a minimum of a 20 year service life and would be more easily accessible for routine inspection, maintenance and cleaning.

- 3.11 The project as designed would also be able to be installed and tested up to the point of final connection within each flat. This would minimise disruption to our tenants and the possibility of loss of water supply.

Sprinkler System

- 3.12 Whilst there are two means of escape via staircases, fire doors and compartmentation within the block there is no form of fire suppression system currently installed.
- 3.13 The retrofitting of sprinkler systems in high rise blocks is not a current legal requirement, although subject to recommendations arising from the review of regulations and public inquiry following the Grenfell Tower fire, it may become a requirement in the future.
- 3.14 Despite the Council's 7 high rise housing blocks differing in design to Grenfell Tower, the Council appointed an external qualified Fire Engineer (FireSkills) to carry out a review of our fire safety practices. This included an 'intrusive' fire risk assessment and review of the safety systems in place in our high rise and selected other flatted blocks. The Council has not made any announcements in respect of sprinkler installation pending receipt of Fireskills reports and any additional fire safety measures recommended for the high rise and other blocks which they have assessed. Fireskills have completed their review and reported that retrofitting a sprinkler system is recommended for the Coley high rise blocks. Fireskills final report is awaited which will include recommendations in respect of other measures which would further improve fire safety. A report will come forward in due course to Housing, Neighbourhoods and Leisure Committee, but these further measures are not not dealt with this through this report and would be subject to separate procurement processes.
- 3.15 By including a sprinkler system installation within the water main replacement project, RBC have an opportunity to procure the works in the most cost effective way and to minimise potential tenant disturbance. The total cost of providing a sprinkler system to all three blocks is estimated to be circa £750,000.

4 CURRENT POSITION

- 4.1 Ridge and Partners have been engaged under the City West Housing Framework

(a) to prepare and issue a scheme for the replacement of the water storage and distribution facilities. Ridge completed a review of the WSP report referred to above and have prepared a full design, specification and schedule of works documents and a tender package on behalf of RBC. They are also

preparing the Planning application and liaising with statutory authorities to complete the package ready for RBC to issue in due course.

(b) to prepare a feasibility and proposal scheme for a new retrofitted sprinkler system including all associated pipework within the Coley High Rise Blocks.

Timescales

4.3 It is anticipated that subject to Committee approval, the project would be issued to tender during February 2018, with an anticipated commencement on site of May 2018.

5.0 CONTRIBUTION TO STRATEGIC AIMS

5.1 The proposed works will deliver improvements to Council housing stock and contributes to the corporate aims to 'provide decent homes for all' and 'to promote equality, social inclusion and a safe and healthy environment for all'. This project will improve and future proof water supply to Council high rise blocks in Coley as detailed above. The tenants will also have potential to reduce their ongoing water rate bill by easier installation of water meters should they wish to explore this option. The installation of a sprinkler system to the blocks will improve fire safety for tenants.

5.2 Tenderers are advised that the Council's current Low Wage policy expects the payment of the Living Wage rate set independently by the Living Wage Foundation and updated annually in the first week of November each year. All providers appointed are expected to pay a living wage in accordance with this policy to all staff working on Reading Borough Council contracts. The UK Living Wage for employees outside of London is currently (November 2017) £8.75 per hour.

6.0 COMMUNITY ENGAGEMENT AND INFORMATION

6.1 There will be a process in place to engage with tenants (and any leaseholders) in the blocks. Occupants will be provided with written information and advice during both the planning process and during the works on site.

6.2 In conjunction with Tenant Services and the contractor, drop in sessions will be put in place for occupants in order to answer specific enquiries and to provide reassurance. The contract will state that the successful contractor will be required to appoint and maintain a tenant liaison officer on site for the duration of the works.

6.3 Tenants will be provided with details of the work programme dates and the contractor will engage directly with them to agree convenient access to transfer each tenant's water supply onto the new installation.

6.0 EQUALITY IMPACT ASSESSMENT

- 6.1 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, victimization 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.

6.2 No Equalities Impact Assessment is required for this contract.

7.0 LEGAL IMPLICATIONS

7.1 This contract will be procured in accordance with the current Reading Borough Council Procurement rules and awarded using the Joint Contracts Tribunal (JCT) “Intermediate Form of Contract - 2016”.

7.2 Due to the condition of the storage tanks there is an increasing risk of Legionella outbreaks. The council as land lord has a duty of care to minimise and prevent this. Failure to do so could lead to action being taken against the council.

8. FINANCIAL IMPLICATIONS

8.1 Contained within the HRA 30 year plan is a budget allocation of £1.53m for the water main replacement works and £750,000 for the installation of sprinklers in the Coley High Rise blocks as part of a wider provision for sprinkler installation. The overall spend approval at £2.5m allows for a contingency of £220k or circa 10% of the estimated project cost - this is prudent as, given the nature and complexity of the works, costs are an estimate. Given current market demand for sprinklers costs may be inflated. Expenditure is anticipated to be spread over two years - split between circa £1m in 18/19 and £1.5m in 2019/20.

8.2 The work identified in the project is funded from money contained within the Housing Revenue Account (HRA), the authority to expend these funds is granted under Delegated Powers. Management of this spend will be carried out using existing resources delivering value for money through strict budgetary control.

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	19 FEBRUARY 2018	AGENDA ITEM:	9
TITLE:	LIBRARY SERVICE OFFER 2018/19: SAVINGS PROPOSALS		
LEAD COUNCILLOR:	COUNCILLOR SARAH HACKER	PORTFOLIO:	CULTURE, SPORT & CONSUMER SERVICES
SERVICE:	HOUSING AND NEIGHBOURHOODS - LIBRARY SERVICE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	SARAH GEE; SIMON SMITH	TEL:	0118 937 2973 0118 937 5970
JOB TITLE:	HEAD OF HOUSING AND NEIGHBOURHOODS; LIBRARY SERVICES MANAGER	E-MAIL:	sarah.gee@reading.gov.uk simon.smith@reading.gov.uk

1. PURPOSE OF REPORT

- 1.1 A comprehensive review of the Library Service in 2016 delivered £290,000 savings and a new agreed service model was implemented from April 2017. An additional £78,000 of savings were then identified which could be achieved through service efficiencies across 2017/18 and 2018/19 and these have also been delivered.
- 1.2 The need to make further savings from the Library Service has been identified in the Policy Committee report of 17 July 2017 in the document titled "*DENS53 - Reduce costs further in library services*" (DENS53).
- 1.3 This report sets out proposals to deliver the further savings identified in DENS53 but also includes proposals for additional savings to be made to reflect the current financial position of the Council and its need to make more savings, providing such a saving is consistent with the Council's legal duties. These net savings are now in the region of £217,000.
- 1.4 Appendices attached to this report:
- Appendix 1 Draft Consultation Document
 - Appendix 2 Public Consultation outline plan
 - Appendix 3 Equality Impact Assessment

2. EXECUTIVE SUMMARY

- 2.1 As part of the revised Medium Term Financial Strategy (MTFS) to deliver an additional £11m of budget savings, Policy Committee agreed a list of further savings at the 17 July 2017 meeting. This included:

DENS53 - Reduce costs further in library services: to seek further reductions based on the new service model implemented in April 2017, retaining an offer in all service areas through further reductions in branch opening hours and reducing to single staffing in additional libraries through co-location and partnership

models. The saving attached to this was to develop options to achieve an indicative £115,000, with a 75% delivery confidence level.

- 2.2 The Council’s officers have developed the proposals set out at section 2.7 of this report to meet the level of savings identified in July 2017 (DENS53) and reflecting the further change in the Council’s budgetary position, which means that there is less funding available for all services. A needs analysis has been carried out to ensure that there is a comprehensive and efficient library service in Reading. The 2015/16 Libraries Review established a baseline for a future library service offer and this has been updated with the latest demographic and library use data to inform the options detailed below.
- 2.3 A substantial public consultation was carried out as part of the 2015/16 service review, looking at how people used libraries and what residents wanted to see from the service. Phase one of the review was completed in Autumn 2015 and phase two of the review was completed in Spring 2016. Phase one of the review included a six week period of public consultation and a review and statistical analysis of library usage, costs and the demography of identified catchment areas in order to build an understanding of the needs and aspirations of the diverse communities living, working and studying in the Borough in relation to library services. This provided a context for the development of proposals.
- 2.4 Phase two subsequently sought views from the public on a number of specific changes to Reading’s Library Service and included a further study and analysis of visits data in order to inform future opening hours. Following this consultation, and further staff consultation, Policy Committee approved the recommendations for the reconfiguration of the Library Service on 18 July 2016 with the agreed changes being implemented from 1 April 2017.
- 2.5 Data, information and views expressed by users at this time remains relevant and have assisted with the formulation of these proposals for, with updated data for library usage extrapolated from the first half year of 2017/18 after the implementation of the most recent changes to the Library Service, together with the latest general demographic statistics available.
- 2.6 The priority matrix of library branches in Reading, developed as part of the 2015/16 Library Review to inform future service provision, remains the same with information updated. This is based on a range of measures of use and local need.

Overall Ranking 2015	Overall Ranking 2017
1. Central	1. Central
2. Battle	2. Battle
3. Caversham	3. Caversham
4. Whitley	4. Whitley
5. Tilehurst	5. Tilehurst
6. Southcote	6. Southcote
7. Palmer Park	7. Palmer Park

- 2.7 A proposed future library service offer is presented in this report. The recommended options to achieve the savings are as follows:
- A. Reduce opening hours at Central Library by 10 hours per week, from 46 to 36 (£45,000 - profiled £30,000 18/19; £15,000 19/20)
- B. Reduce opening hours at Caversham Library by 8 hours per week, from 35 to 27 hours (£9,000 - profiled £6,500 18/19; £2,500 19/20).

- C. Let/or share space with partner organisations at Battle Library allowing this library to be single staffed (£12,000 - profiled £4,000 18/19; £8,000 19/20).
 - D. Reduce opening hours at Battle Library by 5 hours per week, from 28 to 23 hours (£3,500 - profiled £2,500 18/19 ; £1,000 19/20)
 - E. Reducing opening hours at Whitley Library by 3 hours per week, from 21 to 18 hours (£2,000 - profiled £1,500 18/19 ; £500 19/20).
 - F. Let/or share space with partner organisations at Tilehurst Library allowing this library to be single staffed (£20,000 - profiled £15,000 18/19, £5,000 19/20).
 - G. Reduce opening hours at Tilehurst Library by 5 hours per week, from 28 to 23 hours (£3,500 - profiled £2,500 18/19 ; £1,000 19/20).
 - H. Remove evening and weekend opening all year at Palmer Park Library but opening for 15 hours per week instead of currently 21 per week, using 2x library staff in the College holiday times. This would mean no opening in the evening or at weekends (all year) but would mean daytime opening in school holidays (£9,000 - profiled £6,500 18/19; £2,500 19/20).
 - I. Remove 0.5FTE business support post (£12,000 - profiled £9,000 18/19 ; £3,000 19/20).
 - J. Remove 1.0FTE Digital and Volunteer Lead post (£35,000 - profiled £26,000 18/19, £9,000 19/20).
 - K. Reduce the library stock fund by 30% to reflect lower levels of usage at sites (£46,000).
 - L. Other changes, including deferred delivery of savings already agreed through Policy Committee but not yet realised, contract renegotiation, rates savings (£30,000 - profiled £23,000 18/19; £7,000 19/20).
- 2.8 Southcote Library will move to the extended community centre this year to form a new 'hub' with an already agreed reduction to library staffing. The hub will have one reception and flexible staffing cover with Children's Centre and Library Service staff on site. Opening hours will not therefore be reduced in this location, but staffing arrangements are likely to be reviewed once the hub is live.
- 2.9 It is considered that the service offer proposed in this report would meet and even exceed the legal requirement for the service to be 'comprehensive and efficient', specifically through:
- Reducing opening hours but maintaining a reasonable level of access for people with different lifestyles and availability at different locations throughout Reading
 - Encouraging financial and book donations (introduced in Autumn 2017)
 - Libraries and other services co-locating to make better use of buildings
 - Increasing the use of volunteers and opportunities for creative partnerships
 - Avoiding library closures
 - Continuing to extend and develop the online loans offer

- 2.9 The proposals set out in this report could deliver annual savings of £217,000, assuming such a saving is compliant with the Council’s legal duties, with the offer being implemented from Autumn 2018 if agreed. In modelling the budget a reduction in income of £10,000 is expected as a result of further changes and this has been reflected in the savings total.

	2018/19	2019/20	Total
Saving	175,000	52,000	227,000
Income pressure	10,000	0	10,000
Net effect	165,000	52,000	217,000

- 2.10 The options set out in this report are accompanied by the following Appendices:

- Appendix 1 Draft Consultation Document;
- Appendix 2 Public Consultation outline plan; and
- Appendix 3 Equality Impact Assessment (initial draft, subject to review throughout this process)

3. RECOMMENDED ACTION

- 3.1 That Committee endorses a proposal to implement, and where necessary consult on, options to deliver net savings of £217,000 (full year effect) in respect of Reading’s Library Service, as set out in section 2.7 above (£165,000 for 2018/19 and £52,000 for 2019/20).

- 3.2 That Committee authorises officers to carry out a public consultation on the following options, using the consultation document at Appendix 3:

- A: Reduce opening hours at Reading Central from 46 to 36 per week
- B: Reduce opening hours at Caversham from 35 to 27 per week
- D: Reduce opening hours at Battle from 27 to 23 per week
- E: Reduce opening hours at Whitley from 21 to 18 per week
- G: Reduce opening hours at Tilehurst from 27 to 23 per week
- H: Reduce opening hours at Palmer Park from 21 to 15 per week

(as listed in section 5.4).

- 3.3 That Committee authorises officers to implement options as follows:

- C: Co-location of external agencies at Battle Library and reduce to single staffing
- F: Co-location of external agencies at Tilehurst Library and reduce to single staffing
- I: Remove 0.5 FTE Business Support post (subject to staff consultation)
- J: Remove 1.0 FTE Digital & Volunteer Lead post (subject to staff consultation)
- K: Reducing library stock fund to reflect lower levels of usage at libraries
- L: Internal changes

(as listed in section 5.4)

- 3.4 That Committee delegates authority to the Head of Housing and Neighbourhoods in consultation with the Head of Legal Services and the Lead Councillor for Culture, Sport and Consumer Services to conclude lease agreements to facilitate co-location at Battle and Tilehurst libraries.

4. BACKGROUND

Service Context

- 4.1 Under the 1964 Public Libraries and Museums Act the Council is obliged to provide a 'comprehensive and efficient' Library Service for all individuals who live, work or study within the Borough. Reading Borough Council currently delivers this through a central library; 6 local branch libraries across the Borough; a growing offer of e-books and other online resources; a mobile library and Home Visiting Service for the elderly and housebound; and a cost neutral toy library (currently based at Southcote, this will be moving to Central Library in 2017/18 to improve access across the borough). The service offers a comprehensive range of services which exceed the legal requirements specified in the 1964 Act.
- 4.2 Within the existing Library Service, emphasis is placed on services to disabled, vulnerable and older residents; meeting the diverse needs of Reading's multi-cultural community; and supporting families, the under 5s and improving literacy and attainment. The Library Service is open to all but with a focus on targeting resources to improve outcomes for different groups or communities and meeting the Council's wider strategic priorities.

Budget Context

- 4.3 This report should be considered in the context of the Council's wider financial position.
- 4.4 As part of the programme to find substantive additional savings across the Council in 2015, Policy Committee in July 2015 agreed to a comprehensive review of the whole Library Service.
- 4.5 Following an initial consultation and survey to understand use and needs, proposals to deliver a saving of £284,000 were presented to Policy Committee (15 February 2016). Final savings of £290,000 were endorsed by Policy Committee on 18 July 2016 following a second phase consultation on the detailed model proposed.
- 4.6 The budget report to Council in February 2017 identified a substantial gap between expenditure and funding over the medium term to 2019/20. In addition the 2017/18 budget relied on the use of reserves up to £11.1m. A list of Council-wide savings proposals were brought forward to Policy Committee on 17 July 2017.
- 4.7 Further savings/changes to the library budget in year 2017/18 were presented to Policy Committee (17 July 2017) which were deliverable without impacting on the service offer:
- DENS49 - income of £18,000 from Berkshire Family History Society (BFHS) to rent space from the library service (£14,000 17/18 ; £4,000 18/19)
 - DENS50 - additional £60,000 savings achieved through new library service offer (£35,000 17/18; £25,000 18/19).

Overall the service is currently on track to deliver these further savings in 17/18 and 18/19 and will have delivered circa £350,000 savings since April 2016.

- 4.10 A further proposal to deliver additional savings to the library budget for year 2018/19 was presented to Policy Committee on 17 July 2017

- DENS53 - £115,000: Reduce costs further in library services: to seek further reductions based on the new service model implemented in April 2017, retaining an offer in all service areas through further reductions in branch opening hours and reducing to single staffing in additional libraries through colocation and partnership models.
- 4.10 In the context of the overall financial challenge facing the Council, savings need to be secured across all services and this includes the Library Service which may also need to take some share of the further reductions required. The Council has considered other options to avoid the need to make these savings as reported previously.
- 4.10 This challenging budgetary position is not unique to Reading Borough Council and in an effort to deliver budget savings, local authorities have been required to reconsider the services they provide, and the way these services are delivered. Changes to the ways in which library services are run have been pursued by a number of authorities including Reading:
- Providing services digitally
 - Making better use of self-service technologies
 - Co-locating libraries with other local services (creating community hubs in some cases)
 - Using library services to deliver other service outcomes and priorities
 - Co-delivering services with community groups and individual volunteers
 - Reducing opening hours
 - Full staffing restructure
- 4.11 In contrast to other areas, Reading has not proposed closure of any branch libraries but has rather sought to optimise use of buildings and develop shared and flexible staffing models to preserve the service offer.
- 4.11 At Reading:
- Opening hours have been reduced by a total of around 33% across all library sites in 2017.
 - Self service kiosks have been introduced at all libraries in 2017 (16 kiosks at 7 sites - these are now handling around 70% of all library issues).
 - The Library Management System has been transferred to another supplier in 2017, making a saving of 60%, allowing further efficiencies and providing a better experience for customers, with further customer enhancements planned.
 - A 'community and learning hub' is now delivered from the Central Library, with the co-location of the Elevate Hub from the third floor, which is a place for 16-24 year olds in Reading to get help, advice and support on employment, work experience, volunteering and mentoring. This has reduced the cost of the Library Service as a result of making better use of the space available and generating a rental income. Reading Voluntary Action, Healthwatch, Reading UKCIC and (from this year) Berkshire Family History Society also operate from the hub, creating wider benefits and synergies.
 - Volunteers already make up 4.5% of hours worked within the Library Service (in the context of an average of 3.8% of hours worked nationally).
 - Wi-Fi is available at all sites, and fixed computers were upgraded in 2015, and Reading Online support digital inclusion through the provision of 1:1 support at regular sessions in branches.
 - New e-book, e-magazine and online learning resources have been introduced.
 - The ability to make donations of money and suitable stock has been introduced.

Reading Borough Council has therefore made considerable progress towards modernising and delivering library services more efficiently.

Library Service Review Context

- 4.13 As noted above, in October 2015 Policy Committee agreed a thorough review and reorganisation of the whole Library Service, on the basis of objective criteria and the input of those living, working and studying in the borough of Reading.
- 4.14 Consultation during the first phase of the library review in Autumn 2015 process showed that library services in Reading are highly valued by users, with respondents citing the role that they play in:
- Providing local and free access to a wide range of books
 - Supporting educational development - including the development of literacy, language and IT skills
 - Supporting communities and fostering social interaction - especially between young children, their guardians and older people
 - Providing access to IT and thereby tackling digital exclusion (with 12% of respondents reporting that they are reliant on libraries for their access to the internet)
 - Providing a safe space for vulnerable groups
- 4.15 Whilst many respondents were averse to the idea of savings being made from the Library Service, the most recurrent suggestions for delivering savings included:
- Reducing opening hours (this was carried out from 2017)
 - Charging/asking for donations (the latter introduced in 2017)
 - Sharing space within libraries with partner organisations (in place at Palmer Park from 2017, forms part of further proposals outlined above)
 - Making greater use of volunteers (the service's new structure included a post tasked to improve the volunteer offer and make best use of volunteers to support the service - strategy launched 2017)
 - Renting space in libraries (further space rented from 2017 at Central Library)
- 4.16 Completion of the Needs Analysis in 2016, which incorporated data on both library use and the demographic need of the catchment population, also assisted in the development of these proposals for the delivery of further savings. This information and data was used in order to develop a priority ranking of libraries in Reading, to assist with prioritising the use of resources, at the time and for the future. Ranking was completed on the basis of the two data sets, and was subsequently combined and weighted at 40% for use and 60% for demographic need, with rankings as follows in 2015:

Use ranking 2015	Need ranking 2015	Overall Ranking 2015
1. Central	1. Whitley	1. Central
2. Caversham	2. Central	2. Battle
3. Battle	3. Battle	3. Caversham
4. Tilehurst	4. Caversham	4. Whitley
5. Palmer Park	5. Tilehurst	5. Tilehurst
6. Southcote	6. Southcote	6. Southcote
7. Whitley	7. Palmer Park	7. Palmer Park

Whilst absolute use has reduced at all sites since opening hours changed, and is based on predicted use in the current year, the relative ranking remains the same for use. Need and demography data has been updated and is in many cases still

current. The updated information and data has been factored in to determine the latest rankings as set out below. Notwithstanding this, the overall ranking remains the same.

Use ranking 2017	Need ranking 2017	Overall Ranking 2017
1. Central	1. Whitley	1. Central
2. Caversham	2. Central	2. Battle
3. Battle	3. Battle	3. Caversham
4. Tilehurst	4. Caversham	4. Whitley
5. Palmer Park	5. Tilehurst	5. Tilehurst
6. Southcote	6. Southcote	6. Southcote
7. Whitley	7. Palmer Park	7. Palmer Park

5. PROPOSED FUTURE SERVICE OFFER

5.1 The Council's aim is to ensure provision of a comprehensive, modern, affordable and efficient service for Reading which reflects local needs and makes the best use of resources.

5.2 There is limited national guidance as to what a library service or branch should deliver and how, and libraries serve different groups within communities with different needs and interests:

'Most library services already include a range of different kinds of public library - differing by size, range of services offered, location, etc. These are often complemented with smaller book collections and similar arrangements with a wide range of public and community venues. A modern library service is therefore the sum total of a number of different parts which work together.' 'Community Libraries' 2013 Arts Council England and Local Government Association Report.

5.4 The combined results of the first phase of consultation activity (2015) and the updated priority ranking have informed the development of these proposals which represent a judgement as to what a comprehensive and efficient library should look like in Reading in 2018/19, while acknowledging the need to (among other things) make savings where possible, subject to compliance with the Council's legal duties. In summary the proposals are as follows:

	Proposal	Summary description of change	Total saving p.a	Consultations	
				Public	Staff
A	Reduce opening hours at Central library from 46 to 36 per week	Reduce opening hours at Central library from 46 to 36 per week	45,000	✓ +EIA	✓
B	Reduce opening hours at Caversham from 35 to 27 per week	Would introduce a further closed day to the week - hours were reduced from 50.5 in 2017	9,000	✓ +EIA	✓
C	Colocation of external agencies at Battle, library becomes single staffed	External organisations moving in and sharing the space would allow single staffing of sites.	12,000		✓
D	Reduce opening hours at Battle from 27 to 22 per week	Would introduce a further closed day to the week - hours were reduced from 39.5 in 2017(depends on C above)	3,500	✓ +EIA	✓

E	Reduce opening hours at Whitley from 21 to 18 per week	Would introduce a further closed day to the week - hours were reduced from 34.5 in 2017	2,000	✓ +EIA	✓
F	Colocation of external agencies at Tilehurst, library becomes single staffed	External organisations moving in and sharing the space would allow single staffing of sites.	20,000		✓
G	Reduce opening hours at Tilehurst from 27 to 22 per week	Would introduce a further closed day to the week - hours were reduced from 42.5 in 2017 (depends on B above)	3,500	✓ +EIA	✓
H	Reduce opening hours at Palmer Park library from 21 to 15 per week, with year round opening.	Library currently runs in partnership with Reading College for 15 of 21 hours a week, and 36 weeks per year. Outside these times it is currently double staffed by RBC. Close site for evenings, Saturday mornings but retain opening through the holidays. Hours were reduced from 41.5 in 2017.	9,000	✓ +EIA	✓
I	Remove 0.5 FTE admin hours	Resource was put into this in the restructure in 2017	12,000		✓
J	Remove 1.0 FTE Digital and Volunteer Lead	The service has 3 Development posts, totalling 2.5 FTE that were created at restructure in 2017.	35,000		✓
K	Reducing library stock fund	Usage has reduced at all sites since opening hours reduced.	46,000		
L	Internal changes	Full implementation of the model agreed (including hubs) delivers additional savings; contract renegotiation & reduced consumables.	30,000		
	Income pressure		-10,000		
		Net saving	£217,000		

5.5 The savings total may alter and there is a risk in respect of securing partners to co-locate. The service is also relying on advance scheduled opening dates of extended or remodelled buildings at Whitley, Southcote and Battle - these dates may be delayed. This was reflected in the confidence level of 75% re delivery ascribed to this savings option.

5.6 As detailed later and referenced above, aspects of the proposed service offer would be subject to consultation, specifically to seek views on the reduced hours at affected libraries. Further detail about this is at Appendix 1. Respondents are, however, invited to comment on any aspect of the proposals in addition to matters specifically subject to consultation.

EACH PROPOSAL CONTRIBUTING TO OR ENABLING THIS LEVEL OF SAVING IS SET OUT BELOW

Central Library

- 5.7 It is proposed that Central Library's opening hours are reduced from the current 46 to 36 per week. Central Library's hours reduced from 52 per week in April 2017.
- 5.8 Consultation with users on the day/s affected would take place. The consultation would be particularly focused on existing users of the library and the community in the catchment.
- 5.9 The toy library, which is cost neutral, is moving to Central Library under changes agreed as part of the 2016/17 change programme - moving from the current Southcote site.

Caversham

- 5.10 It is proposed that Caversham Library's opening hours are reduced from the current 35 to 27 per week. Caversham's hours reduced from 42 per week in April 2017.
- 5.11 Consultation with users on the day/s affected would take place. The consultation would be particularly focused on existing users of the library and the community in the catchment.
- 5.12 If an organisation came forward with proposals to utilise the building and potentially enable access to the service *outside* of core operating hours, this would be explored further as an option to optimise use of the library for the community. Officers would be able to discuss this as a possibility, subject to further approval by members and subject to compliance with the Council's legal duties.

Battle and Tilehurst - colocating partners allowing single staffing

- 5.13 The library service advertised potential availability of space to let at Battle* and Tilehurst branches to the voluntary sector in Reading in August 2017, and has had informal discussions with a number of potential partners who responded to this. (*available once the library has been extended).
- 5.14 The plan for these sites is to enable a reduction to single staffing due to a partner agency presence in the buildings during opening times. We would also be looking at whether a partner could improve the overall offer for the site by closer working with the service or delivering against wider corporate objectives. This proposal would not be subject to public consultation.
- 5.15 Following an evaluation exercise in line with the Third Sector Premises Policy, the Officer recommendation is that Age (UK) Reading is granted a Lease of the first floor of Tilehurst Library at nil rent but with a contribution to running costs, plus sharing use of parts of the ground floor and that officers are authorised to work through and conclude a Lease agreement with this agency.
- 5.16 The formal process of appraising submissions of interest for Battle Library has not yet begun, given that building of the planned space will not be completed until Autumn 2018.
- 5.17 It is also proposed that opening hours are reduced at both sites from 28 to 23 hours per week. Consultation with users on the day/s affected would take place.

Whitley

- 5.18 It is proposed that Whitley's opening hours are reduced from the current 21 to 18 per week. Whitley's hours reduced from 42 per week in April 2017.
- 5.19 Consultation with users on the day/s affected would take place. The consultation would be particularly focused on existing users of the library and the community in the catchment.

Palmer Park

- 5.20 Palmer Park library is currently open for 21 hours per week (was 41 before 2017 changes). Currently the library opens in partnership with Reading College - there is one member of library staff on duty with College staff and students between 9-5 on open days in term time. Outside of this, for 1 evening/week (2 hours), 1 Saturday morning/week (3 hours) and in the college holiday times, the library is open with 2 members of Reading libraries' staff.
- 5.21 The proposal is that the library opens only at times when the College are present, removing evening and Saturday opening. In holiday times, the same opening hours would be maintained but with 2 members of Council staff providing cover and this reduces opening hours to 15 per week.
- 5.22 Palmer Park library is 1 mile from Central Reading, a 20 minute walk from the Central Library and is within a few minutes of the 17/4/X4 bus routes. Around 60% of Palmer Park's users also use Central and other libraries, and Palmer Park is the bottom ranked library in the prioritisation matrix we have used.
- 5.23 This proposal would be subject to public consultation. The consultation would be particularly focused on existing users of the library and the community in the catchment.

Library stock fund

- 5.24 Since overall opening hours reduced by 33% in April 2017, library usage has reduced by 14% and issues by 11%. As opening hours are reducing further, it is proposed that the stock fund is also reduced. The current breadth of stock would continue, but less would be spent on each area and spend would be revised and targeted where it can have greatest impact. The popularity and direct improvements to corporate outcomes made by children's books would be reflected in any revised budgeting.

Removal of Admin post

- 5.25 It is proposed to reduce the hours of admin/business support for the Library Service. A change in handling of interlibrary loans will be introduced as part of the service joining a regional consortium of libraries. This will automate processes from September and will increase efficiency. This proposal will be subject to staff consultation only.

Removal of Development post

- 5.26 The Digital and Volunteer post was introduced as part of the 2017 restructure when the librarian roles were amended. It is proposed that this post is removed from the 2.5 FTE development team. This would leave a Children's Service lead and the 0.5FTE Local History lead in post, overseen by the development manager as the service and audience development posts in the service. Aspects of the role would be redistributed. Capacity to programme events, to market the library service offer (including through social media) and to develop volunteering in particular will be impacted. This proposal will be subject to staff consultation only.

Internal changes

- 5.27 This reflects further previously agreed efficiencies regarding staffing and contract management, which are already in place or working through, chiefly relating to the staffing of the future hub sites, which was picked up in the 2017 restructure but has not yet been fully realised. Changes to other internal spend will deliver some smaller savings and are included here.

Overall: staffing

- 5.28 The service would work with all staff affected by all of these changes, staff reductions would be part of an overall restructure and would result in an indicative loss of around 5-6 FTEs. A staff consultation would take place. Staff are not contracted to work at a particular location, so it is likely that a full restructure would be needed for these staffing roles, however, the service would work to reduce disruption as much as possible and will work with staff to achieve this.

Risks and impacts

- 5.29 The library service has undergone significant, wide ranging change at a rapid pace in the last 18 months, including a full staff restructure; a change of key systems; introduction of self service; and a reduction in opening hours. Sites operate with fewer staff. These further major changes will have a further impact on staffing and on employee stability, although the service will work to reduce this impact as much as possible. Resilience will be reduced.
- 5.30 A 33% drop in opening hours across the service has translated into 14% fewer visits across the libraries and 11% fewer items being borrowed. Further reductions as proposed here and reductions in staffing may mean that these trends continue although the introduction of a hub model across several branches could increase footfall and usage to some extent. The service will continue to work corporately to ensure that efforts are focused where there can be the greatest impact. This is evidenced, for example, by closer working with Education partners and schools meaning that, in spite of service reductions, 4.5% more children took part in the Summer Reading Challenge in 2017 (1,842 children) than 2016 (1,762 children). The service is working with a wider range of RBC and external partners now than 18 months ago - such as being contracted by New Directions for delivery of sessions for adult language learners and Reading Rep Theatre Company for delivery of a £40,000 Arts Council England funded theatrical project for children.

6. OTHER OPTIONS CONSIDERED

- 6.1 These savings equate to about 17% of the net library budget 2017/18.
- 6.2 To achieve this level of savings, the only other option is closure of some library sites. Based on the prioritisation matrix and the costs at sites, this would equate to closure of at least 3 of Reading's 7 libraries.
- 6.3 The costs in the service are staffing, stock, services and buildings. Since the last restructure and changes, the sites are now run on a very lean basis and further economies are not possible without closures.

7. CONTRIBUTION TO STRATEGIC AIMS

- 7.1 This report directly contributes towards the achievement of the following Corporate Plan priorities:
- 2. Providing the best life through education, early help and healthy living
 - 6. Remaining financially sustainable to delivery these service priorities

8. COMMUNITY ENGAGEMENT AND INFORMATION

- 8.1 Community engagement formed a key part of the Libraries Review which took place in 2016 to inform the vision for the Library Service and the development of savings options.

- 8.2 Subject to Policy Committee endorsement of the proposals outlined in this report, further community engagement will be required to establish views of residents, users regarding changes proposed and consultation with staff where these changes affect staffing levels.
- 8.3 The programme of communications and consultation with the public will begin following Committee and subject to member endorsement of the recommendations laid out in the report, and will include a press release, online publicity, e-communications and publicity materials in libraries and other public buildings. Consultation feedback will be reported back in due course.
- 8.4 The proposed consultation document and plan is attached at Appendix 1 and 2.

9. EQUALITY IMPACT ASSESSMENT -

- 9.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 9.2 Relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.3 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—
- a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 9.4 The proposal set out in this report are only proposals, and it will be necessary to consider the equalities impact of any final recommendation once arrived at following consultation.
- 9.10 As outlined in the Equality Impact Assessment attached at Appendix 3, it is considered that recommended changes to the library service may result in some negative impacts upon groups with relevant protected characteristics. However, a number of mitigation measures have been designed in order to avoid or reduce any differential impacts, as well as to encourage persons who share relevant protected characteristics to access library services.

10. LEGAL IMPLICATIONS

- 10.1 Local Authorities have a statutory duty under the 1964 Public Libraries and Museums Act 'to provide a comprehensive and efficient Library Service for all persons' in the

area that want to make use of it (section 7), taking into account local needs and resources. Furthermore, local councils must:

- have regard to encouraging both adults and children to make full use of the Library Service (section 7(2)(b))
- lend books and other printed material free of charge for those who live, work or study in the area (section 8(3)(b))
- keep adequate stocks for borrowing/reference 'sufficient in number, range and quality to meet the general requirements and any special requirements both of adults and children'

10.2 It is the statutory duty of the Secretary of State for Culture, Media and Sport to superintend, and promote the improvement of, the public Library Service provided by local authorities in England and secure the proper discharge by local authorities of the functions in relation to libraries conferred on them as library authorities. The Secretary of State has a statutory power to intervene when a library authority fails (or is suspected of failing) to provide the required service (section 10). He/she will only intervene after careful consideration of local authorities' compliance with the terms of the 1964 Act. This power to intervene has been utilised on only one occasion since 1964, with a public inquiry on the Wirral in 2009.

10.3 In October 2014, the Secretary of State, following receipt of a complaint in regards to Sheffield Library Service, issued a 'minded to' letter in October 2014, and in March 2015 issued a final decision letter. The decision letters cited the following observations of Ouseley J in *Bailey v London Borough of Brent* [2011] EWHC 2572 (Admin):

A comprehensive service cannot mean that every resident lives close to a library. This has never been the case. Comprehensive has therefore been taken to mean delivering a service that is accessible to all residents using reasonable means, including digital technologies. An efficient service must make the best use of the assets available in order to meet its core objectives and vision, recognising the constraints on council resources. Decisions about the Service must be embedded within a clear strategic framework which draws upon evidence about needs and aspirations across the diverse communities of the borough.

10.4 The letters also noted the view that:

- a wide range of approaches are open to the local authority when deciding how to provide a comprehensive and efficient Library Service
- the Secretary of State does not seek to proscribe how local authorities discharge their primary duty.

10.5 In determining whether to order an inquiry, the Secretary of State gives consideration to a number of factors, including:

- whether there is any serious doubt or uncertainty as to whether the local authority is (or may cease to be) complying with its legal obligation to provide a comprehensive and efficient Library Service
- whether the local authority appears to be acting in a careless or unreasonable way
- whether the decision is or may be outside the proper bounds of the local authority's discretion, such as a capricious decision to stop serving a particularly vulnerable group in the local community
- whether the local authority appears to have failed to consult affected individuals or to carry out significant research into the effects of its proposals
- whether the local authority has failed to explain, analyse or properly justify its proposals

- whether the local proposals are likely to lead to a breach of national library policy
- the advantages of local decision making by expert and democratically accountable local representatives
- whether there is any further good reason why a local inquiry should be ordered

10.6 The Secretary of State also noted that, as confirmed by the High Court in R (Green) v Gloucestershire City Council [2011] EWHC 2687 (Admin):

The availability of resources is highly material to the question of what constitutes a comprehensive and efficient library service. The section 7 duty cannot be exempt or divorced from resource issues and cannot in law escape the reductions which have been rendered inevitable in the light of the financial crisis engulfing the country.

11. FINANCIAL IMPLICATIONS

11.1 Proposals in this report are for a net saving of £217,000, profiled in advance of public consultation and needs assessment:

	2018/19	2019/20	Total
Saving	175,000	52,000	227,000
Income pressure	10,000	0	10,000
Net effect	165,000	52,000	217,000

Savings and timescales for implementation

The breakdown of savings is as follows

Saving	Amount saved (£)	Est FTE reduction
Staffing	171,000	5.24
<i>Reading Central</i>	45,000	1.50
<i>-Battle</i>	15,500	0.62
<i>-Caversham</i>	9,000	0.32
<i>-Tilehurst</i>	23,500	1.00
<i>-Palmer Park</i>	9,000	0.30
<i>-Southcote**</i>	10,000	
<i>-Whitley**</i>	12,000	
<i>Admin</i>	12,000	0.50
<i>Development</i>	35,000	1.00
Premises (sites moving)	10,000	
Stockfund	46,000	
Income pressure	-10,000	

*to note that there is only one staffing costcode, it is not split out by site. Table above shows estimated effect of reductions by site on overall total

**Current structure assumes single staffing at Whitley and Southcote due to move - the extra double cover has been absorbed into existing library budgets in 17/18 but is shown here for completeness

Current (17/18 Budget £'000's)	Exp. (Gross)	Income	Net.
LIBRARY SERVICE	£1.395m	£0.224m	£1.171m

NET ANNUAL SAVING 18/19	£165,000
NET ANNUAL SAVING 19/20	£52,000

Capital Funding Implications:

- 11.2 Capital funding provision has been made for works required to community buildings to facilitate the re-location of libraries as part of a wider community hubs programme. This is detailed in the Council's Capital programme. Policy Committee in April 2017 agreed spend approval up to £2m to deliver:
- an extension to Battle Library for up to £500,000;
 - an extension and improvement works to Southcote Community Centre for up to £550,000 and
 - improvement works to South Reading Youth and Community Centre for up to £750,000
 - and with an overall programme contingency of £200k.
- 11.3 Policy Committee also agreed to the disposal of the Whitley and Southcote Library sites on the open market and through the Community Letting Policy process with the marketing results to be reported back to a future meeting of Policy Committee for decision.
- 11.4 Costs are not included for
- Additional rates/running costs due to extension of premises or savings resulting from disposals of buildings/reduced running costs.
 - Any one off costs associated with redundancies.
 - Costs of security for any library buildings which the Council ceases to operate pending lease/disposal of the asset.

Financial Impact of Proposals

- 11.5 Reading's current spend is compared below with LAs with similar population densities and population size using the most recent CIPFA data (2016/17 estimates compared with 2017/18 budget for Reading). Clearly this cannot anticipate reductions being made in any of these authorities.

LA	Resident population	Area	Population density	Net expenditure per 1,000 population
Blackpool	139,600	3,485	40.1	11,443
Slough	145,700	3,254	44.8	13,498
Reading (17/18)	161,700	4,040	40.0	10,899
Portsmouth	211,800	4,039	52.4	10,229
Southampton	249,500	4,990	50.0	14,676
Southend-on- Sea	178,700	4,176	42.8	16,206
Bournemouth	194,500	4,618	42.1	21,154

- 11.5 The table below illustrates the impact of total levels of savings for each option described above on spend per 1,000 population:

Reading	Net spend per 1,000 population (including support costs)
Current 17/18	10,899
Proposed service offer 18/19	9,848
Proposed service offer 19/20	9,526

- Assumes the absolute cost of overheads remains the same. Central support charges could reasonably be expected to reduce reflecting a reduction in premises and staffing levels.

12. BACKGROUND PAPERS

- 12.1 Report to Policy Committee: Proposed Service Offers and Budget Proposals 2016-19 to Narrow the Budget Gap (20 July 2015)
- 12.2 Report to Policy Committee: Library Service Review (8 October 2015)
- 12.3 Report to Policy Committee: Proposed Service Offers and Budget Proposals 2016-19 to Narrow the Budget Gap - Consultation (30 November 2015)
- 12.4 Report to Policy Committee: Library Service Review (15 February 2016)
- 12.5 Report to Policy Committee: Library Service Review (11 July 2016)
- 12.6 Report to Policy Committee: Bridging the Gap -MTFS (17 July 2017)
- 12.7 Report to Policy Committee: Community Hubs Spend Approval (10 April 2017)

Appendix 1

YOUR LIBRARY SERVICES, YOUR SAY - 2018



Your Library Services. Your Say

Consultation

2018

21 February - 21 March

In 2016 we consulted on changes to the library service. Many of these changes were introduced from 2017 and enabled us to save £290,000 from the library service budget.

We are now launching a further consultation.

Please read this booklet or go to <https://consult.reading.gov.uk/libraryreview2018> for more information and to have your say.

Have your say at

<https://consult.reading.gov.uk/libraryreview2018>

Why are we consulting?

We know that for people who use library services, they remain important. We also know that the way people use libraries is changing.

People used to rely on their local libraries to access books for information, today people have more choice, ranging from e-books to internet access. Users can even download e-books or order books without stepping foot in a library. Many of you make good use of the free IT and internet now provided at the Borough libraries. You have told us how much you value free events and activities which the Library Service offers, like Rhymetime for example which supports the development of early reading skills.

At the same time, every local Council is having to make major savings as a result of Government cuts in funding and increasing demands for services. We therefore need to prioritise the use of our limited resources across the Council, including those used to deliver library services in Reading. Due to the scale of savings required, these cannot be met through back-office efficiencies alone. The Council is therefore considering ways to save more money from both the universal services for everyone in the town, and specialist services that are targeted to the most vulnerable, including older people, residents with learning disabilities, and children who need our protection or are looked after by us.

We have already made major savings by making the library services more efficient through making better use of technology such as the self service kiosks and changing operating systems. Another way our libraries can contribute towards savings is to make the best possible use of available space and we have already consulted on some plans to bring libraries together with other services in new community centres or 'hubs'.



Reading Borough Council needs to sustain an affordable but comprehensive library service. We want your feedback to help us achieve that. The proposals here in total would save £220,000 of the library budget, assuming that this would still enable the Council to meet its legal duties.

What you told us and what we did

in the previous consultation, you told us:

- You continue to value library services in Reading.
- More than half of you use more than one of the borough's libraries.
- Most of you used the library which was closest to your home, work or children's schools.
- More than half of you visit Central Library.

When considering how to find the savings needed, the most common suggestions were:

a) *reducing opening hours*

We reduced opening hours by 30% in April 2017

b) *asking for donations/charging for activities*

We introduced voluntary donations in 2017

c) *sharing space with other services or partner organisations*

Central library already hosts a range of complementary services on the third floor and in 2017 the Berkshire Family History Society also joined us which is a great fit with our Local History service. Last year we agreed to move library services in Southcote and Whitley into refurbished community facilities, co-located with other local services and offering access to toilets and refreshments facilities. We also entered into a partnership with Reading College to run Palmer Park Library, offering students a great opportunity to get work experience in a public service.

We have also reduced staffing levels, reflecting reduced workload through the introduction of new self-serve kiosks in every branch.

Understanding community needs

The Council has also taken a close look at information we hold on visits to individual libraries, library catchment areas and what people are using libraries for. This helps us understand the individual needs of local communities.

We have reviewed changed patterns of use since the library opening hours were reduced in April 2017. Some of the things we found were:

- About **11%** of Reading residents currently borrow books from libraries in Reading. Around **5%** solely use computers. This means around 26,000 (**16%**) of the town's population either borrow or use IT every year. Many people also use libraries for other reasons - to study or to attend activities for instance.
- Visits and issues have gone down since the changes in 2017.
- Central Library remains the best used library.
- Central, Caversham and Battle are the top three most visited libraries. Whitley, Palmer Park and Southcote libraries were the least visited.
- Central, Caversham and Whitley Libraries serve the largest catchment areas. Southcote and Palmer Park serve the smallest populations.

Proposals overview

The main changes proposed now are summarised below:

Proposal A	Retain Caversham Library, reduce opening hours	p9
Proposal B	Retain Palmer Park Library, reduce opening hours	p10
Proposal C	Retain Central Library, reduce opening hours	p11
Proposal D	Retain Tilehurst Library, reduce opening hours and share space	p12
Proposal E	Retain Battle Library, reduce opening hours and share space	p13
Proposal F	Retain Whitley Library, reduce opening hours	p14
Proposal G	Other proposals	p15

How can I have my say?

- Respond to the online questionnaire at <https://consult.reading.gov.uk/libraryreview2018>
- or complete and return the questions included at the end of this consultation document to any Reading Library or the Civic Offices.
- Email: libraryreview@reading.gov.uk
- Write to: Library Review
Reading Borough Council
Bridge Street
Reading
RG1 2LU

What would the service look like if proposals were implemented?

Under the 1964 Public Libraries and Museums Act the Council must provide a ‘comprehensive and efficient’ library service for everyone who lives, works or studies within the borough.

No decisions as to the future of our library service have been taken. The outcome of this consultation will be taken into account when reaching any decisions about the future of the service. The desired level of savings may or may not be achievable, depending on the outcome of the consultation exercise, needs analysis and service review.

The Council presently considers that if the following proposals were to be implemented then local provision should continue to exceed the legal requirement of a ‘comprehensive and efficient’ library service, striking an appropriate balance between delivering savings whilst ensuring the provision needed across our communities.

The proposals would reduce opening hours at six sites but we consider that reasonable access for people with different lifestyles and availability should be maintained. No library branches would close.

These proposals will also be complemented by plans for continuing to develop the use of volunteers and exploring opportunities for creative partnerships in the future.

Further information

For further information visit <https://consult.reading.gov.uk/libraryreview2018> where the following documentation is available:

- Information from previous review
- Updated prioritisation matrix information for the service
- Strategic Vision for the library service
- Full list of proposals for 2018/19
- Equality Impact Assessment for proposals for 2018/19

This information is also available in libraries.

Further information: what will this tell me?

2015/16 Consultations: Results and Feedback - and prioritisation matrix

This document includes a detailed analysis of the consultation feedback received through the first phase of public consultation on the library service review. This particularly asked about how people use libraries, how they would like to use the service in the future and how they thought the Council should make savings required. This, together with the needs analysis, has informed the current service offer and future changes proposed, by creating a prioritisation matrix which has been updated with library usage and demography - included at page 8 in this document

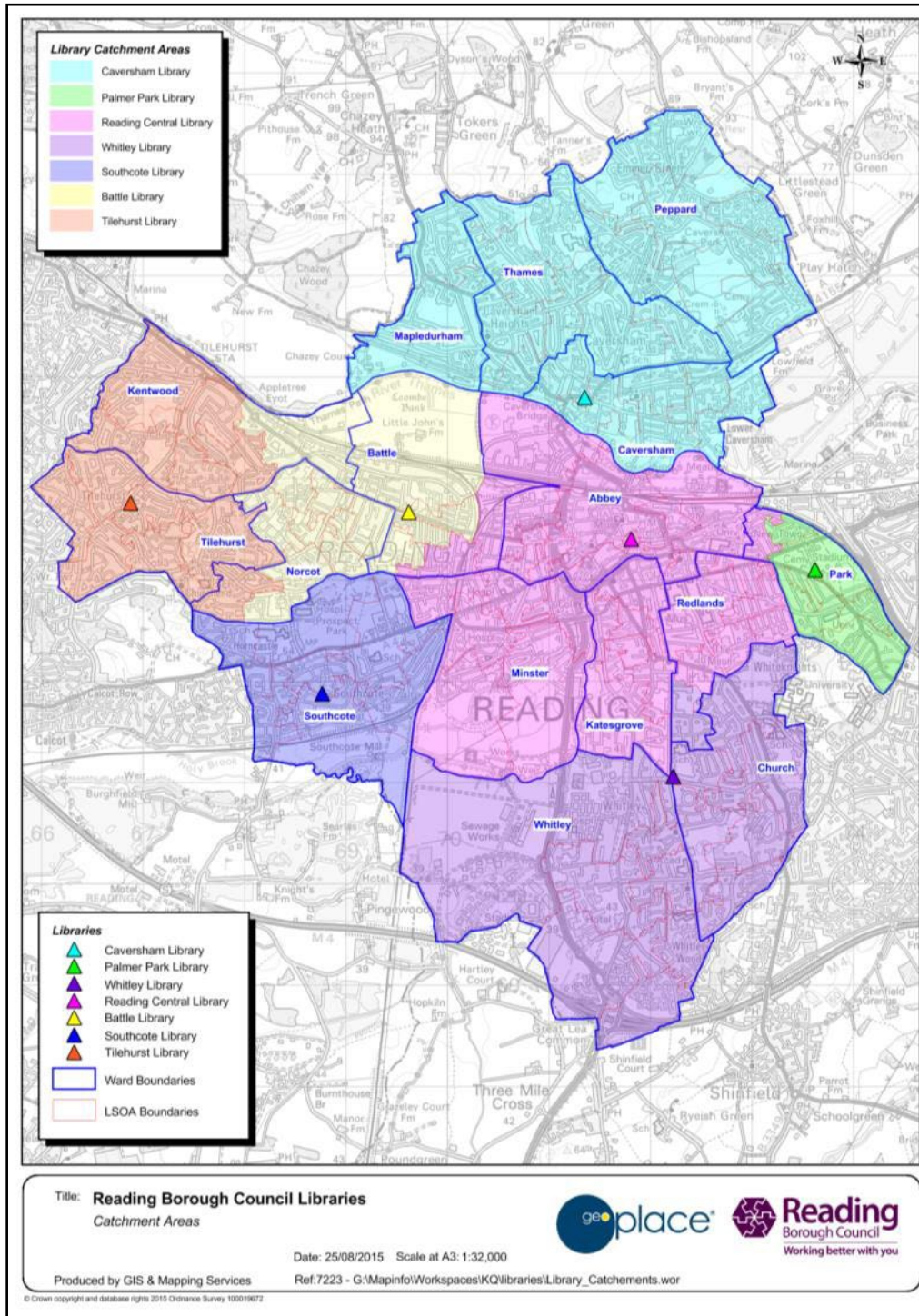
Strategic Vision

A vision document has been developed which reflects the national agenda and Reading Borough Council’s strategic priorities. This provides an outline strategy and a blueprint for developing the Library Service in the future. The vision document underpins the proposed new service offer.

Equality Impact Assessment updated for these proposals

In line with the Council's 'Equality Duty' (under the Equality Act 2010), a detailed Equality Impact Assessment has been completed in order to explore how these proposals might impact on groups differently, assuming that they were to be adopted which is presently unknown. The Equality Impact Assessment will be refined and developed in the light of feedback and any other evidence gathered through the consultation process and will be considered in appraising the options at the time decisions are taken.

Reading Libraries



Prioritisation matrix - this was created for the 2016 review as a way of illustrating library usage data and demographic statistics in the borough.

Data has been updated with the latest available, including projections of library usage for 2017/18 following the changes to opening hours in April 2017.

The order of libraries in the matrix has not changed.

Use ranking 2015	Need ranking 2015	Overall ranking 2015
1. Central	1. Whitley	1. Central
2. Caversham	2. Central	2. Battle
3. Battle	3. Battle	3. Caversham
4. Tilehurst	4. Caversham	4. Whitley
5. Palmer Park	5. Tilehurst	5. Tilehurst
6. Southcote	6. Southcote	6. Southcote
7. Whitley	7. Palmer Park	7. Palmer Park

Use ranking 2017	Need ranking 2017	Overall ranking 2017
1. Central	1. Whitley	1. Central
2. Caversham	2. Central	2. Battle
3. Battle	3. Battle	3. Caversham
4. Tilehurst	4. Caversham	4. Whitley
5. Palmer Park	5. Tilehurst	5. Tilehurst
6. Southcote	6. Southcote	6. Southcote
7. Whitley	7. Palmer Park	7. Palmer Park

Changes made in 2017 to Reading Library Service

As part of savings totalling £290,000, in 2017 Reading Libraries have

- a) reduced opening hours by around 30% across the 7 libraries
- b) introduced self service issue and return kiosks
- c) reduced staffing in the service establishment from 37 to around 28
- d) changed the library computer system to a better, cheaper alternative
- e) In year savings of £60,000 have also been made through further efficiencies.
- f) Leased part of Central library to an outside organisation for a rental income

Since these changes, usage and visits have gone down at all sites - with visits reducing by 14%, issues 11%, IT sessions by 10% and attendance at activities by 12%.

We estimate that the service will still have around 550,000 visits in 2017/18 and issue over 560,000 items, with circa 26,000 individuals using the service over a year.

	Battle	Caversham	Central	Palmer Park	Southcote	Tilehurst	Whitley
Opening hours/week	27	35	46	21	21	27	21
Projected 2017/18 visits	52,178	88,924	290,938	19,982	25,350	47,999	19,461
Projected 2017/18 issues	51,119	122,162	226,949	30,330	25,243	86,133	27,647
Individuals borrowing	1,371	3,101	9,662	792	882	2,286	1,095
Computer and wifi hours used	5,112	3,904	80,564	2,176	992	2,002	1,500

* Issue and visit figures are projected for 2017/18

Proposals in detail

Proposal A

Retain Caversham Library, reduce opening hours

Caversham Library occupies a central and prominent position within Caversham, opposite a supermarket and other local shops. The Grade 2 listed building has limited space for additional uses or activities.

We are proposing to retain Caversham library whilst reducing opening hours from 35 to 27 hours per week.

Why are we proposing to do this?

After Central Library, Caversham is the most actively used library in the network, and serves the largest catchment population as well as the greatest number of residents aged 65+ of all Reading's branch libraries. Opening hours would be longer than for any other neighbourhood branch in the service, reflecting local demand and volume of use.

Caversham Library is also relatively small and offers little opportunity for developing the site into a wider 'community hub'. Reducing opening times by 8 hours would deliver a saving of £9,000 a year, whilst maintaining local provision of library services in the North of the borough.

How could we deliver this?

A reduction in opening hours could be achieved through a combination of later opening and earlier closing or by removing a day of opening from the current timetable.

This is just an example of how the reduced hours could be achieved. As part of this consultation we want your feedback on future opening hours. Examples are designed to show how hours could work across a week and are illustrative.

What impact would it have?

Reducing opening hours would decrease the accessibility of library services for some users.

Increased use of volunteers would be likely to be required in order to run activities.

Day	Current (35)	Example A (27)	Example B (27)
Monday	Closed	Closed	Closed
Tuesday	0900-1700	0900-1700	0900-1700
Wednesday	0900-1700	Closed	0900-1300
Thursday	1300-1900	1300-1900	1300-1900
Friday	0900-1700	0900-1700	1300-1700
Saturday	1000-1500	1000-1500	1000-1500

How would we minimise negative impacts of this proposal?

Opening times would be scheduled to reflect feedback from the consultation and would ensure access for a range of different users, including school children and those that are working, with access Monday - Saturday.

What feedback do we want from you?

- What impact do you think this proposal would have?
- Do you have any comments on opening hours?
- What else could be done to minimise any negative impacts of this proposal, if adopted?
- Do you have any other ideas of how the Council might deliver savings?

Palmer Park Library, which is Reading’s smallest branch, is on the edge of the park, close to the local sports stadium. From April 2017, the library has been run in a partnership with Reading College to help provide experience for students with additional needs in the workplace. Hours were reduced to 21 per week. During evening, weekend and College holiday working, the library service provided two members of staff to run the service.

It is proposed that the Council reduces opening hours from 21 to 15 hours per week - the hours that the College are there to support staffing. These pattern of library opening would remain the same and the library would open through College holidays, with two members of library service staff providing cover.

Why are we proposing to do this?

On an objective assessment of Reading’s libraries on the basis of library use and demographic need, Palmer Park Library ranks bottom overall. Palmer Park serves the most geographically compact catchment population and a far smaller number of residents and vulnerable individuals than Reading’s other libraries (bar Southcote which is comparatively more deprived) when considered across the network.

Palmer Park has good transport links to the town centre and an equivalent proportion of catchment residents actively borrow from Central Library to those using Palmer Park. There are currently 267 ‘unique users’ of the library - less than any other branch.

Palmer Park is responsible for 4% of the network’s visits, borrowers, 2% of IT sessions and 5% of issues. 58% of users already use another library.

How could we deliver this?

Hours would change as follows:

Day	Current 21 hours per week	Proposed 15 hours per week
Monday	Closed	Closed
Tuesday	0900-1200; 1300-1900	0900-1200; 1300-1600
Wednesday	0900-1200	0900-1200
Thursday	0900-1200; 1300-1600	0900-1200; 1300-1600
Friday	Closed	Closed
Saturday	1000-1300	Closed

What impact would it have?

Reducing opening hours would decrease the accessibility of library services for some users.

How would we minimise negative impacts of this proposal?

We would need to ensure some visibility of library services in East Reading and could see if a local pickup/dropoff point could be established. We would need to heavily promote Central library’s availability.

What feedback do we want from you?

- What impact do you think this proposal would have?
- Do you have any comments on opening hours?
- What else could be done to minimise any negative impacts of this proposal, if adopted?
- Do you have any other ideas of how the Council might deliver savings?

Central Library is located on Abbey Square/Kings Road and serves the largest number of customers in the network.

We are proposing to retain Central library whilst reducing opening hours from 46 to 36 hours per week. This would deliver a saving of £45,000 per year subject to the outcome of the consultation process.

Why are we proposing to do this?

Central is the busiest library for visits and issues in the network, however, reduction of hours here means that the overall spread of hours across the network can be better retained - the size and staffing levels at Central library are also higher which means a reduction in hours here is equivalent to a much greater reduction for a branch library to deliver the same level of saving.

How could we deliver this?

A reduction in opening hours could be achieved through a combination of later opening and earlier closing or by removing a day of opening from the current timetable.

This is just an example of how the reduced hours could be achieved. As part of this consultation we want your feedback on future opening hours. Examples are designed to show how hours could work across a week and are illustrative. The aim is to provide a spread of hours to support daytime, after school and evening availability.

What impact would it have?

Reducing opening hours would decrease the accessibility of library services for some users.

How would we minimise negative impacts of this proposal?

We would aim to ensure a spread of opening hours across other libraries.

What feedback do we want from you?

- What impact do you think this proposal would have?
- Do you have any comments on opening hours?
- What else could be done to minimise any negative impacts of this proposal, if adopted?
- Do you have any other ideas of how the Council might deliver savings?

Day	Current 46 hours per week	Possible 36 hours per week
Monday	1000-1700	Closed
Tuesday	1000-1900	1000-1900
Wednesday	1000-1700	1000-1700
Thursday	1000-1900	1000-1700
Friday	1000-1700	1000-1700
Saturday	1000-1700	1000-1600

Tilehurst Library is located just along from the shops at the Triangle, next to a health clinic. The building is also the base of the mobile and home library service. Tilehurst is the 3rd busiest library for issues and 4th busiest library for visits in the library network.

We are proposing to retain Tilehurst library whilst reducing opening hours from 27 to 22 hours per week. This would deliver a saving of £3,500 per year subject to the outcome of the consultation process.

Why are we proposing to do this?

Tilehurst library is 5th of 7 libraries in the priority matrix. We will be reducing running costs by around £20,000 by sharing the office space with another organisation. Further saving is possible by reducing opening hours - opening would still be longer than smaller, less well used branches, reflecting levels of use.

How could we deliver this?

A reduction in opening hours could be achieved through a combination of later opening and earlier closing or by removing a day of opening from the current timetable.

This is just an example of how the reduced hours could be achieved. As part of this consultation we want your feedback on future opening hours. Examples are designed to show how hours could work across a week and are illustrative. The aim is to provide a spread of hours to support daytime, after school and evening availability.

Day	Current 27 hours per week	Proposed 22 hours per week
Monday	0900-1700	0900-1200
Tuesday	0900-1700	0900-1700
Wednesday	Closed	Closed
Thursday	1300-1900	1300-1900
Friday	Closed	Closed
Saturday	1000-1500	1000-1500

What impact would it have?

Reducing opening hours would decrease the accessibility of library services for some users.

How would we minimise negative impacts of this proposal?

We would aim to ensure a spread of opening between Battle and Tilehurst libraries to cover West Reading residents

What feedback do we want from you?

- What impact do you think this proposal would have?
- Do you have any comments on opening hours?
- What else could be done to minimise any negative impacts of this proposal, if adopted?
- Do you have any other ideas of how the Council might deliver savings?

Battle library is located along the Oxford Road, next to the modern Tesco supermarket and adjacent to the old Hospital site. Battle library is a Grade 2 listed building and is 2nd of 7 libraries in the priority matrix. It's the 4th busiest library for issues and 3rd busiest library for visits in the library network.

We are proposing to retain Battle library whilst reducing opening hours from 27 to 23 hours per week. This would deliver a saving of £3,500 per year subject to the outcome of the consultation process.

Why are we proposing to do this?

We will be reducing running costs by around £12,000 by sharing the new extended space with another organisation. Further saving is possible by reducing opening hours. Opening would still be longer than smaller, less well used branches, reflecting levels of use.

How could we deliver this?

A reduction in opening hours could be achieved through a combination of later opening and earlier closing or by removing a day of opening from the current timetable.

This is just an example of how the reduced hours could be achieved. As part of this consultation we want your feedback on future opening hours. Examples are designed to show how hours could work across a week and are illustrative.

Day	Current 27 hours per week	Proposed 22 hours per week
Monday	Closed	0900-1200
Tuesday	0900-1700	0900-1700
Wednesday	Closed	Closed
Thursday	1300-1900	1300-1900
Friday	0900-1700	Closed
Saturday	1000-1500	1000-1500

What impact would it have?

Reducing opening hours would decrease the accessibility of library services for some users.

How would we minimise negative impacts of this proposal?

We would aim to ensure a spread of opening between Battle and Tilehurst libraries to cover West Reading residents. It might be possible to extend opening hours through shared use of the space on a self serve basis.

What feedback do we want from you?

- What impact do you think this proposal would have?
- Do you have any comments on opening hours?
- What else could be done to minimise any negative impacts of this proposal, if adopted?
- Do you have any other ideas of how the Council might deliver savings?

Whitley library is currently located at the Buckland Road circle. It will be moving in June 2018 to occupy part of the South Reading Community Centre, further South along Northumberland Avenue. The library will be part of an extensively refurbished centre which includes a community café and Children’s Centre.

Whilst Whitley is the 6th busiest library in the network for visits, on an objective assessment of Reading’s libraries on the basis of library use and demographic need, the library ranks as 4th.

It is proposed that the Council reduces opening hours from 21 to 18 hours per week. This would deliver a saving of £2,000 subject to the outcome of the consultation process.

Why are we proposing to do this?

We anticipate that the new location will mean new library users as the library will be part of a range of services based in the Community Centre hub building. To maintain a spread of opening hours a very small reduction is proposed, not removing any after school opening.

The library is already planned to be single staffed and the structure in place reflects this.

How could we deliver this?

A reduction in opening hours could be achieved through a combination of later opening and earlier closing or by removing a day of opening from the current timetable.

This is just an example of how the reduced hours could be achieved. As part of this consultation we want your feedback on future opening hours. Examples are designed to show how hours could work across a week and are illustrative.

Day	Current 21 hours per week	Proposed 18 hours per week
Monday	Closed	Closed
Tuesday	0900-1200; 1300-1900	1300-1900
Wednesday	Closed	Closed
Thursday	0900-1200; 1300-1600	0900-1200; 1300-1600
Friday	0900-1200	0900-1200
Saturday	1000-1300	1000-1300

What impact would it have?

Reducing opening hours would decrease the accessibility of library services for some users

How would we minimise negative impacts of this proposal?

Once we are on site at Whitley, the possibility of running the library on an entirely self service basis could be explored.

What feedback do we want from you?

- What impact do you think this proposal would have?
- Do you have any comments on opening hours?
- What else could be done to minimise any negative impacts of this proposal, if adopted?
- Do you have any other ideas of how the Council might deliver savings?

Additional management changes proposed to deliver savings are detailed in the committee report.

These include a reduction in staffing, a reduction in the library service stock fund to reflect reduced use, and implementing other changes which have previously been consulted on but are yet to be implemented.

You can see the full list of proposals at <https://consult.reading.gov.uk/libraryreview2018> or they are available in full from your library if you do not have internet access.

What feedback do we want from you?

- If you have any comments on these additional proposals these can be included in your consultation response.

Consultation Questions

This Consultation Document includes a number of questions on the following topics:

- Proposals
- Any other comments
- Library Use
- About You

If you would like to provide feedback on only some of the proposals, questions on proposals can be found on the following pages:

Proposal A	Retain Caversham Library, reduce opening hours	p16
Proposal B	Retain Palmer Park Library, reduce opening hours	p17
Proposal C	Retain Central Library, reduce opening hours	p18
Proposal D	Retain Tilehurst Library, reduce opening hours and share space	p19
Proposal E	Retain Battle Library, reduce opening hours and share space	p20
Proposal F	Retain Whitley Library, reduce opening hours	p21
Proposal G	Other changes proposed	p22

Proposal A - Retain Caversham library, reduce opening hours

1. Do you think this proposal will impact you and your family?
(please tick one of the following)

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Positive impact |
| <input type="checkbox"/> | Negative impact |
| <input type="checkbox"/> | No impact (please skip to question 2) |
| <input type="checkbox"/> | Don't know (please skip to question 2) |

2. What impact do you think this proposal will have on you and your family?

3. What can be done to minimise any negative impacts of this proposal?

4. Do you have any other comments about the opening hours?

**5. Do you have any other ideas of how the Council might deliver savings
*[in relation to Caversham Library]?***

Proposal B - Retain Palmer Park library, reduce opening hours

6. Do you think this proposal will impact you and your family?

(please tick one of the following)

- Positive impact
- Negative impact
- No impact (please skip to question 7)
- Don't know (please skip to question 7)

7. What impact do you think this proposal will have on you and your family?

8. What can be done to minimise any negative impacts of this proposal?

9. Do you have any other comments about the opening hours?

**10. Do you have any other ideas of how the Council might deliver savings
*[in relation to Palmer Park Library]?***

Proposal C - Retain Central library, reduce opening hours

11. Do you think this proposal will impact you and your family?

(please tick one of the following)

- Positive impact
- Negative impact
- No impact (please skip to question 12)
- Don't know (please skip to question 12)

12. What impact do you think this proposal will have on you and your family?

13. What can be done to minimise any negative impacts of this proposal?

14. Do you have any other comments about the opening hours?

**15. Do you have any other ideas of how the Council might deliver savings
*[in relation to Central Library]?***

Proposal D - Retain Tilehurst library, reduce opening hours

16. Do you think this proposal will impact you and your family?

(please tick one of the following)

- Positive impact
- Negative impact
- No impact (please skip to question 17)
- Don't know (please skip to question 17)

17. What impact do you think this proposal will have on you and your family?

18. What can be done to minimise any negative impacts of this proposal?

19. Do you have any other comments about the opening hours?

**20. Do you have any other ideas of how the Council might deliver savings
[in relation to Tilehurst Library]?**

Proposal E - Retain Battle library, reduce opening hours

21. Do you think this proposal will impact you and your family?

(please tick one of the following)

- Positive impact
- Negative impact
- No impact (please skip to question 22)
- Don't know (please skip to question 22)

22. What impact do you think this proposal will have on you and your family?

23. What can be done to minimise any negative impacts of this proposal?

24. Do you have any other comments about the opening hours?

**25. Do you have any other ideas of how the Council might deliver savings
[in relation to Battle Library]?**

Proposal F - Retain Whitley library, reduce opening hours

26. Do you think this proposal will impact you and your family?

(please tick one of the following)

- Positive impact
- Negative impact
- No impact (please skip to question 27)
- Don't know (please skip to question 27)

27. What impact do you think this proposal will have on you and your family?

28. What can be done to minimise any negative impacts of this proposal?

29. Do you have any other comments about the opening hours?

**30. Do you have any other ideas of how the Council might deliver savings
[in relation to Whitley Library]?**

Proposal G and Any other

comments

31. We welcome comments about any element of this consultation and on any elements of the proposals that you have not covered so far.

Library use

32. Have you used a Reading library in the last 12 months?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

33. Which library do you use most frequently? (please tick one of the following)

<input type="checkbox"/>	None	<input type="checkbox"/>	Southcote Library
<input type="checkbox"/>	Central Library	<input type="checkbox"/>	Tilehurst Library
<input type="checkbox"/>	Battle Library	<input type="checkbox"/>	Whitley Library
<input type="checkbox"/>	Caversham Library	<input type="checkbox"/>	Mobile Library
<input type="checkbox"/>	Palmer Park Library	<input type="checkbox"/>	Other Library (please specify below)

34. How frequently do you visit your preferred library?

(please tick one of the following)

- More than once a week
- Weekly
- Fortnightly
- Monthly
- Less than monthly

35. Please tick all other libraries used below.

- | | | | |
|--------------------------|---------------------|--------------------------|--------------------------------------|
| <input type="checkbox"/> | None | <input type="checkbox"/> | Southcote Library |
| <input type="checkbox"/> | Central Library | <input type="checkbox"/> | Tilehurst Library |
| <input type="checkbox"/> | Battle Library | <input type="checkbox"/> | Whitley Library |
| <input type="checkbox"/> | Caversham Library | <input type="checkbox"/> | Mobile Library |
| <input type="checkbox"/> | Palmer Park Library | <input type="checkbox"/> | Other Library (please specify below) |

36. How frequently do you visit other libraries? (please tick one of the following)

- More than once a week
- Weekly
- Fortnightly
- Monthly
- Less than monthly

37. Do you visit the library with, or on behalf of, any of the following groups?

(please tick all that apply)

- | | | | |
|--------------------------|-------------------------|--------------------------|------------------------|
| <input type="checkbox"/> | Children aged 0-5 | <input type="checkbox"/> | Older persons |
| <input type="checkbox"/> | Children aged 6-12 | <input type="checkbox"/> | Disabled persons |
| <input type="checkbox"/> | Young people aged 13-18 | <input type="checkbox"/> | Other (please specify) |

About you

Please be assured that your personal details will be kept strictly confidential and that no individual or organisation will be identified in the reporting of results.

The Equality Act 2010 places an 'Equality Duty' on public bodies, to understand the effect of their policies and practices on equality. This involves looking at evidence, engaging with people, staff, service users and others and considering the effect of what they do on the whole community.

Information gathered through the following questions will therefore help us to find out how proposals may impact on groups differently.

1. What is your postcode?

2. Are you...?

<input type="checkbox"/>	Male
<input type="checkbox"/>	Female

3. What age group do you belong to?

<input type="checkbox"/>	0-14	<input type="checkbox"/>	55-64
<input type="checkbox"/>	15-24	<input type="checkbox"/>	65-74
<input type="checkbox"/>	25-34	<input type="checkbox"/>	75-84
<input type="checkbox"/>	35-44	<input type="checkbox"/>	85 or over
<input type="checkbox"/>	45-54		

4. Please indicate if you consider yourself to have any of the following disabilities / conditions? (tick all that apply)

<input type="checkbox"/>	None / not applicable	<input type="checkbox"/>	Difficulties using hands/fingers
<input type="checkbox"/>	Mobility - getting around	<input type="checkbox"/>	Learning disability
<input type="checkbox"/>	Hearing	<input type="checkbox"/>	Mental health problem
<input type="checkbox"/>	Eyesight	<input type="checkbox"/>	Other, please state:

5. What is your employment status? (please tick one of the following)

- | | | | |
|--------------------------|---|--------------------------|---------------------------------|
| <input type="checkbox"/> | Employed in a full-time job (30 hours plus per week) | <input type="checkbox"/> | Permanently sick / disabled |
| <input type="checkbox"/> | Employed in a part-time job (under 30 hours per week) | <input type="checkbox"/> | Wholly retired from work |
| <input type="checkbox"/> | Self-employed full or part-time | <input type="checkbox"/> | Looking after the home / family |
| <input type="checkbox"/> | In full-time education at school, college or university | <input type="checkbox"/> | Other (please specify) |
| <input type="checkbox"/> | Unemployed and available for work | | |

6. What is your sexual orientation? (please tick one of the following)

- | | | | |
|--------------------------|-------------------------|--------------------------|------------------------------|
| <input type="checkbox"/> | Heterosexual / Straight | <input type="checkbox"/> | Prefer not to say |
| <input type="checkbox"/> | Gay or lesbian | <input type="checkbox"/> | Other (please specify below) |
| <input type="checkbox"/> | Bisexual | | |

7. What is your religious belief? (please tick one of the following)

- | | | | |
|--------------------------|-----------|--------------------------|------------------------------|
| <input type="checkbox"/> | Buddhist | <input type="checkbox"/> | Sikh |
| <input type="checkbox"/> | Christian | <input type="checkbox"/> | No religion |
| <input type="checkbox"/> | Hindu | <input type="checkbox"/> | Prefer not to say |
| <input type="checkbox"/> | Jewish | <input type="checkbox"/> | Other (please specify below) |
| <input type="checkbox"/> | Muslim | | |

8. What is your ethnicity? (please tick one of the following)

<p>White</p> <p><input type="checkbox"/> British</p> <p><input type="checkbox"/> Irish</p> <p><input type="checkbox"/> Any other White background</p>	<p>Asian or Asian British</p> <p><input type="checkbox"/> Indian</p> <p><input type="checkbox"/> Pakistani</p> <p><input type="checkbox"/> Bangladeshi</p> <p><input type="checkbox"/> Chinese</p> <p><input type="checkbox"/> Any other Asian background</p>
<p>Mixed</p> <p><input type="checkbox"/> White and Black Caribbean</p> <p><input type="checkbox"/> White and Black African</p> <p><input type="checkbox"/> White and Asian</p> <p><input type="checkbox"/> Any other mixed / multiple background</p>	<p>Black or Black British</p> <p><input type="checkbox"/> African</p> <p><input type="checkbox"/> Caribbean</p> <p><input type="checkbox"/> Any other Black /African / Caribbean background</p>
<p>Other Ethnic Group</p> <p><input type="checkbox"/> Arab</p> <p><input type="checkbox"/> Any other ethnic group (please specify below)</p>	<p><input type="checkbox"/> Prefer not to say</p>

Have your say at
<https://consult.reading.gov.uk/libraryreview2018>



Reading
Borough Council
Working better with you

Appendix 2

Libraries Public Consultation outline plan

The full consultation document forms part of the Policy Committee report and public consultation if approved would start immediately following the Policy Committee meeting. An outline of the approach is provided here:

The proposals requiring a public consultation are (with reference letters from report) :

- | |
|--|
| <ul style="list-style-type: none">A. Reduce opening hours at Reading Central from 46 to 36 per weekB. Reduce opening hours at Caversham from 35 to 27 per weekD. Reduce opening hours at Battle from 27 to 22 per weekE. Reduce opening hours at Whitley from 21 to 18 per weekG. Reduce opening hours at Tilehurst from 27 to 22 per weekH. Reduce opening hours at Palmer Park from 21 to 15 per week |
|--|

The areas requiring public consultation are proposals A, B, D, E, G and H. All of these are subject to an Equality Impact Assessment.

The survey as last time asks about positive and negative impacts on users and families, and how negative impacts can be minimised.

Consultation will consist of

- a) Survey available online via website at <http://consult.reading.gov.uk> promoted via library and RBC social media
- b) All users of each library over last 12 months where we have an email address will be sent a link to the consultation.
- d) Press release highlighting overall changes, specifically highlighting feedback is requested
- c) Drop in sessions where people can speak with services manager and deal with questions about particular sites
- d) Group sessions with RBC consultation groups, as with the changes last time
- e) Survey forms will include some data about how sites have been used following changes in 2017

Consultation will last for 4 weeks and will start immediately following approval of the options in the report, running until mid March. We will then feedback and use the results of the consultation exercise to inform a staffing consultation, aiming to have any changes to hours and staffing in place for July 2018.

Appendix 3 : Equality Impact Assessment

Provide basic details

Name of proposal/activity/policy to be assessed

Recommendations for the future of the library service

Directorate: Directorate of Environment and Neighbourhood Services

Service: Housing and Neighbourhood Services: LIBRARY SERVICE

Name and job title of person doing the assessment

Name: Simon Smith

Job Title: Library Services Manager

Assessment date: February 2018

Scope your proposal

What is the aim of your policy or new service/what changes are you proposing?
As a result of reductions in government grant funding and the changing needs and aspirations of library users and the wider community in Reading, in July 2015, Policy Committee agreed to the completion of a review of library services. Implementation of proposals took place in 2017. Further proposals have been made for 2018:

- A. Reduce opening hours at Reading Central from 46 to 36 per week
- B. Reduce opening hours at Caversham from 35 to 27 per week
- C. Co-location of external agencies at Battle, library becomes single staffed
- D. Reduce opening hours at Battle from 27 to 22 per week
- E. Reduce opening hours at Whitley from 21 to 18 per week
- F. Co-location of external agencies at Tilehurst, library becomes single staffed
- G. Reduce opening hours at Tilehurst from 27 to 22 per week
- H. Reduce opening hours at Palmer Park from 21 to 15 per week
- I. Remove 0.5FTE admin hours
- J. Remove 1.0FTE Digital & Volunteer lead post
- K. Reducing library stock fund
- L. Internal changes

The areas requiring public consultation are proposals A, B, D, E, G and H. All of these are subject to an EIA.

This recommended library service offer has been developed on the basis of:
- Consultation feedback received during both phases of the two part review of library services in 2015.

- The outcomes of a comprehensive assessment of need for library services in 2015 (including a consideration of both library use and performance since 2017 changes, as well as demographic need data), and
- Further scoping work undertaken by officers to consider viable options for the delivery of savings that are compatible with the delivery of a 'comprehensive and efficient' library service for all individuals who live, work or study within the borough (as required by the 1964 Public Libraries and Museums Act).
- The principals of ensuring that library services in Reading are affordable and sustainable, as well as being accessible to all, whilst targeting resources in areas of greatest use and need.

The consultation will provide a further means by which the Council can gather information about the potential impact of these proposals on those with protected characteristics. The equalities impact of any final proposal to be arrived at following consideration of all consultation responses which will be carefully considered before and at the time the decision is made.

Who will benefit from this proposal and how?

Taken together, the recommendations outlined above will benefit those living, working and studying in Reading as the library service offer will continue to exceed the minimum legal requirement for the service to be deemed 'comprehensive and efficient' and will strike an appropriate balance between delivering the savings and ensuring appropriate provision across communities. The recommended service offer makes good use of community buildings; reflects usage and local needs; and responds to what our communities have told us so far by:

- Maintaining a reasonable level of access for people with different lifestyles and availability, in spite of reduced opening hours across all sites
- Libraries and other services co-locating to make the best use of space and increasing access to spaces for community groups
- Retaining the recently upgraded public access IT and wifi at a local level
- Maintaining access to library services for those that are unable to visit Reading Libraries themselves, by continuing to provide the Elderly and Housebound Service

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

The review of the library service has been designed with the aim of delivering a comprehensive and efficient library service for users and Reading in the context of reduced funding. The proposals outlined above support the delivery of a budget saving of c£217,000, subject to compliance with the Council's legal duties, whilst maintaining an accessible service tailored to local need.

Who are the main stakeholders and what do they want?

The main stakeholders in the Library Service include:

- Library service users generally, and specifically:
 - * Central and branch library users
 - * Elderly and Housebound Service users
 - * Mobile Library users
 - * Toy Library users (including childcare settings and childminders)
- Staff

- Volunteers
- Partner organisations located in, and delivering activities from, library buildings and their service users/members
- Schools (including those which run class visits to their local library)

Consultation feedback received through both the 2015 and 2016 public consultations has shown that library services in Reading are highly valued for a number of reasons, including:

- Local provision of free access to a wide range of books (adult fiction, non-fiction, large print books, children's books, e-books and audio books).
- Library services are identified as vital local services that support the educational development of people of all ages - including the development of literacy skills, language skills and IT skills, through activities such as reading and Rhymetimes, language and IT classes run by external providers within library premises, and through the provision of reference materials and quiet study space.
- Library services are seen as playing a key role in fostering social interaction, especially for parents and older people, as open and welcoming services at the centre of their communities. Hosting a range of activities and events (especially targeting older people, young children and their guardians, such as Coffee Mornings and Rhymetimes) and public information about the local area/what's going on have also been identified as fundamental to the social dimension of libraries. The Mobile Library / Elderly and Housebound service has also been identified as an extremely important source of social contact for those unable to visit a library building.
- Library services are seen as key to tackling digital exclusion, especially for older people and those on low incomes who may require further assistance and support in order to access the digital world, or may not be able to afford broadband or a computer of their own.
- Libraries have been identified as accessible and safe places for vulnerable groups, including children, older people and people with disabilities (both physical and mental).

When asked for suggestions as to how savings could be made from library services during the 2015 consultation, the following suggestions were received most frequently:

- Reducing opening hours (9%)
- Charging/asking for donations (of stock or for participating in activities in particular) (9%)
- Sharing space within libraries with partner organisations (5%)
- Making greater use of volunteers (4%)
- Renting space in libraries (4%)

5% of respondents suggested that the Council should not make savings in the library service.

Furthermore, when asked about areas for improvement, respondents suggested:

- Increased provision of activities for adults and children and community space (4%)
- IT upgrades including replacement PCs, Wi-Fi in all sites, provision of e-books and self-service facilities (4%)
- Improved selection of books (4%)
- The introduction of café/refreshment facilities within libraries (3%)
- Provision of toilets (1%)

These suggested opportunities for savings, and for improvements, subsequently informed the development of proposals that were subject to public consultation during the second phase of the library review and were implemented in 2017.

During the second phase of the library review, responses to the question of how any negative impacts of proposals might be reduced indicated that various respondents specifically want:

- Reasonable access to libraries (specifically access after 3pm for school age children, at 9am for parents of young children visiting libraries straight from taking older children to school, and on evenings and weekends for working adults)
- Staff to remain available to support more complex queries
- Support to adapt to the use of self-service technology
- Easy to use and reliable self-service technology
- Continued support for issuing and returning stock for those that are unable to use self-service technology
- To make greater use of volunteers
- Continued access to children's and adults activities, including Rhymetimes and Coffee mornings
- Improved access to the Toy Library
- To retain and enhance the community focus of libraries
- To feel safe and secure in libraries
- Changes to be clearly publicised
- Changes not to be made (including reduced hours, reduced staffing and changes in location)
- Increased income generation and efficiencies to be pursued at the expense of making service cuts

Assess whether an EqlA is Relevant

How does your proposal relate to eliminating discrimination; promoting equality of opportunity; promoting good community relations?

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others? (Think about your monitoring information, research, national data/reports etc.)
Yes

Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, and feedback.

Yes -

A number of respondents to the Council's overall budget consultation and both phases of public consultation on the library service review in 2015 raised concerns regarding the impact of changes to the library service on children and their guardians, as well as young, older and disabled people. Concerns were also raised regarding potential detrimental impacts upon low income families and for the cohesion of communities consisting of people from different cultural backgrounds and ethnicities. Certain of the changes proposed as part of this review would be considered to be similar to those that prompted the original concerns.

If the answer is Yes to any of the above you need to do an Equality Impact Assessment.

Signed (completing Officer):	Simon Smith	Date: February 2018
Signed (Lead Officer):	Sarah Gee	Date: February 2018

Consultation

A public consultation will be necessary on proposals for Battle (BAT), Caversham (CAV), Central (CEN), Palmer Park (PAL), Tilehurst (TIL) and Whitley (WHI) libraries. These codes are used in the following document.

Relevant groups/experts	How will the views of these groups be obtained	Date
Library users and non-users at the affected sites	<ul style="list-style-type: none">Proposals regarding opening hours will be available at the affected sites, to seek feedback .The service can now directly contact individuals identified as using these libraries within the last year where these individuals have email addresses	February-March 2018
Mobile Library / Elderly and Housebound Service users	No changes affect these users, this service continues as it is now	
Protected groups	The changes proposed are affecting some library sites and not all - unlike previous changes. The forums that were used for the 2016 changes could be contacted and revisited if required.	February-March 2018
Staff	Formal consultation with employees on a staff restructure will follow the confirmation of a final option.	March-April 2018

Collect and Assess your Data

Using information from Census, residents survey data, service monitoring data, satisfaction or complaints, feedback, consultation responses, research, your knowledge and the knowledge of people in your team, staff groups etc. describe how the proposal could impact on each group. Include both positive and negative impacts.

Proposals	Describe how this recommendation could impact on Racial groups	Evidence	Mitigation measures
<p>Reductions in opening hours (Battle, Caversham, Central, Palmer Park, Tilehurst, Whitley)</p>	<p>Note:</p> <ul style="list-style-type: none"> • The number of BME residents in each catchment has been included as a demographic indicator in determining needs/priorities for libraries in the Needs Assessment that was developed during the first phase of the Library Service review. This has therefore informed the development of recommendations. • In 2011, 25.3% of Reading residents were of Black or Minority Ethnicities. 8.8% of households in Reading had no occupants where English was the main language, and 14.5% of residents aged 3 and over spoke a main language other than English. • We would review responses to consultations carried out, noting that in 2015 there was not seen to be a significant difference in how questions were responded to based on ethnicity. 		
<p>a) Caversham Library</p>	<p>A reduction in staffing and opening hours may have some impact for all users, but may have a disproportionate impact on Black and Minority Ethnic groups.</p> <ul style="list-style-type: none"> • Restricted opening hours may impact access to books in community languages. • Restricted opening hours may exacerbate existing barriers to engagement with libraries. 	<p>In 2011, 11.51% of residents (3651) in the Caversham Library catchment area are of Black or Minority Ethnicities (less than half the borough average).</p>	<p>Opening times at libraries following changes in 2017 have been scheduled to ensure access for a range of different users, including school children and those that are working, with access on at least one evening and on Saturdays at all libraries.</p> <p>The proposals for Caversham would be informed by usage across the week, whilst applying the principles above.</p>

Proposals	Describe how this recommendation could impact on Racial groups	Evidence	Mitigation measures
b) Palmer Park Library	As above	<p>The Palmer Park Library catchment area is the most ethnically diverse of all Reading library catchment areas. In 2011, 37.87% of residents (3428) in the Palmer Park Library catchment area are of Black or Minority Ethnicities. This is well above the borough average.</p> <p>Rhymetime activities are particularly well attended by families with English as an additional language.</p>	<p>The hours needing reduction means either 2 half days or a full day of closure would be the most likely solutions.</p> <p>For Palmer Park, the opening would be driven by the hours when Reading College are able to support staffing costs, so other options are not available to consult on. The users of this library would be most affected.</p>
c) Central Library	As above	<p>In 2011, 34.86% of residents in the catchment area of Central Library were BME. The catchment area of Central Library is the second most ethnically diverse of the 7 library catchment areas identified and includes the greatest number of BME residents (16,205).</p> <p>As the hub of the network, Central Library also serves the borough as a whole, in addition to the immediate catchment area.</p> <p>Rhymetime activities are particularly well attended by families with English as an additional language</p>	<p>Central Library is within a maximum of 20 minutes journey time on public transport for many Reading households, 30 minutes for the vast majority, and 40 minutes for all remaining households. The changes to opening would, when put with other possible changes to opening, ensure a split of hours across the town.</p> <p>Changes proposed for Tilehurst, Battle and Whitley are in line with the principles to retain a spread of hours and ensure evening and Saturday opening, and maximise after school hours access.</p>
d) Tilehurst Library	As above	<p>In 2011, 12.5% of residents (2300) in the Tilehurst Library catchment area are of Black or Minority Ethnicities (less than half the borough average).</p>	<p>Citizenship study guides and practice tests, as well as language courses can now be accessed online, 24/7 and free</p>
e) Battle Library	As above	<p>In 2011, 31.21% of residents (5570) in</p>	

Proposals	Describe how this recommendation could impact on Racial groups	Evidence	Mitigation measures
		the Battle Library catchment area are of Black or Minority Ethnicities (more than the borough average).	of charge.
f) Whitley Library	As above	In 2011, 27.19% of residents (6427) in the Whitley Library catchment area are of Black or Minority Ethnicities (more than the borough average).	<p>E-books and e-magazines can be borrowed 24/7, free of charge, for 21 days from Reading's 'e-Library' - this offers a growing range of fiction, non-fiction and children's books available to read online, on a smart-phone or tablet and some e-readers.</p> <p>Books can be reserved online from the libraries catalogue. Books can also be ordered over the telephone or in branch. There is a 50p charge for requests for stock out of catchment (from another branch).</p> <p>Books can be renewed online and over the telephone, free of charge, as well as in branch.</p>

Proposals	Describe how this proposal could impact on Gender/Transgender (inc. pregnancy and maternity, marriage)	Evidence	Mitigation measures
Reductions in opening hours (Battle, Caversham, Central, Palmer Park, Tilehurst, Whitley)	<p>Note:</p> <ul style="list-style-type: none"> The number of lone parents in each catchment has been included as a demographic indicator in determining needs/priorities for libraries in the Needs Assessment that was developed during the first phase of the Library Service review. This has therefore informed the development of recommendations. During the first and second phase of public consultation in 2015, there was a higher proportion of female respondents than reflected in the resident population (69.4% and 69.1%, as opposed to 50%). Of responses to both phases of consultation feedback in 2015, it has also become apparent that a greater proportion of women (68.1% and 74.7%) reported visiting libraries with or on behalf of others (children, older and disabled people). 		
a) Caversham Library	<p>A reduction in opening hours may have some impact for all users, but may disproportionately affect women. While there is no significant disparity in gender populations in Reading, women appear to make up a greater proportion of library users and any disproportionate impact may be exacerbated by caring responsibilities.</p>	<p>In 2011, 679 lone parents with dependent children lived within the Caversham Library catchment area. 69% of respondents to the second phase of consultation reporting that they primarily use Caversham Library were female, whilst the remaining 31% were male.</p>	<p>Opening times at libraries following changes in 2017 have been scheduled to ensure access for a range of different users, including school children and those that are working, with access on at least one evening and on Saturdays at all libraries.</p>
b) Palmer Park Library	<ul style="list-style-type: none"> Women are more likely to be carers of either children or adults, and tend to be responsible for accompanying children or the person that they care for to the library. 	<p>In 2011, 176 lone parents with dependent children lived within the Palmer Park Library catchment area. 75% of respondents to the second phase of consultation reporting that they primarily use Palmer Park Library were female, whilst the remaining 25% were male.</p>	<p>The proposals for Caversham would be informed by usage across the week, whilst applying the principles above.</p> <p>The hours needing reduction means either 2 half days or a full day of closure would be the most likely solutions.</p>
c) Central Library	<p>Restricted access to libraries due to reduced opening hours could therefore conflict with other caring responsibilities and tasks. The impact</p>	<p>1,181 lone parents with dependent children live within the catchment area of Central Library. 62% of respondents to the second phase of consultation reporting that they</p>	<p>For Palmer Park, the opening would be driven by the hours when Reading College are able to support staffing costs, so other options are not available to consult on. The users of this library</p>

Proposals	Describe how this proposal could impact on Gender/Transgender (inc. pregnancy and maternity, marriage)	Evidence	Mitigation measures
	of this may be further exacerbated for lone parents who are more likely to be female.	primarily use Central Library were female, whilst the remaining 38% were male.	would be most affected.
d) Tilehurst library		In 2011, 565 lone parents with dependent children lived within the Tilehurst Library catchment area. 67% of respondents to the second phase of consultation reporting that they primarily use Tilehurst Library were female, whilst the remaining 33% were male.	Central Library is within a maximum of 20 minutes journey time on public transport for many Reading households, 30 minutes for the vast majority, and 40 minutes for all remaining households. The changes to opening would, when put with other possible changes to opening, ensure a split of hours across the town.
e) Battle library		In 2011, 793 lone parents with dependent children lived within the Battle Library catchment area. 77% of respondents to the second phase of consultation reporting that they primarily use Battle Library were female, whilst the remaining 23% were male.	Changes proposed for Tilehurst, Battle and Whitley are in line with the principles to retain a spread of hours and ensure evening and Saturday opening, and maximise after school hours access.
f) Whitley library		In 2011, 793 lone parents with dependent children lived within the Battle Library catchment area. 77% of respondents to the second phase of consultation reporting that they primarily use Battle Library were female, whilst the remaining 23% were male.	Citizenship study guides and practice tests, as well as language courses can now be accessed online, 24/7 and free of charge. E-books and e-magazines can be borrowed 24/7, free of charge, for 21 days from Reading's 'e-Library' - this offers a growing range of fiction, non-fiction and children's books available to read online, on a smart-phone or tablet and some e-readers. Books can be reserved online from the

Proposals	Describe how this proposal could impact on Gender/Transgender (inc. pregnancy and maternity, marriage)	Evidence	Mitigation measures
			<p>libraries catalogue. Books can also be ordered over the telephone or in branch. There is a 50p charge for requests for stock out of catchment (from another branch).</p> <p>Books can be renewed online and over the telephone, free of charge, as well as in branch.</p>

Proposals	Describe how this proposal could impact on Disability	Evidence	Mitigation measures
Reductions in opening hours (Battle, Caversham, Central, Palmer Park, Tilehurst, Whitley)	<p>Note:</p> <ul style="list-style-type: none"> The number of residents in each catchment reporting in the 2011 Census that their daily activities are limited by a long-term illness or disability has been included as a demographic indicator in determining needs/priorities for libraries in the Needs Assessment that was developed during the first phase of the Library Service review. This has therefore informed the development of recommendations. During the 2015 consultation, there was a higher proportion of respondents reporting a disability than reflected in the resident population (17.8% and 17.5%, as opposed to 12.9%). 3.7% of respondents to the 2015 consultation reported that they visit libraries with or on behalf of disabled persons, thereby indicating that there may be additional, indirect, use of library services by a wider group of disabled persons. 		
a) Caversham Library	A reduction in staffing and opening hours may have some impact for all users, and may disproportionately affect disabled people, including those with:	The table below shows the proportion of respondents to the first and second phase of consultation that reported using Caversham Library, as well as having a disability, against Census data for the	Opening times at libraries following changes in 2017 have been scheduled to ensure access for a range of different users, including school children and those that are

Proposals	Describe how this proposal could impact on Disability	Evidence	Mitigation measures						
	<ul style="list-style-type: none"> • Physical disabilities • Learning disabilities • Sensory loss • Mental health problems • Neurological conditions 	catchment area. <table border="1" data-bbox="999 189 1496 304"> <tr> <td>Phase One 2015</td> <td>15.4%</td> </tr> <tr> <td>Phase Two 2015</td> <td>11.8%</td> </tr> <tr> <td>2011 Census</td> <td>13.2%</td> </tr> </table> As shown in the table above, around the catchment average of disabled people therefore appear to use the library.	Phase One 2015	15.4%	Phase Two 2015	11.8%	2011 Census	13.2%	working, with access on at least one evening and on Saturdays at all libraries.
Phase One 2015	15.4%								
Phase Two 2015	11.8%								
2011 Census	13.2%								
b) Palmer Park Library	Individuals with caring responsibilities for disabled children or adults may also be disproportionately affected, as reduced opening hours could conflict with other caring responsibilities and tasks. A reduction in staffing levels may also impact the ability of some disabled users to make full use of the library service unassisted.	The table below shows the proportion of respondents to the first and second phase of consultation that reported using Palmer Park Library, as well as having a disability, against Census data for the catchment area. <table border="1" data-bbox="999 644 1480 836"> <tr> <td>Phase One 2015</td> <td>17.1%</td> </tr> <tr> <td>Phase Two 2015</td> <td>18%</td> </tr> <tr> <td>2011 Census</td> <td>9.2%</td> </tr> </table> As shown in the table above, more than the catchment average of disabled people therefore appear to use the library.	Phase One 2015	17.1%	Phase Two 2015	18%	2011 Census	9.2%	The proposals for Caversham would be informed by usage across the week, whilst applying the principles above. The hours needing reduction means either 2 half days or a full day of closure would be the most likely solutions. For Palmer Park, the opening would be driven by the hours when Reading College are able to support staffing costs, so other options are not available to consult on. The users of this library would be most affected.
Phase One 2015	17.1%								
Phase Two 2015	18%								
2011 Census	9.2%								
c) Central Library		The table below shows the proportion of respondents to the first and second phase of consultation that reported using Central Library, as well as having a disability, against Census data for the catchment area. <table border="1" data-bbox="999 1171 1480 1294"> <tr> <td>Phase One</td> <td>15.7%</td> </tr> <tr> <td>Phase Two</td> <td>15.7%</td> </tr> <tr> <td>2011 Census</td> <td>12.6%</td> </tr> </table> As shown in the table above, marginally above the catchment average of disabled people therefore appear to use the library.	Phase One	15.7%	Phase Two	15.7%	2011 Census	12.6%	Central Library is within a maximum of 20 minutes journey time on public transport for many Reading households, 30 minutes for the vast majority, and 40 minutes for all remaining households. The changes to opening would, when put with other possible changes to opening, ensure a split of hours across the town. Changes proposed for Tilehurst,
Phase One	15.7%								
Phase Two	15.7%								
2011 Census	12.6%								

Proposals	Describe how this proposal could impact on Disability	Evidence	Mitigation measures						
d) Tilehurst library		<p>The table below shows the proportion of respondents to the first and second phase of consultation that reported using Tilehurst Library, as well as having a disability, against Census data for the catchment area.</p> <table border="1" data-bbox="999 416 1496 531"> <tr> <td>Phase One</td> <td>15.9%</td> </tr> <tr> <td>Phase Two</td> <td>21.6%</td> </tr> <tr> <td>2011 Census</td> <td>15.5%</td> </tr> </table> <p>As shown in the table above, more than the catchment average of disabled people appear to use the library.</p>	Phase One	15.9%	Phase Two	21.6%	2011 Census	15.5%	<p>Battle and Whitley are in line with the principles to retain a spread of hours and ensure evening and Saturday opening, and maximise after school hours access.</p> <p>Citizenship study guides and practice tests, as well as language courses can now be accessed online, 24/7 and free of charge.</p> <p>E-books and e-magazines can be borrowed 24/7, free of charge, for 21 days from Reading's 'e-Library' - this offers a growing range of fiction, non-fiction and children's books available to read online, on a smart-phone or tablet and some e-readers.</p>
Phase One	15.9%								
Phase Two	21.6%								
2011 Census	15.5%								
e) Battle library		<p>The table below shows the proportion of respondents to the first and second phase of consultation that reported using Battle Library, as well as having a disability, against Census data for the catchment area.</p> <table border="1" data-bbox="999 871 1480 986"> <tr> <td>Phase One</td> <td>15.1%</td> </tr> <tr> <td>Phase Two</td> <td>13.2%</td> </tr> <tr> <td>2011 Census</td> <td>10.5%</td> </tr> </table> <p>As shown in the table above, more than the catchment average of disabled people appear to use the library.</p>	Phase One	15.1%	Phase Two	13.2%	2011 Census	10.5%	<p>Books can be reserved online from the libraries catalogue. Books can also be ordered over the telephone or in branch. There is a 50p charge for requests for stock out of catchment (from another branch).</p>
Phase One	15.1%								
Phase Two	13.2%								
2011 Census	10.5%								
f) Whitley library		<p>The table below shows the proportion of respondents to the first and second phase of consultation that reported using Whitley Library, as well as having a disability, against Census data for the catchment area.</p> <table border="1" data-bbox="999 1326 1480 1441"> <tr> <td>Phase One</td> <td>24.4%*</td> </tr> <tr> <td>Phase Two</td> <td>5%*</td> </tr> <tr> <td>2011 Census</td> <td>15.2%</td> </tr> </table>	Phase One	24.4%*	Phase Two	5%*	2011 Census	15.2%	<p>Books can be renewed online and over the telephone, free of charge, as well as in branch.</p>
Phase One	24.4%*								
Phase Two	5%*								
2011 Census	15.2%								

Proposals	Describe how this proposal could impact on Disability	Evidence	Mitigation measures
		*Note, the numbers of respondents reportedly using Whitley Library were extremely low, thereby accounting for significant variances.	

Proposals	Describe how this proposal could impact on Sexual orientation (cover civil partnership)	Evidence	Mitigation measures
Reductions in opening hours (Battle, Caversham, Central, Palmer Park, Tilehurst, Whitley)	No differential impacted is predicted on the grounds of sexual orientation.		The library service currently stocks, and will continue to stock, materials available to different groups. This includes literature which may hold greater appeal for LGBTQ groups. The service intends to maintain the diversity in available titles despite possible changes to the way in which the service is run and a reduced stock budget - reductions would be spread over stock areas.

Proposals	Describe how this proposal could impact on Age	Evidence	Mitigation measures
Reductions in opening hours (Battle, Caversham, Central, Palmer Park, Tilehurst, Whitley)	<p>Note:</p> <ul style="list-style-type: none"> The number of residents in each catchment aged 0-17 and 65+, as recorded in the 2011 Census, has been included as a demographic indicator in determining needs/priorities for libraries in the Needs Assessment that was developed during the first phase of the Library Service review. This has therefore informed the development of recommendations. During the 2015 consultation, there was a higher proportion of respondents aged 65+ and fewer respondents aged 0-24 than represented in the resident population. A review of Active Borrowers dates of birth at the point of 1/7/2017, showed that Active Borrowers were more representative of the Reading population as a whole (with a greater proportion of young people amongst Active Borrowers). However, Adults aged 25-64 and 65+ continue to be over represented amongst users. 30% of respondents to the 2015 consultation reported that they visit libraries with or on behalf of children aged 0-18 and 12% and 15% of respondents reported visiting with or on behalf of older persons, thereby indicating that there is additional, indirect, use of library services by a wider sample of these age groups. 		

Proposals	Describe how this proposal could impact on Age	Evidence	Mitigation measures
a) Caversham Library	<p>A reduction in opening hours may have some impact for all users, and may disproportionately affect families with children, and adults of working age.</p> <ul style="list-style-type: none"> A reduction in opening hours may see a reduction in the take-up of library services by school age children whose ability to access libraries is limited by attendance at school and college to afternoons and weekends in term time. A reduction in opening hours may also see a reduction in the take-up of library services by working age adults whose ability to access libraries is limited by work patterns. 	<p>The highest number of 65+ year olds of any library catchment area in the borough live within the catchment area for Caversham Library (5,060). 65+ year olds make up 16% of residents in the catchment, while 23% of residents are aged 0-17 years. From the age profile of active borrowers where 13% of borrowers are aged 0-15 and 33% are 65+. this implies that young people are under-represented amongst borrowers, and older people are over-represented.</p>	<p>Opening times at libraries following changes in 2017 have been scheduled to ensure access for a range of different users, including school children and those that are working, with access on at least one evening and on Saturdays at all libraries.</p> <p>The proposals for Caversham would be informed by usage across the week, whilst applying the principles above.</p> <p>The hours needing reduction means either 2 half days or a full day of closure would be the most likely solutions.</p> <p>For Palmer Park, the opening would be driven by the hours when Reading College are able to support staffing costs, so other options are not available to consult on. The users of this library would be most affected.</p> <p>Central Library is within a maximum of 20 minutes journey time on public transport for many Reading households, 30 minutes for the vast majority, and 40 minutes for all remaining households. The changes to opening would, when put with</p>
b) Palmer Park Library		<p>65+ year olds make up 7% of residents in the catchment, while 20% of residents are aged 0-17 years. From a review of the age profile of active borrowers, where 28% of borrowers are aged 0-15 and 15% are 65+, this implies that young people are over-represented and older people are under-represented.</p>	
c) Central Library		<p>Central Library's catchment area includes the highest number of 0-17 year olds (7,702). 0-17 year olds make up 17% of residents in the catchment, while only 7% are aged 65+. When considering active borrowers, young people are underrepresented (19% are aged 0-24) and older people are overrepresented (15% are aged 65+).</p>	
d) Tilehurst library		<p>65+ year olds make up 16% of residents in the catchment, while 23% of residents are aged 0-17 years. From a review of the age profile of active borrowers, where 11% of borrowers are aged 0-15 and 38% are 65+,</p>	

Proposals	Describe how this proposal could impact on Age	Evidence	Mitigation measures
		this implies that older people are over-represented while young people are under-represented.	other possible changes to opening, ensure a split of hours across the town.
e) Battle library		The joint highest proportion of 0-17 year olds of any library catchment area in the borough live within the catchment area for Battle Library. 65+ year olds make up 9% of residents in the catchment, while 25% of residents are aged 0-17 years. From a review of the age profile of active borrowers, where 19% of borrowers are aged 0-15 and 16% are 65+, this implies that the catchment and library usage are fairly balanced.	Changes proposed for Tilehurst, Battle and Whitley are in line with the principles to retain a spread of hours and ensure evening and Saturday opening, and maximise after school hours access. Citizenship study guides and practice tests, as well as language courses can now be accessed online, 24/7 and free of charge.
f) Whitley library		The joint highest proportion of 0-17 year olds of any library catchment area in the borough live within the catchment area for Whitley Library. 65+ year olds make up 10% of residents in the catchment, while 25% of residents are aged 0-17 years. From a review of the age profile of active borrowers, where 61% of borrowers are aged 0-15 and 9% are 65+, this implies that young people are over-represented amongst borrowers, and older people are under-represented	E-books and e-magazines can be borrowed 24/7, free of charge, for 21 days from Reading's 'e-Library' - this offers a growing range of fiction, non-fiction and children's books available to read online, on a smart-phone or tablet and some e-readers. Books can be reserved online from the libraries catalogue. Books can also be ordered over the telephone or in branch. There is a 50p charge for requests for stock out of catchment (from another branch). Books can be renewed online and over the telephone, free of charge,

Proposals	Describe how this proposal could impact on Age	Evidence	Mitigation measures
			as well as in branch.

Proposals	Describe how this proposal could impact Religious Belief	Evidence	Mitigation measures
Reductions in opening hours (Battle, Caversham, Central, Palmer Park, Tilehurst, Whitley)			The library service currently stocks, and will continue to stock, materials available to different groups. This includes literature which may hold greater appeal for users of various religious beliefs.
	There are no specific impacts anticipated for this category.		

Make a Decision

If the impact is negative then you must consider whether you can legally justify it. If not you must set out how you will reduce or eliminate the impact. If you are not sure what the impact will be you MUST assume that there could be a negative impact. You may have to do further consultation or test out your proposal and monitor the impact before full implementation.

Negative impact identified or uncertain

As outlined above, proposed changes, subject to consultation, to the library service at the 6 sites may result in some negative impacts upon certain protected groups.

Mitigation measures, as listed above, have also been designed in order to avoid or reduce any differential impacts. This EIA will be revised and reissued.

Signed (completing Officer)	Simon Smith	Date	February 2018
Signed (Lead Officer)	Sarah Gee	Date	February 2018

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	19 FEBRUARY 2018	AGENDA ITEM:	10
TITLE:	PROPERTY RATIONALISATION PROGRAMME		
LEAD COUNCILLOR:	COUNCILLORS LOVELOCK AND PAGE	PORTFOLIO:	LEADER & DEPUTY LEADER
SERVICE:	PROPERTY/CIVIC SERVICES	WARD:	BOROUGHWIDE
LEAD OFFICER:	GIORGIO FRAMALICCO /JAN SAGOO	TEL:	0118 937 2604 / 0118 937 2604
JOB TITLE:	HEAD OF PLANNING, DEVELOPMENT AND REGULATORY SERVICES /HEAD OF CIVIC SERVICES	E-MAIL:	giorgio.framalicco@reading.gov.uk jan.sagoo@reading.gov.uk

1.0 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides an update on progress of the property rationalisation programme and sets out proposals for Phase 2 of the programme. This includes proposals to invest in works to increase the capacity of the Civic Office and Whitley Health Centre to facilitate the co-location of Children's Services teams as part of the new Children's Company and enable the release of the Hamilton Centre for disposal.
- 1.2 The report also provides proposals to invest in the refurbishment and adaptation of 19 Bennet Road to improve the current utilisation and address significant maintenance liabilities in order to extend the asset life. The future of 2-4 Darwin Close will be considered in a future report later in the year.
- 1.3 The report further seeks spend approval and authority to enter in to contracts with the winning bidders on the above works.
- 1.4 An update is also provided on progress on works at the Town Hall and the Cemetery to facilitate the relocation of the Births, Deaths and Marriage Service to enable the release of Yeomanry House for disposal.
- 1.5 A report setting out the detailed costs of the programme has been submitted as a Part 2 report.

2.0 RECOMMENDED ACTION

It is the recommendation that the Policy Committee:

- 2.1 Approves £844k capital investment to the Civic Office and Whitley Health Centre to increase capacity and enable the co-location of Children's Services HQ teams within the Civic Office and the release of the Hamilton Centre for disposal.
- 2.2 Approves £5.76m capital investment for the refurbishment and adaptation of 19 Bennet Road to protect the ongoing revenue budget.
- 2.3 Approves the principle of the disposal of the Hamilton Centre subject to a marketing exercise and further report to this Committee.
- 2.4 Notes the proposal to report to this Committee on the future of 2-4 Darwin Close later in the year.
- 2.5 Notes the progress on:
 - the relocation of Births, Deaths and Marriage Service;
 - the proposed works at the Town Hall; and
 - the proposed works to Henley Road Cemetery to enable the release of Yeomanry House for disposal.
- 2.6 Notes the increased scope of works to the rationalisation of the Town Hall and the combining of previously approved spend approvals from the capital programme and planned maintenance budgets.
- 2.7 That Policy Committee notes the procurement proposals set out in this report and delegates to the Director of Environment and Neighbourhood Services in consultation with the Leader and deputy Leader, the Strategic Finance Director and the Head of Legal and Democratic Services the authority to enter into contracts with the winning bidder for the works to the Civic Offices, Town Hall, Cemetery, Whitley Health Building and 19 Bennet Road.

2.0 POLICY CONTEXT

- 2.1 Reading Borough Council's (RBC) Property Rationalisation Programme seeks to achieve optimised use of the property portfolio in order to facilitate asset disposals, achieve ongoing revenue savings and seek to ensure retained buildings meet appropriate standards. This is in line with the Corporate Plan 2016 - 2019 priorities including "remaining financially sustainable to deliver service priorities" and the Council's Asset Management Plan.
- 2.2 Policy Committee received a report in July 2016 concerning the rationalisation of the Council's operational property. A further report concerning Thamesbridge House was reported in April 2017. The proposals set out in this report build on those reports and associated decisions.

3.0 PROGRAMME OVERVIEW

3.1 The Council, working with Hampshire County Council (HCC) through the Reading Hampshire Property Partnership (RHPP), commissioned a review into further rationalisation of the office portfolio. The review established that, through increased utilisation, capacity could be created within key sites to allow the release of other assets for the purposes of obtaining capital receipts, ongoing revenue savings and avoidance of future maintenance costs. The programme has been split into several phases in order to maximise the opportunity for early savings, and these phases are summarised within the Part 2 papers.

4.0 PHASE 1

PHASE 1A

4.1 The initial Phase 1A focused on alteration works within the main Civic Office to relocate the Family Contact Centre from Amethyst Lane to provide improved facilities for the service and enable disposal of the site. To accommodate an increase in numbers of the Multi Agency Safeguarding Hub (MASH) team a larger, custom built space was created on the 1st floor. A new discrete reception area with three interview rooms was installed on the ground floor to allow for the relocation of the registration aspect of the Births, Deaths & Marriages (BDM) service from Yeomanry House as part of the wider strategy for the BDM service and disposal of that site. Some minor works were also undertaken at Emmer Green and the Avenue Centre to create additional office capacity.

4.2 The initial Phase 1A works were completed on time in April 2017.

4.3 An extension to the Morgan Sindall Overbury contract was agreed in April to incorporate further works at Thamesbridge to enable relocation of the New Directions team from the Caversham Centre and subsequent disposal of the Caversham Centre site.

4.4 The scope of works at Thamesbridge includes optimised office space and classrooms to accommodate the New Directions team. Works were completed on time for the start of term in September 2017.

4.5 Through the Phase 1A works, the Council has achieved an increase in building capacity as planned and created appropriate new spaces for further public facing services to operate from the single front-of house at the Civic Office. This phase of the programme facilitates the disposal of Amethyst Lane and the Caversham Centre and is part of the strategy that enables disposal of Yeomanry House at a later date, subject to the successful delivery of Phase 1B.

5.0 PHASE 1B - *Phase Summary*

5.1 Phase 1B focuses on intensification of use of the Town Hall & Museum. This programme seeks to relocate two elements of the Registration Service from Yeomanry House to the Town Hall & Museum and Henley Road Cemetery.

5.2 Works being undertaken for Phase 1B include:

Town Hall & Museum Intensification of Uses

5.3 The works planned for the Town Hall include relocation of the ceremonial element of the Registration Service, upgrade of the 3Bs café and improvements works and reconfiguration of the ground floor. The provision of a dedicated Berkshire Coroner's inquest room within the Victoria gallery on the second floor. This will require the relocation of the Victorian Classroom to Abbey Gate on completion of the conservation and restoration work.

5.4 In addition to the above the programme, where possible, includes any works that are planned for the building over the medium term. Therefore the scope of the project has increased to include the following:

- Planned maintenance works across the building upgrading the mechanical and electrical plant and improvements to the toilets across the building.
- To improve the buildings energy performance by insulating the loft spaces and applying solar film and undertaking draft proofing to the window.

5.5 Heritage Lottery Fund (HLF) have now approved the relocation of Victorian class room to Abbey Gate and the Abbey Revealed grant conditions will be amended to this effect.

5.6 This cost will be confirmed following the tendering exercise. The majority of the design work is now complete and the scheme benefits from a listed building consent.

5.7 The programme is currently on track to complete during Autumn 2018.

Relocation of Berkshire Family History Society (BFHS)

5.8 As set out in the previous policy report officers have continued to work with the BFHS to secure them alternative accommodation within Central Library and policy committee approved this move on the 12th June 2017.

Henley Road Cemetery - New Office building

5.9 The new building will deliver fit for purpose office accommodation, waiting room, sales suite and public toilets for the cemetery and a strong room and certification production area for the Registration Service. The design work has now been completed and now benefits from a planning approval. Faithful and Gould are currently completing the specification in preparation for a tender submission in the New Year.

5.10 This cost will be confirmed following the tendering exercise and this will commence in the New Year.

5.11 The works, which include the demolition of the existing public toilets, required a licence from Natural England due to the presence of bats. This has meant that the project will now commence in the Spring with works completing by the Autumn 2018.

6.0 PHASES 2A & 2B

6.1 Phases 2A&2B of the programme are focused on further increasing capacity in the Civic Office and the Whitley Health Centre in order to accommodate changes to the location of Children's Services staff and enable further capital receipts through the proposed disposal of the Hamilton Centre.

6.2 It is therefore recommended that approval be given to undertake works to the Civic Office and Whitley Health Centre to enable the co-location of Children's Services staff and support teams, which also facilitates the release of the Hamilton Centre for disposal. A further report would be sent to the Committee seeking formal disposal once a marketing exercise has been completed.

7.0 PHASE 2C

7.1 Phase 2C of the programme is focused on the opportunity to refurbish and adapt 19 Bennet Road in order to reduce ongoing revenue costs and future capital maintenance liabilities. It may also enable the possible future release of 2-4 Darwin Close, providing the opportunity to realise potential future capital receipts. This will be a matter of a future report to this Committee.

7.2 Following this initial assessment, a detailed options appraisal was undertaken to identify the optimum proposals for the refurbishment and adaptation of 19 Bennet Road that balance the provision of storage space, office accommodation and building condition improvements with investment costs.

7.3 The proposed option for refurbishment and adaptation of 19 Bennet Road includes expansion of the warehouse space on the ground floor, through removal of internal walls to create the required storage space, and an associated reduction and refurbishment of the mess and changing rooms. On the first floor, the proposal includes a refit and reconfiguration of the offices to provide additional desk capacity and increase utilisation. Condition improvement works, including the upgrade of the building services and replacement of windows, are also part of the proposals to ensure that the significant current maintenance liabilities and risks are addressed.

8.0 CONTRIBUTING TO STRATEGIC AIMS

8.1 The decision contributes to the following corporate aims:

- Remaining financially sustainable to deliver service priorities.

9.0 COMMUNITY ENGAGEMENT AND INFORMATION

9.1 For Phase 1B, changes to service provision resulting from these works will be widely advertised. All works subject to planning or listed building consent will include public consultation.

9.2 In relation to staff engagement, services continue to be consulted on the proposed staff moves and to shape changes to working practices.

9.3 The Project Team also continues to work with individual teams and regularly update directorate management teams.

10.0 EQUALITY IMPACT ASSESSMENT

10.1 A detailed Equality Impact Assessment in respect of the Operational Accommodation review was undertaken and attached as Appendix B of the Policy Committee Report 18 July 2016.

11.0 LEGAL IMPLICATIONS

11.1 Procurement for all the works will be in line with the Council's Standing Orders

11.2 The Council's Head of Legal & Democratic Services will draft the necessary documentation required to enter into a contract with the winning bidders for each scheme.

11.3 Once completed the suite of Registration spaces will be presented to the General Register Office for approval.

12.0 FINANCIAL IMPLICATIONS

12.1 The estimated cost of the proposed Phase 2A & 2B works required to enable the co-location of Children's Services teams and release of the Hamilton Centre is £844k. The costs of the works would be funded by the Council's Capital Programme from the 2018/19 allocation.

12.2 Hamilton will also achieve a net revenue saving of building budget circa £80k. A marginal uplift in running costs to the Civic Office has been estimated at £5k annually. In addition the Council would avoid future capital maintenance liability costs assessed at circa £46k per annum.

Phases 2A&B Financial Summary		
1.	Capital Investment	£844,150
2.	Savings	
i)	Forecast annual running cost saving	£75,000
ii)	Estimated annual maintenance cost avoidance	£52,000

12.3 For Phase 2C, the proposed option requires a £5.76m capital investment in 19 Bennet Road which includes £1.2m to address the existing maintenance liability. The possible operational release of Darwin Close could realise an annual running cost saving of £135k. In addition, this could avoid future maintenance liability costs assessed at circa £168k per annum.

Phases 2C Financial Summary		
1.	Capital Investment	£5,760,000
2.		
i)	Forecast annual running cost saving	£135,000
ii)	Estimated annual maintenance cost avoidance	£167,500

12.4 The total expenditure on Phase 2 will therefore be £6.604m. A provision of £311k has been included in the 2019/20 MTFS as some of the expenditure may not be capital expenditure. Capital Finance of £6.293m is included in the draft capital programme over the next two years.

12.5 In addition the £188k annual income for Modern Records in Darwin Close and the £70k annual income from the Museum Loan Box Service would be retained.

13. BACKGROUND PAPERS

Policy Committee reports submitted July 2016, May and June 2017.

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	19 FEBRUARY 2018	AGENDA ITEM:	11
TITLE:	PROJECT FUNDING AWARDS - C-ITS AND SMART CITY CLUSTER		
LEAD COUNCILLOR:	TONY PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	TRANSPORTATION & STREETCARE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	SIMON BEASLEY	TEL:	0118 937 2228
JOB TITLE:	NETWORK & PARKING MANAGER	E-MAIL:	simon.beasley@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to inform the Committee of two capital funding awards for transport-related projects (Co-operative Intelligent Transport Systems (C-ITS) and Smart City Cluster) and to seek spend and scheme approval, and delegated authority to enter into a contract with the most economically advantageous tenderer in accordance with the Public Contracts Regulations 2015 approval to deliver the project objectives.
- 1.2 Details of both projects were submitted to the Traffic Management Sub-Committee meeting on 11th January 2018 where members of the Sub-committee endorsed a recommendation to Policy Committee for spend approval.
- 1.3 Appendix 1 - Traffic Management Sub-Committee report

2. RECOMMENDED ACTION

- 2.1 That the Committee notes the report.
- 2.2 That the Committee accepts the recommendation made by Traffic Management Sub-Committee on 11 January 2018 and grants scheme and spend approval for both awards (C-ITS £250K, Smart City Cluster £1.73M), totalling £1.98M of grant funding to deliver the objectives of the two projects.

2.3 That delegated authority is given to the Head of Transportation & Streetcare, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, the Head of Legal & Democratic Services and the Head of Finance to enter into such various contracts as are required to deliver the project objectives.

3. POLICY CONTEXT

3.1 The proposals are in line with Reading Borough Council's Local Transport Plan (LTP3) and current central government and local government policies. The transport elements of both projects meet our current traffic management policies and standards.

4. BACKGROUND, PROPOSALS AND RECOMMENDATIONS

4.1 This report informs the Committee of two capital funding awards for transport related projects; Co-operative Intelligent Transport Systems (C-ITS) and Smart City Cluster. Detail of both projects is detailed with the Traffic Management Sub-committee report of 11th January 2018 attached at Appendix 1.

4.2 The Traffic Management Sub-committee approved a recommendation to Policy Committee (19th February 2018) to grant spend approval of both awards in order to deliver the objectives of both projects.

4.3 Policy committee is also asked to grant scheme approval to both schemes with delegated authority to enter into a contract with the most economically advantageous tenderer in accordance with the Public Contracts Regulations 2015 approval to deliver the project objectives.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 These proposals contribute to the Council's corporate priorities of:

- Safeguarding and protecting those that are most vulnerable
- Providing the infrastructure to support the economy
- Keeping the town clean, safe, green and active.
- Remaining financially sustainable to deliver these service priorities

These proposals also contribute to developing Reading as a Green City with a sustainable environment and economy at the heart of the Thames Valley.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 Both projects require community engagement for them to be successful. The funding awards encourage community involvement with opportunities to get involved through competition funding.

7. LEGAL IMPLICATIONS

- 7.1 Procurement of the smart city platform including WPWAN, Backhaul and the Open Data Server will build on existing contracts where possible and economically advantageous.
- 7.2 Where it is not possible to integrate these projects into existing contracts a full procurement process will be undertaken in accordance with the Councils Contract Procedure Rules, and where appropriate the Public Contract Regulations 2015, with contracts awarded on the basis of the most economically advantageous tender received.
- 7.3 It will be necessary to enter into formally signed contracts with the successful tenderers of each project.
- 7.4 Allocation of the grant funding through competition will be based directly on the approach used in previous challenge funds and will be executed through current procurement procedures. Match funding which we will base on Innovate UK guidance.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 In addition to the Human Rights Act 1998 the Council is required to comply with the Equalities Act 2010. Section 149 of the Equalities Act 2010 requires the Council to 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.
- 8.2 The Council does not consider that the proposals will have a direct impact on any groups with protected characteristics. However, this will be reviewed as a part of the project implementation and assessed throughout as appropriate.

9. FINANCIAL IMPLICATIONS

- 9.1 Both projects are capital grant awards as detailed within this report and Appendix. These projects are explicitly capital grant funded from the DfT and the LEP and there are no implications for existing Council budgets and the Council's financial position. Procurement and challenge funding is explained in section 7. LEGAL IMPLICATIONS.

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	TRAFFIC MANAGEMENT SUB-COMMITTEE		
DATE:	11 JANUARY 2018	AGENDA ITEM:	14
TITLE:	PROJECT FUNDING AWARDS - C-ITS AND SMART CITY CLUSTER		
LEAD COUNCILLOR:	TONY PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	TRANSPORTATION & STREETCARE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	SIMON BEASLEY	TEL:	0118 937 2228
JOB TITLE:	NETWORK & PARKING MANAGER	E-MAIL:	simon.beasley@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report informs the Sub-committee of two capital funding awards for transport related projects; Co-operative Intelligent Transport Systems (C-ITS) and Smart City Cluster.
- 1.2 The C-ITS project award is £250K direct from the Department of Transport (DfT). The Smart City Cluster award is £1.73M and funded via the Thames Valley Berkshire Local Enterprise Partnership (LEP).
- 1.3 The C-ITS project has a total project cost of £337.5K with the additional £87.5K match funding from EU projects and Reading Buses. The Smart City Cluster is not match funded so the total budget is £1.73M however there is a challenge fund element to the project where additional external funding is a requirement.
- 1.4 A summary of both projects is included within this report.
- 1.5 The Sub-committee is asked to support an officer recommendation to Policy Committee (19th February 2018) to grant spend approval of both awards in order to deliver the objectives of both projects.

2. RECOMMENDED ACTION

- 2.1 That the Sub-Committee notes the report.
- 2.2 That the Sub-committee is asked to support an officer recommendation to Policy Committee in February for spend approval of both awards (C-ITS £250K, Smart City Cluster £1.73M) totalling £1.98M of grant funding to deliver the objectives of the two projects.

3. POLICY CONTEXT

- 3.1 The proposals are in line with Reading Borough Council's Local Transport Plan (LTP3) and current central government and local government policies. The transport elements of both projects meet our current traffic management policies and standards.

4. BACKGROUND, PROPOSALS AND RECOMMENDATIONS

- 4.1 This report informs the Sub-committee of two capital funding awards for transport related projects; Co-operative Intelligent Transport Systems (C-ITS) and Smart City Cluster.
- 4.2 The C-ITS project award is £250K direct from the Department of Transport (DfT). The Smart City Cluster award is £1.73M and funded via the Thames Valley Berkshire Local Enterprise Partnership (LEP).
- 4.3 The C-ITS project has a total project cost of £337.5K with the additional £87.5K match funding from EU projects and Reading Buses. Cooperative systems better enable network managers to properly balance all transport modes to improve the overall highway network efficiency. This proposal looks to improve street works information, parking information and highway network optimisation to the benefit of all road users within the context of sustainable transport policies.
- 4.4 This C-ITS project will deliver a new data engine linked to the Universal Transport Management & Control (UTMC) system which will anticipate the data from the rollout of C-ITS units in vehicles and enhance the use of public transport C-ITS. It will also demonstrate the potential of bicycle C-ITS in intersection management.
- 4.5 The C-ITS £250K funding award is matched with EU project funding from the SIMON and EMPOWER projects as well a contribution from Reading Buses resulting in a total project cost of £337.5K. The full business case submission complete with project costs is provided on the Reading Borough Council website at:

<http://www.reading.gov.uk/transport-schemes-and-projects>

4.6 The Smart City Cluster project is a two year £1.73m smart city project which is being funded through a capital grant from the Thames Valley Berkshire Local Economic Partnership. There is no requirement for match funding and there is no direct cash funding required to be secured from other sources. However, this award is expected to promote additional external funding as explained in 4.9 and 4.10.

4.7 The purpose of the project is threefold:

- To deliver a smart city communications and data platform to enable the development and application of Internet of Things (IoT) technology across Reading, Bracknell, Newbury and West Berkshire;
- To deliver smart city solutions that address local authority/city challenges around transport, energy, assisted living and the environment through two challenge fund calls;
- To create a cross authority/cross sector steering group which can further the development of the smart city agenda in the region and create further investment opportunities.

4.8 The smart city platform will consist of:

- A Low Powered Wide Area Network (LPWAN) across Reading, Bracknell, Wokingham and West Berkshire. LPWAN is a low cost platform which is designed for IoT sensors which only individually transfer small amounts of data. For example the disabled bay parking studs in Reading sit on a propriety LPWAN solution which enables all 80 studs to communicate directly to a single base station and because it is low powered, batteries in the studs can last for 5 years. Through installing a LoRa Network (the IoT platform promoted by the digital catapult) and SigFOX, a commercial platform we will be covering the main platforms for IoT development and there is industry interest in commercially developing solutions off these platforms.
- Traffic Signal Smart communication devices - It will be possible to switch the monitoring of a large number of signal communications from broadband to LoRa. The expected communications revenue saving will more than cover the ongoing revenue costs associated with the operation and maintenance of the LoRa network, ensuring a reliable well maintained network on to which others can build.

- A33 Wireless Communications Backhaul. A replacement of ageing equipment on the A33 corridor to the south of Reading which will also form part of the LoRa backhaul.
- Smart Data Platform building on Reading Borough Council's open data platform (currently transport data only) to enable sharing of information between different smart systems.

4.9 Smart applications will be delivered on the platform through the award of Challenge Funds to business. These will be grant funds which will be let through two rounds of competition and will require in-kind contribution from the applicants. Competitions will be around transport, energy, assisted living and the environment and the details of these calls will be determined by a steering group such that they address real city challenges. In addition, there will be some direct procurement of smart technologies including air quality monitors.

4.10 The formation of the steering group is also a key outcome from the project and its role will be threefold,

- to provide the necessary governance for the delivery of the £1.73m investment,
- as a knowledge exchange platform to optimise the potential smart city opportunities,
- as a platform to identify and steer public and private funding investment to help ensure that the project's delivery is much larger than the actual value of the LEP investment.

4.11 The Sub-committee is asked to support an officer recommendation to Policy Committee (19th February 2018) to grant spend approval of both awards in order to deliver the objectives of both projects.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 These proposals contribute to the Council's strategic aim to:

- Safeguarding and protecting those that are most vulnerable
- Providing the infrastructure to support the economy.
- Keeping the town clean, safe, green and active.
- Remaining financially sustainable to deliver these service priorities

These proposals also contribute to developing Reading as a Green City with a sustainable environment and economy at the heart of the Thames Valley.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 Both projects require community engagement for them to be successful. The funding awards encourage community involvement with opportunities to get involved through competition funding.

7. LEGAL IMPLICATIONS

- 7.1 Procurement of the smart city platform including WPWAN, Backhaul and the ODS will build on existing contacts or use standard government frameworks.
- 7.2 Allocation of the grant funding through competition will be based directly on the approach used in previous challenge funds and will be executed through current procurement procedures. Match funding which we will base on Innovate UK guidance.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 In addition to the Human Rights Act 1998 the Council is required to comply with the Equalities Act 2010. Section 149 of the Equalities Act 2010 requires the Council to 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.

- 8.2 The Council does not consider that the proposals will have a direct impact on any groups with protected characteristics. However, this will be reviewed as a part of the project implementation and assessed throughout as appropriate.

9. FINANCIAL IMPLICATIONS

- 9.1 Both projects are capital grant awards as detailed within this report. Procurement and challenge funding is explained in section 7. LEGAL IMPLICATIONS

10. BACKGROUND PAPERS

- 10.1 None

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF EDUCATION, CHILDREN AND EARLY HELP SERVICES

TO:	POLICY COMMITTEE		
DATE:	19 FEBRUARY 2018	AGENDA ITEM:	12
TITLE:	SCHOOL ADMISSIONS ARRANGEMENTS 2019/20		
LEAD COUNCILLOR:	CLLR TONY JONES	PORTFOLIO:	EDUCATION
SERVICE:	EDUCATION	WARDS:	BOROUGHWIDE
LEAD OFFICER:	CHRIS KIERNAN	TEL:	01189373666
JOB TITLE:	HEAD OF EDUCATION	E-MAIL:	Chris.kiernan@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

1.1 This report invites the Committee to determine:

- The admissions arrangements for Community Primary Schools in Reading for the school year 2019/20 (Appendix A);
- The co-ordinated scheme for Primary and Junior schools for the 2019/20 school year (Appendix B);
- The co-ordinated scheme for Secondary schools for the 2019/20 school year (Appendix C);
- The 'Relevant Area' which sets out the organisations that must be consulted on admissions arrangements for schools in Reading (Appendix D);
- Maps of the catchment areas (Appendix E).

1.2 These arrangements for 2019/20 comply with the School Admissions Code 2014.

2. RECOMMENDED ACTION

2.1 Policy Committee is recommended to determine the scheme attached at Appendices A and B as the admissions arrangements for community schools in Reading and the local arrangements for complying with the national co-ordinated primary school admission procedures for the allocation of primary school places for residents of Reading Borough.

2.2 Policy Committee is recommended to determine the scheme attached at Appendix C as the local arrangements for complying with the national coordinated secondary admissions procedure for the allocation of secondary school places for residents of Reading Borough.

2.3 Policy Committee is recommended to determine the relevant area as attached in Appendix D which sets out the organisations that must be consulted for any admissions arrangements for schools in Reading.

3. POLICY CONTEXT

3.1 School admissions are subject to detailed requirements, set out in law and particularly the School Admissions Code 2014, published by the Government and approved by Parliament. As part of those requirements, local authorities must draw up schemes for co-ordinating admissions to all maintained schools in their area. The purpose of co-ordinated schemes is to ensure that every parent/carer of a child living in Reading who has completed and submitted an on-time application receives one offer of a school place at the conclusion of the normal admissions round. The schemes set out a process and timescale to enable the offer of a single school place. They do not affect the right of individual admission authorities to set and operate their own admission arrangements but they do include arrangements for resolving multiple offers, where a place can be offered at more than one school.

3.2 In addition, the Council is also required to determine the admission policy for community schools which includes the number of places to be made available at each school and the oversubscription criteria to be applied where there are more applicants than places available. Where the over-subscription criteria include catchment areas these must also be approved. The governing bodies of academies, free schools, voluntary aided and foundation schools are required to determine their own admission number and oversubscription criteria. Those schools also operate their own arrangements as part of the coordinated scheme - and where they are oversubscribed, continue to decide which applicants best meet their oversubscription criteria.

3.3 During January and February 2015 the Council consulted with neighbouring authorities, individual schools within Reading and on the borders of Reading that are their own admissions authorities and diocesan authorities for the 2016/2017 community school policy. The local community were consulted by making the policy available on the Council website. The School Admission Forum at their meeting on 26 March 2015 considered all responses to the consultation and the policies as presented reflect the Forum's discussions and decisions. There have been no significant changes to the policy since that time and therefore the decision not to consult on these policies complies with the School Admissions Code 2014.

4. THE PROPOSAL

4.1 Admission Policy for Community Primary, Infant and Junior Schools 2019-2020.

The policy has no significant changes from the proposals for 2018/19, which were agreed by Policy Committee on 13 February 2017.

4.2 Primary and Secondary School Co-ordinated schemes

These schemes have been amended to reflect appropriate dates. Both policies were approved on the previous consultation for 2016/17 entry and there are no significant changes, the only addition is dates on which the late offers will be made, to provide clarity for parents.

4.3 Relevant Area

The Relevant area outlines the organisations that must be consulted by all schools in Reading when consulting on admissions policies.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The admission schemes contribute to the aims of establishing Reading as a Learning City and a stimulating and rewarding place to live and visit and to promote equality and social inclusion.

6. EQUALITY IMPACT ASSESSMENT

6.1 An Equality Impact Assessment (EIA) is not relevant to this decision.

7. LEGAL IMPLICATIONS

7.1 Compliance with School Admissions Code (2014).

8. FINANCIAL IMPLICATIONS

8.1 None arising directly from this report.

9. BACKGROUND PAPERS

9.1 None.



ADMISSION POLICY FOR COMMUNITY INFANT, JUNIOR AND PRIMARY SCHOOLS 2019-2020

Reading Borough Council is the Admission Authority for Community Schools and the following policy is proposed for admissions to these schools in 2019/2020.

Cohort

Applications for children born between 1-9-2014 and 31-8-2015 will be considered for admission to a reception class 2019-2020 as part of the 2019/20 routine admission round.

Applications for admission to junior schools in September 2019 will be considered for those born between 1.9.2011 and 31.8.2012.

Admission of children outside the normal age to Reading Borough Council Community Primary Schools

Parents may seek a place for their child outside of their normal age group, for example, if the child is gifted and talented or has experienced problems such as ill health. In addition, the parents of a summer born child may choose not to send that child to school until the September following their fifth birthday and may request that they are admitted out of their normal age group – to reception rather than year 1 in September 2020.

Reading Borough Council as the Admission Authority for community primary schools will consider each case individually and make a decision in every case that is in the best interest of the child, taking into account

- The parents'/carers' views;
- Information about the child's academic, social and emotional development from their current setting;
- The child's medical history and the views of a medical professional (where relevant);
- Whether they have previously been educated out of their normal age group;
- Whether they may naturally have fallen into a lower age group if they had not been born prematurely.

In each case the Headteacher of the school to which the parents are seeking admission will be consulted and their views will be taken into account.

Where the request is for a summer born child to start school in a reception class in September 2019, then the parents'/carers' reasons will be carefully considered and if they are confident it is in the best interest of their child to start school for the first time when they are five then this will be the deciding factor if the other evidence is balanced. In circumstances where professionals have significant concerns the request may not be approved.

To request a child's admission is delayed to start in September 2020 parents/carers must apply in writing giving their reasons and supply any supporting documents i.e. information from their child's education setting or medical evidence. At the same time they are recommended to make an

APPENDIX A

application for a reception place, in the normal way for September 2019 by 15 January 2019 so that the application can be forwarded to the headteacher(s) for consideration. Each case will be carefully considered and parents/carers will be informed of the decision in writing, before the national offer day, setting out clearly the reasons for the decision. If the request is agreed then parents should formally accept this and, if so, the application submitted for September 2019 will be withdrawn before a place is offered and a new application must be submitted for September 2020. Parents will not be made aware of the school they would have been allocated before the decision is accepted or declined. The decision made by Reading Borough Council is not binding on any other Admission Authority and therefore schools may come to different decisions based on the evidence. If refused, parents must decide whether to accept the offered place for Reception 2019 or refuse it and make an in year application for Year 1 in September 2020.

Over-Subscription Criteria for Community Primary and Infant Schools

Children with a statement of special educational needs or Education, Health and Care Plan (EHC) that names the school will be allocated a place above all other children.

The Oversubscription Criteria take no account of the parents'/carers' order of preference and applications for each school named by the parents/carers will be ranked according to the criteria set out below if there are more applications than places available.

Category		Notes
1	Looked after Children in the care of a Local Authority or Children who were looked after but ceased to be so because they were adopted (or became subject to a child arrangement order or special guardianship order) immediately after they had been looked after.	Provided appropriate evidence is submitted – See Note 1
2	Children who have strong medical or social grounds for admission.	See Note 2
3	Children whose permanent home address is in the catchment area of the school and have a sibling at the school at the time of application who is expected to be attending the school when the child is due to start school.	This category may apply in other circumstances - See Notes 3 and 4.
4	Children whose permanent home address is in the catchment area of the school.	
5	Children whose permanent home address is not in the catchment area of the school but have a sibling at the school at the time of application who is expected to be attending the school when the child is due to start school.	See Note 4
6	Children in receipt of Early Years Pupil Premium (EYPP) at the time application who attends the nursery unit at the school	
7	Other Children	

Priority within the Over-subscription criteria

Within each of the above categories 1-5 and 7, priority will be given to children who are in receipt of

APPENDIX A

the Early Years Pupil Premium (EYPP) or Pupil Premium (PP) at the time of application. To be considered for this priority parents/carers will be required to complete a Supplementary Information Form which **must be endorsed by the child's current school or nursery** confirming that they receive Early years or pupil premium for the child. This form must be completed and returned to the admissions team prior to 2nd February 2019 in order to be awarded this priority on time for the routine admissions round, any applications received later than this date will be awarded the priority after the 1st May 2019.

Over-Subscription Criteria for Community Junior Schools – Geoffrey Field Junior School

Children with a statement of special educational needs or Education, Health and Care Plan (EHC) that names the school will be allocated a place above all other children.

The Oversubscription Criteria take no account of the parents'/carers' order of preference and applications for each school named by the parents/carers' will be ranked according to the criteria set out below if there are more applications than places available.

Older siblings still attending the linked junior school will be considered as siblings for admission to the infant school.

Category		Notes
1	Looked after Children in the care of a Local Authority or Children who were looked after but ceased to be so because they were adopted (or became subject to a child arrangement order or special guardianship order) immediately after they had been looked after.	Provided appropriate evidence is submitted – See Note 1
2	Children who have strong medical or social grounds for admission.	See Note 2
3	Children whose permanent home address is in the catchment area of the school and have a sibling at the school, or Geoffrey Field Infant School at the time of application who is expected to be attending the school when the child is due to start school.	This category may apply in other circumstances - See Notes 3 and 4.
4	Children whose permanent home address is in the catchment area of the school	
5	Children whose permanent home address is not in the catchment area of the school but have a sibling at the school or Geoffrey Field Infant School at the time of application who is expected to be attending the school when the is due to start school.	See Note 4
6	Children who are attending Geoffrey Field Infant School at the time of application.	
7	Other Children.	

Priority within the over-subscription criteria

Within each of the above categories 1-5 and 7, priority will be given to children who are in receipt of Pupil Premium (PP) at the time of application. To be considered for this priority, parents /carers will be required to complete a Supplementary Information Form which must be endorsed by the child's current school or nursery confirming that they receive pupil premium for the child. This form must

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be completed and returned to the admissions team prior to 2nd February 2019 in order to be awarded this priority on time for the routine admissions round, any applications received later than this date will be awarded the priority after the 1st May.

Notes relating to the above over-subscription criteria.

Note 1 – Category 1 – Looked After Children and Previously Looked After Children

A 'Looked After' child is a child who a) in the care of a local authority, or b) being provided with accommodation by a local authority in the exercise of their social services functions as defined in Section 22(1) of the Children Act 1989 at the time of making an application for a school place.

A previously 'Looked After' child is a child who was looked after, but has been adopted or became subject to a child arrangement order or special guardianship order immediately following having been 'Looked After'. Confirmation by the local authority that last looked after the child that the child was looked after immediately prior to the issuing of one of the following orders:

These are children adopted under the Adoption Act 1976 (Section 12) and children adopted under the Adoption and Children's Act 2002 (Section 46).

The Children and Families Act 2014 amended the Children Act 1989 and replaces residence orders with child arrangement orders.

Confirmation from the Local Authority that the child is in care or was in care from the Local Authority that last looked after the child must be submitted to the School Admission Team.

Note 2 – Category 2 Medical / Social Reasons

Children with a chronic medical condition or strong social grounds in the family will be considered in this category provided a written request from a professional (i.e. Educational Psychologist, Social worker, Doctor) supporting the child or family is submitted. The request must state that the named school is the only school for the child because of the medical or social reasons of the child or family and that no other school can meet their needs. It is not enough for the professional to report what the parent/carer has told them.

In addition this category includes children who are subject to a child arrangement order or special guardianship order awarded to a family member in order to prevent the child being taken into care by a Local Authority. A copy of the order must be provided.

No individual officer will take responsibility for determining whether a case is ranked category. A panel of officers will make the final decision. Evidence must be provided by 2nd February 2019 to be considered as on time for national offer day. If evidence is received by the team after this date then it is at the discretion of the panel as to whether to accept these documents for on time allocations. The admissions team will not prompt parents to send evidence to support admission under this category but they may ask for further evidence if this is required to make a decision. If evidence is received before the 2nd February 2019 then parents will be informed, in writing, before national offer day as to whether this has been granted. This is not a guarantee of a place at a particular school.

Note 3 – Category 3 – Siblings

Children whose home address is in the former catchment area of a school and have a sibling at the school and that sibling was admitted to the school from the same address will be treated as category 3 of the over-subscription.

Note 4 – Category 3 – Siblings

If parents/carers applied for a place at their catchment area school for their child and it was not possible to offer a place at that school because the school was over-subscribed a sibling protection applies. Where the child was admitted to a lower preference Reading community primary school, or allocated a place by the authority at an alternative Reading community primary school the application for any younger siblings for that school will be treated as catchment area and considered as category 3. Parents/carers must inform the Admission Team at the time of application if they consider this exemption applies.

Catchment area

The catchment area of the schools can be seen from attached maps. These are a guide only. Exact catchment area information for individual address can be found on Reading Borough Council's website.

Tiebreaker

If a school does not have enough places for all children in a particular category, places will be allocated to those living nearest the school. The distance is measured in miles as a straight line between the Ordnance Survey data point for the child's home address and the school using Reading Borough Council digital mapping software. This distance is measured to three decimal places. In the rare event that it is not possible to decide between the applications of those pupils who have the same distance measurement then the place will be offered using random allocation. A member of Committee services staff for Reading Borough Council will supervise the selection process.

Multiple births (twins, triplets etc.)

Places are offered according to the oversubscription criteria, In the event that this would result in splitting multiple birth families, in the majority of cases the other child/children will be offered a place. In very exceptional circumstances, where the admission of more than one additional child to the year group causes prejudice to the provision of efficient education and efficient use of resources it may not be possible to offer all multiple birth children a place.

In the event that siblings with a different date of birth, but in the same year group, are split by the over-subscription criteria, during Key Stage 1, if admission would take a class over 30 (up to and including Year 2) – one child will be offered a place, selected by random selection which will be made in the presence of a representative of Reading Borough Council's Committee services. It is open to the parents to decline this offer and seek places for all their children at another school or suggest the place is given to one of the other siblings. The other sibling(s) name(s) will put on the waiting list. If the admission is in Key Stage 2 or admission of the other siblings will not contravene infant class size regulations then each case will be considered and in most cases the other child/children will be offered a place provided the admission will not prejudice the provision of efficient education and efficient use of resources.

Parent/Carers

A parent/carer is any person who has parental responsibility or care of the child. Parental responsibility for a child is set out in the Children Act 1989.

Home address

Is the permanent address of the parent/carer and their child. In cases where the child lives at a different address for some days of the week this must be the address where the child spends the majority of their school week. Temporary addresses cannot be used to obtain a school place whilst retaining a previous permanent home within Reading unless evidence is produced to show that this address is no longer available to the family i.e. the property has been rented out. Where an

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application has been submitted which shows a new temporary address, evidence of a rental agreement of at least a year that goes beyond 1 September 2019 will be required. Where a family claims, or it is evident that, a child is resident at more than one address, justification and evidence of the family's circumstances (e.g. legal separation) will be required. Reading Borough Council reserves the right to seek additional evidence of proof of address including the use of the data held by Reading Borough Council Tax.

The home address should be the child's current address and is assumed to be the address on the national offer day. Any change of address after submitting the application must be notified to the Admissions Team at Reading Borough Council and the application will be reviewed using the new address. Any place offered based on misleading information with the intention of deception or fraud concerning a permanent home address will have the place withdrawn.

Siblings

Siblings are older siblings for purposes of admission criteria during the routine admission rounds, except those for Geoffrey Field Junior School which will consider a younger sibling at Geoffrey Field Infant School. In year applications will consider any siblings but not a sibling attending the nursery class of a school.

Siblings are children who have either the same mother or father, or they are children who live together in a family unit and with their parent/carer(s). Siblings must live at the same permanent home address as each other. If children do not live at the same address, then they are not treated as siblings for the purposes of admission.

Deferring a Place

There is a legal requirement to offer a full-time place to every child whose parents wish to take up that option from the September following a child's fourth birthday. Places offered in a Reading school are on a full-time basis from September 2019 as a "rising 5" admission. Children do not need to be in statutory education until the September, January or April after their fifth birthday. When children are offered "rising 5" places, parent/carers may defer the place until January 2020 or April 2020 or until their child reaches statutory school age whichever is earlier, but may not defer after April 2020 as admissions beyond that are in the next school year. Parents will then need to re-apply for a place in Year 1, which may not have any places because the places will have been allocated to children in the previous year as part of the routine admissions round.

Part Time Admissions

If parents/carers consider it is in their child's best interest to attend school on a part-time basis their request will be considered. If parents choose this option they cannot insist on part-time provision that is individually tailored to their needs. They will be offered a minimum of 15 hours spread over every morning or similar depending on what meets the school's needs. Parents/carers must discuss this with the Headteacher of the allocated school to agree the best arrangements.

Waiting Lists

After 16th April 2019 'waiting lists' will be created for Reading schools where it has not been possible to offer a place at the parents/carers first or a higher preference school to the school offered. A child's position on the waiting list is determined according to the over-subscription criteria and will be re-ranked when new children are added to the list as a result of late applications or change of preference. When a place becomes available this will be offered to the next child on the waiting list. After the 1 September 2019 children identified for placement as part of the Fair Access Protocol can be placed above those on the waiting list. Positions on the waiting lists may go up or down due to pupil withdrawals, new or revised applications. Reading Borough Council will keep waiting lists until end of July 2020 (End of Term 6 for reception classes). After this date the waiting lists will be abandoned. Parents/carers must then re-apply for a place in Year 1 as an In Year

Admissions application if they are still interested in obtaining a place for their child.

Returning Crown Servants and Armed Forces Personnel

Families of crown servants returning from overseas to live in the Reading borough or applicants relocating in the armed forces may apply for a place in advance of their move provided the application is accompanied by an official letter confirming the posting to the UK and the expected relocation date. A school will be offered in advance of a move and held until the appropriate time. If the schools listed on an application form are oversubscribed, the family will need to provide an address in order to be ranked accordingly. Where a parent is unable to provide confirmation of a relocation address, an indication of the area may be provided, narrowed down as far as possible, to which the family intend to return. Preferences will be processed but applications will be considered under criterion 7 (other children) until the parent is able to provide confirmation of the new address such as proof of exchange of contracts or a signed rental agreement. If a place cannot be offered at a preferred school; an alternative school will be offered and the right of appeal for a place at the preferred schools will be advised. It is the responsibility of parents to keep the school admissions team informed of any changes to their planned address during the application process.

In Year Admission Arrangements for the school year 2018-19.

Parents/carers seeking admission for their child into Year 1 – Year 6 in a community primary school in Reading Borough must apply to Reading Borough Council. Parents/carers may apply direct to some Voluntary- Aided or Academy schools in the Borough but the majority of these schools have opted to be part of the coordinated admission arrangements and application are normally submitted to the Admission Team at Reading Borough Council. A list of those schools to which a direct application is necessary is available from the Reading Borough Council website.

If there is a place in the parents'/carers' preferred school the place will be allocated but if there are more applications than places available the over-subscription criteria, as outlined above will apply and the places allocated to the child with the highest priority. Remaining applicants will be added to the waiting list which will also be ranked according to the oversubscription criteria. Children allocated according to the Fair Access Protocol will take precedent over children on the waiting list.

Children new to the area or have moved within the borough will be able to start at the school as soon as possible after their move. If the request is to move schools within the Borough without a house move the children will normally be expected to start at the beginning of the following term.

Waiting lists for admission to Year 1-Year 6 will be held until 31 December 2018 after which parents/carers must reapply for their child to remain on the waiting list until July 2019. The waiting list will be abandoned after July 2019 and parents/carers must re-apply if they are still seeking a place for September 2019.

Appeals

If it is not possible to offer a place at the preferred school(s) parents/carers will be advised of their right of appeal

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Admissions Numbers – Reading community infant, junior and primary schools.

The following are the proposed admission numbers for 2019.

School	September 2018 - Admission Number
Alfred Sutton Primary	90
Caversham Park Primary	30
Caversham Primary	60
Coley Primary	30
Emmer Green Primary	60
EP Collier Primary	60
Geoffrey Field Infant	90
Geoffrey Field Junior	90
Katesgrove Primary	90
Manor Primary	45
Micklands Primary	60
Moorlands Primary	60
Oxford Road Community	30
Park Lane Primary	60
Redlands Primary	30
Southcote Primary	90
St Michael's Primary	60
Thameside Primary	60
The Hill Primary	60
The Ridgeway Primary	90
Whitley Park Primary School	90
Wilson Primary	60



Co-ordinated Admissions Scheme for Primary, Infant and Junior Schools for Reading Borough Council for the 2019/20 academic year.

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Introduction

This Scheme is made under section 88m of the Standards and Framework Act 1998 and in accordance with the School Admissions (Admissions Arrangements and Co-ordination of admissions arrangements (England) Regulations 2014. The Scheme is not substantially different to that determined in the previous academic year and therefore has been determined without the need for prior consultation.

The purpose of this co-ordinated scheme for primary/infant/junior school admissions is to ensure that every parent/carer, of a child **resident in Reading Borough**, who has submitted an application, receives **one offer** of a school place at the conclusion of the normal admissions round. At its heart is clear communication between Reading Borough Council, other Local Authorities, community, and all state schools in Reading.

Parents/carers who live in the Borough of Reading **must** submit an application to Reading Borough Council if they require a place for their child in any state school as part of a routine admissions round, including schools in other local authorities, academies and free schools. Applications cannot be submitted to a school or to the local authority in which the school is situated. Parent/carers living in the area of another Local Authority must apply to that authority.

Co-ordination with Reading Borough does not affect the right of individual admission authorities to set and operate their own admission arrangements. Admission authorities for Reading schools will need to comply with the timetable set out below.

These arrangements deal mainly with a child's first admission to school during the school year from September 2019 to August 2020. The children concerned are those born between 1 September 2014 and 31 August 2015. The place offered is a full-time place from September 2019.

Admission to Junior Schools in September is for children born between 1 September 2011 and 31 August 2012.

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Applications

Reading Borough Council will put in place procedures that, as far as possible, ensure that all parents/carers living in the Borough of Reading with a child eligible to start school in September 2019 will be aware of the application process. Children on roll at a Reading nursery school/early years setting in September 2018 will receive an information pack in November 2018.

Children living in Reading and attending an infant school will be sent information about the application process for admission to a Junior School.

Parents/carers are encouraged to apply online via the Reading Borough Council website. The site will be open from **13 November 2018 until 15 January 2019**.

Parents/carers will be invited to list four schools as their preferences and rank them in priority order. Parents/carers may also give reasons for their preferences. Parents may list any state schools, including those outside of the Local Authority; this includes Academies, Voluntary Aided and Voluntary Controlled Schools.

The Reading Borough Council's application form and the online terms and conditions will include a statement requiring parents to confirm that they have read the Guide for Parents and Carers and accept the policies and procedures in that document.

Parents/Carers should return their completed forms directly to the school admissions team at Reading Borough Council.

Where, as part of its admission arrangements, a school requires additional information, Parents/carers may also choose to complete a supplementary form to support their application. This should be submitted separately to the school. The Guide for Parents and Carers will identify the Reading schools for which this may be necessary. Supplementary forms will be available from Reading Borough Council's website. Supplementary forms are not applications and parent/carers must submit an application to Reading Borough Council either on the common application form or online.

National Closing Date is **15 January 2019**.

Late Applications

Applications received after the closing date will be treated as a 'late' application. However, applications that are received late for a good reason will be treated as on time if received before **2 February 2019**. Such good reasons might be if illness prevented a single parent/carer from returning the form on time; or the family moved into Reading after the closing date. The reason for lateness must be supported by documentary evidence to confirm the reasons specified.

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If no evidence is provided it will be assumed that an application could have been made by the closing date and it will be treated as a late application and considered after all on time applications have been allocated.

Applications received late for any reason after 2 Feb 2019 will be passed to the appropriate admission authority in Reading or to the appropriate Local Authority **after May 2019** to be considered. Parents/carers will be informed about the outcome of their application as soon as possible. Applications for over-subscribed schools will be added to the waiting lists of the schools and ranked according to the over-subscription criteria of the school(s).

Offers from applications received after national offer day will be made on the last working day of the month, considering all applications received 5 working days beforehand.

Changes of preference

Changes of preference made in writing by parents/carers and received before 15 January 2019 by the Admissions Team will be accepted. On-line applications can be changed up to 15 January 2019.

Changes of preference received in writing after **15 January 2019** will be treated as late applications in the way described above. Change of preferences received after **15 January 2019 and before 2 February 2019** will only be accepted as 'on time' if there is good reason i.e. family move home or family circumstances change. The reason for the change must be supported by documentary evidence to confirm the reasons specified. If no evidence is provided the application will be treated as late.

After **1 May 2019** late change of preferences will be passed to the appropriate admission authority in Reading or to the appropriate Local Authority to be considered.

Change of Address

As required by the school admissions code 2014 – changes of address made before the after **15th January and before 2nd February 2019** will be considered as on time. If an applicant changes address after **the 2nd February 2019** they will need to submit a new application, based on the new address which will be marked as late and their previous application will be withdrawn. Documentary evidence of the change of address will be required

Processing Applications

Exchange of information

By **9 February 2019**, the Admissions Team at Reading Borough Council will forward applications to other local authorities and admission authorities in Reading. Other Local Authorities will forward applications to Reading for their residents to be considered for Reading schools.

Depending on the arrangements agreed with the Governing Body of each school, the Admission Team will provide the school with relevant information to enable them to rank against the their over-subscription criteria by **9 February 2019**. Reading Borough Council will not pass on the details of where the school was ranked, and no school will be told about other schools a parent has applied for.

Between **9 February 2019 and 8 March 2019**, each admission authority in Reading will rank the applications according to their published over-subscription criteria and return the ranked list to the Admissions Team. By **9 March 2019** each admission authority in Reading will provide the Admission Team with a list of all the applications ranked according to the over-subscription criteria.

Resolving multiple offers

From **23 March 2019 to 4 April 2019** Reading Borough Council will inform other Local Authorities of offers that can be made in Reading schools for their residents. During the exchange of information Reading Borough Council will consider all cases where parents can be offered more than one of their preferences. In all cases, the place offered will be at the school that is the parent's/carer's higher preference.

Where a place can be offered at none of the schools for which the parent/carer expressed a preference, a place will be offered at the designated area school if there are places available or otherwise at the nearest Reading school with available places – if this is at a school where Reading Borough Council is not the admission authority then this will be in consultation with the governing body of the school. If the nearest school with places is a faith school, parents/carers will be offered this as an option but another school, with vacancies, further away from the home will be offered. If there are no places available at any Reading schools, parents will be informed and alternative schools not in Reading Borough may be offered depending on availability and agreement from the appropriate admission authority. This will not preclude parents from requesting an alternative school nor from lodging an appeal with the admission authority for their preferred school.

Informing schools

By **12 April 2019** the Admissions Team will send to each Reading primary school a list of pupils who will be offered a place at their school. This will be confidential to the school and must not be passed onto the parents/carers.

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Informing Parents

On **16 April 2019** offer letters will be posted to all parents/carers living in Reading Borough Council who submitted an on time application offering a primary school place for their child in a primary/infant school. The letter will identify if the offer is made on behalf of the governing body of a school or another Local Authority. The letter will inform parents

- The school offered
- Information on school transport
- How to accept a school place. The deadline for accepting school places for 2019 entry is **30 April 2019**.
- Information about the right to defer admission to a later term and option for part-time provision

If the school offered is not the first preference, parents will also be supplied with the following information;

- How the places have been allocated at over-subscribed schools in Reading.
- How to submit an appeal.
- If the place offered is not the highest preference school(s) then parents will be informed that their child's name will be registered on the waiting list(s) of **all of** the school(s) for which a place was not offered. Parents are required to inform Reading Borough Council if they do not wish their child's name to remain on a waiting list.
- Contact information for other Local Authorities.

Parents/carers who submitted an online application will receive an email and be able to view their offer **on 16 April 2019**, this email is for information only as the letter posted is the formal offer of the school place.

Waiting Lists

After 1 May 2019 a 'waiting list' will be administered if a school has more applicants than places available. A child's position on the waiting list is determined according to the over-subscription criteria of the school. When a place becomes available this will be offered to the next child on the waiting list. Positions on the waiting lists may go up or down due to pupil withdrawals or new revised applications. Places will be allocated from the waiting list and a child's current allocation for a lower preference school will be removed and allocated to another student, if appropriate. It is the responsibility of the parent to inform the admissions team if they no longer wish to remain on a waiting list of a school. It will be assumed that parents wish to remain on the waiting list of all schools listed as a higher preference than the allocated school.

Waiting lists for all schools in Reading Borough will be kept until the end of the **31 December 2019**. After this date the policy of the individual school(s) will be followed. After the Co-ordinated admissions round ends on 31st August 2019 any waiting list will be treated as an in year admission and will follow the individual policy of the school.

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Withdrawing a place

If the place is not accepted within a reasonable time after the **30 April 2019** then Reading Borough Council will send a reminder and allow a further seven days for a reply. After that date the place will be withdrawn. If the place has been offered based on fraudulent or intentionally misleading information which denied the place to another child then the place will be withdrawn.

Requests for admission outside the normal age group

Parents may seek a place for their child outside of their normal age group, to be admitted to reception rather than year 1 in September 2020. Applicants should submit an application on the common application form by 15th January 2019. Parents should outline their reasons for the request and supply any supporting documents (e.g. information from their child's education setting or medical evidence) to the school admissions team as soon as possible. The application will be forwarded to the head teachers of the listed schools for consideration. Each case will be carefully considered by the admissions authority and parents/carers will be informed of the decision in writing, before the national offer day, setting out clearly the reasons for the decision. If the request is agreed then parents must formally accept this and, if so, the application submitted for September 2019 will be withdrawn before a place is offered and a new application must be submitted for September 2020. Parents will not be made aware of the school they would have been allocated before the decision is accepted or declined.

Requests for schools outside Reading will be referred to the council in whose area the school is for consideration under that council's scheme.

One admission authority cannot be required to honour a decision made by another admission authority on admission out of the normal age group. Therefore if an application for 2020 entry lists different schools to the application withdrawn in 2019 then this may need to be forwarded to different admissions authorities for consideration. If this is the case then supporting evidence will need to be resubmitted.

In Year Admissions

Parents/carers seeking admission for their child into Year 1 – Year 6 in a primary school in Reading Borough must apply to Reading Borough Council. Parents/carers may apply direct to some Voluntary-Aided, Academy or free schools in the Borough but the majority of these schools have opted to be part of the co-ordinated admission arrangements and application are normally submitted to the Admission Team at Reading Borough Council. A list of those schools to which a direct application is necessary is available from the Reading Borough Council website. Where a school listed is in another local authority the parent will be advised to apply directly to that Local Authority and the application for that school will follow the relevant local authorities' scheme

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Timetable for the Primary School Admissions Round 2019-20

<u>Action</u>	<u>Date</u>
Guide for parents and carers to be placed on Reading Borough Council Website.	By 12 September 2018
Parents/carers to receive application information	By 13 November 2018
Online admissions site open	13 November 2018 – 15 January 2019
National Closing date for receipt of applications	15 January 2019
Late/change of preference applications accepted for good reasons	2 February 2019
Application details sent to Voluntary Aided schools in Reading and other Local Authorities.	By 9 February 2019
Deadline to publish appeal timetable on school website	28 February 2019
Own Admissions Authority schools to provide RBC Admissions Team with a list of children ranked according to the schools over-subscription criteria	By 9 March 2019
Reading Borough Council to inform other Local Authorities of offers that can be made to their residents in Reading schools.	From 23 March 2019
Final Co-ordination.	By 4 April 2019
Reading Primary Schools sent list of children to be offered a place.	By 12 April 2019
Offer Day - Offer letters posted to Reading residents.	16 April 2019
Online applicants can view outcome of application.	16 April 2019
Deadline for parents to accept.	30 April 2019
Closing date for receipt of appeals	15 May 2019
Late applications for over-subscribed schools added to the waiting lists/change of preferences processed.	From 1 May 2019
Co-ordination with other LA's ends	31st August 2019
Waiting Lists held for Reading schools	Until at least 31 st December 2019

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Timetable for the Infant to Junior School Admissions Round 2019-20

<u>Action</u>	<u>Date</u>
Guide for parents and carers to be placed on Reading Borough Council Website.	By 12 September 2018
Parents/carers to receive application information	November 2018
Online admissions site open	13 November 2018 – 15 January 2019
National Closing date for receipt of applications	15 January 2019
Late applications/Change of preference/Change of Address applications accepted for good reasons	Up to 2 February 2019
Application details sent to own admissions authority schools in Reading and other Local Authorities.	By 9 February 2019
Deadline to publish appeal timetable on School website	28 February 2019
Own Admissions Authority Junior schools to provide RBC Admissions Team with a list of children ranked according to the schools over-subscription criteria.	By 9 March 2019
Reading Borough Council to inform other Local Authorities of offers that can be made in Reading Junior Schools to their residents.	From 23 March 2019
Final Co-Ordination.	By 4 April 2019
Reading Junior Schools sent list of children to be offered a place.	By 12 April 2019
Offer Day - Offer letters posted to Reading residents.	16 April 2019
Online applicants can view outcome of application.	16 April 2019
Deadline for parents to accept.	30 April 2019
Closing date for receipt of appeals	15 May 2019
Late applications for over-subscribed schools added to the waiting lists/change of preferences processed.	From 1 May 2019
Co-ordination ends	31st August 2019



**Co-ordinated Admissions Scheme for Secondary Schools for
Reading Borough Council for the 2019/20 academic year.**

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Introduction

This Scheme is made under section 88 of the Standards and Framework Act 1998 and in accordance with the School Admissions (Admissions Arrangements and Co-ordination of admissions arrangements (England) Regulations 2014). The Scheme is not substantially different to that determined in the previous academic year and therefore has been determined without the need for prior consultation.

The purpose of this co-ordinated scheme for secondary school admissions is to ensure that every parent/carer, of a child **resident in Reading Borough**, who has submitted an application, receives **one offer** of a school place at the conclusion of the normal admissions round. At its heart is clear communication between Reading Borough Council, other Local Authorities, community, and all state schools in Reading. The scheme sets out a process and timescale to enable the offer of a single school place. It does not affect the right of individual admission authorities to set and operate their own admission arrangements, except where they are required to comply with the timetable set out here. As all schools in Reading are foundation, voluntary aided or academy schools so the Governing Body of each school will consult, if necessary and determine separately on admission arrangements for September 2019.

Parents/carers who live in the Borough of Reading **must** submit an application to Reading Borough Council if they require a place for their child in any state secondary school as part of a routine admissions round, including schools in other local authorities, academies and free schools. Applications cannot be submitted to a school or to the local authority in which the school is situated. Parent/carers living in the area of another Local Authority must apply to that authority.

These arrangements deal mainly with a child's admission to secondary school during the school year from September 2019 to August 2020. The children concerned are typically those born between 1 September 2006 and 31 August 2007. The place offered is a full-time place from September 2019.

Applications

Reading Borough Council will put in place procedures that, as far as possible, ensures that all parents/carers living in the Borough of Reading with a child eligible to start secondary school in September 2019 will be aware of the application process. Eligible children living in Reading will receive an information pack in September 2018. Children who attend Reading Schools but who are not resident in Reading will be advised to apply to their home Local Authority.

Parents/carers are encouraged to apply online via the Reading Borough Council website. The site will be open from **12 September 2018 until 31 October 2018**.

Parents/carers will be invited to list four schools as their preferences and rank them in priority order. Parents/carers may also give reasons for their preferences. Parents may list any state schools, including those outside of the Local Authority, this includes Academies, Voluntary Aided and Voluntary Controlled Schools.

Reading Borough Council's application form and the online terms and conditions will include a statement requiring parents to confirm that they have read the Guide for Parents and Carers and accept the policies and procedures in that document.

Parents/Carers should return their completed forms directly to the school admissions team at Reading Borough Council. Those attending Reading schools may return the paper form to the school.

Where, as part of its admission arrangements, a school requires additional information, parents/carers may also choose to complete a supplementary form to support their application. This should be submitted separately to the school. The Guide for Parents and Carers will identify the Reading schools for which this may be necessary. Supplementary forms will be available from Reading Borough Council's website. Supplementary forms are not applications and parent/carers must submit an application to Reading Borough Council either on the common application form or online.

National Closing Date is **31 October 2018**.

Late Applications

Applications received after the closing date will be treated as a 'late' application. However, applications that are received late for a good reason will be treated as on time if received on or before **31 December 2018**. Such good reasons might be if illness prevented a single parent/carer from returning the form on time; or the family moved into Reading after the closing date. The reason for lateness must be supported by documentary evidence to confirm the reasons specified. If no evidence is provided it will be assumed that an application could have been made by the closing date and it will be treated as a late application and considered after all on time applications have been allocated.

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Applications received late for any reason after 31 December 2018 will be passed to the appropriate admission authority in Reading or to the appropriate Local Authority **after 15 March 2019** to be considered. Parents/carers will be informed about the outcome of their application as soon as possible. Applications for over-subscribed schools will be added to the waiting lists of the schools and ranked according to the over-subscription criteria of the school(s).

Offers from applications received after national offer day will be made on the last working day of the month, considering all applications received 5 working days beforehand.

Changes of preference

Changes of preference made in writing by parents/carers and received before **31 October 2018** by the Admissions Team will be accepted. On-line applications can be changed up to **31 October 2018**.

Changes of preference received in writing after **31 October 2018** will be treated as late applications in the way described above. Change of preferences received between **1 November 2018 and 31 December 2018** will only be accepted as 'on time' if there is good reason i.e family move home or family circumstances change. The reason for the change must be supported by documentary evidence to confirm the reasons specified. If no evidence is provided it will be treated as a late application.

After **15 March 2019** late change of preferences will be passed to the appropriate admission authority in Reading or to the appropriate Local Authority to be considered.

Change of Address

As required by the school admissions code 2014 – changes of address made **between 1 November 2018 and 31 December 2018** will be considered as on time. If an applicant changes address after the 31 December 2018 they will need to submit a new application, based on the new address which will be marked as late and their previous application will be withdrawn. Documentary evidence of the change of address will be required.

Processing Applications

Exchange of information

By **21 November 2018**, the Admissions Team at Reading Borough Council will forward applications to other local authorities and admission authorities in Reading. Other Local Authorities will forward applications to Reading for their residents to be considered for Reading schools.

APPENDIX C

Depending on the arrangements agreed with the Governing Body of each Reading school the Admission Team will provide the school with relevant information to enable them to rank against their over-subscription criteria **by 5 December 2018**. Reading Borough Council will not pass on the details of where the school was ranked, and no school will be told about other schools a parent has applied for.

Between **5 December 2018 and 23 January 2019**, each admission authority in Reading will rank the applications according to their published over-subscription criteria and return the ranked list to the Admissions Team. By **23 January 2019** each admission authority in Reading will provide the Admission Team with a list of all the applications ranked according to the over-subscription criteria.

Resolving multiple offers

From **30 January 2019 to 13 February 2019** Reading Borough Council will inform other Local Authorities of offers that can be made in Reading schools for their residents. During the exchange of information Reading Borough Council will consider all cases where parents can be offered more than one of their preferences. In all cases, the place offered will be at the school that is the parent's/carer's higher preference.

Where a place can be offered at none of the schools for which the parent/carer expressed a preference, a place will be offered at the designated area school if there are places available or otherwise at the nearest Reading school with available places. This will be done in consultation with the governing body of the school. If the nearest school with places is a faith school, parents/carers will be offered this as an option but another school, with vacancies, further away from the home will be offered. If there are no places available at any Reading schools, parents will be informed and alternative schools not in Reading Borough may be offered depending on availability and agreement from the appropriate admission authority. This will not preclude parents from requesting an alternative school nor from lodging an appeal with the admission authority for their preferred school.

Informing schools

By **26 February 2019** the Admissions Team will send to each Reading secondary school a list of pupils who will be offered a place at their school. This will be confidential to the school and must not be passed onto the parents/carers.

Informing Parents

On **1 March 2019** offer letters will be posted to all parents/carers living in Reading Borough Council who submitted an on time application offering a Secondary school place for their child from the first day of the school term in September 2018. The offer will be made on behalf of appropriate admission authority. The letter will inform parents:

- The school offered
- Information on school transport
- How to accept a school place offered. The deadline for accepting school places for 2018 entry is **15 March 2019**.

If the school offered is not the first preference, parents will also be supplied with the following information;

APPENDIX C

- How the places have been allocated at over-subscribed schools in Reading.
- How to submit an appeal.
- If the place offered is not the highest preference school(s) then parents will be informed that their child's name will be registered on the waiting list(s) of **all of** the school(s) for which a place was not offered (except Grammar Schools if the parents did not pass the admissions test). Parents are required to inform Reading Borough Council if they do not wish their child's name to remain on a waiting list.
- Contact information for other Local Authorities.

This information will also be available on the Reading Borough Council Website.

Parents/carers who submitted an online application will receive an email and be able to view their offer **on 1 March 2019**, this email is for information only as the letter posted is the formal offer of the school place.

Waiting Lists

After 1 May 2018 a 'waiting list' will be administered if a school has more applicants than places available. A child's position on the waiting list is determined according to the over-subscription criteria of the school. When a place becomes available this will be offered to the next child on the waiting list. Positions on the waiting lists may go up or down due to pupil withdrawals or new revised applications. Places will be allocated from the waiting list and a child's current allocation for a lower preference school will be removed and allocated to another student, if appropriate. It is the responsibility of the parent to inform the admissions team if they no longer wish to remain on a waiting list of a school. It will be assumed that parents wish to remain on the waiting list of all schools listed as a higher preference than the allocated school. Waiting lists for all schools in Reading Borough will be kept until the end of the 31 December 2018. After this date the policy of the individual school(s) will be followed. After the Co-ordinated admissions round ends on 31st August 2018 any waiting list will be treated as an in year admission and will follow the individual policy of the school.

Withdrawing a place

If the place is not accepted within a reasonable time after the **15 March 2019** then Reading Borough Council will send a reminder and allow a further seven days for a reply. After that date the place will be withdrawn. If the place has been offered based on fraudulent or intentionally misleading information which denied the place to another child then the place will be withdrawn.

Requests for admission outside the normal age group

In exceptional circumstances applications may be received for children who may not be in the school year appropriate to their age. Where this arises, the schools requested will consider the circumstances of each case. Applications for these children will normally be processed with all other children, and these children will be permitted to enter their allocated secondary school.

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Applicants should submit an application on the common application form by 31st October 2018. Parents should outline their reasons for the request and supply any supporting documents (e.g. information from their child's education setting or medical evidence) to the school admissions team as soon as possible. The application will be forwarded to the head teachers of the listed schools for consideration. Each case will be carefully considered by the admissions authority and parents/carers will be informed of the decision in writing, before the national offer day, setting out clearly the reasons for the decision.

Requests for schools outside Reading will be referred to the council in whose area the school is for consideration under that council's scheme.

One admission authority cannot be required to honour a decision made by another admission authority on admission out of the normal age group. Therefore if an application for 2019 entry lists different schools to the application withdrawn in 2018 then this may need to be forwarded to different admissions authorities for consideration. If this is the case then supporting evidence will need to be resubmitted.

Transgender Students

Where a transgender pupil wishes to apply for a single sex school, they must do so in the normal way, outlined in this policy by completing the Common Application Form. Reading Borough Council will co-ordinate these admissions but it is for the admissions authority of the school(s) listed on the application to make a decision on the case. If a place is refused parents will be notified of their right of appeal.

In Year Admissions.

Parents/carers seeking admission for their child into Year 7 – Year 11 in a secondary school in Reading Borough must apply to Reading Borough Council. Parents/carers may apply direct to some schools in the Borough but the majority of schools have opted to be part of the co-ordinated admission arrangements and applications are normally submitted to the Admission Team at Reading Borough Council. A list of those schools to which a direct application is necessary is available from the Reading Borough Council website. Where a school listed is in another local authority the parent will be advised to apply directly to that Local Authority and the application for that school will follow the relevant local authorities scheme.

Timetable for the Secondary School Admissions Round 2019-20

APPENDIX C

Action	Date
Parents/carers to receive application information Guide for parents and carers to be placed on Reading Borough Council Website.	By 12 September 2018
Online admissions site open	12 September 2018
National Closing date for receipt of applications	31 October 2018
Late applications/Change of preference /Changes of Address accepted for good reasons	By 31 December 2018
Application details sent to other Local Authorities.	21 November 2018
Application details to be sent to Schools	5 December 2018
Own Admissions Authority schools to provide Reading Borough Council Admissions Team with a list of children ranked according to the schools over-subscription criteria	By 23 January 2019
Reading Borough Council to inform other Local Authorities of offers that can be made to their residents in Reading schools.	From 30 January 2019
Final co-ordination.	By 13 February 2019
Reading Secondary Schools sent list of children to be offered a place.	By 26 February 2019
Offer Day - Offer letters posted to Reading residents.	1 March 2019
Online applicants can view outcome of application.	1 March 2019
Deadline for parents to accept.	15 March 2019
Closing date for receipt of appeals	29 March 2019
Late applications for over-subscribed schools added to the waiting lists/change of preferences processed	From 16 March 2019
Co-ordination with other LA's ends	31 st August 2019
Waiting Lists held for Reading schools	Until at least 31 st December 2019



Relevant Area.

The School Standards & Framework Act 1998 requires Local Authorities to establish Relevant Area(s) for admission policy consultations. The Relevant Area is the area in which admission authorities must consult with schools regarding their proposed admission arrangements before finalising them.

The Education Act 2002 requires the Local Authority to consult on and review its Relevant area every two years. The following relevant area was determined by Reading Borough Council in 2017 as follows

1. Reading Borough Council will consult on admission arrangements for primary/infant and junior schools with

- Headteachers and Governing Bodies of all schools in Reading Borough
- Neighbouring Local Authorities – Oxfordshire County Council, West Berkshire Council and Wokingham Borough Council
- Diocesan Authorities - Oxford Church of England Diocese, Portsmouth and Birmingham Catholic Diocese
- All Academies, Voluntary Aided or Foundation Secondary Schools within 8 kilometres (5 miles) of Reading Borough border
- All Academies, Voluntary Aided or Foundation primary/junior/infant schools within 3.2 kilometres (2 miles) of the Reading Borough border

2. Having first consulted with the appropriate Diocese, **primary** Voluntary Aided schools must consult with:

- Reading Borough Council
- All primary/infant and junior and maintained nursery schools in Reading Borough
- Neighbouring Local Authorities – Oxfordshire County Council, West Berkshire Council and Wokingham Borough Council
- All Academies, Voluntary Aided or Foundation primary/junior and infants schools outside Reading Borough within 3.2 kilometres (2 miles) of the school

3. Primary Academies and Foundation and Trust schools must consult with

- Reading Borough Council
- All primary/infant/junior and maintained nursery schools in Reading Borough

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- Neighbouring Local Authorities – Oxfordshire County Council, West Berkshire Council and Wokingham Borough Council
- All Academies, Voluntary Aided or Foundation primary/junior and infants schools outside Reading Borough within 3.2 (2 miles) kilometres of the school

4. Secondary Academies and Foundation schools must consult with:

- Reading Borough Council
- All primary/junior and secondary schools within Reading Borough
- Neighbouring Local Authorities – Oxfordshire County Council, West Berkshire Council and Wokingham Borough Council
- All Academies, Voluntary Aided or Foundation Secondary Schools within 8 kilometres (five miles) of Reading Borough border
- All Academies, Voluntary Aided or Foundation primary/junior schools within 3.2 kilometres (2 miles) of the Reading Borough border

5. Having first consulted with the appropriate Diocese, **Secondary** Voluntary Aided schools must consult with:

- Reading Borough Council
- All primary/junior and secondary schools within Reading Borough
- Neighbouring Local Authorities – Oxfordshire County Council, West Berkshire Council and Wokingham Borough Council
- All Academies, Voluntary Aided or Foundation Secondary Schools within 8 kilometres (5 miles) of Reading Borough border
- All Academies, Voluntary Aided or Foundation primary/junior schools within 3.2 kilometres (2 miles) of the Reading Borough border

Primary School Catchment Areas:

Central and East Reading



Legend

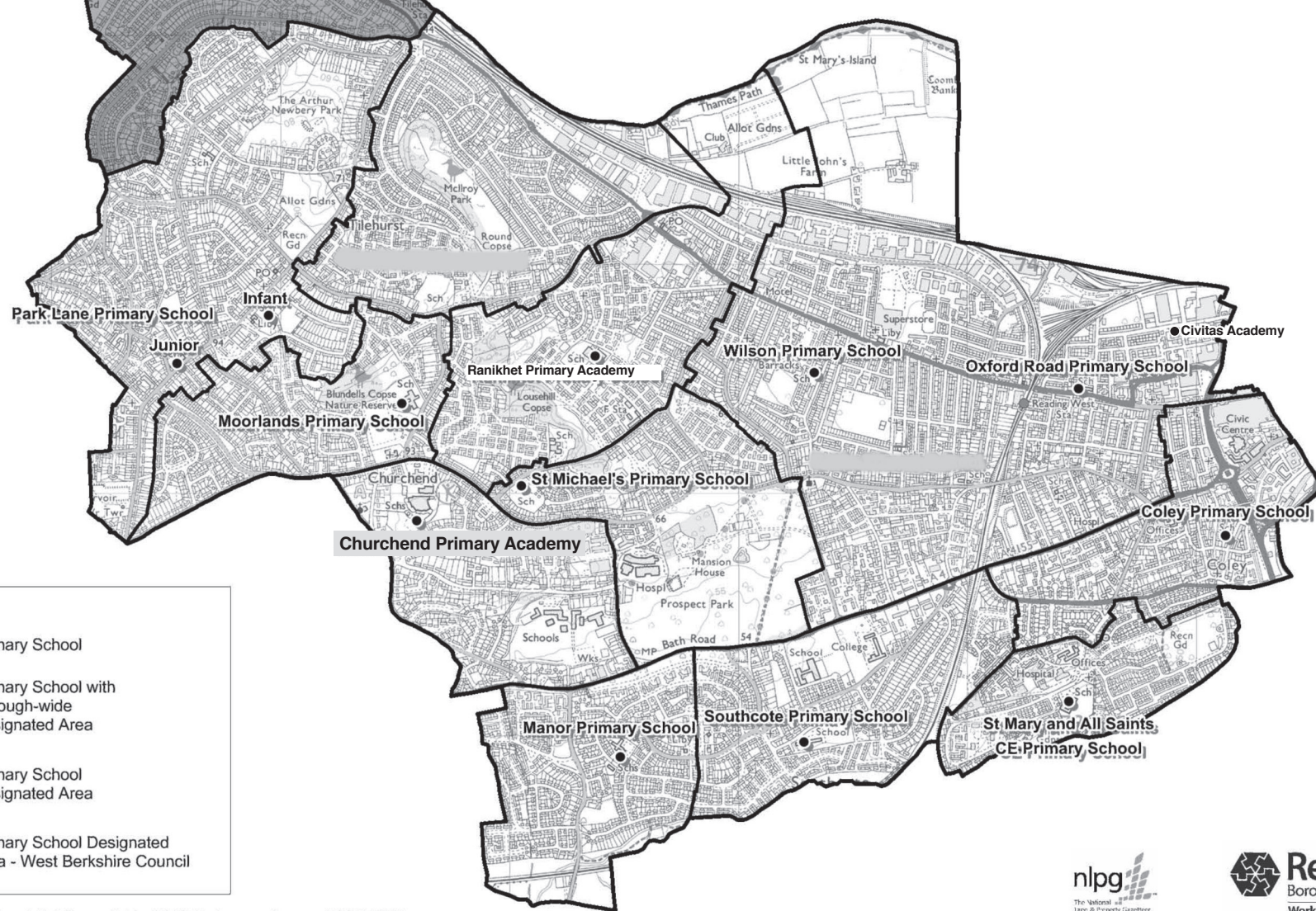
- Primary School
- ▭ Primary School Designated Area







Primary School Catchment Areas: West Reading



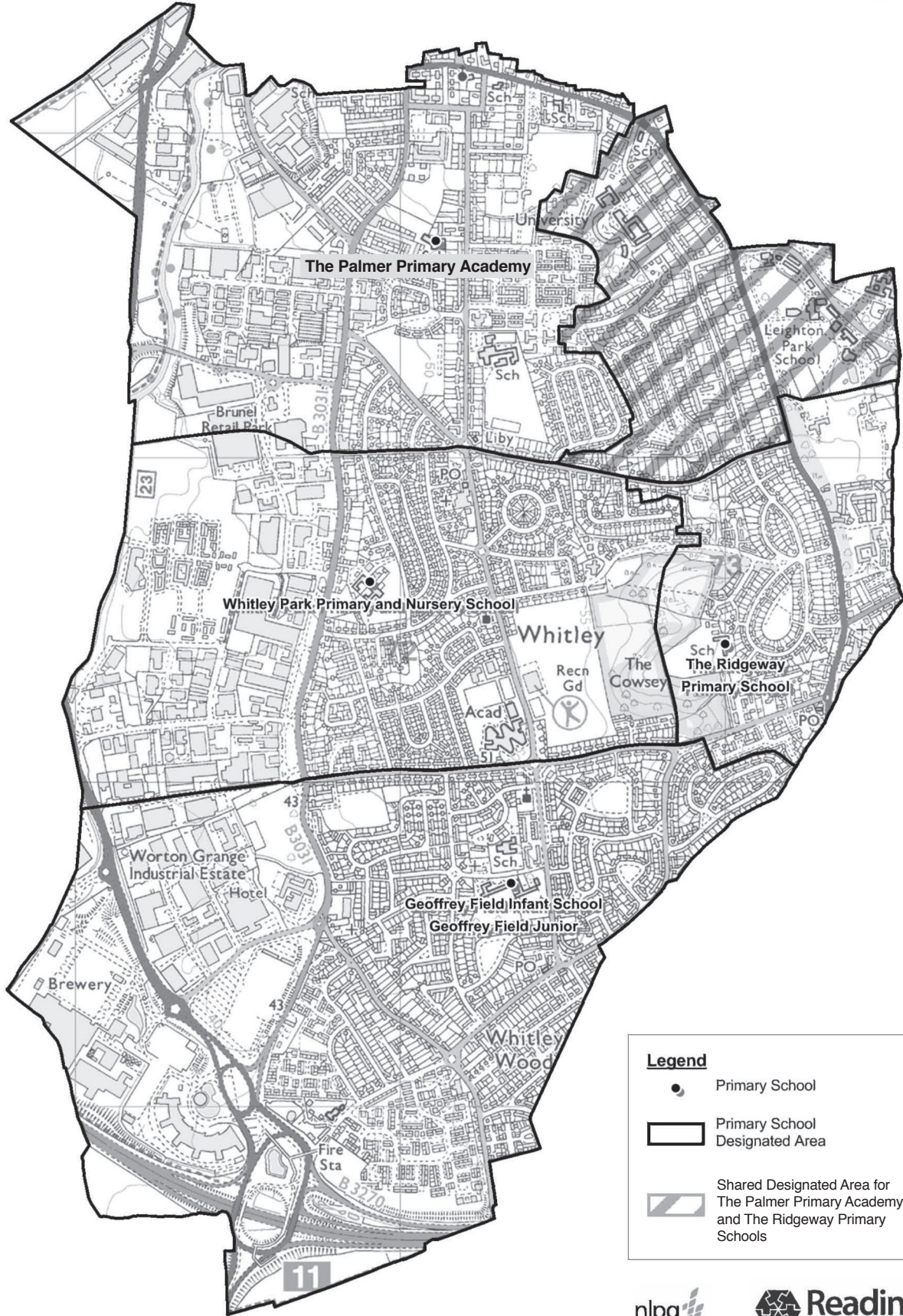
Westwood Farm Infant & Junior School (West Berkshire)






Legend

-  Primary School
-  Primary School with Borough-wide Designated Area
-  Primary School Designated Area
-  Primary School Designated Area - West Berkshire Council

Primary School Catchment Areas:
South Reading



Legend

-  Primary School
-  Primary School Designated Area
-  Shared Designated Area for The Palmer Primary Academy and The Ridgeway Primary Schools

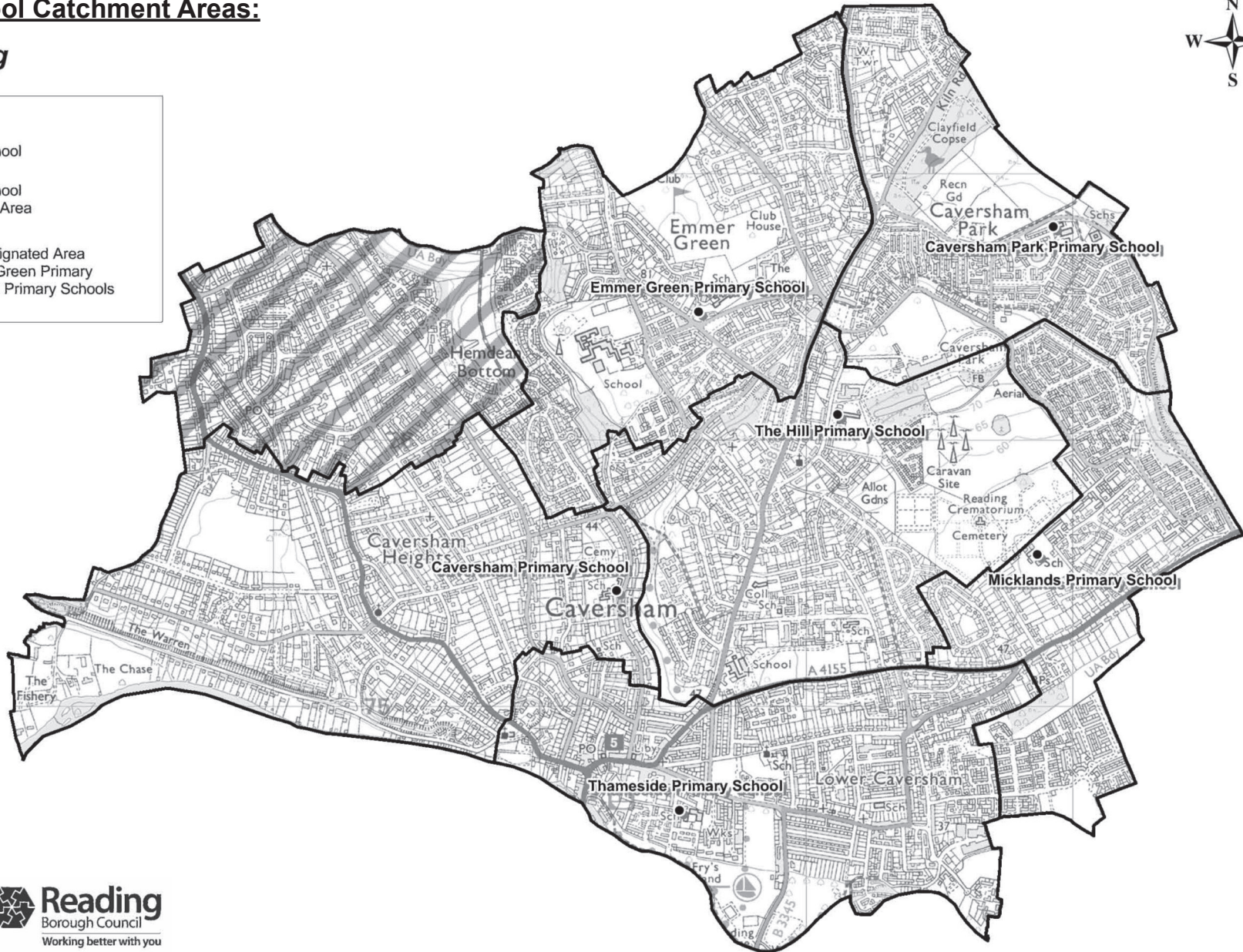
Primary School Catchment Areas:

North Reading



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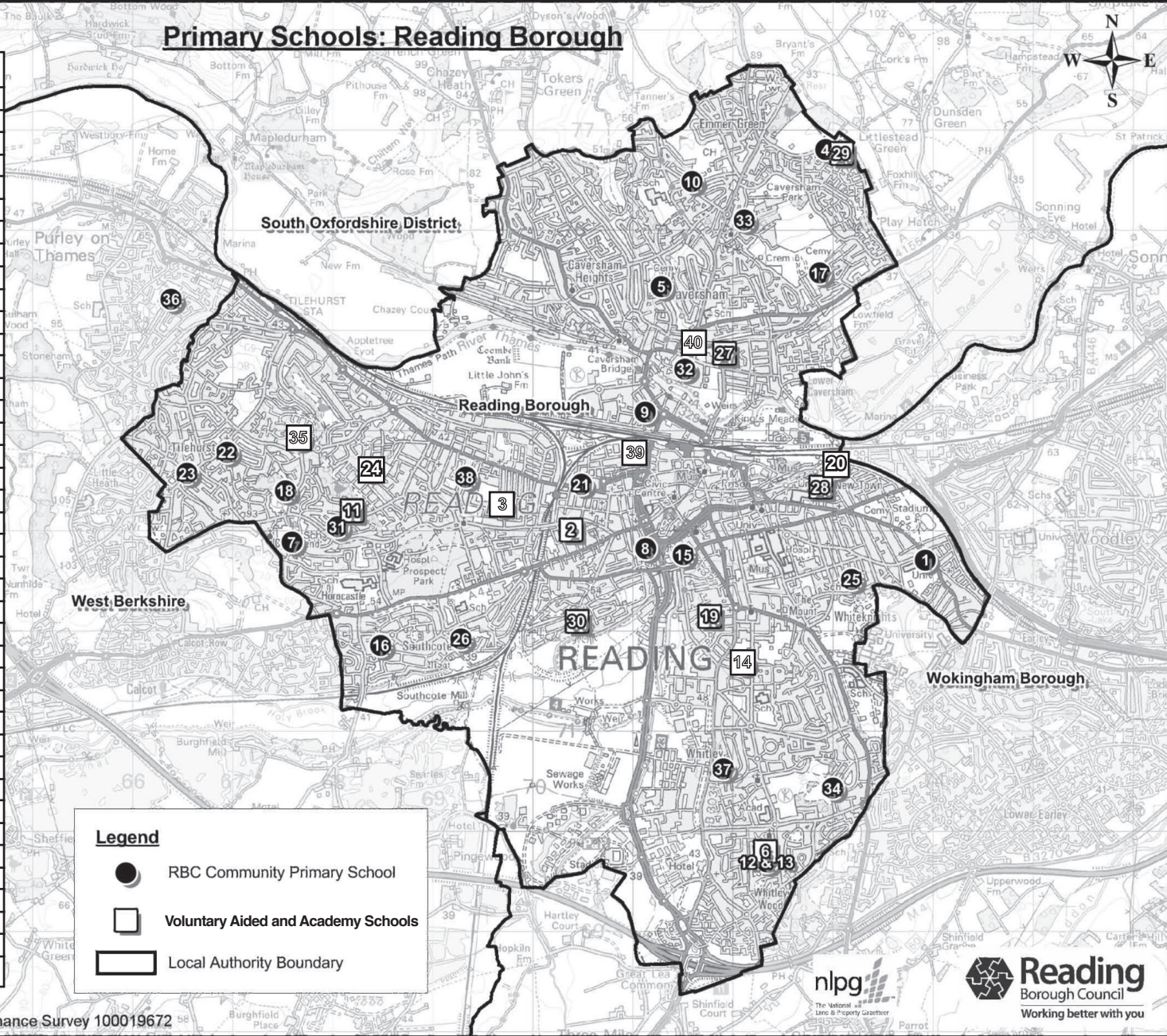
- Primary School
- ▭ Primary School Designated Area
- ▨ Shared Designated Area for Emmer Green Primary and The Hill Primary Schools



Primary Schools: Reading Borough



ID	Name
1	Alfred Sutton Primary
2	All Saints CE Infant
3	Battle Primary Academy
4	Caversham Park Primary
5	Caversham Primary
6	Christ The King Catholic Primary
7	Churchend Primary Academy
8	Coley Primary
9	E P Collier Primary
10	Emmer Green Primary
11	English Martyrs Catholic Primary
12	Geoffrey Field Infant
13	Geoffrey Field Junior
14	The Palmer Primary Academy
15	Katesgrove Primary
16	Manor Primary
17	Micklands Primary
18	Moorlands Primary
19	New Christ Church CE Primary
20	New Town Academy
21	Oxford Road Primary
22	Park Lane Primary (Infant Dept)
23	Park Lane Primary (Junior Dept)
24	Ranikhet Academy
25	Redlands Primary
26	Southcote Primary
27	St. Anne's Catholic Primary
28	St. John's CE Primary
29	St. Martin's Catholic Primary
30	St. Mary's & All Saints CE Primary
31	St. Michael's Primary
32	Thameside Primary
33	The Hill Primary
34	The Ridgeway Primary
35	Meadow Park Academy
36	Westwood Farm Infant & Junior (West Berks)
37	Whitley Park Primary & Nursery
38	Wilson Primary
39	Civitas Academy
40	The Heights Primary Temporary Site



Legend

- RBC Community Primary School
- Voluntary Aided and Academy Schools
- Local Authority Boundary

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READING BOROUGH COUNCIL

REPORT BY ELECTORAL REGISTRATION OFFICER AND RETURNING OFFICER

TO:	POLICY COMMITTEE		
DATE:	19 FEBRUARY 2018	AGENDA ITEM:	13
TITLE:	ELECTORAL REGISTRATION AND ELECTIONS UPDATE		
LEAD COUNCILLOR:	CLLR LOVELOCK	PORTFOLIO:	LEADERSHIP
SERVICE:	ELECTORAL SERVICES	WARDS:	BOROUGH-WIDE
LEAD OFFICER(S):	CHRISTOPHER BROOKS	TEL:	0118 9372602 / 72602
JOB TITLE(S):	HEAD OF LEGAL & DEMOCRATIC SERVICES	E-MAIL:	chris.brooks@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 Further to Minute 89 of the Policy Committee meeting on 14 March 2016, this report provides an update on the results of the 2017/18 annual canvass, and the 2018 electoral register published on 1 December 2017.
- 1.2 The complete details of the numbers of individually registered electors, by polling district and ward, is attached at Appendix A.

2. RECOMMENDED ACTION

- 2.1 That the position be noted.

3. POLICY CONTEXT

- 3.1 This is the sixteenth report reviewing the annual registration canvass.

4. RESULTS OF THE 2017/18 CANVASS

- 4.1 Local authorities are required to undertake an annual canvass of electors living in their area each autumn year, in advance of the publication of the electoral register for the new year (2018), on 1 December. The 2017/18 canvass had a registration return of 91.06%. The 2016/17 canvass had a registration return of 90.01%.
- 4.2 The local electorate for Reading in the 2018 register published on 1 December 2017 was 113,222. This is an increase of 3,824 (3.5%) on the local electorate at 1 December 2016 (109,388).

5. 2017 REGISTRATION PROCESS - 2018 REGISTER

- 5.1 Individual Electoral Registration (IER)

- 5.1.1 The 2017 annual canvass was undertaken under the individual voter registration provisions introduced by the Electoral Registration and Administration Act 2013. The transition to Individual Electoral Registration (IER) in England, Scotland and Wales began in June 2014, and ended with the publication of the revised electoral registers in December 2016.
- 5.1.2 Under IER, the canvass continues to involve contacting households, through a Household Enquiry Form (HEF), which lists current registered electors. The household is required to respond, either confirming that the information is correct, or reporting any changes. Where changes are identified, standard procedures are triggered as specified by the Regulations to check the position with the individual elector. Where a returned HEF shows a new person who is eligible to register, an Invitation to Register (ITR) form is sent directly to each individual, for them to complete, sign and return to establish their individual registration.
- 5.1.3 Before IER, the rate of return from Reading electors could be measured by the total number of properties where the “head of household” had either responded in writing, telephone, internet or text, regarding the number of people resident and qualifying to vote in that property. Since 2014/15, eligible members of the public must register to vote individually. This can be done using a quick and secure, national online service: www.gov.uk/register-to-vote. All electors are required to provide their own individual name, address, date of birth and National Insurance number.

2017/18 Annual Canvass

5.2 Timetable

- 5.2.1 The 2017/18 annual electoral registration canvass started on 17 July 2017, and ended on 30 November 2017. In total, 72,023 households in Reading were canvassed, including void properties. The total number of responses received over the canvass period in advance of the publication of the 2018 Register (published on 1 December 2017) was 65,592. This equates to a registration return of 91.06%, taking into account the 11,261 void properties.
- 5.2.2 The process of registering a person under IER requires the person’s full names, address, National Insurance Number and date of birth. These personal details are checked against the Department of Work & Pensions (DWP) database, as an anti-fraud and impersonation check required by the Regulations. If there is no match, the registration cannot proceed until the registering elector can provide further evidence to prove that they are who they say they are and they live at the address.
- 5.2.3 Table 1 below sets out the response rates for the previous four years, since the introduction of IER:

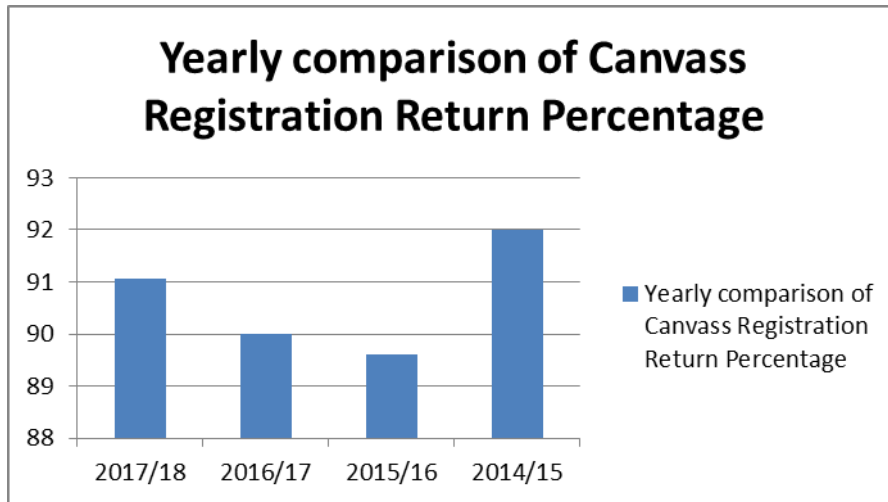
Table 1

	End of canvass %
2017/18	91.06
2016/17	90.01
2015/16	89.60
2014/15	92.01

- 5.2.4 There are currently 60,762 properties on the Reading electoral register, which are not classified as void properties.

- 5.2.5 As in 2016, the 2017 canvass started with sending HEFs (Household Enquiry Forms) to all 72,023 households. This happened on 17 July 2017.
- 5.2.6 The initial HEF forms were followed up with a posted reminder, sent 7 August 2017.
- 5.2.7 Where HEF forms were not returned, a second reminder was delivered to the household by door-to-door canvassers from the start of September 2017. They knocked on doors and encouraged residents to complete their forms on the doorstep, or register on-line. If no-one answered, the form was delivered through the letter box.
- 5.2.8 A further, final, reminder HEF was delivered for completion if there was still no response from a property.
- 5.2.9 Where additional or new residents were noted on a completed and returned HEF, they were each then sent an Invitation to Register (ITR) letter (which is the legal individual registration form). At all points in the canvass, people were encouraged to register on-line. For the last month of the annual canvass - November - the door-to-door canvass teams focused on contacting these potential new electors who had not completed their ITR registration.
- 5.2.10 We carry out a second door-to-door canvass outside the canvass period each new year, again targeted at potential new electors who have not yet returned their ITR registrations. This will next happen in February/March 2018.
- 5.3 Promoting Registration
- 5.3.1 Electoral Services promote participation in the electoral process in a number of ways, as set out in para. 9 below (community engagement and information).
- 5.4 Schools Elections
- 5.4.1 Reading schools commenced holding their annual elections in October/November 2017, through to early 2018, with support from Electoral Services. The team continues to liaise regularly with the Youth Parliament and Youth Council regarding the electoral process with the relevant literature to encourage registration to vote.
- 5.5 Manual Data-Matching
- 5.5.1 The Electoral Services database is routinely matched with the Council Tax database (Academy). This exercise happened during the 2017 canvass.
- 5.5.2 IER legislation requires that two forms of evidence are necessary before an elector is deleted from the register, so the Electoral Services Team routinely consult with the Academy database before placing an elector's record in the pending delete work queue on the database.
- 5.6 Registration Monitoring
- 5.6.1 The complete details of the numbers of individually registered electors, by polling district and ward, are attached at Appendix A.
- 5.6.2 Chart A below shows the yearly comparison of canvass registration return by percentage:

Chart A



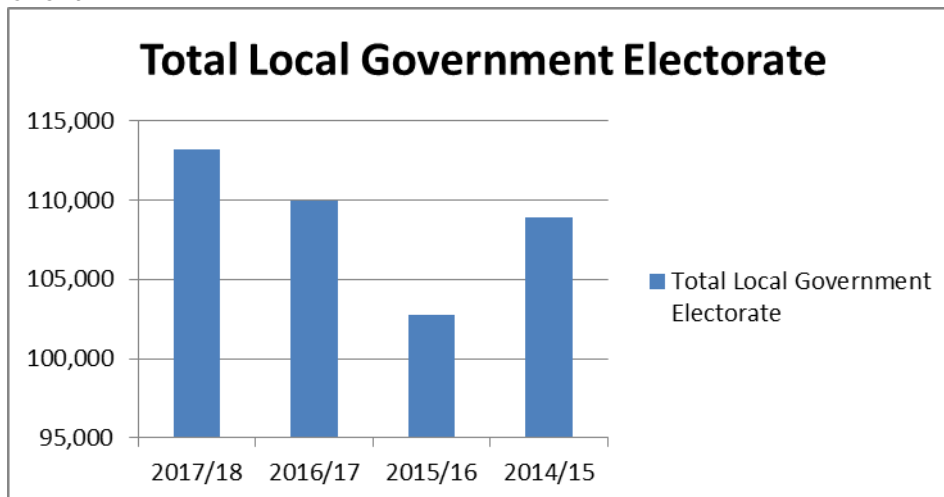
5.6.3 The total eligible Borough electorate in the 2018 Register published on 1 December 2017 was: 113,222. This is the local electorate, eligible to vote in local elections.

At the end of the 2017/18 canvass it was:	113,222
At the end of the 2016/17 canvass it was:	109,398
At the end of the 2015/16 canvass it was:	103,080
At the end of the 2014/15 canvass it was:	106,732

5.6.4 It can be seen that the local electorate has grown by 10,142 electors (10%) since 2014/15, which was the first canvass when the full effect of the introduction of IER was felt. By comparison, at the end of the 2013/14 canvass the pre-IER electorate was 118,060.

5.6.5 Chart B below shows the yearly comparison of the total local government electorate in Reading:

Chart B



5.6.6 Students: The principal reason for fall in registered electors following the introduction of IER was the registration of students at the University of Reading, in particular those living in university accommodation. Under IER, students living in Halls of residence can no longer be registered en bloc by the University, which was formerly the case. There is now a specific difficulty in registering students individually before the end of the canvass in November, which is not long after University students take up residence. Although the University of Reading was kind

enough to provide more detailed lists containing the names, addresses, nationalities, dates of birth and e-mail addresses of students in halls at the University, they were unable to submit individual National Insurance numbers, which is now a requirement under IER, to allow the individual elector's personal details to be checked against the DWP database. Students on the University lists were sent one initial ITR during Canvass, reminder ITR's are continuing to be sent during 2018.

5.6.7 The Electoral Services Team was proactive in targeting students living in private accommodation. Electoral Services had a stall at the Freshers' Fayre event twice in 2016/17 and once in 2017/18. Student literature included the message that it is important to register to vote at their University.

5.7 Door-to-Door Canvass

5.7.1 As stated above, Reading uses door-to-door canvassing to try to target the non-responding households. The second reminder HEFs were delivered to the Electoral Services office, at Darwin Close, on 29 August 2017. Door-to-door canvassers attended training briefings and collected their boxes of HEFs and, at a later stage, ITR forms. Teams commenced canvassing on the weekend of 2-3 September 2017. Their last completed and returned forms were returned to the Electoral Services office by 31 October (HEFs) and by 14 November (ITRs): a total of 10 weeks door to door canvassing. There were 22 teams of 2 people undertaking the canvassing.

5.7.2 In addition specialist canvasser teams dealt with student private properties and Nursing Homes were dealt with by the Electoral Services team.

5.7.3 The HEF canvass covered 9 weekends; the ITR canvass continued for a further two weekends. Canvassers were asked to return to properties where they could not get a response.

5.7.4 Canvassers were given HEFs (Household Enquiry Forms) and ITR (Invitation to Register) Forms. Full explanations and briefings were given on a one-to one basis regarding IER, types of forms and the processes.

5.7.5 Chart C below shows the total number of responses from canvassers per year:

Chart C

Year	Total Number of Responses from Canvassers
2017	14,209
2016	17,620
2015	23,483
2014	15,400

We used 22 teams of canvassers. The performance of the teams was monitored twice-weekly.

5.7.6 Payment was by results:

HEFs: £2.00 per team for each completed form returned or 60p per team for each form posted, plus transport costs.

ITRs: £1.20 per team for each completed form returned or 60p per team for each form posted, plus transport costs.

- 5.7.7 Chart C above summarises the response to the canvass compared to previous years. In 2017/18, the door-to-door canvass generated responses of 14,209. These were either completed Household Enquiry Forms or completed Invitation to Register forms. There is no guarantee that the receipt of the form successfully lead to a registration to vote. An additional 15,301 forms were successfully delivered through letter boxes. It can only be estimated what the total of registrations under IER were as a result of the door-to-door canvass. A visit from a canvasser or a delivered form could have encouraged to people to go online and register also.
- 5.7.8 Any direct refusals were noted by canvassers on their canvasser log books. They were cross-referenced against other Council databases, so that there were a minimal number of outstanding non-registrations in respect of people refusing to complete forms on the doorstep.
- 5.7.9 A Hearing and Appeals process is now required by the Regulations in order to confirm someone is still registered at an address. Therefore the Council's electoral registration database (Xpresss) automatically generates either an ITR form for new registrations, or a standard letter to former electors whose names have been deleted on a returned HEF form to confirm that this is the case.
- 5.7.10 The total budget for the door-to-door canvass in 2017/18 was £30,000. In 2017/18 the total cost of the door-to-door canvass was £35,817.4 (includes 3rd reminder ITR Canvass). In 2016/17 the total cost of the door-to-door canvass was £30,463.80. A separate ITR Canvass was carried out in March 2016 at a cost of £6,476.40. In 2015/16, the total cost of the door-to-door canvass was £64,715.80, this figure includes various ITR reminders which were at different stages and an evidence request Canvass.
- 5.8 Total Local Electorate - by Ward
- 5.8.1 Table 2 sets out the changes to the Electoral Register by Ward - Borough Electorate.

Table 2

Ward	2017/18	2016/17	2015/16	% Difference between 2017/18 & 2016/17
Abbey	9,338	8,720	7,675	6.61%
Battle	7,750	7,272	6,798	6.16%
Caversham	7,435	7,279	6,960	2.09%
Church	6,553	6,219	5,790	5.09%
Katesgrove	6,938	6,602	6,025	4.84%
Kentwood	7,298	7,152	6,853	2.00%
Mapledurham (single member ward)	2,475	2,483	2,419	- 0.32%
Minster	7,439	7,288	6,775	2.02%
Norcot	7,699	7,441	6,997	3.35%
Park	6,892	6,588	6,159	4.41%
Peppard	7,569	7,490	7,301	1.04%
Redlands	5,969	5,583	5,200	6.4%
Southcote	6,607	6,479	6,283	1.93%
Thames	7,375	7,388	7,144	- 0.17%
Tilehurst	7,233	7,161	6,907	0.99%
Whitley	8,652	8,253	7,794	4.61%
	113,222	109,398	103,080	3.37%

All wards showed an increase in electors except Mapledurham and Thames, where there was a marginal fall. The biggest increases on 2016/17 were in Abbey, Redlands, Battle and Church wards, all of which showed an increase of over 5%.

5.8.2 These electorate figures are an indicator of comparative ward size. The Local Government Boundary Commission generally advise that ward sizes should be within a range of +/- 10% of the average. In Reading, the above figures give an average electorate for a 3-Member ward of 7,384 (2,461 for a single Member ward). This will give a range for ward size of between 6,646 and 8,122. On this basis, 5 of the 15 3-member wards are outside the tolerance range: Abbey (26.5% over) and Whitley (17.2%) are over, whilst Redlands (-19.2%), Church (11.2%) and Southcote (10.5%) are under. Electoral Services receive notifications of future developments and these are taken into account when the Polling District reviews are undertaken. The next polling station review is due to take place in 2018.

5.9 Postal Votes

5.9.1 In 2017/18, the number and percentage of postal voters on the register were 19,079 (16.85%). In 2016/17, the number and percentage of postal voters on the register were 18,378 (17.82%).

5.9.2 In January 2017, January 2016, January 2015 and October 2013, the personal indicators were refreshed for postal voters who had a postal vote for five years. This was the fifth time that this exercise was undertaken since the introduction of personal indicators being a requirement in order to have a postal vote. Postal voters were asked to re-submit their signatures and dates of birth. Any postal voter not responding after the required two reminders will have their postal vote deleted. In

January 2017, 975 postal voters were written to requesting an updated signature and (optional) date of birth.

5.10 Attainers - Rising Voters

5.10.1 Attainers are rising voters aged 16 and 17, who can be added to the Register with the date on which they would attain the age of 18. Their details, along with all electors, must be matched with the IER-DS database in order to appear on the register. The Electoral Services Team have endeavoured to have as many attainer details as possible entered on the register but, like students, they will need to register individually in order to be entered upon the register. They are not qualified to vote in a Local Election until they achieve 18 years of age.

5.10.2 The responses in recent years have been as follows:

Year	Aged	Number	Percent
2014/15	Aged 16/17	549	0.51%
2015/16	Aged 16/17	417	0.40%
2016/17	Aged 16/17	842	0.76%
2017/18	Aged 16/17	814	0.71%

5.11 Nationality of Electors

5.11.1 In accordance with the Electoral Administration Act 2006, the HEF and ITR forms routinely require an elector to specify their nationality. Other than UK, the biggest nationality groups are Poland (3.28%), India (2.31%), and the Irish Republic (1.35%).

5.11.2 In 2017/18 there were 10,824 (9.55%) European Union nationals on the register. In 2016/17 there were 9,157 (8.37%), and in 2015/16 there were 6,977 (6.76%). This does not include citizens of the Irish Republic, Cyprus or Malta (who are also Commonwealth citizens). EU nationals may vote in local elections, but not in Parliamentary elections or national referendums. Therefore over 8% of the Reading electorate are not able to vote in General Elections.

5.12 Open Register

5.12.1 In 2017/18, 74,113 electors opted out of the open register (65.4%). In 2016/17, 70,083 electors opted out of the open register (64%). In 2015/16 61,846 electors opted out of the (what was then referred to as) edited register (59.9%). In 2014, a total of 57,013 electors opted out of (what was then referred to as) the edited register (53.4%).

5.13 Electoral Commission Performance Standards

5.13.1 The Electoral Commission sets national Canvass Performance Standards. Since 2011 Reading has met them (a total of 10 Standards).

5.13.2 The initiatives employed by the Electoral Services Team to increase the accuracy of the register routinely include:

- Organising a stall at the University of Reading Freshers' Fayre. Students are encouraged to supply their names, addresses and e-mail details, so they may be sent Invitations to Register forms. Promotional items are available to further encourage students to register.
- Registration Posters are translated into Polish and Urdu and are distributed to local Polish and Urdu communities.

- Reading supports School Elections every autumn, providing advice, ballot boxes and Polling Booths to enable the elections to take place.
- Door-to-door canvassers are provided with Translation Booklets to enable communication with all nationalities and communities when encouraging residents to complete their registration forms.

5.13.3 Feedback and evaluation exercises are conducted at the end of every canvass when the statistics, Door-to-Door Canvasser comments and the Audit Team input are reviewed and an action plan drawn up so that further and continuing improvements can be made in following years, and an achievable higher target of registration agreed.

5.13.4 The upper age limit for Jury Service is now “76 or over” and no longer “from over 70”. Forms incorporate this and door to door canvassers are briefed accordingly.

6. LOCAL BOROUGH ELECTIONS 3 MAY 2018

6.1 Elections

6.1.1 For the Local Borough Elections, 15 Wards will have elections. Mapledurham will not have an election.

6.1.2 The Local Borough Elections will be held on Thursday 3 May 2018.

6.1.3 In Reading, the Local Returning Officer will undertake the normal election arrangements for voters. The electorate will vote at their normal polling station and the Electoral Services team will issue postal votes.

6.1.4 The Notices for the Local Borough Elections will be published by Tuesday, 27 March 2018. Nominations will be received from the date stated on the Notice of Election. The local election purdah period will commence from this date. The deadline for the delivery of nomination papers for the Local Borough Elections will be 16.00 on Friday 6 April 2018.

6.1.5 The last day for new or changed registrations will be midnight on Tuesday, 17 April 2018 and for new or changed applications for new postal votes, will be 17.00 on Wednesday, 18 April 2018.

6.1.6 Postal ballot packs will be issued on or around 20 April 2018.

6.1.7 Poll cards will be issued around 31 March 2018 in order to allow electors reasonable time to contact the Electoral Services team to make late requests for postal votes by 18 April 2018. Postal poll cards will be issued to people with postal votes.

6.2 Verification and Counts

6.2.1 The Local Borough Verification exercise will be held in the Sports Hall, Rivermead), from 22.01 on Thursday, 3 May 2018.

6.2.2 The Verification will be conducted from Close of Poll overnight. Ballot boxes in respect of the elections will be delivered to Rivermead, as normal.

6.2.3 The Local Borough Election Count will commence after the Local Borough Verification exercise has come to an end. It is estimated that this should be before 02.00 on Friday, 4 May 2018. It is estimated that the Declarations of Result of the Local Borough Elections should conclude by 03.00 at the latest on Friday, 4 May 2018.

7. MAYORAL PETITIONS

7.1 Under the Local Authorities (Referendums) (Petitions and Directions) (England) Regulations 2000, the number of signatures required to make a Mayoral petition valid is 5% of the number of local government electors shown in the Electoral Register on 15 February 2018. The threshold figure for determining the validity of any petition will be reported to tonight's meeting, but based on the 2018 electoral register published on 1 December 2017 it will be in the order of 5,661.

8 CONTRIBUTION TO STRATEGIC AIMS

8.1 The electoral registration process and elections support the promotion of the participation of Reading people in local democracy.

9 COMMUNITY ENGAGEMENT AND INFORMATION

9.1 Following the initial communications plan in 2010 which adopted a "Your Vote Counts" campaign, Electoral Services promotes participation in the democratic process by:

- Production of posters in A4 and A3 size, in English, Polish and Urdu, circulated to all on the Promotion Team's circulation list (all RBC venues, libraries, leisure centres etc)
- A Communications Plan composed in liaison with the Promotions Team to include press releases and press articles to coincide with the start of the door-to-door Canvass, the run-up to the election to ensure maximum registration, explanations of IER, dates to take note of in the run-up to elections.
- Targeted registration of university students
- Production of business cards and posters/flyers encouraging registration on line were circulated to all in line with the Electoral Services publicity strategy/contact list (RBC venues, libraries, leisure centres etc)
- A press release to coincide with milestones in the Canvass
- Targeted registration of university students
- Door-to-door canvassers have translation booklets with them to enable a better understanding of the process
- Door-to-door canvassers feedback about their experiences and an evaluation process follows to ensure lessons are learned.

9.2 As in previous years, in 2017, Reading was proactive in contacting Reading University. Initiatives included:

- Putting the information on the University student home page
- Encouragement to register on-line, business cards inserted into Freshers' starter packs upon commencement at the University of Reading
- Including information about registration on the Students' Union web page
- Attendance at the Freshers' Fayre to promote personal registration by students
- Information to students in pre-arrival e-mails

9.3 The timetable that was used for the 2017 annual canvass and supporting promotional campaign is shown in Table 2 below:

Table 2 - Timetable - 2017 Canvass

Date	Activity	Comment
14 July 11 September 6 November	<p>First press release regarding the canvass.</p> <p>Second press release: Canvassers begin chasing Electoral Forms</p> <p>Third press release: Look out for Final Reminder Household Enquiry Forms</p> <p>For each release, uploading of a feature on the home page of the website: http://news.reading.gov.uk/</p> <p>Links tweeted to the above piece.</p> <p>Tailored messaging on Twitter and Facebook to target young people.</p> <p>Further information regarding registration to vote on the Electoral page of the Reading website</p>	<p>Reading had 19,300 followers on twitter during the canvass period.</p> <p>Effective publicity tool.</p>
17 July	Send out Household Enquiry Forms to all households, including void properties	72,023 HEFs issued
7 August	1 st reminder Household Enquiry Forms to all households, including void properties who have not responded to the initial HEF	44,407 1 st reminder HEFs issued
w/c 28 August	2 nd reminder HEFs arrive at Electoral Services offices. Canvasser briefings take place and forms distributed to Canvassers	31,123 2 nd reminder HEFs for door knocking distributed to canvassers
w/c 17 August	<p>2nd press release.</p> <p>Business cards included in student starter packs.</p> <p>Encouraging online Registration at:- www.gov.uk/register-to-vote.</p> <p>Distribution of Posters and Flyers to other local organisations</p>	Encouragement to Register. Publicity Strategy.
25 October	<p>Invitation To Register (ITRs) arrive at Electoral Services offices. Distributed to door to door canvassers for further door knocking (3rd reminder)</p> <p>Tweet, Facebook and website updates</p>	<p>Statutory IER requirement.</p> <p>3,194 reminder ITRs for door knocking distributed to canvassers</p>
31 Oct 2017	End of HEF door-to-door canvass	
14 Nov 2017	End of ITR door-to-door canvass	
1 Dec 2017	Publication of new Electoral Register	

- 9.4 Electoral Services meet with the Promotions team regularly. They have added the IER branding and press updates to the website at set phases and in internal publications.
- 9.5 The Anti-Fraud team have a list of addresses and comparisons are made manually with the Anti-Fraud and Electoral databases in order to confirm whether they still live at the same addresses.
- 9.6 The cost of the press and promotional activity was approximately £6,000 in 2017 and will be a similar figure in 2018.

10. LEGAL IMPLICATIONS

- 10.1.1 The electoral registration process is prescribed by the Representation of the People Act 1983, in particular Sections 8-17. Section 10 governs the maintenance of registers and the annual canvass. The Electoral Registration Officer is required to carry out an annual canvass and all individuals have a duty to complete and return the electoral registration form.
- 10.1.2 Section 10(A) - and Regulations 33 and 34 - used to provide for the carry forward and removal of names from the register. Where the Electoral Registration Officer was unable to confirm, during the annual canvass, that a registered elector was resident because the canvass return was not returned or because he had obtained insufficient other information to indicate residence, then the ERO used to carry forward that elector's entry on the electoral register until the publication of the next year's register.
- 10.1.3 Under the Electoral Registration and Administration Act 2013 and the Representation of the People (England and Wales) Act 1983 and Amendments, the duty on the ERO is to take all necessary steps to maintain the Electoral Register (Section 9). Regulation 32ZB requires the annual canvass including making house-to-house enquiries. If no information has been received, second and third canvass forms have to be issued and at least one visit to the address must take place.
- 10.1.4 Individual Electoral Registration was introduced by the Electoral Registration and Administration Act 2013.
- 10.1.5 The electoral registration process is governed by The Representation of the People (England and Wales) Regulations 2001. These are regularly amended by Parliament, including following the introduction of IER, which they now govern.

11. FINANCIAL IMPLICATIONS

- 11.1 The 2017/18 budget for electoral registration is £327,810. Of this, the door-to-door canvass cost in 2017 was £35,000.
- 11.2 Additional funding was received from the Cabinet Office in order to meet the costs of IER in 2014/15 (£110,426) and 2015/16 (£84,000). In 2016/17 Reading received £47,164 but we requested a further payment of £62,620, which the Cabinet Office granted, giving a total payment for 2016/17 of £109,784. In 2017/18 Reading has received £87,923. An additional funding claim will be submitted. IER funding is due to end in 2019/20.

12. BACKGROUND PAPERS

12.1 Representation of the People Acts

Representation of the People (England and Wales) Regulations 2001 (as amended).

READING BOROUGH COUNCIL

REPORT BY STRATEGIC DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	19 FEBRUARY 2018	AGENDA ITEM:	14
TITLE:	BUDGET MONITORING 2017/18		
LEAD COUNCILLOR:	COUNCILLORS LOVELOCK/ PAGE	PORTFOLIO:	FINANCE
SERVICE:	FINANCIAL	WARDS:	BOROUGHWIDE
LEAD OFFICER:	PETER LEWIS	TEL:	01189372058 (x72058)
JOB TITLE:	STRATEGIC DIRECTOR OF FINANCE	E-MAIL:	Peter.Lewis@reading.gov.uk

1. EXECUTIVE SUMMARY

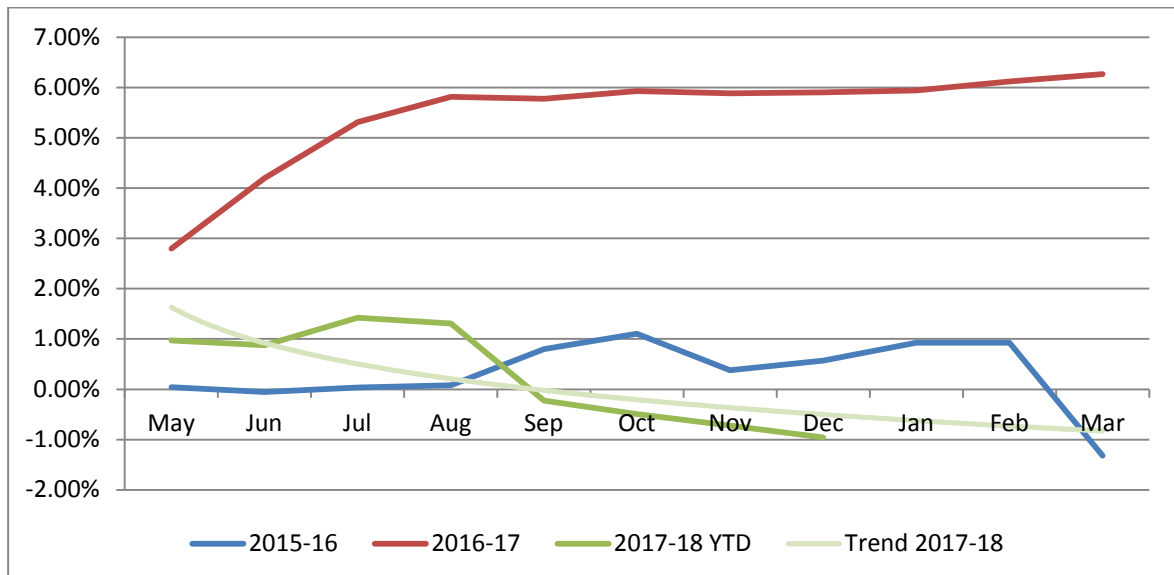
1.1 This report sets out the projected Council revenue budget outturn position for 2017/18 based on actual, committed and projected expenditure for the Council as at the end of December 2017. It also contains information on the capital programme, capital receipts and the Housing Revenue Account (HRA).

1.2 It is projected that the revenue budget will be underspent by £1.2m as at the year end. At this point in time there are no projected commitments against the remaining contingency of £1.6m; unexpected pressures or undelivered savings would be a first call on this contingency. The budget remains under pressure. In particular,

1.2.1 the total of negative variances is £9.8m, which includes some projection of further pressures on care places through to the year-end. If these projections prove underestimated then there would be more pressure on the budget within 2017/18. Ongoing strong management is required in order to prevent further overspending during the remainder of 2017/18.

1.2.2 many of the positive variances and mitigations are not ongoing, so will not provide relief for any of the negative variances that are ongoing into 2018/19 and beyond. This produces a pressure in 2018/19 of £7.245m at this stage; this pressure and a further projection is being built into the budget for 2018/19;

1.3 The following graph shows the percentage variance to budget for the whole Council for the last two financial years and for the year-to-date with a trend line to the end of the year. It is noteworthy that the graphs illustrate improved financial projections and control in 2017/18 than in previous years, despite the pressures that are upon the budget.



2. RECOMMENDED ACTION

2.1. To note that based on the budget position at the end of December 2017, it is projected that the budget will be underspent by £1.2m, without using the remaining contingency of £1.6m.

3 BUDGET MONITORING

3.1 The results of the Directorate budget monitoring exercises are summarised below. The projected impact into 2018/19 is also illustrated (note: children's services have also projected an ongoing increase in demand into 2018/19)

	Negative Variances £'000s	Positive Variances £'000s	Remedial Action £'000s	Net Variation £'000s	% variance budget	18/19 impact £000
Environment & Neighbourhood Services	1,979	-3,757	-105	-1,883	-6.5%	680
Children's, Education & Early Help Services/	3,365	-313	-379	2,673	+6.8%	4,850
Adults Care and Health Services inc. Public Health	2,626	-596	-1,644	386	+1.1%	1,752
Corporate Support Services	1,794	-1,521	-450	-177	-1.3%	-37
Directorate Sub total	9,764	-6,187	-2,578	999		7,245
Treasury		-1,250		-1,250		
Corporate Budgets		-950		-950		
Total	9,764	-8,387	-2,578	-1,201		7,245

3.2 Environment & Neighbourhood Services

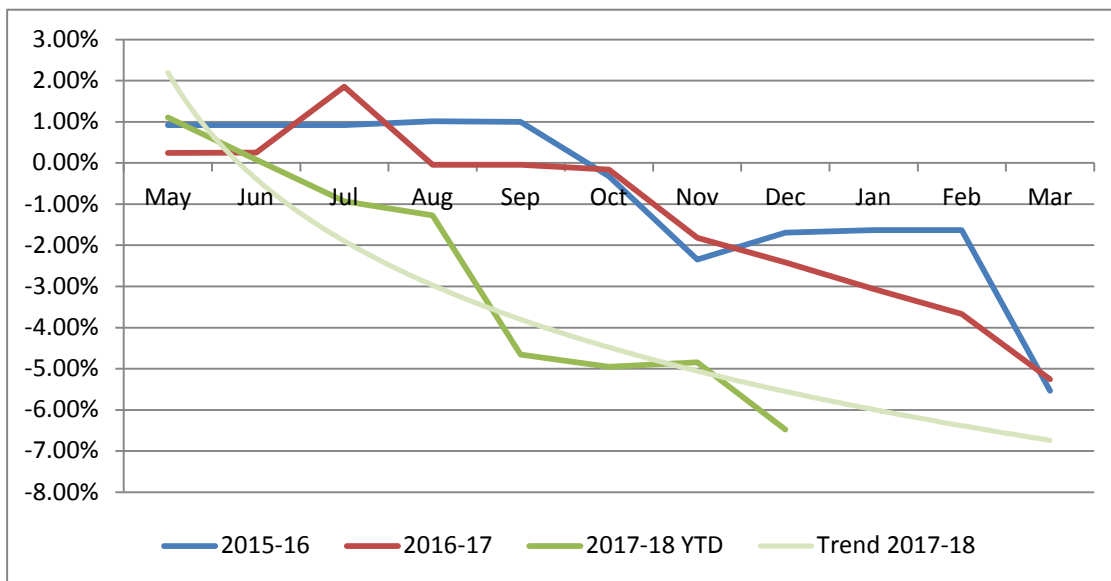
Based on the information currently available, the directorate is reporting a net positive variance against budget at year end of £1.9m. However, this is the consequence of a much more significant range of variances across a range of budgets including increased costs of £0.5m, reduced income of £0.9m and as yet unrealised savings of £0.6m, offset by an over-achievement of other income and under spend in homelessness. The change from last month's reported figure is predominantly due to an increase in rental income of £0.3m relating to the purchase of an investment property in December 2017.

The gross projected overspend, before mitigations; in DENS is £2.0m. £1.1m of this arises in Transport & Streetcare (T&S), where half the adverse variances arises from unrealised savings, notably the fleet management saving (£0.14m), and the off street car parking saving (£0.18m). T&S also has increased costs and in some areas reduced enforcement and other income in comparison to budget. Planning, Development & Regulatory Services (PDRS) are predicting an adverse variance of £0.30m with the majority of this pressure being due to external legal costs in relation to a noise nuisance case and increased staffing costs. A one-off pressure of £0.1m relating to recent office moves has been identified but will be funded through the change fund as part of the transformation programme; therefore

this has not been included as a pressure for the purpose of this report. Economic & Cultural Development (ECD) are also predicting an adverse variance (£0.1m), relating to reduced income in comparison to budget across a range of service areas.

These overspends are compensated by £3.9m of positive variances. Of this, £2m is increased income, most of which arises in T&SC and include £0.4m additional on street car parking income and £0.4m additional income from green waste. PDRS has also achieved additional income, including £0.3m relating to rental income from an investment property purchased at the end of 2017.

£1.8m arises from reduced costs in T&SC, ECD, PDRS & Housing & Neighbourhood Services (H&NS), notably for T&SC £0.4m across the park & ride contract & concessionary fares and £0.5 for H&NS due to a continuing trend of effective prevention of homelessness; increase supply and access to affordable housing; intensive casework with individual households; and effective market management/cost control. With better than anticipated first quarter performance alongside the Lowfield Road temporary accommodation development due to come online at the beginning of 2018, the service is aiming to finish the 2017-18 financial year with no more than a total of 50 occupied rooms. This would lead to an underspend of approximately £0.5m at year end.



3.3 Children, Education & Early Help Services

The Directorate is currently reporting a net negative variance of £2.673m for the year which represents 6.8% of the annual budget. The forecast assumes that the recently produced in year savings programme of £0.603m will be fully delivered.

The gross variance before remedial action is £3.364m, which is largely attributable to the increased complexity of the looked after children (LAC)

population amounting to a £3.105m variance. The use of higher cost residential placements has increased significantly during 2017/18.

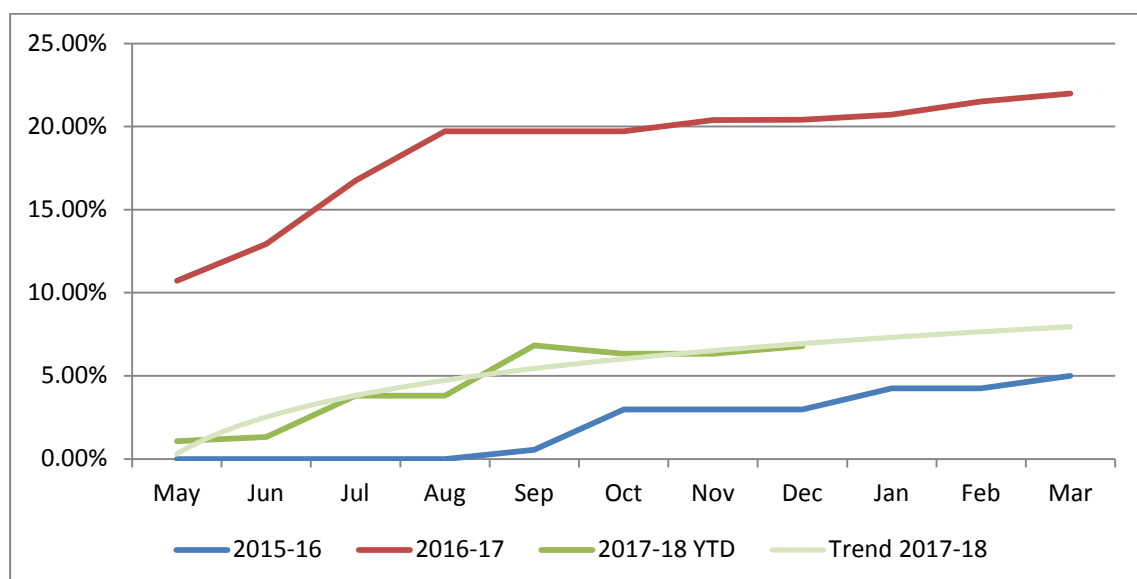
The projection assumes a future in year demand projection, but there has been a significant increase in LAC external placements during the Christmas period including one complex placement requiring 2:1 care at a cost of £7,400 per week. The budget pressure of these requirements for 2018/19 is calculated at £4.85m. In addition, the MTFS for 2018-19 makes provision for a further £2m to be held corporately as a contingency in the event of more pressures beyond those currently anticipated.

In addition to this negative variance, the Directorate is facing a £0.259m pressure for home to school transport for SEN pupils. In September, there was an increase in pupils being placed at The Avenue, increasing the demand for transport for SEN pupils. This has been offset in October's monitoring by £11k.

The position reflects the positive variance of £0.1m from the early implementation of the Business Admin restructure required by 1st April 2018 to achieve the proposed savings for 2018/19.

In year savings totalling £0.603m identified are focused on further measures. The measures include restrictions on Agency spend (£0.160m), review of SEN transport (£11k to reduce spend), implementation of restructures in Early Help prior to 1st April 2018 and holding vacant posts, changes to staffing in Children's Social Care (£0.136m) and transfer of young people over 18 to Adults Services (£0.083m).

The paragraphs above describe the impact for the General Fund Services. The Directorate is also currently anticipating an in year deficit of £2.5m relating to the Dedicated Schools Grant (DSG). This will increase the deficit of the DSG to £3.9m which will be carried forward into 2018/19. The implementation of a new SEN strategy is intended to reduce the burden on the SEN budget when the new school funding formula is introduced in 2018/19. The local flexibility for the DSG will be restricted to 0.5% of the total DSG in 2018/19, which is estimated at £0.4m.



3.4 Adult Care & Health Services

The forecast overspend for the year after remedial action, and in year savings is £0.386m, which compares to a overspend forecast in November of £0.399m. This represents a position broadly in line with the November monitoring position. There have, however, been some variances within individual areas.

In terms of the overall position, the gross overspend before remedial action is £2.626m, after taking account of savings still to be delivered from the original programme of £0.300m. The gross overspend is largely due to pressures on care placements in Learning Disabilities and Mental Health, across all types of service provision, although particularly in residential and community services. After remedial actions and in year savings, the remaining overspend on Learning Disabilities is £1.218m and on Mental Health £0.534m.

For the Learning Disabilities Service, the overspend is due to an additional pressure on residential placements and an overspend on Community Services which is related to increased clients and demography. This equates to 13 additional packages in Learning Disabilities and 47 additional packages in Mental Health in comparison to budget assumptions at the start of the year. The forecast includes a contingency for transition costs of £0.250m still to come through before the end of the year.

The adverse variance on Mental Health Services breaks is due mainly to additional client costs in residential and nursing placements, though there is also an overspend on Community and other services.

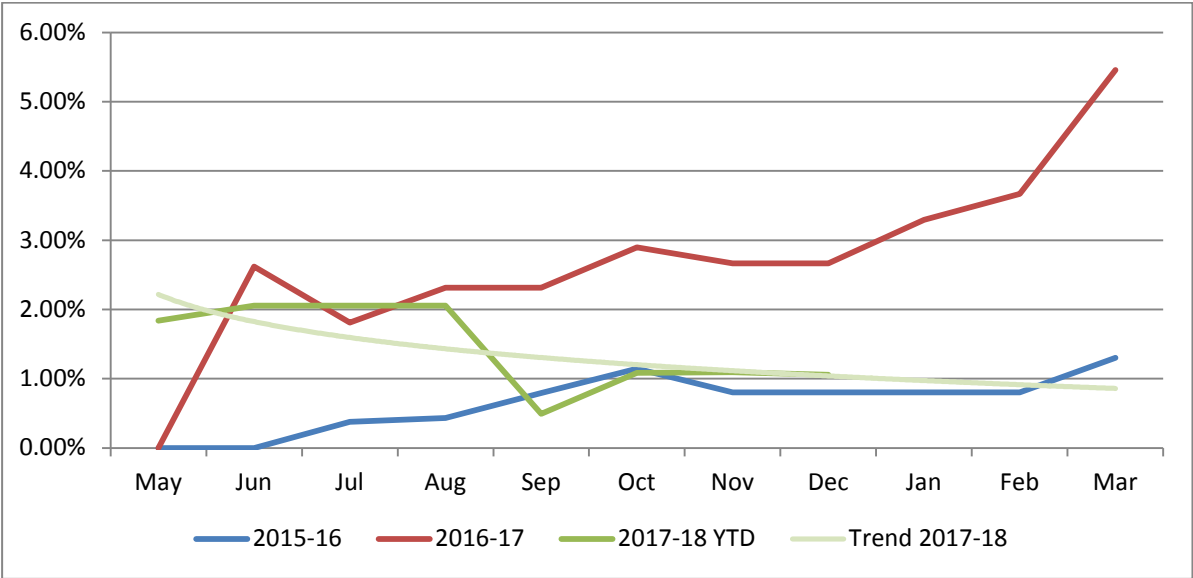
The original DACHS savings programme for 2017-18, targeted savings in total of £4.067m. The forecast as presented assumes savings delivered will be £3.885m, representing a shortfall of £0.182m, which is 95% achievement of the original programme.

The Directorate has also identified £2.240m of positive variances and remedial action to reduce the gross overspend. This comprises £0.596m of underspends on budgets which are to be maintained until year end, specific remedial actions of £1.101m and new in-year savings of £0.543m. The main remedial actions identified to reduce the deficit have included reworking the use of elements of the Public Health grant, keeping inflation awards to a minimum with providers, and trying to find savings from either reworking service delivery or holding vacancies. Better contract management should yield additional Continuing Health Care (CHC) funding, although most of this is expected to be historical and will be one-off. The Directorate has also retained housing benefit funding to reduce pressure on extra care and proposes capitalising costs of implementing new computer systems and software.

In year savings totalling £0.610m, are focussed on further measures, which includes, restrictions on agency spend, increasing Funded Nursing Care (FNC) and Continuing Health Care (CHC) funding, Public Health spend reductions on contracts, savings from reduced voids, Telecare spend reductions and other smaller reductions.

Further remedial actions are still being sought; with the aim of bringing spend back in line with budget.

In addition issues have been identified with the links between the Mosaic and Fusion systems which could potentially impact on care payments forecasts. An analysis of actuals is being undertaken to sense check against the forecast from Mosaic, to identify any issues and give added assurance on the forecast, which will be reported in the next forecast.



3.5 Corporate Support Services

The Directorate is reporting an underspend of £177K which is a small adverse swing of £9K compared to last month; this relates to minor changes to variances across the services.

For the Directorate as a whole, the most significant variance sits within the Childcare Lawyers service; this is a Berkshire wide joint arrangement operated by Reading Borough Council. Increased caseloads and duration of cases due to their complexity means the team is employing interims and agency staff over and above establishment at an additional cost of £966K. These costs are recharged to the other five Berkshire LA's, including administration fees, causing a positive variance on income, which offsets the negative variance on costs. The RBC element of the Joint Arrangement is currently expected to be £10k under budget.

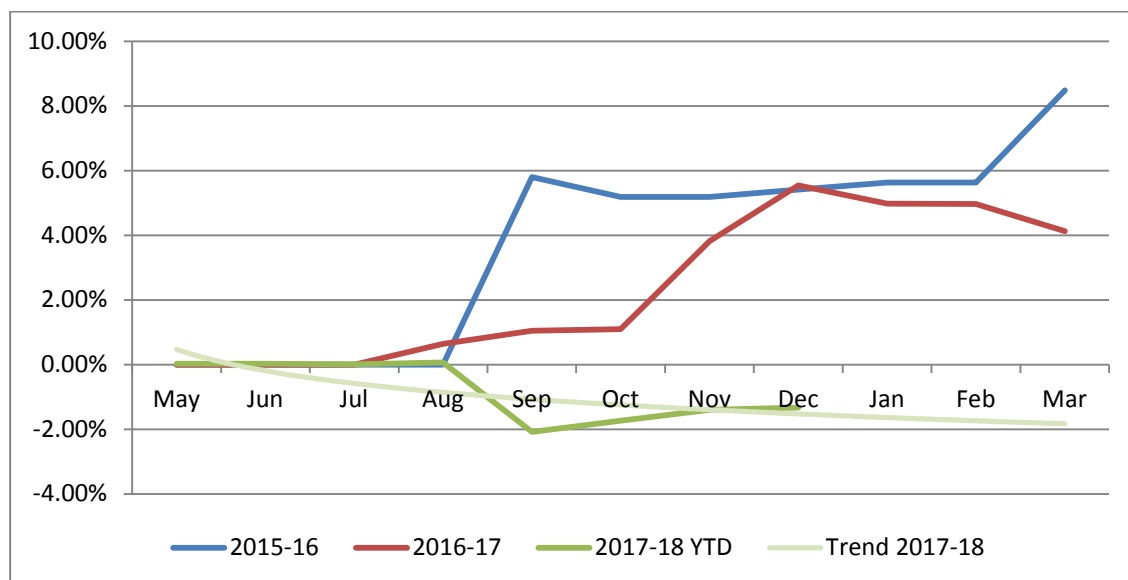
The digitisation saving that is currently held within the Corporate budget is being shown as a pressure (£154K) whilst more detailed work is ongoing to identify how this saving will be achieved. In order to deliver this saving CMT have recently agreed to give targets to each directorate to work towards digitisation.

The Finance & Accountancy Team are currently undergoing a period of transformation with a new structure expected to be in place by April 2018. As part of the future for Finance, it is essential that the underlying processes and practices for preparing the 2017/18 accounts are improved to ensure that the accounts closure for 2017/18 can be achieved on time. A new Chief Accountant has started at the beginning of January to provide technical accounting leadership. During this period of transformation for Finance &

Accountancy, additional interim staff have been brought in to cover vacant posts and provide stability to the team at an additional cost of £347K. It is also anticipated that there will be additional external audit fees of around £100K arising from the extra work that EY have carried out on the audit of 2016/17 accounts. Some of these additional costs will lead to long term improvements in Finance and the ability to support organisational change and savings, so are being considered for funding from the change fund.

The overspends in the Directorate are mitigated by vacancies being held in the Policy and Voluntary Sector Team and in the Learning and Workforce Development Team (£104K). There is also a non-recurrent saving (£180K) on the elections budget for 2017/18 as it is a fallow year.

The vacancies in the Policy and Voluntary Sector have been put forward as ongoing positive variances into 2018/19. The net position for Corporate Support Services is a £37K positive variance going into the next financial year.



3.6 Contingency

A contingency of £7.7m was built into the 2017/18 budget of which it was agreed at Policy Committee in July 2017 that £5.378m would be used to remove undeliverable savings leaving a contingency of £2.3m for this financial year. A further £695K has been used in since July to reprofile savings to future years.

	£'000s
Opening Position 1/4/2017	7,700
Savings removed July Policy Committee	(5,378)
Savings reprofiled July CMT	(121)
Savings reprofiled Aug CMT	(40)
Savings reprofiled Sep CMT	(534)
Remaining Balance at 30/11/2017	<u>1,627</u>

4. TREASURY MANAGEMENT & CORPORATE BUDGETS

- 4.1 We have further reviewed the capital financing budget position, to take account of the current cash flow and a projection to 31 March, and a review of the apportionment of interest costs and finalised the detailed MRP calculation. We now expect the overall budget to be under spent by £1.05m in 2017/18, though as always there remains some uncertainty, given the larger cash flows expected in the final quarter. In addition, a further projection of capital receipts and their uses will enable £200k to be used to repay debt and hence reduce the MRP payment in line with the agreed MRP policy, by the same amount.
- 4.2 The Committee may recall from the Annual Treasury Management Strategy Statement that the Council has borrowed £30m on LOBO Terms (where the lender has an option to increase the interest rate, whereupon the Council has an option to repay). Last year one lender of £5m indicated, and provided a deed of variation stating that it would not exercise the options, thus turning the loan into a “vanilla” one.

Recently the Council has been contacted by another lender of £10m setting out outline terms to repay the loan. The Director & Head of Finance are currently considering this proposal which appears to have some merit, and subject to appropriate due diligence and advice may proceed with a repayment during 2018. There will be a substantial premium, but this can be accounted for over the remaining period of the original loans and on initial inspection appears to offer some long term, and possibly shorter term, advantages to the Council.

- 4.3 Other Corporate budgets have also been reviewed, notably the contingency budgets to help fund the Council’s share of the Berkshire Pension Fund deficit, most of which is financed by the pensions on-cost on pay across the Council. The latest forecast is that very little of the budget should be needed this year with an expected £400k underspend. Furthermore £100K of the Living Wage “top up” contingency budget is not needed in 2017/18, as the costs are otherwise in the budget. However, currently there are no clear and firm plans to complete the delivery of the £350k across the Council procurement savings (other than those procurement savings already built into directorate savings proposals).
- 4.4 Additionally, across the Council £100K can be released from budgets this year due to the Christmas leave offer being made to staff and transformation costs are currently forecast to be underspent by £200K this year. Finally, of the £1m set aside in the budget to support the future improvement of Children’s Services, which has now been agreed to be through the set-up of the Children’s Company, only £500K will be needed this year, so £500k will not be spent in 2017/18. Therefore in total other corporate budgets are forecast to underspend by £950k.

5. FORECAST GENERAL FUND BALANCE

- 5.1 Based upon the draft accounts for 2016/17, the General Fund Balance at the end of 2016/17 was £5.2m. As indicated in the table above, assuming remedial action highlighted is carried out, there is a forecast overspend on service revenue budgets of £1.0m. The pressure on service directorate budgets is offset by a favourable position on treasury and other corporate

budgets (see para 4.1), so there is an overall underspend of £1.2m forecast. Officers however need to continue to manage tightly spending throughout the remainder of the year to avoid any overspend at the year end.

6. CAPITAL PROGRAMME 2017/18

6.1 To the end of December £46.487m of the original c.£121m programme had been spent and it should be noted that capital spending is usually weighted to the latter part of the year. (The amount spent includes the purchase of a £20m investment property.) Officers are reviewing the whole programme and the total spend for 2017/18 is now likely to reduce from c£121m to c£83m as some projects have been pushed back into 2018/19.

Capital Receipts

7.1 The financial strategy depends on successfully obtaining capital receipts to fund the transformation programme and the equal pay settlements. In summary, an estimated £14m is required in 2017/18 for equal pay; £3.2m for the change fund; £1m for redundancy costs and £2m for debt reduction / an MRP contribution. This implies a requirement of £20.2m capital receipts.

7.2 Island Road delivered £6.4m in December. HRA property at 10 Sun Street was sold at auction - £220k to be received in January. Weldale Street (£0.25m) is expected to be completed within this financial year. Negotiations are ongoing on Amethyst Lane (£4.0m) and likely to be completed in 2018/19.

	Non-HRA 17/18	HRA (not 1-1) 17/18	Total 17-18	18/19
Planned	£12.3m	N/A	£12.3m	£2.5m
16/17 b/f	£6.6m	£5.5m	£12.1m	N/A
Of which delivered	£8.2m	£0.2m	£8.4m	£0.0m
Expected shortly	£0.2m	£0.2m	£0.4m	£0.0m
Total Available			£20.9m	
Additional Required	£ 0.0m	N/A	£0.0m	£0.0m

8. HRA

8.1 An analysis of the current expected outturn of operational budgets (for repairs and management costs) projects an under spend of £200k. This includes £100k underspend relating to the revenue repairs budgets and a number of minor variances across the HRA supplies and services budgets as well as a small number of vacant posts.

8.2 The latest review of the HRA capital financing position for 2017/18 has identified those costs should be around £10.5m, which represents a £100k underspend. The current projection for rent income suggests that actual income should be at least £300k better than budget, amongst other reasons because of continuing good control of rent arrears.

8.3 An analysis of the MRA funded capital expenditure is shown below. The majority of the expected underspend in 2017/18 relates to work the water mains at Coley High Rises which is likely to slip into 2018/19:

	Budget	Actual spend at 31/12/2017	Projected Outturn
	£'000	£'000	£'000
HRA-Major Repairs	7,248	3,418	6,070
HRA-Hexham Road Project	1,200	853	1,400
Disabled Facilities Grants (Local Authority Tenants)	390	252	509
Total	8,838	3,114	7,979

9. RISK ASSESSMENT

9.1 There are risks associated with delivering the Council's budget and this was subject to an overall budget risk assessment. At the current time those risks are being reviewed as part of budget monitoring and can be classed as follows:

- High use of agency staffing & consultants;
- Pressures on pay costs in some areas to recruit staff or maintain services;
- In year reductions in grant;
- Demand for adult social care;
- Significant additional demand (and change in caseload mix) for children's social care;
- Increased requirement for childcare solicitors linked to activity on the above;
- Homelessness, and the risk of a need for additional bed & breakfast accommodation;
- Demand for special education needs services;
- Housing Benefit Subsidy does not fully meet the cost of benefit paid

10. COUNCIL TAX & BUSINESS RATE INCOME

10.1 We have set targets for tax collection, and the end of December 2017 position is:

Council Tax	2017/18 £000	Previous Year's Arrears £000	Total £000
Target	77,602	1,420	79,022
Actual	77,110	1,489	78,599
Variance	492 under	69 over	423 under

10.2 For 2017/18 as a whole the minimum target for Council Tax is 96.5%, (2016/17 collection rate 96.8%). At the end of December 2017, collection for the year to date was 82.87% compared to a target of 83.18%, and collection is slightly behind 2016/17 (83.04% by end of December 2016).

10.3 Business Rates Income to the end of December 2017

Business Rates	2017/18 £000	2017/18 %
Target	105,135	81.40
Actual	105,003	81.30
Variance	132 under	-0.10

The target for 2017/18 as a whole is 98.50%. By comparison, at the end of December 2016, 79.06% of rates had been collected.

11. OUTSTANDING GENERAL DEBTS

11.1 The Council's outstanding debt total as at 31 December 2017 stands at £4.773m in comparison to the 31st March figure of £4.280m. This shows an increase of £0.493m, and we note that £2.807m of the balance as at 31 December 2017 is greater than 151 days old.

11.2 With regards to debt that is greater than 151 days old, there has been a 5% reduction in this debt since April 2017. The central team has recently taken on responsibility for the collection of NHS debts. This has led to a significant improvement in the value owing by them following intervention, resulting in the old debt reducing. The team is also looking at alternative approaches to how other older debt is tackled following this success.

12. CONTRIBUTION TO STRATEGIC AIMS

12.1 The delivery of the Council's actual within budget overall is essential to ensure the Council meets its strategic aims.

13. COMMUNITY ENGAGEMENT AND INFORMATION

13.1 None arising directly from this report.

14. LEGAL IMPLICATIONS

14.1 The Local Government Act 2003 places a duty on the Council's Section 151 Officer to advise on the robustness of the proposed budget and the adequacy of balances and reserves.

14.2 With regard to Budget Monitoring, the Act requires that the Authority must review its Budget "from time to time during the year", and also to take any

action it deems necessary to deal with the situation arising from monitoring. Currently Budget Monitoring reports are submitted to Policy Committee regularly throughout the year and therefore we comply with this requirement.

15. FINANCIAL IMPLICATIONS

15.1 The main financial implications are included in the report. The Council's constitution envisages remedial action is implemented when there are adverse budget variances.

16. EQUALITY IMPACT ASSESSMENT

16.1 None arising directly from the report. An Equality Impact Assessments was undertaken for the 2017/18 budget as a whole.

17. BACKGROUND PAPERS

17.1 Budget Working & monitoring papers, save confidential/protected items.

READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	19 FEBRUARY 2018	AGENDA ITEM:	15
TITLE:	BUDGET 2018/19 & MEDIUM TERM FINANCIAL STRATEGY		
LEAD COUNCILLOR:	CLLR JO LOVELOCK	PORTFOLIO:	LEADER / FINANCE
SERVICE:	FINANCE / CORPORATE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	PETER LEWIS	TEL:	0118 9373263
JOB TITLE:	STRATEGIC DIRECTOR OF FINANCE	E-MAIL:	Peter.lewis@reading.gov.uk

1. PURPOSE OF REPORT

- 1.1. To present to members proposals for the General Fund revenue budget for 2018/19 & Medium Term Financial Strategy (MTFS) for the period to 2020/21, alongside proposals for capital expenditure over the same period. Councillors are asked to consider the proposals and the formal recommendations set out below, some of which are for Council to resolve.

2. SUMMARY OF THE REPORT

- 2.1. The Council is proud of its track record of delivering good quality services that support the aspirations & requirements of the residents and businesses of Reading. This is especially so when set against the ongoing impact of Government funding reductions and the increasing demand pressures upon services, especially in children's and adult social care.

- 2.2. It is essential that the Council has robust plans to be financially sustainable so that it can continue to shape and influence the future of Reading and play its part in protecting the most vulnerable by:

- Ensuring that Reading achieves sustainable growth, which provides a wide range of job opportunities for people living in Reading and beyond.
- Ensuring that there are enough new homes and associated infrastructure to meet local needs.
- Protecting and enhancing the life outcomes of vulnerable adults and children.
- Keeping Reading's environment clean, green and safe.

- Ensuring that there are good education, leisure and cultural opportunities for people in Reading.

More detail of these priorities and plans will be set out in the Corporate Plan, which is being developed and will be presented to the Council later in the year.

2.3. Delivering these priorities against funding and demand pressures will require the Council to act effectively, efficiently and with clear focus and determination. Indeed the Policy Committee in January 2018 resolved to require officers to develop more radical proposals to close the financial gap, including steps to:

- Alter service levels where current ones are no longer affordable;
- Look for locally developed alternative delivery models in appropriate service areas;
- Positively test existing services against the market;
- Restrict the growth of employment costs

2.4. The report to the January Policy Committee noted that in order to deliver everything that the Council does now, in largely the way that it is currently done, then the Council would need £43.2m more than is forecast to be available over the period to 2020/21. Proposals, including those presented to the July 2017 Policy Committee, have been developed to seek to bridge that gap. In order to make swift progress, savings proposals of £3.7m, £4.4m & £3.3m, for 2018/19, 2019/20 and 2020/21 respectively, were presented to and agreed by the Policy Committee in January 2018 with appropriate delegation to Directors to implement as soon as possible (after undertaking any necessary consultation).

2.5. Further proposals for savings and/or income generation have continued to be developed and are presented in this report for councillors' consideration. These proposals amount to £3.6m in 2018/19, £3.9m in 2019/20 and £4.4m in 2021/21. If agreed then these proposals will allow a balanced budget to be set for 2018/19 and they will provide for a balanced MTFs. However, as explained in the report, it has not been possible to identify ongoing savings for each year of the MTFs, so some use of balances is required to enable one-off funding and the over-achievement of savings in earlier years to address deficiencies in later years. Overall, it is expected that the proposals, if agreed, will underpin the "going concern" statement that needs to be provided to our external auditors, EY, shortly.

2.6. In addition to the details of the General Fund revenue budget and MTFs, this report also presents proposals for the Housing Revenue Account (HRA). This is a ring-fenced account, which deals with the finances of council housing. Budgets have been prepared in accordance with the business plan for the HRA and taking account of variations required due to the impact of any changes in 2017/18. There are also details of the proposed capital programme within this report, the related treasury management strategy, and an outline capital strategy. In addition the report includes details of the Council's proposed deployment of the Dedicated Schools Grant and an update on the implementation of the Government' 2017 budget Discretionary Rate Relief Scheme. All

these are also for approval and are referred to in relevant appendices (see list at end of the main report)

- 2.7. Councillors will be aware that the Council has not yet achieved a complete and audited set of accounts for 2016/17. Work continues and a further update will be given at the meeting. To date no errors have been found that would lead to concerns about the amount of money spent or received in 2016/17, which in turn would undermine or alleviate the position in subsequent years.
- 2.8. Final Settlement - the Local Government Finance Settlement 2018/19 was approved in Parliament on 7 February. While it confirmed the figures that we already knew about there was also a welcome late addition to funding in the form of a £150m Adult Social Care Grant nationally for 2018/19 only. This translates into £0.355m for Reading Borough Council. Due to the lateness of the announcement, this sum, which must be earmarked for Adult Social Care, is likely to be added to the contingency but is not reflected in any of the tables within the report. These will be amended for the presentation to the Council in due course.

3. RECOMMENDED ACTIONS

3.1. Policy Committee proposes the following recommendations to Council:

SETTING THE COUNCIL TAX FOR THE READING BOROUGH COUNCIL AREA

1. That the following, as set out in this report by the Strategic Director of Finance and in the Budget Book, noting the Equality Impact Assessment, be approved:
 - a) The Council's General Fund Budget for the period 2018/21 (Appendix 6)
 - b) The specific revenue estimates for 2018/19
 - c) The capital programme for the period 2018-21
2. It be noted that on 23 January 2018 the Council calculated the Council Tax Base 2018/19 for the whole Council area as 54,850 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")].
3. Calculate that the Council Tax requirement for the Council's own purposes for 2018/19 as £1,579.99 (as set out below).

That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act.

- a) £390,542,725 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
- b) £303,880,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

c) £86,662,725 being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(4) of the Act).

d) £1,579.99 being the amount at 4(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

e) Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1053.33	1228.88	1404.44	1579.99	1931.10	2282.21	2633.32	3159.98

being the amounts given by multiplying the amount at 4(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. That it be noted that for the year 2018/19 the Police & Crime Commissioner for the Thames Valley has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Precepting Authority	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Police & Crime Commissioner	121.52	141.77	162.03	182.28	222.79	263.29	303.80	364.56

6. That it be noted that for the year 2018/19 the Royal Berkshire Fire & Rescue Service have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Precepting Authority	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Royal Berkshire Fire & Rescue	42.90	50.06	57.21	64.36	78.65	92.96	107.26	128.72

7. That, having calculated the aggregate in each case of the amounts at 4(d), 5 and 6 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2018/19 for each of the categories of dwelling shown below:

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1217.75	1420.71	1623.68	1826.63	2232.54	2638.46	3044.38	3653.26

- 3.2. Committee/Council is requested to approve the Treasury Management, Investment Strategy, Initial Capital Strategy and the Prudential Indicators set out in Appendix 4 and approve the MRP Statement to apply from 2018/19 in Annex A of the strategy, and in particular in connection with the apportionment of interest between the HRA & General Fund Committee/ Council is asked to authorise the appropriation of non-residential shop units and garage blocks currently held within the HRA (and listed in the background paper on the Council's website together with a borough map showing locations) be appropriated from being held for housing purposes under the Housing Act 1957, to being held for the benefit, improvement and development of the Borough under Section 121 of the Local Government Act 1972, and for land in Norcot currently held under Section 121 of the 1972 Act to be appropriated for housing purposes under the Housing Act 1957, noting that these appropriations will impact the apportionment of interest as set out in the strategy.
- 3.3. Committee/Council is requested (in connection with its consideration of the budget and calculations of Council Tax above) to take account of the statutory advice of the Strategic Finance Director in accordance with S25 of the Local Government Act 2003 on the robustness of the budget and adequacy of financial reserves in Section 6.1 of the report and in particular paragraph 6.1.f.
- 3.4. Council is requested to approve the changes to Fees and Charges outlined in Appendix 3 of the report, and set out in detail on the Council's website and authorise officers to take the action necessary to implement these changes.
- 3.5. Policy Committee RESOLVES to agree the savings proposals in Appendix 1. 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 H1 of an Equality Impact Assessment where appropriate.
- 3.6. Committee/Council is asked to approve the Housing Revenue Account budget for 2018/19 set out in Appendix 10, and in line with the Government mandatory requirement authorise a 1% rent reduction from the week beginning Monday 2 April to all HRA tenancy rents (noting that re-let of vacant HRA housing properties will be at target (formula) rent on all relets as agreed last year).
- 3.7. That the permitted PFI stock exemption to the annual 1% rent reduction for social rented housing is not applied for the financial year 2018/19, but the position be

reviewed for 2019/20 in due course.

- 3.8. That Policy Committee RESOLVES to approve a 4.0% garage rent increase, in line with normal rent policy for garages (CPI + 1%).
- 3.9. That the appointment of Jackie Yates' to the post of Director of Resources, starting from 19 March 2018, be noted;
- 3.10. That the post of Director of Resources be designated to act as the local authority's Chief Finance Officer and Section 151 Officer with the statutory responsibilities under the Local Government Act 1972 and also be the Responsible Officer under Section 113 of the Local Government Finance Act 1992 with effect from 26 March 2018; and the Council's Constitution and Delegations' Register be amended accordingly to reflect this change.
- 3.11. Policy Committee RESOLVES to agree that the first calls on capital receipts for the MTFS period, including 2017/18, be to cover the estimated remaining equal pay settlement and the Delivery Fund set aside to provide the capacity required to enable sustainable changes in the Council to be implemented and savings to be delivered and that the Chief Executive has the delegated authority in consultation with the Director of Resources to deploy this Fund in accordance with the Council's constitution.

4. BACKGROUND AND ASSUMPTIONS

- 4.1. In July 2017 the Policy Committee agreed a revised budget for 2017/18 and a MTFS for the period to 2019/20, the final year of the Government's four year local government finance settlement. The revised budget for 2017/18 was based upon more robust assumptions and more realistic and extensive savings proposals and a much reduced reliance on reserves compared to the February Council report. In addition, savings were proposed over the medium term that, if delivered, nearly balanced 2018/19, but left a larger gap of £5.3m to be resolved in 2019/20.
- 4.2. Since July 2017 there has been much progress made in delivering savings (over 90% of those due to be achieved in 2017/18 are expected to be delivered) with progress also made against savings planned for 2018/19 and 2019/20. However, there has been increased pressure on the 2017/18 budget from rising demand (volume and price) in both adult and children's social care. This required mid-year mitigating action to avoid an overspend and the current overall Council position (small underspend) has been reported in the regular budget monitoring reports to Policy Committee.
- 4.3. In the light of this 2017/18 experience and the predicted impact of the in-year pressures on subsequent years, the Administration Group and senior officers have been working together over the Autumn/Winter period to address the budget gap. It is estimated that if the Council continues to do everything it does now in the way it currently does it then there will be a £43.2m budget gap in 2020/21.

4.4. Larger elements of this £43.2m comprise:

- £14.9m of demand pressures. Of these pressures approximately £8.7m is in Children’s Services and £3.6m in Adults Services;
- £9.5m in pay awards and increments, providing for pay awards at the level of the offer made by the management side in November 2017;
- £7.8m of contract inflation;
- £4.9m of capital financing costs;
- £3.6m arises from savings that were resolved in July to be undertaken, but cannot now be delivered, including the £2m in regard of redefining some staff terms and conditions.

4.5. In preparing this MTFs, every effort has been made to keep annual revenue spending within the limit of ongoing income sources within each year, only using one-off funding to support change and investments which then contribute to closing the financial gap in a sustainable manner. This principle was endorsed by the Policy Committee on 15 January 2018. It has not, however, been possible to fulfil this requirement across all years and a Funding Equalisation Reserve is required to enable funds available in the earlier years (one-off and over-achievement of savings) to move to the later years for the purposes of balancing the MTFs. More details are explained later in this report.

4.6. Before proceeding to describe the assumptions upon which the MTFs is built, it is appropriate to describe the outcome of the considerable work undertaken in recent weeks by members and officers.

	2018/19	2019/20	2020/21
	£000's	£000's	£000's
Gross Budget	£ 159,964	£ 142,360	£ 136,150
Funding	-£ 142,891	-£ 126,709	-£ 128,501
Savings Agreed July 2017	-£ 10,449	-£ 7,420	£ -
Savings Agreed January 2018	-£ 2,973	-£ 4,377	-£ 3,253
Savings Proposed within this Report	-£ 3,651	-£ 3,854	-£ 4,396
Balanced MTFs with Agreed and Proposed Savings	£ -	£ -	£ -

Note: In paragraphs 5.8/5.10 of this report, the 2018/19 saving agreed in January 2018 adds up to £3.7m; here it is £2.973m. This difference arises because £0.761m of measures agreed relate to increased funding so are shown in the funding line here.

This table illustrates a balanced budget for 2018/19 and a balanced MTFs taking account of the further savings being proposed for consideration by councillors in this report. As indicated above and described below, the opportunity presented by the Business Rates Pilot means that the Council can use these one-off funds in 2018/19 to address the small budget gap that would otherwise be apparent in 2020/21. The funding is moved between years by means of the proposed Funding Equalisation Reserve described below within the section on the Pilot. The unusually large gross budget and

funding figures in 2018/19 are a consequence of the Business Rates Pilot and the way that the increased value of rates retained will flow through the Council's accounts.

4.7. In paragraphs below there is narrative on the savings required and the contingency for unmet savings and unexpected pressures. It is appropriate to highlight at this stage that full delivery of the savings and strict control of the budget in the first year or two of the MTFs will reduce the pressure on the contingency for the later year or two. In this case the contingency could be reduced thereby enabling the release of funds back to the core budget for planned service delivery. This would then reduce the need for one-off funded solutions.

4.8. Assumptions: the key assumptions made in support of these budget proposals are set out below.

- Pressures - given recent experience of in-year budget pressures leading to potential overspends, even greater effort has been committed in this round to understanding the cost drivers behind the major elements of expenditure and how they might be influenced. The impact of this is shown in paragraph 4.4 above. In particular, in Children's Services there has been much more detailed modelling of trends, volumes of cases and cost per case to build the budget. While forecasting in this area is subject to significant influence by external forces, a greater understanding will enable greater control. Interventions are being designed to seek to moderate the pressure on the budget in future years.

In respect of Adult Services, in addition to a better understanding of the demographics of our population, the officer team has been focussing on case reviews, more detailed scrutiny of proposed care packages and improved commissioning to secure cost effective services. Each of these will make a contribution to improved spending control.

- Government Funding - the four-year settlement information has been applied - this originally showed Government funding in the form of Revenue Support Grant (RSG) as being due to reduce from £10.4m in 2017/18 to £6.2m in 2018/19 and then below £2.0m in 2019/20. This will now change in 2018/19 when there will not be RSG, but there has been a matching tariff adjustment because of the Business Rate Pilot as explained below. 2020/21 is beyond the four-year settlement and it is known that the Government intends to reform the local government finance system by that year; an outline timetable has been published to show the key stages of the work. At the start of the review the stated aim was to move to a 100% business rate retention scheme, with local government as a whole only being funded by business rates with removal of central government grant and some reallocation of responsibilities between central and local government.
- A "reset" of the system is due to occur that will redistribute available business rates. In the reset Government will estimate the total resources (from business rates and council tax) available to Local Government as a whole. A revised needs formula will determine the relative need of each local authority and the total

resources nationally will then be redistributed according to relative need. From the resources determined in this way the amount of council tax each authority has will be deducted to leave the amount of business rates an authority needs. Authorities that collect less business rates will (as now) receive a top up, paid for by charging a tariff to authorities that collect more rates than they need. As now (in 2017/18) where we pay about 75% of rates to the Government, Reading will be a tariff authority, and be required to pay a significant proportion of the rates collected to Government for redistribution.

- The change to the needs formula may mean that the tariff is different to that which would arise if Government simply rolled the existing formula on for one more year. When major transitions from one formula to another have occurred in the present system, an arrangement of safety nets and caps, on losses and gains respectively, has operated. As a consequence almost no authority has actually reached the level of resources a pure operation of the formula would suggest. The current thinking (in the joint LGA/MHCLG working group) is that a transition scheme will operate that does get most authorities to the “correct” level of resources after year 4. However, it is also thought likely that all authorities will get to keep locally some (reasonably significant) element of business rates growth since the last reset. The combination of all of these likely changes makes it very difficult to predict the level of funding that might be available to the Council in 2020/21. At this stage it is estimated that Government funding will fall to £0 in 2020/21, from £2.0m in 2019/20. While £0 might seem a natural minimum, there are some authorities who have been calculated to receive negative RSG before the end of the four-year settlement, so the Borough Council’s settlement could be worse than is assumed. As indicated above, the government will implement change by changing the business rates tariff. For this reason a balancing reserve is proposed in a later section.
- **Berkshire Business Rate Pilot** - the Government announced 10 new pilots of “100% business rates retention” including Berkshire as part of the local government finance settlement in December 2017. This is positive news for Berkshire and for Reading Borough Council. The pilot is announced for one year (2018/19) only at this stage, although it is hoped that it might be carried forward into 2019/20 until the changes described above occur in 2020/21.
- The pilot means that Berkshire authorities will as starting point retain 99% of business rates rather than 49% with 1% to the Fire Authority. However, Government has recalculated the tariffs Berkshire authorities are required to pay and in doing so made an adjustment because the Government will not be paying any RSG - the £6.2m (for 2018/19) referred to above - to the Council. The tariff increases from £27.5m in 2017/18 to (that would ordinarily have risen to £28.3m in 2018/19) to £81.0m. Although this represents an increase of £53.5m, which is coupled with the loss of £6.2m RSG as we are actually estimating business rates income of £130m in 2018/19, £65m of which would be paid to the Government, the Council is £5.3m better off from this aspect of the Pilot. Overall the pilot bid estimated a net gain to Berkshire of £35m for the year, and £25m of that

was reserved for allocation by the Local Enterprise Partnership (LEP) to help generate further economic (and hence business rates and council tax) growth. The remainder is kept by each local authority. For Reading Borough Council this produces one-off gains of approximately £2.6m as there is no levy to pay to Government in regard of business rate growth. There is also a further gain of about £1.7m due to receiving the Government's share of the Section 31 grant calculated to compensate local government for constraining business rate growth to CPI (as opposed to RPI) in 2018/19 and other changes government has made over the past 4 years that have reduced business rates income.

- While the Berkshire pilot is to be welcomed, it has certainly made the calculation of the national non-domestic rates (NNDR) funding element of the Council much more complicated, and especially so due to the current one-year pilot. Reading officers have had to work very closely with other Berkshire finance colleagues to make sure that our assumptions align in an appropriate manner, and there will be a need to review progress during the year, as the final position will not be known until after the end of the 2018/19 financial year. The impact of unwinding the pool in 2019/20 (if it is not extended) may yet produce uncertain impacts, hence the proposal for a reserve to be created in order to smooth this transition.
- Council Tax - the Government still maintains a significant amount of control over council tax levels by applying a referendum limit; that is, the maximum increase that is allowed before a referendum of council tax payers is required to consider any higher increase. This year the Government reaffirmed the "normal" referendum limit as 2% for 2018/19, but has allowed a further 1% to recognise the pressures on local government. In addition, from previous settlements, the Adult Social Care precept remains in place for 2018/19; this is the last year for this Council as we have taken the option of advancing the 2% per annum for three years into 3% for two years. This has two impacts:
 - The proposals in this report are based on a (just below) 6% increase in council tax (detailed calculations are shown in Appendix 2);
 - Beyond 2018/19, under current known permissions, the Council will only be able to increase the council tax by a maximum of 2%, which will not be enough to maintain pace with the currently experienced growth in pressure on the services of the Council.
- Savings - as indicated above, if we made no further savings then the budget gap would be over £43m to 2020/21. Therefore, savings, efficiencies and income generation have been proposed that will bridge the gap in 2018/19 and will largely bridge the gap over the MTFs. More detail of those savings are set out below, but in summary the Council needs to deliver savings of:

	July 2017	Jan/Feb 2018	Total
2018/19	£ 10,449	£ 6,624	
2019/20	£ 7,420	£ 8,231	
2020/21	£ -	£ 7,649	
Total	£ 17,869	£ 22,504	£ 40,373

- This volume of savings is clearly significant and will be challenging to deliver; to be successful, and hence avoid in-year pressures on the budget, will require pace, determination, discipline and adequate funding of any additional resources required. This last point is covered by the Delivery Fund mentioned below. In addition, at the Policy Committee in January 2018, members resolved that directors were authorised, 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:

 - undertaking and considering the outcome of any necessary statutory consultation for the service in question;
 - 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;
- Each saving has been assessed for confidence in deliverability. It is not surprising that, after so many years of finding savings, further savings are more challenging to deliver. In addition, those savings that are in the later years of the MTFs are currently less well planned and will therefore have lower confidence ratings. In addition to the Delivery Fund, it is essential that the Council maintains an appropriately sized contingency; this is referred to below.
- Delivery Fund - the Council, in 2017/18, took advantage of the Government’s flexibility to allow the use of capital receipts for the purpose of “transformation” (in a similar way to the earlier change that permits their use for settling historic equal pay settlements). The Government announced in December 2017 that this flexibility will continue until April 2022. With that in mind is proposed that the first calls on capital receipts for that period will be to cover the estimated remaining equal pay settlement and to support the Delivery Fund, set aside to provide the capacity required to enable sustainable changes in the Council to be implemented and savings to be delivered. There is no revenue funding available for this purpose.
- The Delivery (formerly “Change”) Fund was presented to members in the report to the July Policy Committee; at that time a fund of £7.8m was planned across three years, with £2.4m being contributed from the revenue organisational change fund and £5.4m from capital receipts. The Delivery Fund will need to be extended and supplemented to ensure that the savings and changes now required can be delivered successfully. The Delivery Fund is now intended to be:

2017/18	£2.557m
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2018/19	£5.593m
2019/20	£3.840m
2020/21	£2.260m
Total	£14.250m

- Now that the Government has agreed the extension of the facility to use capital receipts flexibly for “transformation” type activity that leads to long term savings, and given the lack of available revenue funding, then capital receipts will be directed towards the Delivery Fund in the first instance. At the end of the 2017/18 financial year, it is expected that there will be £13.2m of receipts remaining with a further £13.3m expected in 2018/19. This will be at least sufficient to support the Delivery Fund commitments as above bearing in mind the estimated remaining equal pay settlements.
- Contingency and General Balance - as mentioned above, each of the savings proposals has been assessed for deliverability, with confidence factors applied. While some of the assessments may appear low, for some of them at least, this is because detailed planning has not taken place rather than an outright assessment that they only have a limited chance of success of being delivered. However, applying the confidence factors produces the following reductions in savings:

	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000
Reduction in Savings if confidence factor applied	5,891	6,416	3,069	15,376

- The table above suggests that we need contingencies for non-delivery of savings of: £5.9m in 2018/19, £6.4m in 2019/20 and £3.0m in 2020/21. The last year is a lower amount as there are no savings emanating from 2017/18 in that year, whereas there are in 2018/19 and 2019/20. Any unmet savings, if not mitigated by other means, will drain the contingency on an ongoing basis, hence full delivery of savings or other ongoing mitigations is the target.
- Current proposals are to aggregate any identified contingencies across the Council, as it is estimated that one larger contingency will be more efficient than several smaller ones. With that in mind, the following comprises the planned contingencies for the respective years:

	2018/19	2019/20	2020/21
	£'000	£'000	£'000
Contingency			
General	3.276	4.276	4.276
Additional Pressures on Children's	2.000	2.000	2.000

Creation of Children's Company	1.000	0.000	0.000
Learning & Workforce Development	0.100	0.100	0.100
Housing Benefit Subsidy	0.150	0.025	0.025
Total	6.526	6.401	6.401

- While it is intended to use the contingency flexibly, it is acknowledged that the recent experience of pressures on Children's Services and the need to create the children's company will consume at least some of the total. It is also acknowledged that there is a fixed total budget, so an increased revenue contingency will require more savings to be found; perhaps a vicious circle. Therefore, it is proposed to moderate the requirement for the contingency by setting aside the additional, one-off benefit from the Berkshire Business Rate pool (£2.5m) into the general balances. These are just above the minimum acceptable level (£5m) at this time and any draw on them will require a swift plan for replenishment, which would add more pressure to the revenue budget. Therefore, setting aside this one-off sum is prudent, does not impact ongoing revenue expenditure and mitigates the need for further sums to be added to the contingency. It is therefore not proposed to add further sums to the contingency at this time provided that the General Balances can be improved in the manner described above.
- Fees and Charges - through December and early January officers have been reviewing the fees and charges levied by the Council for various services; more details are contained in an appendix to this report. Given that this was a more holistic review of the current and potential fees and charges, it has been possible to add a further anticipated £60k of income in each year of the MTFs. Beyond this there is additional income being generated that is separately identified within other savings proposals. As has become customary in recent years, the full schedule of new fees & charges is published on the Council's website with Appendix 3 setting out in narrative showing the key changes.

5. GENERAL FUND BUDGET

- 5.1. The Council is required to set a budget for day-to-day expenditure for each financial year starting on 1 April and it is a legal requirement that this budget must be balanced. The result of the detailed estimates and the assumptions above is a proposed General Fund budget as below:
- 5.2. The detailed budgets by directorate are set out in Appendix 6, and summarised in the table below:

	2018/2019 £'000	2019/20 £'000	2020/21 £'000
Corporate Support Services	12,279	12,467	12,787

Environment & Neighbourhood Services	23,812	19,517	17,997
Children's, Education & Early Help Service	41,569	41,868	41,337
Adult Care & Health	37,479	37,950	41,267
Total Directorate Requirements	115,139	111,802	113,388

5.3. The movements in each year of the MTFS are set out in the table below:

	2018/19	2019/20	2020/21
	£'000	£'000	£'000
Funding Previous Year	125,327	142,891	126,709
One off measures from previous year	4,531	0	0
Contribution to the LEP	6,250	-6,250	
Equalisation Reserve	3,275	-3,708	-1,994
Additional to General Fund Balances	2,500	-2,500	
Grant and Levy Changes	79	-226	1,625
Pay Award and Increment	2,848	3,131	3,495
Non Pay Inflation	2,497	2,600	2,670
Capital Financing Cost	1,300	2,400	1,200
Service Pressures	10,381	3,735	2,394
Recharge of GF to HRA	-1,000		
Contingency - LAC Placements	2,000		
Contingency - Children's Company		-1,000	
Other Corporate Budget Changes	-24	287	50
Draft Budget Before Savings	159,964	141,360	136,150
Savings measures agreed July 2017	-11,449	-7,420	0
Savings measures agreed Jan 2018	-2,973	-4,377	-3,253
Savings proposed within this report	-3,651	-3,854	-4,396
Addition to General Contingency	1,000	1,000	
Funding Available in Year	142,891	126,709	128,501

5.4. It should be noted that this table works cumulatively; that is, for example, an entry in 2018/19 flows through the other years until changed. An entry in one year followed by the same, but negative, number in the next year, means that the entry in the first year has been reversed and so was one-off.

5.5. The proposed level of council tax for Reading for 2018/19 at Band D is £1,579.99, an increase of 5.99% on the previous year; this represents an increase of £1.72 per week at Band D. It should be noted that the Governments assumptions about local government funding imply that council tax is raised up to the referendum limit each year. The overall increase with fire & police precepts is also 5.99%.

5.6. It should be noted that in January the Council agreed to revise the Local Council Tax Support (LCTS) scheme. It was resolved, from 1 April 2018 for 2018/19 and future years to:

- increase the minimum contribution from 25% to 35%;
- reduce capital level from £6,000 to £3,000;

- increase levels of Non-Dependant deductions (based on income) from £7.50 to £10.00 for those non-dependants not engaged in remunerative work (working less than 16 hours per week) and/or have gross earnings less than £196.95 per week;
- increase levels of non-dependant deductions (based on income from £12.50 per week to £15.00 per week for any non-dependants engaged in remunerative work (16 hours or more) with gross weekly earnings of £196.95 per week and above.

5.7. As described above, the Council will benefit from the Berkshire Business Rates Pilot in 2018/19 and this has been taken into account in the calculations. The Council will retain an extra £5.3m in business rates in 2018/19, after the loss of £6.2m RSG and other grants. Given the one-off nature of much of the gain it is proposed that a proportion of it is utilised to support the General Balances (and hence reduce the contingency as described above) and a further proportion is used to create a Funding Equalisation balancing reserve. This will enable the Council to deal with the anticipated removal of pilot, should that occur, and with the change to the new funding system in 2020/21. It is this latter event that causes most concern as it is likely to see those areas most able to generate their own funding, through NNDR, losing some of it in equalisation to support those areas less able to support their areas within the business rate income. The outcome of this redistribution is at this stage very unpredictable, hence the proposal to create an equalisation reserve to smooth the transition.

5.8. An intensive exercise to develop, propose and agree savings has taken place over the autumn and winter periods. This resulted in one batch of savings being agreed by the Policy Committee in January 2018, with a further set of proposals included as Appendix 1. to this paper. In considering savings proposals, much effort has been committed to protecting front-line services wherever possible. The following table illustrates the value of savings by category:

Savings Agreed at January 2018 Policy Committee				
Category	18/19	19/20	20/21	Total
Managing Demand	1541	1497	1983	5021
Increasing Productivity / Fees & Charges	1269	2339	415	4023
Service Delivery Models	824	390	604	1818
Reductions in Services	100	151	251	502
Total	3734	4377	3253	11364

Savings presented to February 2018 Policy Committee				
Category	18/19	19/20	20/21	Total
Managing Demand	505	75	70	730
Increasing Productivity / Fees & Charges	1298	1968	2119	5305
Service Delivery Models	580	1258	1840	3678
Reductions in Services	1269	553	367	2189
Total	3651	3854	4396	11902

Note: In paragraph 4.6 of this report, the 2018/19 saving agreed in January 2018 is shown as £2.973m. That is £0.761m less than shown here as some savings relate to increased funding so are shown in that line (as Council Tax Income) elsewhere.

5.9. It is noteworthy that out of over £23m of savings, only £2.7m is classed “reductions in service”. During the creation of this MTFs every effort has been made to protect

services and to find even more efficient means of service delivery, including through early intervention to manage demand.

5.10. The distribution of savings by directorate is illustrated in the table below:

Savings Agreed at January 2018 Policy Committee				
Directorate	18/19	19/20	20/21	Total
DENS	1096	604	350	2050
DACHS	1050	850	100	2000
DCEEHS	395	2303	2753	5451
CSS	1193	620	50	1863
Total	3734	4377	3253	11364

Savings presented to February 2018 Policy Committee				
Directorate	18/19	19/20	20/21	Total
DENS	1170	2172	3223	6565
DACHS	810	442	235	1487
DCEEHS	310	-24	550	836
CSS	1361	1264	388	3013
Total	3651	3854	4396	11901

5.11. The Public Health budget forms part of the overall budget proposals and a more detailed report on this specific area will be presented at a forthcoming Policy Committee.

6. ROBUSTNESS OF ESTIMATES, ADEQUACY OF RESERVES AND THE MANAGEMENT OF RISK

6.1. Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their budget and level of council tax. Authorities are required to consider their Chief Financial Officer's reports when setting the level of council tax. The Strategic Director of Finance (Chief Finance Officer for the Council) has provided the following report:

- As a relatively small unitary authority on the outskirts of London, Reading Borough Council needs to confidently deal with a number of challenges if it is to be successful in delivering its priorities. These challenges include service demand pressures in Children's Services and Adults Services, supporting economic growth in the area, delivering a large and complex capital programme and ensuring that all of this can be done within very constrained finances. The first two of these challenges in combination with the last one has led, in previous years, to revenue budget overspends that have caused an unplanned drain on reserves. There is strong determination amongst Administration members and officers in 2017/18 to contain the unexpected in-year pressures within the revenue budget agreed in July 2017.*
- The pressures arising in 2017/18 have led to a review of the Medium Term Financial Strategy (MTFS) for 2018/19 to 2020/21 to seek to ensure that projected future demand is supported by adequate funding, while remaining within the overall, very constrained, budget envelope. Without delivering substantial savings, it is projected that the budget requirement would exceed the funding available by £43.2m over the MTFS period. The Council has taken*

very seriously the requirement to prepare and agree a balanced budget for 2018/19 and a balanced MTFs. This has resulted in the preparation of a further £22.5m of savings proposals in addition to the £17.9m of savings that were agreed in July 2017; over the period to 2018/19 to 2020/21 £40.4m of savings will need to be successfully delivered, in full and on time; this will require determination, focus and adequate supporting resources to achieve.

- During the preparation of this MTFs there has been a review of all assumptions and underlying budgets to ensure that they are tightened wherever possible. While this will moderate the level of savings required, it will also mean that there is less resilience in the budget in order to meet unexpected, in-year pressures. This fact needs to be reflected in the contingency provision.*
- To balance the MTFs, members and officers have attempted to offer and agree proposals for savings that do not stop the Council from delivering on its priorities and also that do not introduce longer term difficulties through, for example, reducing preventative work. This is in the context of already finding and delivering over £80m of savings between 2010 and the end of 2017/18.*
- Some of the pressures of service demand and reduced Government funding will be offset in 2018/19 by additional funding that will flow through from the Berkshire Business Rates Pilot. However, as this extra funding is only one-off, at this time, it must be used carefully to build resilience against non-delivery of savings and future funding system changes, including the end of the Business Rates Pilot facility in 2019/20 and the expected changes to funding in 2020/21.*
- Given the high level of savings required over the next three years and the tightness of the budget described above, it is essential that there is an adequate provision for unexpected budget pressures and unmet savings targets. I am satisfied that, with the proposals set out in this report for a revenue contingency and the addition to the General Balances and Funding Equalisation Reserve, the Council has made adequate provision to be able to deal with moderate, unexpected financial demands without the need to resort to in-year savings. It is crucial that these provisions, balances and reserves continue to be managed in the medium term in a way that gives due regard to the need to set a legally balanced budget in each year.*
- With a robust savings plan that is delivered with determination and pace, alongside an adequate contingency and increased balances, then I believe that there is adequate evidence to offer to EY, our external auditors, to support their consideration of Reading Borough Council's "arrangements for securing economy, efficiency and effectiveness in its use of resources" and hence its status as a going concern.*
- All of the above comments are made in the context of a planning assumption that the council tax will increase at the referendum limit over the MTFs period.*
- This budget reinforces the need for on-going, robust financial management, strict budgetary control and the on-going monitoring of both savings and investment delivery plans, with processes in place to promote these.*
- In assessing the robustness of the estimate and savings proposals, I have drawn on the advice of service directors that their service priorities for 2018/19 can be delivered within the available resource envelope. These colleagues include, but*

are not limited to, the statutory chief officer roles of Director of Adult Services and Director of Children's Services.

*Peter Lewis CPFA
Chief Financial Officer*

7. CAPITAL INVESTMENT PROGRAMME 2018-2021

7.1. The Council continues to invest in Reading to provide new school places, homes, transport infrastructure and to improve our facilities to meet the needs of the community and to support continued economic growth. However, the Council's financial position requires all capital spend projects to contribute directly to achieving the Council Corporate Plan objectives and to be supported by a robust business case. The programme is funded by various means, including ring-fenced grant from central government or other organisations, and development-related receipts such as CIL and S106, neither of which can normally be used to run day-to-day council services. If the Council has to borrow to support capital funding, then there is a revenue cost arising, which needs to be provided for in the Council's overall budget. Therefore where projects are proposed to be funded by borrowing, they are required to either make a positive return and/or contribute to reducing the Council's revenue costs in the longer term. There will be an overall, strategic approach to funding the capital programme, with all sources of funding other than borrowing deployed, where permitted by grant or other conditions, in a non-earmarked manner to reduce the pressure on borrowing and its consequent revenue costs. Any local CIL funding (15% of the total) will continue to be allocated through member discretion to schemes that address corporate priorities.

7.2. In summary the overall capital programme and its financing is set out in the table. The more detailed programme is set out in Appendix 8.

Capital Expenditure and Financing	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
General Fund	67.2	122.5	132.6	104.9
HRA	12.1	25.3	14.5	8.5
Total Expenditure	79.3	147.8	147.1	113.5
Government Grants	17.0	28.6	25.2	13.9
Capital Receipts	1.7	5.3	4.2	1.0
S106	1.6	5.7	7.2	0.5
CIL	1.7	2.0	1.7	1.7
Borrowing	20.5	29.0	15.8	5.4
Investment Borrowing	30.6	71.0	85.0	85.0
Major Repairs Allowance	6.2	6.2	6.0	6.0
Total Financing	79.3	147.8	147.1	113.5

- 7.3. The extensive use of borrowing to finance the programme will lead to an increase in the Council's Capital Financing budget, which will rise from £11.68m in 2018/19 to £14.88m in 2020/21. Further details of the Council's treasury plans and related treasury management indicators are set out in the Treasury Management Strategy Statement in Appendix 4. In addition the CIPFA Prudential Code has set out a new requirement to have a capital strategy, and an Initial Outline Strategy for 2018/19 is set out in Appendix 5. This will undergo further development during the financial year.
- 7.4. As this report was being finalised, MHCLG announced the outcome of some bids we had submitted in the autumn to the Housing Infrastructure Fund. We have two successful bids, for the next phase of Dee Park Regeneration, and for the regeneration of the Central Pool area following the closure of the pool. Key areas of investment are set out in the paragraphs below.

Education and Early Help

- 7.5. There are 3 main work streams: Sufficiency of Pupil Places, condition related improvements to school buildings and ensuring compliance of statutory Health and Safety matters.
- 7.6. The Primary Schools expansion programme has completed its first two phases, and provided over 3000 new pupil places. One substantial expansion is taking place at Moorlands Primary School, providing 210 additional places - due for completion by September 2019, at a cost of circa £4.15m. Capacity at the Avenue school has been lifted to 150 places from 123, with the recent modular building installation at a cost of £276k, and work will commence in 2018 to replace the existing life expired buildings at Blessed Hugh Faringdon school and develop a new 30 place unit at an estimated cost of £2.1m for Asperger syndrome children. Capacity at The Avenue School will be increased through further conversion of upper floor of The Avenue Centre during 2018.
- 7.7. The Council has begun work to facilitate up to 1200 additional secondary school places in conjunction with partners in neighbouring authorities and the Education Skills and Funding Agency (ESFA).
- 7.8. The proposed work at Crescent Road Playing Field in East Reading will complete the campus improvements enabling use by over 2000 pupils as the 3 schools fill to capacity. There is a limited contingency of £2.6m to help manage potential school place capacity problems, including the secondary school bulge classes and current needs of The Heights School.
- 7.9. In December 2017 agreement in principle was reached with Berkeley Homes and the ESFA to develop a new 2 form entry Primary School with an estimated cost of £8m within the Green Park Village development in South Reading. Under this agreement the Council will contribute £500k of education capital grant to the development, and will own the asset on completion. The ESFA will then enter into a 125 year lease with the Council, and the Academy Sponsor, Reach 2, will operate the school and nursery class.

- 7.10. Condition-related works will include 3 schools funded through the government Priority Schools Building Programme (PSBP) at Caversham Primary School, Phoenix College, and St Michaels School. This follows a successful bid in 2015.

Housing

- 7.11. Homes for Reading Ltd, the Council's wholly-owned housing company, is now trading and is actively buying residential property in order to rent to those in housing need. The company's business plan envisages that it will borrow, or receive in share, capital of around £90m over the 3 year life of this capital programme. The company will pay interest on its borrowing that will at least meet the Council's financing costs associated with financing loans in, or purchasing the share capital of the company over the business plan period.
- 7.12. The council house building programme is on track to deliver 57 new affordable homes at Conwy Close, over two phases, in autumn 2018 and autumn 2019. In addition, 28 additional temporary housing units at Lowfield Road have recently been completed and will provide temporary accommodation for homeless families. The Council plans to continue to invest between £7m and £9m per annum in its existing housing stock via the Housing Revenue Account over the next 3 years. This includes a £4m programme of fire safety works over the next 5 years, with a particular focus on high-rise residential accommodation.

Strategic Transport

- 7.13. A programme of major transport schemes is planned and for which the vast majority of funding has been secured through central Government grants and match-funded by developer contributions. These schemes will provide significant benefits to Reading in terms of enabling economic growth and housing development; alongside increased public transport and cycling usage resulting in benefits in journey times, decongestion, air quality, social inclusion, public health and safety.
- 7.14. The Council has been very successful in securing major Growth Deal Funding through the Local Enterprise Partnership (LEP) which, combined with developer contributions has enabled it to commence delivery of a new £13.75m station and interchange at Green Park. Further funding of £10.0m has been secured via the LEP to help fund phases 3 and 4 of the Southern Mass Rapid Transit (MRT) and provide additional capacity for fast and frequent bus services along the A33 corridor. Similarly, LEP funding of over £19m has recently been confirmed to fund the East Reading MRT scheme, costing £24m. A further total investment of £1.3m is being made to the National Cycle Network number 422 which runs east-west through Reading.

Highways

- 7.15. Bridges and carriageways maintenance is included within the Capital Programme, with the vast majority of funding from central Government grants and a small proportion of borrowing. There is a statutory duty under the Highways Act 1980 for the Council to maintain the public highway.

- 7.16. The Council receives an annual grant from the DfT for highway maintenance work with the amount calculated through a needs-based formula. This settlement covers the general headings of bridges, highways and lighting, and is expected to be £1,185,000 each year, until 2020/21.
- 7.17. There is an opportunity to secure additional funding dependent on the authorities pursuit of efficiencies and use of asset management; and/or from a competitive Challenge Fund for major maintenance projects. Reading is currently rated in the middle band of authorities for asset management and has therefore been allocated an additional £110,000 in funding for 2017/18. There is the potential for Reading to achieve an additional £247,000 funding per annum to 2020/21 if we are able to achieve the highest band for efficiencies and asset management.
- 7.18. The remainder of the capital budget for bridges and carriageways is made up from the DEFRA Lead LA Flood Reduction grant (£12.4k), Pothole Fund Grant (£97k) and borrowing (£208k).
- 7.19. The Council has been successful in securing grant funding via the LEP of almost £2m for a Smart City Cluster Project - to create an Internet of Things (IoT) communication platform to gather and distribute data such as environmental and traffic information.
- 7.20. Two challenge fund opportunities encourage innovative solutions to real life issues such as assisted living. The project will offer direct benefits to the Council, businesses and residents.
- 7.21. The successful bid to the Heritage Lottery Fund has enabled a £2.8m investment in the Abbey Quarter over the next 3 years. A programme of developer-funded improvements to parks and open spaces is planned for 2018/19. The Council continues to undertake a reduced street tree replacement programme of £25k per year in order to help mitigate the effects of climate change and air pollution.
- 7.22. The ICT Capital Programme is valued at £6m over the next 3 years and makes provision for the delivery of an ICT and Digital Strategy that continues to modernise the way we work, helps deliver more services digitally and supports business transformation. It includes funds for a phased programme of investment in the technology, infrastructure and platforms needed over the next three years.
- 7.23. Individual projects and initiatives are included in the programme to meet the needs of the council and specifically:
- Enable delivery of savings that are directly dependent on new technology and the digitisation of services
 - Implement technical solutions to allow new ways of working across the Council that deliver indirect savings by making us more efficient and productive
 - Ensure we have sufficient data storage and network capacity and that we can connect and work securely with partners

- Refresh and replace hardware and software so that it is secure, supported and compliant with required standards
- Invest in security measures needed to protect our systems and data at a time of ever increasing cyber-security threats

8. DEDICATED SCHOOLS GRANT

8.1. The Schools' Budget is funded through a combination of the Dedicated Schools Grant (DSG) and income from the Education & Skills Funding Agency (ESFA). The DSG is ring-fenced in order to fund education provision and from 2018-2019 is split into four blocks:

- the Schools Block;
- the new Central Block;
- the Early Years Block; and
- the High Needs Block

8.2. Local Authorities can transfer funding between the 4 blocks after consultation with schools and Schools Forum but cannot divert funding away from the DSG. The ESFA have restricted movement of funds from the Schools Block up to the limit of 0.5% of the total Schools Block.

8.3. The total DSG in 2017/18 is £120.9m. Appendix 9 sets out in some detail how this money is distributed between blocks and between schools. In due course the detailed distribution will be published on the Council's website.

9. HOUSING REVENUE ACCOUNT

9.1. The HRA is a ring-fenced account which deals with the finances of council housing. Budgets have been prepared in accordance with the budget guidelines and planned programmes of works to housing stock have been updated to take account of progress during 2017/2018. An outline of the programme of planned works for 2017/18 is included with Appendix 10, and it is intended to report more detailed information to Housing, Neighbourhoods & Leisure Committee and publish the information on the Council's website.

9.2. Following the Grenfell Tower fire the Council appointed an external, qualified Fire Engineer (FireSkills) to carry out a review of fire safety practices in respect of the management and maintenance of Council housing stock, including a view on whether additional fire precautions were advised in any of the building types surveyed, to improve the fire safety standard in the context of recent incidents nationally and the learning from those. Overall FireSkills noted that the Council's Housing Service has a 'forward facing and proactive fire safety strategy' and whilst the Council is fully compliant with current legislation, FireSkills have recommended that the Council consider implementing a number of additional measures. Provision of £5.5m has been made in the capital programme and HRA business plan, profiled over a 5 year period to fully implement additional fire safety measures. A full report will come forward to HNL

Committee setting out the findings of the review. Estimated costs are profiled as follows (£,000's):

2018/19	2019/20	2020/21	2021/22	2022/23
£0.90m	£0.80m	£0.70m	£1.56m	£1.56m

- 9.3. The Welfare Reform and Work Act 2016 required that social housing rents reduce by 1% per annum for 4 years, which started from 2016/17. The Council does have an option to increase rents in line with its normal policy in the PFI area, which is exempt from this reduction (as the contractual arrangement includes an inflationary uprate which cannot be dis-applied). As reported in previous years, the Council effectively has three options in respect of PFI tenants' rents:
- notwithstanding that it is not obliged to, to apply the 1% rent reduction in line with the rest of the Council's directly managed stock;
 - to fix rents at their existing level; or
 - to increase rents by CPI+1% in line with the Council's adopted rent policy.
- 9.4. The Council needs to consider these options each financial year in the context of HRA viability. The decision required at this time is in relation to the current year only. The Council did not apply a differentiated rent for PFI tenants in 2016/17 or 2017/18 and this is not proposed this financial year. This will be reviewed in the next financial year for 19/20. Thereafter Government have announced a return to a national policy of annual increases by CPI+1% for five years.
- 9.5. The Council's HRA Business plan has been updated to reflect the required 1% p.a. reduction. There is sufficient borrowing headroom to continue to fund a new build housing programme currently including the development of 57 homes at Conwy Close, with spend approval to support a further 80+ units in the following phase (largely financed through HRA borrowing, Right to Buy '1-1' receipts, and an element of S106 contributions).
- 9.6. As regards performance, rental income collection is already top quartile and voids performance (and resulting rent loss) has very significantly improved for standard and major voids in recent years (with consequent financial benefits for the HRA). For historic reasons, Reading BC current rents are, on average across the stock, c.6% below the social housing formula rent set by central government, known as 'Target Rent'. As agreed last year, the Council will continue to set the rent levels in line with Target Rent whenever a property is re-let.

10. DISCRETIONARY RATE RELIEF

- 10.1. In the national Spring 2017 budget the Government introduced extra funding for a 4 year discretionary rate relief scheme to enable local authorities to reduce more significant business rate increases arising from the 2017 rating revaluation.
- 10.2. Policy Committee agreed in September an initial scheme and so far about half of the available 2017/18 allocation has been used. Appendix 7 provides an update and includes a proposal to use the remainder of the money this year and provides for the use of the 2018/19 allocation. These allocations can only be used for this purpose and will need to be returned to Government if not used.

11. DIRECTOR OF RESOURCES & SECTION 151 OFFICER

- 11.1. Further to Minute 7 of the Personnel Committee held on 12 October 2017, which established the new post of Director of Resources, in place of the Strategic Director of Finance, and the subsequent appointment of Jackie Yates to that post, the Council is recommended to confirm the necessary consequential changes to its Constitution and the Delegations' Register. The Director of Resources post will be the Council's Chief Finance Officer under Section 151 of the Local Government Act 1972 and also act as the Responsible Officer under Section 113 of the Local Government Finance Act 1992. The Director will be responsible for all services in Finance and Corporate Support Services and five Head of Service posts will report to the Director, as follows:
 - Head of Customer Care and Transformation;
 - Head of Finance;
 - Head of Human Resources;
 - Head of Law and Governance;
 - Head of Procurement and Contracts.
- 11.2. While the Director of Resources commences in post on 19 March, in order to allow for an appropriate handover between the interim Strategic Director of Finance and the Director of Resources, it is proposed that the S151 responsibilities formally transfer to the latter with effect from 26 March 2018. The interim Strategic Director of Finance will complete his contract on Thursday 29 March 2018.

12. COMMUNITY ENGAGEMENT AND INFORMATION

- 12.1. The savings proposals put forward in this report for inclusion in the 2018/19 revenue budget and MTFs will, if agreed, go forward as soon as practicable in consultation with the responsible lead councillor and the statutory officers 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 H1 of an Equality Impact Assessment where appropriate.

13. EQUALITY IMPACT ASSESSMENT

13.1. 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; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

13.2. The equality duty is relevant to the development of the Budget. The specific savings and income proposals included in this budget will, if agreed, go forward as soon as practicable in consultation with the responsible lead councillor and the statutory officers subject to consultation and equality impact assessments where required.

14. LEGAL

14.1. There is a legal requirement to set a balanced budget, and in doing so consider the statutory advice of the Chief Finance Officer on the robustness of the budget and adequacy of balances.

15. FINANCIAL

15.1. The financial implications are set out throughout this report. Our financial situation is extremely challenging over the MTFs period. Further efforts will be made to review the approach to the budget setting process and to review council functions and services. This will enable officers to provide Councillors with more insight into the cost of services and hence options to manage and reduce spending and to increase income to bring the budget into a sustainable balance.

16. APPENDICES

- 1) Additional savings proposals for 2018-21
- 2) Calculation of Council Tax
- 3) Fees and Charges Summary Statement
- 4) Treasury Management Strategy Statement
- 5) Outline Capital Strategy 2018/19
- 6) General Fund and Summary Cost Centre Budget
- 7) Discretionary Rate Relief 2017/18 update & 2018/19
- 8) Capital Programme
- 9) Dedicated Schools Grant
- 10) HRA Budget 2018/19

APPENDIX 1. Additional savings proposals for 2018/19 to 2020/21 (by Directorate)

2.a Corporate Support Services

SAVINGS AND INCOME PROPOSAL		Category	Draft Proposal for Change submitted?	SAVINGS			TOTAL	% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?
				2018/19	2019/20	2020/21			
CSS2b-C	Further stretch of income from event sponsorship and selling advertising within event publications/e-publications/email bulletins.	Increasing Productivity / Fees & Charges	Yes	15	5	5	5	70%	Further stretch of income from event sponsorship and selling advertising within event publications/e-publications/email bulletins.
CSS7b-C	Increase current court summons cost	Managing Demand	Yes	10	5	5		90%	Increase current court summons cost by £10, from £150 (£80 summons £70 Liability Order) to £160 (£90 Summons £70 Liability Order) for Business Rates Payers.
CSS10-C	Increased use of Apprenticeship Levy to fund training	Service Delivery Models	Yes	300	150	100	50	20%	It is proposed that the drawn down money from the levy is used to offset spend against the revenue Learning and Development budget for the Council. It is proposed that £300k over the next three years is used to offset against the overall budget, currently standing at £500k per annum. This will result in the L&D budget being reduced to £200k
CSS11-C	Revenues and Benefits Service Market Testing	Service Delivery Models	Yes	300	0	150	150	70%	An option appraisal of alternative models concluded that either full market testing or the use of an extensive transformation partner afforded the greatest opportunity for savings. In July 17, members approved the proposal to identify an external transformation partner to work alongside the in-house team in 18/19. This proposal recommends that we proceed to market test the service in order to deliver a higher level of savings as identified in the original options appraisal.
CSS12-C (CSS22-B)	Christmas closure	Managing Demand	Yes	200	200			20%	Compulsory closure of Civic Offices for non-essential services
CSS15-C (CSS13-A)	Further savings in redesigning of council wide services to maximise digitisation	Managing Demand	Yes	150	50	50	50		Current savings initiative underway for 2017-2020 for £490k, these are further savings for the proposal.
CSS17-C (CSS1112-B)	Narrowing the Gap II Commissioning Funding Reductions	Reductions in Services	Yes	150	57	0	93	30%	Review effectiveness and options available to achieve outcomes in the commissioned programme
CSS18-C (CSS1-1718)	Over-achievement of income in Legal Services	Managing Demand	Yes	35	35	0	0	70%	Income being achieved
CSS21-C	Housing Benefit Staffing saving (reduce 1 FTE HB Officer)	Increasing Productivity / Fees & Charges	Yes	41	41			80%	Reduction 1 FTE. Via mini restructure in response to predicted reduction in workload, following the introduction of universal credit
CSS22-C	Long Term Empty Property Premium	Increasing Productivity / Fees & Charges	Yes	80		80		90%	Properties which have been unoccupied and substantially unfurnished for over two years may be charged up to 150% of the normal liability. In Reading we introduced this premium in 2015 as part of our review of Local Discounts and exemptions. Local Authorities would be able to increase this charge by an additional 50% making this a 200% liability charge. This will require a change in legislation which is expected to take effect from 1st April 2019
CSS23-C	Voluntary Sector Team Leader - reduction in size of policy and voluntary sector team. Removing one management level	Reductions in Services	Yes	60	60			100%	Voluntary Sector Team Leader - reduction in size of policy and voluntary sector team. Removing one management level
CSS24-C	Additional savings will be made across the ICT service including reducing spend on applications and contract spend and achieving a staff reduction in the Corporate Team	Increasing Productivity / Fees & Charges	Yes	78	38	20	20	100%	Additional savings will be made across the ICT service including reducing spend on applications and contract spend and achieving a staff reduction in the Corporate Team
CSS25-C	Increase Income from fees and charges across the registration and bereavement service	Increasing Productivity / Fees & Charges	Yes	15	15			50%	Increase Income from fees and charges across the registration and bereavement service

CSS28-C	This will be an invest to save proposal to increase adult social care income by supporting residents to apply for eligible benefits and contribute further to care costs	Managing Demand	Yes	100	100			95%	This will be an invest to save proposal to increase adult social care income by supporting residents to apply for eligible benefits and contribute further to care costs
CSS31-C	Reducing availability of consultancy budget in CEX office	Managing Demand	Yes	10	10			100%	Reducing availability of consultancy budget in CEX office
CSS32-C	Reduce supplies and services	Reductions in Services	Yes	19	19			100%	Reduce supplies and services
CSS33-C	Convert Locum solicitors into Permanent Solicitors	Service Delivery Models	Yes	33	33			75%	JLT proposal to convert Locum solicitors into Permanent Solicitors as a result of Slough choosing to remain in the joint arrangement. I estimate a £30k saving regarding Reading as the above will see a reduction of the hourly rate.
CSS34-C	Increased income in legal services	Managing Demand	Yes	15	15			50%	Increased income in legal team including land charges
CSS36-C	Software no longer used	Service Delivery Models	Yes	5	5			100%	Software no longer used
CSS42-C	VAT & Treasury combined post	Reductions in Services	Yes	40	40			100%	VAT & Treasury combined post
CSS43-C	Management and Staffing Review	Increasing Productivity / Fees & Charges	Yes	592	148	444		50%	It is proposed that we review numbers of managers, management layers and spans of control across the Council with a view to aligning them with best practice principles for managing and decision making. We will undertake a review in 2018/19
CSS44-C	Proposal to put in place a number of changes to staff terms and conditions and update the policy framework to reflect modern and best practice	Increasing Productivity / Fees & Charges	Yes	100	0	50	50	70%	Proposal to put in place a number of changes to staff terms and conditions and update the policy framework to reflect modern and best practice
CSS45-C	Charging Financial Analysts to transformation pot for two years to support commercialisation work	Service Delivery Models	No	0	90		-90		The financial analysts will primarily be overseeing, enabling and initiating business cases and projects that will deliver the change programme, some of which is set out elsewhere in this savings schedule. As such the costs of these posts may be charged to capital receipts (under the permissions granted by Government). It is estimated that these posts will be occupied on change initiatives for two years after which they need to be budgeted for on an ongoing basis.
CSS46-C	Delay initiation of strategic ICT projects to realise a one-off saving in 2018-19	Reductions in Services	Yes	0	100		-100		The proposed change is to delay initiation of key ICT projects to realise a one off saving in 18/19. The IT and Digital Programme is being developed as a key element of the Council's Corporate Programme of Change and to deliver our IT and Digital Strategy. Projects are prioritised for inclusion within the programme that are needed to modernise or refresh our technology, ensure data is secure and systems compliant and provide the capability to support service transformation and new ways of working.
CSS47-C	Vacancy Factor for CSS Directorate - 0.5%	Service Delivery Models	No	75	75				Corporate Support Services has historically had a low turnover of staff, hence it is proposed to have a vacancy factor of 0.5% at this time. This may be further adjusted in later years should it be appropriate to do so
CSS48-C	Reduction in printing and scanning costs due to Fusion Upgrade	Service Delivery Models	No	10	10				New elements of the Fusion ledger system are being implemented to enable the Accounts Payable team to handle supplier set up and invoicing more efficiently. In particular, it is intended that there is a significant uptake of e-invoicing instead of receiving paper copies that require scanning. There is already a future staff saving built into the MTFs for the Accounts Payable team, and this saving reflects the reduction in print and scanning costs
CSS49-C	Reduction in Treasury Management Costs through Reduced Capital Programme	Reductions in Services	Yes	400	0	400	0		The capital programme was reviewed with the intention of examining and then reducing the schemes that require funding through borrowing. Some schemes in IT and some provisions for maintenance were reduced or re-profiled, while any schemes in Education that were not grant funded were removed in 2018/19 only.
CSS50-C	Increased Fee income following review of Fees and Charges	Service Delivery Models	Yes	180	60	60	60		Increased Fee income following review of Fees and Charges
TOTAL				3,013	1,361	1,264	388		

2.b Directorate of Environment and Neighbourhood Services

				SAVINGS					
SAVINGS AND INCOME PROPOSAL	Category	Draft Proposal for Change submitted?	TOTAL				% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	
				2018/19	2019/20	2020/21			
DENS4-C, 5-C & 6-C	Review existing Parking Permit Charges	Increasing Productivity / Fees & Charges	Yes	309	0	256	53	80%	Review existing parking permit charges to support enhancements to the Council's online Residents' Parking Permit systems. This will include a more flexible approach to the issue of visitor permits which will allow residents to manage their visitor permit allocations online.
DENS9-C	Stop Providing Grit Bins on the Public Highway	Reductions in Services	Yes	16	16	0	0	0%	The proposal is to stop providing grit bins on the public highway, which currently forms part of the winter maintenance service from 2018/2019 financial year. There are currently 47 no. grit bins on the Borough's public highway network which have previously been assessed under the formal Grit Bin Assessment Process. These Grit Bins are typically sited on minor residential roads which do not form part of the primary and secondary salting route networks. The grit bins are provided, maintained and replaced (when damaged) by the Council including replenishing with salt as and when required. The salt is provided for local residents to use on the public highway only, on a self-help basis. There is however no control/policing on where the salt is used and no guarantee it is solely used on public highway/Council owned land. The provision of grit bins/self-help salting is discretionary and is not regarded as formal salting/treatment of a road. If agreed, the proposal will be implemented from the 2018/19 winter season, within next Financial Year (2018/19).
DENS14-C	Develop and implement a new borough-wide Car Parking and Air Quality Management Strategy and the associated action plan.	Increasing Productivity / Fees & Charges	No	800	0	100	700	80%	This proposal is to develop and implement a borough-wide car parking and air quality management strategy and action plan. Core elements of the action plan are: 1. Develop and implement a new Local Transport Plan to cover the period 2018 to 2033 incorporating a review of existing transport strategies and policies such as the Parking Strategy. 2. A parking strategy action plan - the overall policy aim is to reduce congestion and improve alternatives to the car. 3. Review of public off and on street parking arrangements and charges - this will include Residents Parking schemes and further charged on street parking to ensure that any displaced parking does not occur as a result of any new initiatives. Whilst there are significant areas of Reading with RP parking, schemes will need to be expanded, for example in south Reading, subject to full local public consultations. 4. Consideration of measures to improve air quality on top of the proposals in the parking strategy - to be determined depending on detailed measurements and DEFRA requirements
DENS16-C	Further Reducing Library Expenditure NB: additional to DENS53	Reductions in Services	Yes	45	0	45	0	90%	These proposals are further to the DENS53 savings target of £115k listed in the July 2017 budget report. A report to February Policy Committee outlines in one comprehensive report the proposed service reductions to deliver DENS53 together with additional reductions detailed below, together with consultation plans proposed.
DENS24-C	Alternative Delivery Models - Market Testing	Service Delivery Models	Yes	1,200	0	600	600	60%	Undertake a prioritised Best Value Testing work programme that includes hard market testing. In order to be robust, the process will need to include hard market testing when there are reliable alternative suppliers, in order to establish true comparators to help inform future decisions. Market testing has a number of discrete stages which can be run in parallel with supporting in-house teams to reduce their costs and increase productivity in order to better compete with other suppliers. This can help minimise externalisation of services and help support and further develop our traded services.
DENS25-C (DENS54-B)*	Investigate Options for a Cultural Trust Model	Service Delivery Models	Yes	250	0	0	250	50%	Look to change the delivery model for cultural services to a Charitable Trust with linked trading arm (or similar alternative delivery model). This is a piece of work requiring specialist legal and financial advice. It has been looked at previously in relation to a much wider range of service but did not proceed. The most obvious financial advantage relates to NNDR (business rates) savings of 80% - approximately £400k saving. However there are potential dis-benefits with regard to VAT treatment and high set-up costs that mean it is not as straightforward as it might appear. The experience of Cultural Trusts across the country is also very mixed. It does though have the potential to enable services to operate more commercially and diversify funding streams that could enable costs to the local authority to be reduced.

DENS27-C	Explore creation of coordinated enforcement operation across Regulatory & Transportation services	Service Delivery Models	Yes	58	29	29	0	50%	<p>Transport and Streetcare and Regulatory Services carry out a wide range of enforcement actions relating to a number of pieces of primary legislation covering the following areas:</p> <ul style="list-style-type: none"> • Waste, litter and fly-tipping • Highways • Environmental Health <p>The initial proposal is to engage with an external enforcement agency on a two year trial basis to carry out the following enforcement activities:</p> <ul style="list-style-type: none"> • Littering - Section 87 EPA, covering dropping of litter, chewing gum and cigarette butts. • Dog control orders • Public Space Protection Orders (PSPO's) • Duty of care • Fly-tipping <p>This will take place whilst other contract options and opportunities are explored and evaluated with the intention of procuring a coordinated enforcement operation contract for the Council in 2019/20.</p>
DENS28-C (DENS54-A)	Reading Buses - further increased dividend/market test following review.	Increasing Productivity / Fees & Charges	Yes	250	0	100	150	40%	<p>The Council and RTL have jointly commissioned a financial review of the Bus Company. The proposal is to increase the current approved target for a dividend to the Council by a further £100k in 19/20 and £150k in 20/21. That would mean a total dividend target of £200k in 19/20 and £250k in 20/21.</p>
DENS29-C	Continue to review existing property holdings e.g. Old Civic Site and Southside.	Increasing Productivity / Fees & Charges	Yes	500	0	250	250	60%	<p>Review and undertake options around key assets, including Civic Area site and Southside to bring forward capital receipts and/or income earlier in the development process.</p> <p>In addition the Council, in line with its Asset Management Plan, continues to make the best use of assets to secure additional income / capital receipts.</p> <p>A review of minor leases is taking place to ensure that income is maximised from all assets. This work is due to complete in the Spring / Summer 2018.</p>
DENS30-C (DENS32-A) (DENS22-B)	Review public car parking provision borough-wide	Increasing Productivity / Fees & Charges	No	400	0	200	200	60%	<p>Undertake a comprehensive review of the operation and level of all public car parking, in order to inform the development of the Council's new borough-wide Car Parking and Air Quality Management Strategy and increase income.</p>
DENS31-C	Continue to invest to save in Reading Commercial Services to increase trading surplus.	Increasing Productivity / Fees & Charges	Yes	100	0	50	50	70%	<p>Commercial Services primarily consists of the following services, all of which carry out commercial works for both internal and external customers:</p> <ul style="list-style-type: none"> • Highways and Drainage. • Parks and Open Spaces • Streetcare • Waste Operations. <p>However, within Transportation and Streetcare there are other opportunities to develop commercial services within:</p> <ul style="list-style-type: none"> • Fleet management • Network Management • Transport Planning • Parking Services • Neighbourhood Services • Re3
DENS32-C (DENS55-B)*	Achieve Full Cost Recovery & review Fees and Charges council wide.	Increasing Productivity / Fees & Charges	No	75	0	25	50	70%	<p>To add greater rigour to the process of reviewing and setting fees & charges across the organisation.</p>
DENS33-C	Extension of mandatory houses in multiple occupancy (HMO) licensing or development and implementation of a discretionary scheme	Managing Demand	Yes	40	0	20	20	50%	<p>Mandatory HMO licensing currently covers properties of 3 or more stories (including basements, loft conversions and commercial) with 5 or more residents not forming one household. The Government's proposed extension of the mandatory scheme would cover all HMOs irrespective of the number of storeys, but the HMO would still need 5 or more residents to fall into the revised scheme. It is expected that subject to parliamentary time, that changes to the law would be introduced by April 2018 with implementation later in 18/19.</p> <p>Should the Government not conclude to implement an extension of the mandatory scheme it is proposed that a discretionary scheme is investigated which would provide the same outcomes.</p> <p>If the Council's current fee model was applied to an extended scheme, it would generate an additional fee income, which would need to be applied over the course of the licence fee period (5 years).</p> <p>There would be upfront costs associated with extending the scheme, including IT and additional enforcement staff. In order to have an effective regime, that additional enforcement staff would be required, with estimated costs in the region of £150k p/a.</p> <p>Overall, taking into account the cost of additional staff and the existing saving commitment there would be a net saving of £20k in 19/20 and a further £20k in 20/21.</p>

DENS34-C	Extend residents parking permit areas.	Increasing Productivity / Fees & Charges	Yes	300	0	100	200	70%	Undertake a comprehensive review of Residents Parking Areas across the borough and bring forward proposals for new/extended RP areas in response to resident requests and other potential opportunities. In order to try and avoid abortive costs of the statutory consultation process, it will be important to assess the likely acceptability of introducing new RP areas if a more-widespread blanket approach to introducing RP areas is adopted. This would include carrying out informal consultation first to ascertain demand, in line with Statutory guidance, to ensure that a scheme is not introduced against the overall consensus of residents. This proposal will require a review of current resources to ensure delivery of a focussed work programme. A review of the current substantial service demands through the Traffic Management Sub-Committee, Strategic Environment Planning and Transport Committee, Transport Users Forum and Cycle Forum will also take place to ensure agreed key projects are delivered within the agreed programmes.
DENS35-C	Reassessment of planned staffing levels in Housing Needs to respond to the Homelessness Reduction Act	Increasing Productivity / Fees & Charges	Yes	82	82	0	0	100%	Reassessed planned additional staffing needed to meet new statutory duties under the Homelessness Reduction Act - reduce by 2FTE at RG6.
DENS36-C	Reduce library admin and development support capacity in the Library Service	Reductions in Services	Yes	47	35	12	0	100%	Reduce staffing by 1.5FTE: no capacity to coordinate and develop volunteer offer; reduction in capacity for service to deliver against corporate priorities; reduced capacity to promote Library events, activities and services. Stop loan of sets of music and plays.
DENS37-C	Further reduce library opening hours	Reductions in Services	Yes	11	8	3	0	70%	Reduce branch opening times further: Tilehurst & Battle (27pw to 22 pw), Whitley (21 to 18 hours). Will impact further on usage as reduces access.
DENS38-C	Reduce library stock fund	Reductions in Services	Yes	15	15	0	0	100%	DENS53 removes £25k from stockfund and puts RBC in the lower bottom quartile of English unitaries. A further £15k puts RBC in the bottom 3 for unitary LAs with annual spend of £110k impacting on the quality of the service offer/breadth of choice. Reduces supplier discount by 3-4% so budget doesn't 'go as far'. Average for an English unitary would be about 9% of gross expenditure or £180k.
DENS39-C	Recharge for Service Heads acting as directors to Homes for Reading Ltd	Service Delivery Models	Yes	12	12	0	0	100%	Homes for Reading Ltd (HfR) is a housing company which is wholly owned by the local authority. Currently two Council heads of service serve as directors on the Board of Homes for Reading. The Local Authority has to properly account and charge for officer time directly working for HfR. This includes time which Heads of Service spend operating in the capacity of Directors for HfR - this additional income has not been accounted for thus far, although time spent is being captured.
DENS40-C	Reduction in hours CCTV is monitored	Reductions in Services	Yes	50	50	0	0	100%	The cost of the current CCTV operation per annum is £214k. This is broken down as £137k staff, £57.4k fibre circuits and £19.6k maintenance. This is part funded by Thames Valley Police who contributed 46k in 2017/18. In addition the Business Improvement District (BID) fund another operator post paid directly to Thames Valley Police. The Council therefore funds the remaining £168k. Staff are employed by Thames Valley Police but based in the Civic Centre CCTV suite. There are currently a total of five members of staff operating the CCTV suite and coverage is currently circa 20 hours per day. The proposal would represent an equivalent reduction of around two operators. This would result in a reduction in the hours when the CCTV is monitored, with hours of cover prioritised based on levels of crime/risk throughout the day/week in consultation with TVP and the BID. The possible impact of this is set out below. CCTV will still record 24-7 and footage will be available to review and the number of cameras will remain the same. With reduced staffing it might be possible to monitor CCTV 12 hours a day on average. That would probably broadly cover 'peak' times when there is most activity between circa 11 am - 6 pm and 10 pm - 2 am - there might for instance be reduced coverage Sunday to afford extended night time coverage Fri and Sat at night. This proposal will need further work and negotiation/consultation with key stakeholders including TVP and the BID. There are also a number of cameras on our housing estate that the general fund is currently subsidising. It is estimated that the cost of these is around £10k based on the running and monitoring costs of four cameras. It is proposed that a recharge of
DENS41-C	Review of Neighbourhood and Streetcare Services fees and charges and enforcement activity.	Increasing Productivity / Fees & Charges	Yes	66	108	-27	-15	90%	Increase fees, charges and enforcement activity for Waste Operations, Environmental Enforcement and Highways Works.
DENS42-C	Introduce Enforcement on the Kings Road and Forbury Road bus lanes	Increasing Productivity / Fees & Charges	Yes	100	100	0	0	70%	To introduce bus lane enforcement on The Forbury and Kings Road (inbound) bus lanes.
DENS43-C	Review and reduce the Council Fleet	Managing Demand	Yes	90	90	0	0	100%	To reduce the Council fleet following a review of current fleet use.
DENS44-C	Increase parking charge at MereOak Park & Ride	Increasing Productivity / Fees & Charges	Yes	20	20	0	0	100%	To increase the parking charge at MereOak Park and Ride from 50p to £1.
DENS46-C	Private Rented Sector enforcement - Fixed Penalty Notices	Increasing Productivity / Fees & Charges	Yes	15	15			60%	The Government recently introduced legislation which allows Councils to issue fixed penalty notices (FPNs) on landlords for non-compliance with housing management regulations. Officers are currently preparing a delegations report, policy and procedures to implement FPNs. The Government has set a statutory limit of £30,000 on each FPN. It is proposed to increase projected income by £15,000 in 2018/19.

DENS47-C	Salary Costs to Capital (Private sector renewals)	Service Delivery Models	Yes	18	18			100%	The Private Sector Housing team delivers the Council's Private Sector Renewal Policy and the Housing Adaptations Policy. The delivery of the service was brought back in house in 2016 and the private sector strategic and operational management of the team is partly charged to capital. Since the service was brought back in house with additional staffing, management demand has increased and therefore it is proposed that this is charged to capital, providing a revenue saving.
DENS48-C	Increase income from commercial property acquisitions - additional stretch target	Increasing Productivity / Fees & Charges	Yes	1,050	550	250	250	40%	Continue to invest in the Council's property investment portfolio.
DENS49-C	Corporate Facilities Management reductions	Reductions in Services	Yes	25		25		65%	Savings arise from a reduction in costs associated with a number of building and a restructure within the Corporate FM Team.
DENS50-C	Town Centre Street Trading -New Pitches	Increasing Productivity / Fees & Charges	Yes	42	12	30	0	60%	To increase town centre street trading to generate additional income.
DENS51-C	Planning - increased income	Reductions in Services	Yes	50	50			90%	The proposal is to review income and resources within the team in order to achieve the savings specified. Planning income has remained high and while base budgets have been increased to take account for this additional income, further additional income over planned budgets are likely to transpire. In addition a recent increase in planning fees has been implemented and a further proposed increase may come forward later in the year. Should income targets not be delivered a review of resources and budgets within the team will be undertaken in order to make savings.
DENS53-C	Delete current vacant Business development post	Increasing Productivity / Fees & Charges	Yes	40	40			100%	Delete currently vacant Business Development Officer post in the Business development team and deliver advertising sales (roundabouts, street columns and other opportunities) in a different way with an outsourced delivery partner.
DENS55-C	Review the school crossing patroller function	Service Delivery Models	Yes	25	0	0	25		This proposal is for Reading Borough Council to undertake a review of the School Crossing Patroller function.
DENS58-C	Reduce contract value for housing related support to young people	Increasing Productivity / Fees & Charges	No	35		35			A review of the contract for supported housing for young people is proposed with an aim of reducing the contract value by 10% (£35,000) from April 2019. The Reading YMCA currently provides accommodation and support to 40 individuals aged 16 - 24 years old, including dedicated separate units for young parents. Support is provided by, and the property is owned by, YMCA England. Current occupants have largely been referred via the Council's Housing Needs department or Children's Services. The contract value is £354k p.a.. The contract, which is managed jointly across Children's Services Commissioning and Housing Services, has been extended for a further two years to end March 2019 and there will be a need to re-commission the service therefore over the coming financial year. Officers propose to undertake a strategic review of support and accommodation for young people aged 16+. This will include consideration of current and projected needs; utilisation of current provision and needs met; effectiveness/provision of move-on; cost benchmarking; options to access or increase funding from other sources; and best practice. This will inform future commissioning plans and will determine the potential for achieving the target level of saving.
DENS59-C	Theatres to break even through working with other operators.	Service Delivery Models	Yes	150		0	150		Seek to bring in an alternative commercial operator to run Reading Arts Venues - primarily the Hexagon and South Street, although future programming of the Concert Hall at the Town Hall & Museum will also need to be considered. This proposed saving is separate and additional to the existing proposal to explore the development of a Cultural Trust with a view to delivering a potential saving of £250k. The exploration of a Cultural Trust will need to be completed prior to committing to a procurement process for a new operator for the theatres. How the two proposals could potentially fit together will also need to be worked through but a commercially operated theatre providing best value for money would be beneficial to a Trust.
DENS63-C	Review of Public Conveniences	Reductions in Services	No	50	0	50			The proposal is to review the current provision of public conveniences in the Borough. A review would need to consider usage levels, charges, options for alternative provision and the implications of any closure. A detailed equalities impact assessment will be needed. The service has made savings in the past which has meant that closure of conveniences has not been necessary. However, further savings can now only be made by considering the closure of some services.
DENS65-C	Revert to the statutory minimum Concessionary Fares Scheme	Reductions in Services	No	0	-80	20	60		This proposal is for Reading Borough Council to revert to the standard English National Concessionary Travel Scheme for access (disabled) pass holders from 1st April 2019. The Council reverted to the statutory scheme for elderly pass holders on 1st April 2017. The English National Concessionary Travel Scheme (ENCTS) is a statutory requirement, however the ability for access pass holders to travel at all times, to travel with a companion and to use local dial-a-ride services for free are currently offered by Reading Borough Council as additional discretionary elements of the scheme.
DENS66-C	Revenue savings arising from the closure of Darwin Close, Hamilton Centre and more efficient use of Bennet Road	Increasing Productivity / Fees & Charges	Yes	230			230		Phase 2 of the Property Rationalisation programme seeks to invest in works to increase the capacity of the Civic Office and Whitley Health Centre to facilitate the co-location of Children's Services teams as part of the new Children's Company and enable the release of the Hamilton Centre for disposal. Phase 2c of the programme seeks to invest in the refurbishment and adaptation of 19 Bennet Road to improve the current utilisation and address significant maintenance liabilities in order to extend the asset life. 2-4 Darwin Close would be vacated as part of the project. The proposed savings set out would come from the reduced property running costs.
TOTAL				6,566	1,170	2,172	3,223		

2.c Directorate of Adult Care and Health Services

		SAVINGS							
SAVINGS AND INCOME PROPOSAL	Category	Draft Proposal for Change submitted?	TOTAL	2018/19 2019/20 2020/21			% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	
				2018/19	2019/20	2020/21			
DACHS4-C	Review of alternative delivery models for Public Health	Reductions in Services	Yes	775	438	123	214	80%	This proposal is in addition to savings already agreed which total £1,577m over the three years (£890k PH Grant reduction at source and £667k RBC savings). The savings will reduce the specific delivery of Public Health commissioned services as stipulated by Public Health England, mandated and non mandated services. We will look to reallocate grant funding across the council where public health outcomes can be delivered to meet the health outcomes of our population, based on the priority needs of the Council and identified within the Joint strategic needs assessment.
DACHS6-C	Adult Social Care Provider Services	Reductions in Services	Yes	150	150	0	0	50%	The Council delivers a number of in-house provider services and reviews of these form part of the existing Adult Social Care Transformation Programme. However soft market testing on a small number of these services teamed with ageing buildings (e.g. consideration to be made that sites could potentially yield Capital receipts or provide development land for housing) suggest more savings could be generated than had previously been committed to. By not providing these services or changing the way they run (e.g. outsourcing to another provider), there is more potential to achieve savings. The needs of the people using the services would still be met through alternative provision on the back of a care review.
DACHS8-C	Commissioning Team Realignment	Service Delivery Models	Yes	47	47	0	0	85%	Reduction of vacant posts prior to formal restructure planned later in 2018
DACHS9-C	Implementation of Business Support restructure	Service Delivery Models	Yes	135	51	84		60%	A restructure and reconfiguration of the Business Support function within DACHS will be implemented. This will ensure we maximise the use of digitisation and ensure any changes reflect the recent changes in team structure and the evolving needs of the business.
DACHS10-C	Locality Team Realignment	Service Delivery Models	Yes	380		235	145	70%	A restructure and reconfiguration of the Mental Health function will be implemented to ensure a safe and efficient service whilst reflecting the diverse needs of the client group. The wider Locality teams will continue to be reviewed in line with the opportunities posed by integrated working with Health and the priorities within the business.
DACHS12-C	Transformation focused staff funded from capital receipts	Increasing Productivity / Fees & Charges	Yes	0	124	0	-124		The Transformation Team within DACHS is assisting in driving forward the transformation of services in the directorate to deliver service improvements and savings. The team consists of a mix of permanent and other staff who are funded through the Council wide Change Management programme. There are two permanent project managers within the team who are funded through the DACHS base budget who are driving transformation and can be funded through capital receipts, which are funding the Change Programme. This funding will be available over two years (2018-19 and 2019-20) and will deliver a revenue savings for those year. After this period the posts will need to be funded through the DACHS base budget.
			TOTAL	1,487	810	442	235		

2.d Directorate of Children, Education and Early Help Services

SAVINGS									
SAVINGS AND INCOME PROPOSAL	Category	Draft Proposal for Change submitted?	TOTAL	2018/19 2019/20 2020/21			% Confidence	DESCRIPTION OF SAVINGS AND INCOME OPTIONS - What would we stop, reduce or do differently?	
				2018/19	2019/20	2020/21			
DCEEHS11-C - Option 2	Full cost analysis to determine best use of Pineroft/Cressingham	Service Delivery Models	yes	500	0	0	500	75%	Operate selling places for Pineroft and Cressingham but retain a service for Reading. This options is for a total saving of £500k to be delivered in 2020/21.
DCEEHS16-C	Further reduction in Early Help Service - deletion of posts, plus various minor budget reductions	Reductions in Services	yes	176	200	-24	0	100%	Full year effect from April 2018 - potential delay
DCEEHS17-C	Deletion of the Multi-Systemic Therapy (MST) Service	Reductions in Services	yes	110	110	0	0	100%	Full effect from April 2018 but consultation with staff would be required
DCEEHS20-C	Income generation for the Youth Service	Increasing Productivity / Fees & Charges	yes	50	0	0	50	100%	Full effect from April 2018 but consultation with staff would be required
			TOTAL	836	310	-24	550		
			TOTAL ALL DIRECTORATES	11,902	3,651	3,854	4,396		

Calculation of Council Tax 2018-19

Policy Committee 19 February 2018 and Council 28 February 2018



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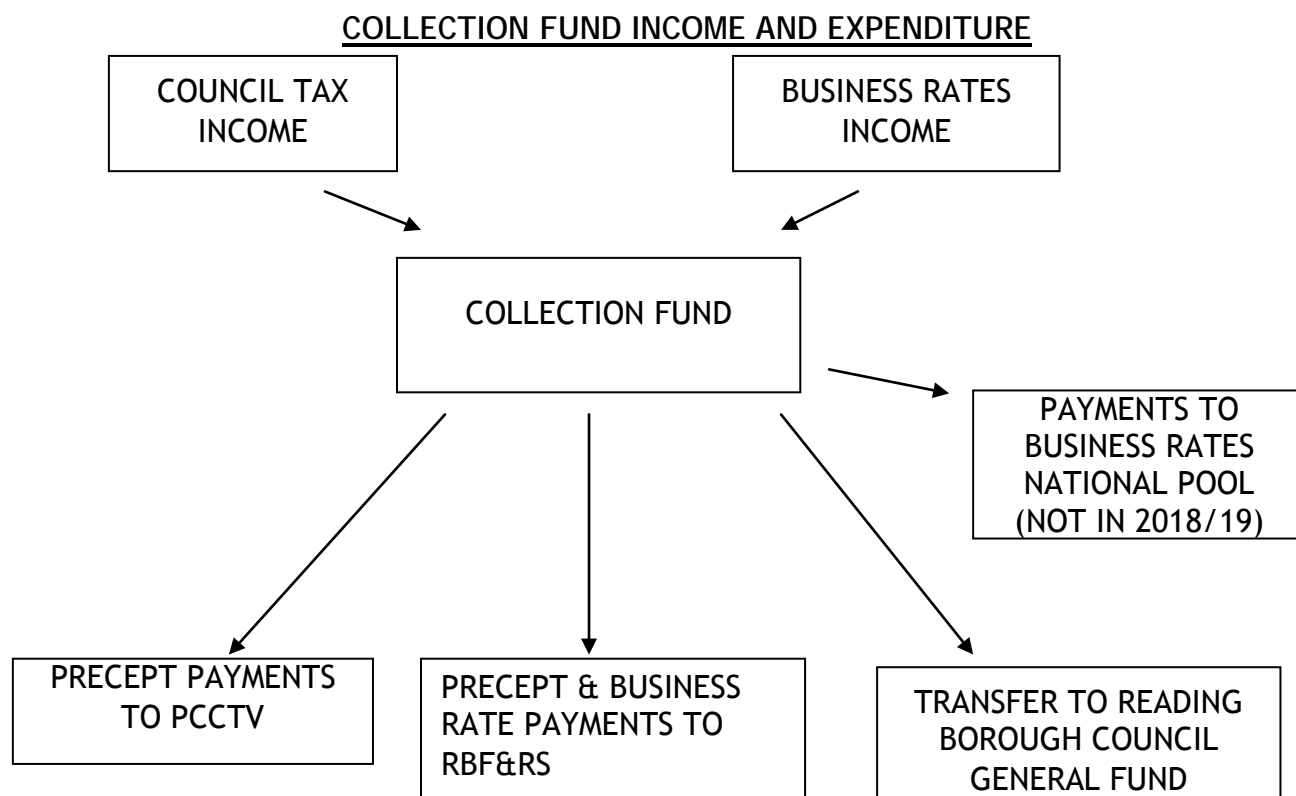
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APPENDIX 2

1. COUNCIL TAX COLLECTION FUND

Collection Fund

- 1.1 The Collection Fund records all the transactions relating to the collection of local taxes and precepts to other authorities.



Business Rate Income

- 1.2 Normally, business rate income, including the impact of all adjustments (except transitional relief, where Government meet the cost or take the benefit) is normally split 50% to central government, 1% to the fire authority with the basic position being that the Council retains 49% (but this is reduced by a tariff process explained below).
- 1.3 In 2018/19, Berkshire Authorities are piloting 100% local retention, so 1% of rates transfers to the fire authority as usual but the basic position being is that the Council retains 99%. However, that is reduced by a revised tariff, and as part of the Berkshire pilot we agreed that part of the gain, estimated as £25m would be paid to the LEP to support projects that would generate further economic growth. Formal in year transfer for 2018/19 to the General Fund are as set in the NNDR1, submitted to Government in January, so actual variations to this will produce an in year surplus or deficit, which will need to be estimated in January 2019, and taken account of in setting the budget and tax for 2019/20. At the current time the pilot is for 2018/19 only, but the Government may decide at a later stage to extend it to 2019/20 before the planned

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reforms and reset of the system now expected in 2020/21. Therefore, were there to be a deficit in comparison to the £130m business rates available forecast on our NNDR1 form the 2019/20 budget would need to be reduced to take account of the position, and vice versa were a surplus to arise. In connection with the pilot we will not receive RSG into the General Fund in 2018/19.

- 1.4 In comparison to most other authorities Reading collect a high amount of Business Rates. A simple localised system of Business Rates where each authority kept 99%/100% of what they collect would leave many authorities short of sufficient resources, so there is a process of applying tariffs to the local 99% share (in the pilot year) and Reading's tariff (in 2018/19) is £81.0m (increased from £27.5m in 2017/18, because of the move from a 49% local share to a 99% share). However, as a pilot authority we do not pay a levy on growth above a government set baseline (which in 2018/19 would be £2.9m if we were not a pilot).
- 1.5 Government also pay a grant to compensate for limiting the rise in business rate to CPI rather than RPI and in connection the small business and other relief schemes in past years), which ordinarily would also be subject to the levy. The estimated grant in 2018/19 is just below £4m.
- 1.6 **Business Rates (Non Domestic Rates) Payable**
- 1.7 All business properties were revalued by the Valuation Office Agency during 2015 & 2016 to produce a new rating list that was introduced in 2017/18 (based on the 1 April 2015 position). This list replaced the 2008 list which lasted 7 years from 2010/11. The Government adjusted the 2017/18 Local Government Finance Settlement to take account of the impact of revaluation, and in 2018/19 has simply rolled figures forward for inflation (and then separately made the pilot adjustments). New properties are valued on the basis of 2015 rental values. To mitigate the impact of the 2017 revaluation there is a transition scheme that limits increases over RPI to RPI + 12.5% for properties with (new) RV £10,000-£100,000 and to RPI + 42.5% for properties with new RV over £100,000. The Council has used Government funding to reduce further some of these increases in last year's Budget Discretionary Rate Relief Scheme (see Appendix 7).
- 1.8 **Rate Multiplier**

Under Schedule 7 to the Local Government Finance Act 1988 (the 1988 Act) as amended there are two multipliers.

The small business non-domestic rating multiplier, which is applicable to those that qualify and successfully apply for the small business relief, and the non-domestic rating multiplier, which includes the supplement to pay for the small business rate relief scheme.

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This small business non-domestic multiplier for 2018/19 is to be 48.0p (46.6p in 2017/18).

The Secretary of State has estimated that the supplement to fund small business rate relief should be at 1.3p in 2018/19 (1.3p for 2017/18).

The provisional non-domestic multiplier will therefore be 49.3p in 2018/19 (47.9p in 2017/18).

In accordance with Schedule 7 to the 1988 Act, the multipliers will be confirmed after the Local Government Finance Report for 2018/19 has been approved by Parliament (which occurred on 7 February).

For 2018/18 we expect to collect around £130.0m in Business Rates (up from £124.0m in 2017/18).

Council Tax Income

- 1.9 The Collection Fund receives all Council Tax income collected and makes precept payments according to the precepts set to the Police and Fire Services and the internal transfer to the Council. Any in year surplus or deficit for Council Tax and precept transactions will need to be estimated in January 2019 and taken account of in setting the budget and tax for 2019/20.
- 1.10 In practice we try to monitor both collection and the amount of both Council Tax and Business Rates collectable during the year, so that surpluses or deficits can be allowed for in developing future years' budget plans, and in the event of a deficit (against the estimated position) occurring consider in year actions that might be taken to mitigate the effect, in same way that mitigation would need to be considered for other adverse budget changes identified in year.

2. CALCULATION OF COUNCIL TAX

- 2.1 Council Tax will be calculated by dividing the sum of the budget requirements of Reading, Thames Valley Police Authority and Royal Berkshire Fire & Rescue Service, less Formula Grant Allocation and Collection and Fund Surplus by the Council Tax base, to give the Council Tax at Band D. The Band D rate will then be multiplied by the proportions shown below to give the Council Tax for each band.

Band	A	B	C	D	E	F	G	H
Proportion	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

- 2.2 The Council at its meeting on 23 January 2018 set a Council Tax base for 2017/18 of 54,850.

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- 2.3 Policy Committee also received a report explaining the need to estimate the Collection Fund position as at 31 March 2018. This was done in accordance with Government Regulations and a neither a surplus nor deficit was estimated in respect of Council Tax transactions. The split between the Council and precepting authorities as follows:

	£'000
Reading BC	0
Thames Valley Police	0
Royal Berkshire Fire & Rescue Authority	0
	<u>0</u>

- 2.4 A surplus was also estimated for NNDR transactions of £9.36m which is be apportioned according to Government rules as follows:

	£'000
Reading Borough Council	4,680.0
DCLG	4,586.4
Royal Berkshire Fire & Rescue Authority	<u>1,393.6</u>
	<u>9,360.0</u>

- 2.5 Table A sets out the amount to be collected from Tax Payers in 2018/19.

Table A

Budget	138,912,270
Council Tax Collection Fund surplus	0
NNDR Collection Fund surplus	-4,586,400
Business Rates Income	-128,700,000
Tariff Payment	81,036,855
Revenue Support Grant	0
Council Tax collected for Reading BC	86,662,725
Police and Crime Commissioner Thames Valley Council Tax	9,998,058
Royal Berkshire Fire & Rescue Authority Council Tax (tbc)	3,530,146
Total amount to be collected from Council Tax payers	100,190,929

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Forecast of Council Tax for 2018/19

2.6 The Council Tax at each Band (with property numbers per Band) is set out below:

Table B

		Reading	PCCTV £	RBFRS £	Total £
A	6,533	1,053.33	121.52	42.90	1,217.75
B	14,134	1,228.88	141.77	50.06	1,420.71
C	28,756	1,404.44	162.03	57.21	1,623.68
D	10,883	1,579.99	182.28	64.36	1,826.63
E	5,434	1,931.10	222.79	78.65	2,232.54
F	3,277	2,282.21	263.29	92.96	2,638.46
G	1,843	2,633.32	303.80	107.26	3,044.38
H	83	3,159.98	364.56	128.72	3,653.26
Total Properties 70,943					

Proposals for revised Fees and Charges by Directorate / Service Area

The commentaries below set out the broad approach to fees and charges adopted in each service area.

1. Directorate of Corporate Support Services:

1.1 ICT Support Services

The service has increased the fees charged to schools to ensure the recovery of costs, which include administration of the education SLA portal.

1.2 Bereavement Service

Concessionary services historically provided at no cost remain FOC.

Discretionary fees have been reviewed and benchmarked, with proposals to increase fee by between 3 - 14% to ensure cost recovery.

A number of fees have been held at current rates as a result of benchmarking and consideration of associated costs.

Several new services introduced to meet customer demands.

1.3 Registry office

The service has increased a number of fees between 1 - 20%, with some services remaining unchanged following benchmarking and consideration of cost recovery.

The service predicts a decline in nationality checking services but an increase in face to face services at their new location within Reading Town Hall.

1.4 HR & Payroll

HR fees have been increased by 10% to move towards a cost recovery position. The service believes a subsidy remains per transaction. Efforts will be made to recover the full cost over subsequent fee reviews.

Payroll fees have increased by 3% to reflect inflation. The service believes that costs are recovered from the fee charged.

1.5 Occupational Health

The service has increased the fee by 10% to move towards a rate that reflects full cost recovery.

1.6 GIS Mapping

The service has increased fees by 10% to recover costs associated with the provision of the service.

The service is demand led and dependent upon the scale of development that takes place annually within the Borough. Transactions are forecast to increase in 2018-19 based on figures provided by the Council's Planning Team.

1.7 Legal Services

Fees increased between 3 - 25% to reflect cost recovery and inflation.

1.8 Income & recovery

The service has increased controllable fees by 6% as a result of benchmarking and consideration of market rates.

1.9 Democratic Services

The service has increased the fee for both school admission appeals and School Exclusion Review Hearing's to reflect the cost of service provision.

1.10 Berkshire Record Office

Services are provided under a joint Berkshire arrangement and the amendment of fees requires the approval of all 6 participating authorities; Reading, Slough, Bracknell, Wokingham, West Berkshire and the Royal Borough of Windsor and Maidenhead.

Fees for 2018/19 were extensively agreed in January 2017, with revised fees front-loaded to account for inflation and the recovery of associated costs. Fees will be reviewed during 18/19 for 19/20, taking account of corporately specified criteria.

The service have increased the fee for the Copy of certificates (baptism, burial, pre 1837 marriage) by 7.76% as governed by statute, which is forecast to return a modest additional income.

2. Directorate of Adult Care & Health services:

2.1 Adult Social Care

The service proposes increases of between 3 - 25% to a range of support services on the basis of cost recovery.

3. Directorate of Children's Education & Early Help Services:

3.1 Caretaker Services

The service has reviewed the fee charged to schools for the maintenance of caretaker properties to ensure the recovery of contracted costs.

3.2 CAT - Sure Start

Fees have been increased by approx. 7% to enable recovery of costs, following a review of market rates.

3.3 Pinecroft Children's Residential Care

The service has proposed to increase the weekly fee by 4.1% to recover the costs of service provision.

The fee is charged to other local authorities that buy the service from Reading Borough Council. The provision of the service to other local authorities is at the management team's discretion and is subject to capacity being available.

There are currently no other local authority service users at this time.

3.4 Kennet Day Nursery

Fees have been increased by 5% to move towards full cost recovery, following the benchmarking of other providers and consideration of affordability to service users.

3.5 Early Years

Following benchmarking activity the service has increased fees by a minimum of 3% across the board, with some fees increased by up to 50%.

The service provides both statutory and discretionary services and believes that subsidy is provided in the delivery of both. The increase in fee will narrow this gap and the service is committed to further review within year.

3.6 Reading Play

The service has increased all fees by 10% to recover the associated costs of delivery. Fees have been benchmarked with comparable market providers and remain competitive.

3.7 School performance data

The service has increased a number of fees between 0.8 - 5% to recover associated costs, with some fees remaining unchanged.

3.8 School Standards Traded

The service has increased a number of fees in order to recover the cost of service provision, whilst remaining competitive with the market.

3.9 School Kitchen Service

The SLA is split into package 1 & 2 and is calculated based on attendance numbers, kitchen size etc. The service has increased the charge by 5% to reflect cost recovery.

The income collected from schools is used to provide a programme of preventative maintenance (PPM) and fund the cost of reactive repairs.

3.10 School Admissions

The service have increased the fee for provision of an appeal map to £50 to reflect established market rates and associated costs.

4. Directorate of Environment & Neighbourhood Services:

4.1 Sustainability

The service has increased solar energy costs in line with contractual arrangements.

4.2 Private Sector Housing

Fees have been reviewed and increased to recover associated costs.

A HMO licence lasts 5 years and the fee charged is to cover the administrative and enforcement costs over the term of the licence period. The service forecast the number of new licences and renewals and accounts for income over the term of the licence period to enable costs to be covered and the service provided on a cost neutral basis, as required by the legislation.

4.3 Housing GF & HRA

The service has adjusted the fees in relation to B&B to ensure costs are recovered.

4.4 Leisure

The service propose a range of fee increases of between 3 - 10% as a result of benchmarking and consideration of cost recovery.

Concessionary fees, such as FOC swimming have been retained for Council operated facilities.

4.5 Museum

The service has an internal pricing policy for its services, which is followed in the review of fees.

The service proposes to freeze a number of fees at existing rates and increase others by between 1.5 - 100%. The rationale for proposed increases is the recovery of associated costs and the benchmarking of service fees with the wider market.

4.6 Berkshire Archaeology

The service has increased the fee for the provision of historic record data by 10% to reflect established market rates.

4.7 Licensing

Service has undertaken a significant level of cost recovery work and has proposed increases of 3 - 100%.

4.8 Trading standards

Many fees are set by statute with limited ability for the Council to review.

Increases of between 3 - 10% have been proposed on a number of controllable fees in order to recover the cost of service provision.

4.9 Highways

The service has increased all fees by between 3 - 50% to reflect inflation and ensure the recovery of costs.

4.10 Streetcare Services

The service has increased fees between 6-20% following consideration of cost recovery and market rates.

4.11 Emergency Planning

The service has reviewed fees on the basis of cost recovery and market rates.

Following a successful subsidised pilot of school lockdown procedure training, the service intends to roll this out at a fee that recovers associated costs.

Inflation of 2.7% added to shared services agreement, which runs to 2020.

4.12 Libraries

The service has increased a small number of fees between 8 - 16% to benchmarked rates.

The vast majority of fees have not been increased as a result of benchmarking and ongoing review of service provision.

4.13 Environmental Protection

The service predominantly undertakes statutory functions, with a small number of services provided on a discretionary basis.

Fees have been reviewed to ensure that they permit the recovery of costs, with some fees retained and others increased to reflect a changing cost base.

4.14 Arts Venues

The fee for the administration and posting of tickets has increased to match market rates and recover costs.

The service is introducing a membership offer at a fee of £25 + vat, mirroring services provided by other venue operators.

4.15 Planning

The service has increased all discretionary fees by between 4 & 25% to recover costs associated with service provision.

4.16 Public toilets

The service has increased the fee for use of automated public toilets to 40p following benchmarking activity. The increase will permit more of the cost of service provision to be recovered.

4.17 Concessionary Fares

The service has increased the fee for a replacement concession pass to reflect the cost of provision, whilst remaining in line with other local authority practices.

The service has introduced a new charge for access to transport modelling information, in line with the charging practices of neighbouring local authorities.

The fee for parking at the MereOak Park and Ride site has increased to reflect market rates.

Treasury Management Strategy Statement 2018/19

1. The Treasury Management Strategy Statement (TMSS) is an annual statement the Council is required to approve each year of our intended treasury activity, setting constraints under which that activity will (usually) operate. Given the technical nature of the subject, by way of introduction the statement is intended to explain
 - How the Council tries to minimise net borrowing costs over the medium term
 - How we ensure we have enough money available to meet our commitments
 - How we ensure reasonable security of money we have lent and invested
 - How we maintain an element of flexibility to respond to changes in interest rates
 - How we manage treasury risk overall

The context of the Council's borrowing is set out in the Initial Capital Strategy Statement, which is a new Statement recommended by CIPFA to provide a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services in the context of the Council's wider financial position. The TMSS primarily deals with the treasury management aspects of the Capital Strategy, but inevitably has to take account of the Council's capital expenditure plans and wider financial plans as they will impact the cashflow, and hence the treasury position.

- 1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. In addition, the Department for Communities and Local Government (DCLG) issued revised Guidance on Local Council Investments in March 2010 that requires the Council to approve an Investment Strategy before the start of each financial year. During the Autumn of 2017 both CIPFA and DCLG consulted on revisions to the Code and statutory guidance, but at the time of drafting this TMSS, whilst the final CIPFA Code had been published, the final revised statutory guidance was not available, and only became available a week before publication (with some changes from the consultation draft that do not have to be implemented until 2019/20). 2018/19 is seen as a transition year, and whilst CIPFA's Treasury & Capital Management Panel has issued a statement recommending both CIPFA codes are implemented as soon as possible, but recognised that the new formal requirement to have a capital strategy may not be fully implemented until 2019/20. In this code we have implemented changes to the practical extent reasonably possible¹ at the time of

¹ As usual the TMSS has been based on a template provided by Arlingclose. For practical reasons their template covered the requirements of the 2010 CLG Investment Guidance and the 2011 CIPFA TM Code of Practice, including the Treasury Management Indicators. It could not reflect changes to DCLG

preparation. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the DCLG Guidance.

1.2 The purpose of this TMSS is, therefore, to approve the:

- Treasury Management Strategy for 2018/19
- Annual Investment Strategy for 2018/19
- Approve a (newly required) Initial Outline Capital Strategy (which is a separate Appendix)
- Prudential Indicators for 2018/19, 2019/20 and 2020/21 (with some updates to 2017/18)
- MRP Statement (in connection with debt repayment)

2. Introduction

2.1 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

2.2 Revised strategy: In accordance with the DCLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Council's capital programme or in the level of its investment balance.

3. External Context

3.1 Economic background: The major external influence on the Council's treasury management for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

3.2 Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy

Guidance which were published after the template was issued. We have made reasonable practical additions and amendments to take account of the later published guidance.

Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

- 3.3 In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.
- 3.4 Credit outlook: High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.
- 3.5 Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council; returns from cash deposits however remain very low.
- 3.6 Interest rate forecast: The Council's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- 3.7 Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.
- 3.8 A more detailed economic and interest rate forecast provided by Arlingclose is attached at *Appendix A*.

3.9 For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.3%, and that new long-term loans will be borrowed at an average rate of 1.5% rising to 1.75% by the end of the year (reflecting short term borrowing at up to 0.75% and long term borrowing at 1.75%). (In practice we are not budgeting for significant lending beyond that needed for MIFID and cash flow management reasons, and these borrowing rates are higher than is currently achievable, so include some cover for possible (modest) interest rate rises.

4. Local Context

4.1 On 31 December 2017, the Council held £352.2m of borrowing and 23.4m of treasury investments. This is set out in further detail at *Annex B*. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.17 Actual £m	31.3.18 Estimate £m	31.3.19 Forecast £m	31.3.20 Forecast £m	31.3.21 Forecast £m
General Fund CFR	301.7	339.1	424.7	468.6	494.1
HRA CFR	191.3	187.2	190.3	191.0	190.2
Total CFR	493.0	526.3	615.0	659.6	684.3
Less: Other debt liabilities *	- 31.8	- 30.8	- 29.8	- 28.8	- 27.0
Borrowing CFR	461.2	495.5	585.2	630.8	657.3
Less: External borrowing **	- 353.4	- 339.2	- 286.7	- 282.3	- 278.0
Internal borrowing	107.8	156.3	298.5	348.5	379.3
Less: Usable reserves	- 81.4	- 80.0	- 80.0	- 80.0	- 70.0
Less: Working capital	- 26.4	- 25.0	- 25.0	- 20.0	- 20.0
Forecast New borrowing Need	-	- 51.3	- 193.5	- 248.5	- 289.3

* PFI liabilities & Finance Leases that form part of the Council's total debt

** shows only loans to which the Council is committed and excludes optional refinancing

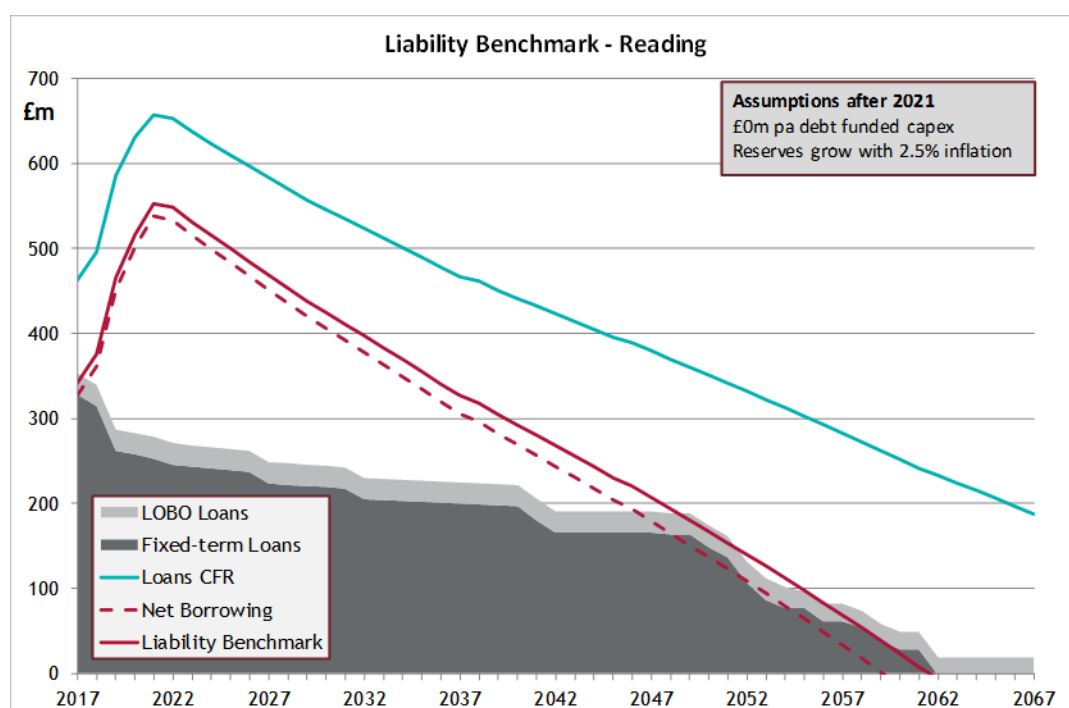
4.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying

levels, sometimes known as internal borrowing. In recent years this has helped minimise net financing costs.

4.3 The Council has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £290m over the forecast period, including c.£50m net during 2017/18 by the end of this financial year, and a further £144m next year. CIPFA’s *Prudential Code for Capital Finance in Local Authorities* recommends that the Council’s total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2018/19, and throughout the forecast period.

4.4 To assist with its long-term treasury management strategy, the Council and its advisers have created a liability benchmark, which forecasts the Council’s need to borrow over a 50 year period. Following on from the medium-term forecasts in table 1 above, the benchmark assumes:

- No significant capital expenditure funded by borrowing each year after 2021 (so the Liability Benchmark only covers the debt planned to the end of the present MTFS period in three years’ time. Annex C shows an alternative benchmark assuming £20m borrowing each year thereafter, which leads to a need for up to £600m long term borrowing.
- minimum revenue provision on new capital expenditure based on a 25 year asset life
- income, expenditure and reserves all increase by 2.5% inflation a year (i.e. in real terms the Council’s financial position is broadly stable)



- 4.5 The chart shows borrowing needing to rise from the current £350m level to around £550m by the early years of the next decade before then falling away. This very large increase reflects the Council's strategy to have a large capital programme funded by borrowing (which in a significant part is revenue generating, to fund the borrowing, and make a contribution to the Council's overall budget).
- 4.6 We should primarily plan to meet the above benchmark, assuming capital expenditure proceeds broadly as set out in the capital programme over the next couple of years; but be mindful that the longer term need may be more significant.

5. Borrowing Strategy

- 5.1 At 31 December, the Council held £352 million of loans, a slight decrease from the £359 million 12 months ago. The balance sheet forecast in table 1 shows that the Council expects to borrow up to c.£190m in 2018/19. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £520 million (and the operational boundary of £500m will only be exceeded on the specific approval of the CFO).
- 5.2 **Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 5.3 **Strategy:** Given the significant real cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 5.4 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk at least in the immediate financial year. The benefits of internal and short-term borrowing will continue to be monitored regularly against the potential for incurring additional costs by deferring longer term (fixed rate) borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2018/19 with a view to keeping future interest costs low, even if this causes additional cost in the short-term. However, we

anticipate some longer term borrowing during 2018/19. Hitherto, we have financed our investment property purchases using short term borrowing, although appraisals are done taking account of longer term financing costs. Arlingclose have advised that we should consider financing at least some of this expenditure using fixed rate longer term borrowing, so that the expected returns do crystallise and we eliminate excessive treasury risk.

5.5 Alternatively, should market conditions warrant, the Council may arrange forward starting loans during 2018/19, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. This would help mitigate the risk that borrowing costs were significantly higher than today at the peak of the liability benchmark above. We are also considering investigating this type of solution to manage the financing needs of Homes for Reading.

5.6 In addition, the Council may borrow short-term to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues
- Any other party that establishes a presence in the LA market not covered by the above categories (as agreed by the CFO on advice of Arlingclose)

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

Operating and finance leases and hire purchase

Private Finance Initiative

Sale and leaseback

The Council has historically raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local council loans and bank loans that may be available at more favourable rates.

- 5.7 **Municipal Bonds Agency:** The UK Municipal Bonds Agency plc (MBA) was established in 2014 by the Local Government Association as an alternative to the PWLB. The Council, along with about 60 other authorities are shareholders. The MBA plans to issue bonds on the capital markets and lend the proceeds to local authorities. The Council approved the necessary cross guarantee arrangements to be able to participate in a bond issue some time ago. The MBA has been moving towards its initial bond issue for some considerable time, and provided our original rationale for investing remains true, subject to meeting the MBA's criteria the Council may be part of an MBA bond issue during the year. Should the terms of the cross guarantee arrangements have materially changed from those already agreed Policy Committee will need to approve the revised arrangements before proceeding.
- 5.8 **LOBOs:** The Council holds £25m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £20m of these LOBOS have options during 2018/19, and although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.
- 5.9 During 2017/18, the Council has been contacted by a lender of £10m of the Council's LOBOS setting out outline terms to repay the loan, in a way that either the LOBO risk could be removed at no long term cost to the Council, or the opportunity taken to refinance the borrowing differently at a lower annual treasury cost, at least for the medium term financial strategy period. The proposal appears to have some merit, and the Council's treasury advisor has prepared a draft due diligence report, with a view to proceeding with a repayment during 2018. The loans are the most expensive LOBO loans the Council currently has and amongst the Council's most expensive long term borrowing (although they were originally arranged at then reasonably low rates in the market). The premium the Council will have to pay to replace these loans can be accounted for over the remaining period of the original loans and on initial inspection appears to offer some long term, and possibly shorter term advantages to the Council. As in previous years, total borrowing via LOBO loans will be limited to £40m, though assuming this restructure proceeds our actual LOBO portfolio will reduce to £15m.
- 5.10 **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

5.11 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

6. Investment Strategy

6.1 The Council sometimes holds significant invested funds, representing income received in advance of expenditure and also has some limited balances and reserves. During 2017/18 to 31 December, the Council's investment balance has ranged between £19.8 and £70.8 million, and in the forthcoming year levels are generally expected to be between £15m and £25m (to ensure that we hold the minimum £10m liquid balance required to meet MIFID2 requirements, as well as the expected continuing holding of the CCLA property fund. Over the course of the year the balance could sometimes reach £50-£70m depending upon cash flow.

6.2 **Objectives:** Both the CIPFA Code and the CLG Guidance require the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

6.3 **Negative interest rates:** Should the UK enter into a recession in 2018/19, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

6.4 **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Council moved the majority of its short term cash holdings to money market funds in 2015/16. With Arlingclose, we will consider options to further diversify into more secure and/or higher yielding asset classes during 2018/19. This diversification will represent a continuation of the new strategy adopted over the last couple of years.

6.5 **Ethical Policy:** The Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's Corporate Plan and values. This would include institutions with material links to:

- human rights abuse (e.g. child labour, political oppression)
- environmentally harmful activities (e.g. pollution, destruction of habitat, fossil fuels)
- socially harmful activities (e.g. tobacco, gambling)

These principles will be applied to investments made by the Council.

6.6 **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved investment counterparties and limits

Counterparty	Cash limit	Time limit †
Banks and other organisations and securities whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:	AAA	10 years*
	AA+	5 years*
	AA	4 years*
	AA-	3 years*
	A+	2 years
	A	1 year
	A-	
The Council's current account, Lloyds Bank plc should circumstances arise when it does not meet the above criteria	£1m	next day***
UK Central Government (irrespective of credit rating)	unlimited	50 years**
UK Local Authorities (irrespective of credit rating)	£20m each	50 years**
UK Registered Providers of Social Housing whose lowest published long-term credit rating is A- or higher	£5m each	10 years**
UK Registered Providers of Social Housing whose lowest published long-term credit rating is BBB- or higher and those without credit ratings	£2m each	5 years
UK Building Societies without credit ratings	£10m each	1 year
Money market funds and other pooled funds (including the CCLA Property Fund)	Up to £20m each	n/a
Any other organisation, subject to an external credit assessment and specific advice from the Council's treasury management adviser	£5m each	3 months
	£1m each	1 year
	£100k each	5 years

#In practice balances with individual counterparties are likely to be significantly less than £20m.

6.7 During recent years, Arlingclose have developed criteria for identifying which smaller building societies appear to have the most robust financial position,

and the current recommended have been added below. Note that some banks on the list below currently have a nil counter party limit. The Council's S151 officer has authority to amend the list below at short notice on the advice of Arlingclose (subject to the Treasury Strategy as a whole).

Table 3: Proposed Counterparty List

Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Group Limit (if applicable) %/£m	Maximum Maturity Limit (term deposits and instruments without a secondary market)	Maximum Maturity Limit (negotiable instrument)
UK	Santander UK Plc (Banco Santander Group)	£10m		2 years	5 years
UK	Bank of Scotland (Lloyds Banking Group)	£20m	£20m	2 years	5 years
UK	Lloyds TSB (Lloyds Banking Group)	£20m		2 years	5 years
UK	Barclays Bank Plc	£20m		2 years	5 years
UK	HSBC Bank Plc	£20m		2 years	5 years
UK	Nationwide Building Society	£10m		6 months	5 years
UK	NatWest (RBS Group)	£0m	£5m (in the event the limit is raised)	2 years	5 years
UK	Royal Bank of Scotland (RBS Group)	£0m		2 years	5 years
UK	Coventry Building Society	£5m		6 months	n/a
UK	Leeds Building Society	£5m		100 days	n/a
UK	Darlington Building Society	£1m		100 days	
UK	Furness Building Society	£1m		100 days	n/a
UK	Hinckley & Rugby Building Society	£1m		100 days	n/a
UK	Leek United Building Society	£1m		100 days	n/a
UK	Loughborough Building Society	£1m		100 days	n/a
UK	Mansfield Building Society	£1m		100 days	n/a
UK	Market Harborough Building Society	£1m		100 days	n/a

UK	Marsden Building Society	£1m		100 days	n/a
UK	Melton Mowbray Building Society	£1m		100 days	n/a
UK	National Counties Building Society	£1m		100 days	n/a
UK	Newbury Building Society	£1m		100 days	n/a
UK	Scottish Building Society	£1m		100 days	n/a
UK	Stafford Railway Building Society	£1m		100 days	n/a
UK	Tipton & Coseley Building Society	£1m		100 days	n/a

Arlingclose's normal guidance is that such lists might be expressed as a percentage of the investment portfolio; however, given the limited size of the Council's portfolio, and the normal expectations of deal sizes, this list has been prepared to be practical in the market.

- 6.8 Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 6.9 Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See 6.16 below for arrangements relating to operational bank accounts.
- 6.10 Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- 6.11 Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an

insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

- 6.12 **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made on the specific advice of the Treasury Advisor following an external credit assessment or to a maximum of £500,000 per company as part of a diversified pool in order to spread the risk widely. In practice this form of lending is not currently envisaged, but the possibility of doing it has been included on Arlingclose advice.
- 6.13 **Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.
- 6.14 **Pooled funds:** Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- 6.15 **Bond, equity and property funds** offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly. At the current time the Council has not used such funds.
- 6.16 **Operational bank accounts:** The Council may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore normally be kept below £1m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

6.17 Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

6.18 Similar arrangements also apply in connection with other public sector organisations, so for example when Northamptonshire CC recently announced a freeze on all spending, given the uncertainty this presents, Arlingclose advised no new investments were made. (In practice this is not a practical issue for us at present as we do not have significant sums available for such investment).

6.19 Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

6.20 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This

will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

6.21 Specified investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local Council, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

6.22 Non-specified investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits are shown in table 3 below.

Table 3: Non-specified investment limits

	Cash limit
Total long-term investments	£25m (including at least £15m in CCLA property fund)
Total investments without credit ratings or rated below A-	£20m (Including CCLA PF)
Total investments (except pooled funds) with institutions domiciled abroad rated below AA+	£0m
Total non-specified investments	£5m+ CCLA Funds

6.23 Investment limits: The Council’s reserves available to cover investment losses are forecast to be £80 million on 31 March 2018 (i.e. broadly unchanged from the 31 March 2017 position, though the composition is likely to have changed,

with more capital receipts being held, and fewer revenue balances). To avoid putting reserves at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £20 million (and normally for only short periods). A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit (as last year)
Any single organisation, except the UK Central Government	£15m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£12m per group
Any group of pooled funds under the same management	£12m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	5m in total
Registered Providers	£5m in total
Unsecured investments with Building Societies	£5m in total
Loans to unrated corporates	£5m in total
Money Market Funds	£20m each

6.24 Liquidity management: The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

6.25 Non-Treasury Investments

Although not classed as treasury management activities and therefore not covered by the 2011 CIPFA Code or the CLG Guidance, the Council may also purchase property for investment purposes and may also make loans and equity investments to the Council's subsidiaries. Such loans and investments will be subject to the Council's formally agreed approval processes, which sits separately this treasury management strategy. When the final new MHCLG Guidance is issued the Council may need to review its Commercial Property Investment Strategy. Similarly, the Council's support arrangements for Homes

for Reading Ltd may need review, though as was reported when the arrangement was approved, the Company's activities are closely linked to the Council's Housing strategy.

The Council's existing non-treasury investments are set out in Annex B. The Prudential Indicators below have at this stage only allowed for the Council's planned property purchases to the end of the 2018/19 financial year, as it will be appropriate to consider each year whether further purchases are appropriate.

7. Treasury Management Indicators

- 7.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit score	6.0

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing. This target has been increased from £10m to £15m to take account of the requirement from 3 January 2018 normally to hold £10m for MIFID 2 related reasons

	Target
Total cash available within 3 months (above estimated cash flow requirements)	£15m

- 7.2 **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments, as percentage of fixed rate debt).

	2018/19	2019/20	2020/21
Upper limit on fixed interest rate exposure	110%	110%	110%
Upper limit on variable interest rate exposure	50%	50%	50%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

- 7.3 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

Maturity Structure of Borrowing	Upper	Lower
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	25%	0%
10 years and within 20 years	100%	40%
20 years and within 30 years	100%	
30 years and within 40 years	100%	
40 years and within 50 years	100%	
50 years and above	100%	

For the purpose of this indicator, time periods start on the first day of each financial year and the maturity date of borrowing is the earliest date on which the lender can demand repayment (with the next LOBO option dates treated as the repayment date). Although these limits have not been changed, the under 12 month limit will be reached during 2018/19 (if the whole £193.5m borrowing identified above were taken, together with other borrowing due to mature within a year). To avoid a breach, the Council will normally explore options with our Arlingclose to extend maturities should the under 12 month maturing actual borrowing exceed 20% of all borrowing (i.e. currently when such borrowing reaches about £80m).

- 7.4 **Principal sums invested for periods longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2017/18	2018/19	2019/20	2020/21
Limit on principal invested beyond one year	£15m	£25m	£15m	£15m

(Note that Arlingclose advise that the limit for 2018/19 is set in line with the long-term investment limit under non-specified investments above. The limits for the later years are smaller, so limiting investments made for longer than 2/3 years).

8. Other Items

- 8.1 There are a number of additional items that the Council is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on the use of financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

- 8.2 Policy on apportioning interest to the HRA: Reform of the Housing Revenue Account Subsidy system was completed at the end of 2011/12, when we were required to pay DCLG £147.8m. Prior to 2012/13 we were required to recharge interest expenditure and income attributable to the HRA in accordance with determinations issued by DCLG. The Council has adopted a policy that it will continue to manage its debt as a single pool using a similar regime that applied prior to self-financing which will set out how interest charges attributable to the HRA will be determined, because self-financing did not result in a material change to the average interest rate paid by the Council.

However, during 2016/17 and 2017/18 some technical details of the methodology have been adjusted to recognise that in essence the £147.8m of loans the Council borrowed at the time of self-financing were primarily taken for HRA debt, and therefore the operation of the single pool should not lead to the average interest rate being charged to the HRA being less than the average rate on the remaining part of those loans (with the balance of HRA borrowing at the average of all other long term borrowing).

In addition to new borrowing for capital expenditure (which increases HRA debt) and the annual HRA minimum revenue provision (of 2% of the opening HRA debt for the year), the HRA “debt” also changes when assets are moved into or out of the account. In recent years and in the current year, this has included, transfers from the HRA to General Fund

- (i) Hostels & temporary accommodation in 2016/17
- (ii) The garage portfolio from 1 April 2018 (value £1.5m)
- (iii) The shop portfolio from 1 April 2018 (value £4.83m)

Transfer from General Fund to HRA

- (iv) Part of Norcot Youth & Community Centre site (for HRA New Build - valuation to be confirmed)

An adjustment of debt outstanding is required is to balance the appropriation in the accounts, and as the garage and shop amounts exceed the normal officer delegation you are asked to approve them as part of the budget setting process.

The HRA also has a notional cash balance which may be positive or negative. This balance is measured each month and interest transferred between the General Fund and HRA at the net average rate earned by the Council on its portfolios of treasury investments (excluding the CCLA Property Fund) and short-term borrowing

- 8.3 Investment training: The needs of the Council’s treasury management staff for training in investment management are periodically considered especially when the responsibilities of individual members of staff change. Staff regularly attend training courses or seminars provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, or other appropriate organisations. There will need to be a review of overall training needs during 2018/19 because of wider staff changes anticipated within the Finance function. The new Chief Accountant will ensure this review is undertaken.

- 8.4 Investment advisers: The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. We have at least two meetings per annum with Arlingclose, and make contact whenever advice is needed on treasury or related matters (including related capital accounting issues - for example during 2017/18 Arlingclose have provided assistance in resolving audit queries, including those related to PFI financing).
- 8.5 Investment of money borrowed in advance of need: The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.
- 8.6 The total amount borrowed will not exceed the authorised borrowing limit of £520 million. The maximum period between borrowing and expenditure is expected to be less than 2 years, (as we would not normally borrow money that was not expected to be needed within the current or following financial year), although the Council does not link particular loans with particular items of expenditure.

9. Financial Implications

- 9.1 During 2017/18 the Council expects to earn around £60-70k on its cash balances. The estimate for investment income in 2018/19 is slightly higher (reflecting the November 2017 interest rate rise, but lower forecast cash balances) at c.£75k, based on an average investment portfolio of around £20 million at an interest rate just below 0.4%. The budget for debt interest paid in 2017/18 was £12.1 million but borrowing has been lower than forecast so costs will only be around £11.1m. The 2018/19 budget is £12.2m (of which £10.8m is currently committed), the overall budget being based on an average debt portfolio of £390 million at an overall average interest rate of c.3.15%). If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different. The treasury position is managed as a whole, with the aim of operating within the agreed capital financing budget. A range of other lines are included; income on our CCLA Property Fund Investment, Interest on money lent to others (Reading Buses and Homes for Reading Ltd) as well as our MRP budget. £6.5m interest costs are estimated to be charged to the HRA.

9.2 Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Director and Head of Finance, having consulted the Leadership believe that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Prudential Indicators and MRP Statement 2018/19²

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Council's planned capital expenditure and financing may be summarised as follows. Further detail is provided in the Capital Programme in Appendix 8, and discussed in paragraph 7 of the main report.

Capital Expenditure and Financing	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
General Fund	67.2	122.5	132.6	104.9
HRA	12.1	25.3	14.5	8.5
Total Expenditure	79.3	147.8	147.1	113.5
Government Grants	17.0	28.6	25.2	13.9
Capital Receipts	1.7	5.3	4.2	1.0
S106	1.6	5.7	7.2	0.5
CIL	1.7	2.0	1.7	1.7
Borrowing	20.5	29.0	15.8	5.4
Investment Borrowing	30.6	71.0	85.0	85.0
Major Repairs Allowance	6.2	6.2	6.0	6.0
Total Financing	79.3	147.8	147.1	113.5

² As indicated above the TMSS and this template covers the requirements of the 2011 CIPFA Prudential Code (as amended in 2012). It also covers the requirements of the latest Guidance on Minimum Revenue Provision for an annual MRP statement (England 2012). The latest code removed explicit reference to HRA indicators, but recommended local indicators were used where the HRA was significant. In practice we intend to continue with the original agreed suite, given the HRA's significance in Reading).

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.18 Revised £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m
General Fund	339.1	424.7	468.6	494.1
HRA	187.2	190.3	191.0	190.2
Total CFR	526.3	615.0	659.6	684.3

The CFR is forecast to rise by £160m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.18 Revised £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m
Borrowing	390.5	480.2	530.8	567.3
Finance leases	<1.0	<1.0	<1.0	<1.0
PFI liabilities	30.8	29.8	28.8	27.0
Total Debt	422.3	510.0	560.6	595.3

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Borrowing	470	500	530	560
Other long-term liabilities	40	40	40	40
Total Debt	510	540	570	600

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over the operational boundary for unusual cash movements.

Authorised Limit	2017/18 Limit £m	2018/19 Limit £m	2019/20 Limit £m	2020/21 Limit £m
Borrowing	480	520	540	570
Other long-term liabilities	40	40	40	40
Total Debt	520	560	580	610

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/18 Revised %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
General Fund	7.3%	8.4%	10.6%	11.4%
HRA	25.1%	26.6%	26.8%	25.9%

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed.

APPENDIX 4

Incremental Impact of Capital Investment Decisions	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £
General Fund - increase in annual band D Council Tax	116.28	63.37	52.18
HRA - increase in average weekly rents	1.30	0.53	0.07

In 2018/19, around £94.50 of the incremental General Fund Increase is expected to be met from additional income sources.

Annex A - Annual Minimum Revenue Provision Statement 2018/19

Summary Introduction

This statement was last substantially revised in 2016/17. The revised approach was considered similarly prudent to the previous one overall as debt will be paid off over the same period of time (albeit to a different profile, or in the case of older debt and historically supported borrowing over a 50 year fixed period, (rather than never being fully repaid).

In addition the policy was extended to include a similar approach with PFI assets, and in connection with a funding strategy for our equal pay liability. The revised policy included some discretion in relation to capital receipts and making additional provisions. Over the life of assets all debt will be repaid, but the annuity method seeks to equalise total financing costs over the asset life with the consequence that generally less debt will be paid off in early years. These MRP arrangements have been applied since the 2015/16 financial year. Only minor changes have been made for 2018/19.

Statement of MRP approach

1. The Government's Capital Finance and Accounting Regulations require local authorities to make 'prudent annual provision' in relation to capital expenditure financed from borrowing or credit arrangements. This is known as Minimum Revenue Provision or MRP, but it is often referred to as a provision for "debt repayment" as a shorthand expression. The Government has also issued statutory guidance on MRP, to which the Council is required to have regard.
2. This policy applies to the financial years 2017/18 and 2018/19, and is intended to apply for years thereafter subject to annual review as part of the budget. Any interpretation of the Statutory Guidance or this policy will be determined by the Chief Finance Officer (taking advice as necessary from the Head of Legal & Democratic Services and the Council's treasury advisor, Arlingclose).
3. Principles of debt repayment provision - The term 'prudent annual provision' are not defined by the Regulations. However, the statutory Guidance says "the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant". The Guidance does not prescribe the annual repayment profile to achieve this aim, but suggests four methods for making MRP which it considers prudent, and notes that other methods are not ruled out. The Council regards the broad aim of MRP as set out above as the primary indicator of prudent provision, whilst recognising the flexibilities which exist in determining an appropriate annual repayment profile.

4. The Council considers that 'prudent' in this context does not mean the quickest possible repayment period, but has regard to the prudent financial planning and management of the overall financial position, recognising the flow of benefits from the capital expenditure, and other relevant factors.
5. This MRP Policy therefore takes account of the financial forecast in the Council's medium term plans, and a general assessment by the Director of Finance of the likely position in the years after that in determining what is a prudent MRP in the circumstances. In particular, this takes account of the Council's funding approach to equal pay settlements (paragraph 14 below) and the need for an orderly financial transition as the Council manages the grant reductions announced by Central Government through to 2019/20 (that in 2018/19 are linked to the NNDR Berkshire Pilot).
6. Consistent with the Statutory Guidance, the Council will not normally review individual asset lives used for MRP as a result of any changes in the expected life of the asset or its actual write off. Inevitably, some assets last longer than their initially estimated life, and others will not; the important thing is that the Director of Finance is satisfied that a reasonable estimate has been made at the time of capital expenditure. (Normally this will range between 5 years for some vehicles and IT equipment, though some assets in these categories could be longer, to 60 years for major new buildings (such as new school buildings). As a guide we use the following standard asset lives
 - major new buildings on Council owned land where a 40-60 year asset life (unless the design life is demonstrably shorter) will be appropriate
 - freehold land - 60 years
 - leasehold land - the life of the lease
 - major extensions to existing buildings, or major remodelling of infrastructure - where a 20-40 year asset life may be more appropriate (according to the design life of the extension/remodelling)
 - major refurbishment of existing buildings - where a 20 year life can reasonably be presumed
 - major transport infrastructure or regeneration schemes (i.e. new roads or major remodelling of junctions) - 30 years (or according to the design life of the infrastructure/regeneration if materially different)
 - other transport capital expenditure - 20 years
 - small items capitalised revenue expenditure - 10 years
 - vehicles, where typically a 5 year life will be reasonable for smaller vehicles; in some cases (e.g. refuse freighters 7-8 years, in line with maintenance contracts) a longer life will be appropriate
 but we will keep this categorisation under review, and individually consider all material asset additions funded from borrowing
7. General Fund - Borrowing funded assets from prior to 2007/08 - For this historic borrowing the Council does not hold detailed records that match borrowing to assets, and until 2015/16 had been making MRP at 4%pa on a reducing balance basis. For the reasons outlined in 3 & 5 above the Council now considers that an approach consistent with paying the remaining debt off at 2% of the 31/3/11 level pa for 50 years would now be appropriate, but for

the period 2015/16-2019/20 considers an annuity approach based on a 46 year annuity from 2011/12 provides an appropriate transition from its approach hitherto to the long term intended approach. Therefore from 2020/21 the annual MRP will be fixed at the same cash value so that the whole debt is repaid after 50 years (from 2007/08), subject to adjustment in the event of appropriation of land between the HRA and General Fund. Debt for this purpose is measured on the historic “credit ceiling” basis, so includes repayment of the adjustment in the basis of MRP on moving from the 1989 Act system in 2004 (“Adjustment A”). The total of MRP subject to this process can be adjusted when appropriations occur between the HRA and General Fund.

General Fund MRP policy: borrowing funded assets after 2007/08

8. The general repayment policy for new prudential borrowing is to repay borrowing within the expected life of the asset being financed. Normally asset lives will be a maximum of 20 years in the case of major refurbishment or transport infrastructure, but longer periods may be used for new buildings or other major assets where the council puts in place an appropriate long term funded cyclical maintenance programme. This is in accordance with the “Asset Life” method in the Guidance. The repayment profile will follow an annuity repayment method, (like many domestic mortgages) which is one of the options set out in the Guidance.

This is subject to the following details:

- 8.1 An average asset life for each project will normally be used. There will not normally be separate MRP schedules for the components of a building (e.g. plant, roof etc.), unless other component accounting requirements (which rarely apply in Reading) indicate such an approach would be appropriate. Asset lives will be determined by the Director of Finance, taking advice from appropriate technical experts (within the Council wherever possible). A standard schedule of asset lives will generally be used, but where borrowing on a project exceeds £5m, specialist advice from appropriate external advisers may also be taken into account.
- 8.2 MRP will commence in the year following the year in which capital expenditure financed from borrowing is incurred, except for single assets where over £1m financed from borrowing is planned, where MRP will be deferred until the year after the asset becomes operational. (In connection with this, the MRP for the Civic Offices was adjusted in 2015/16 so all the borrowing finance is repaid over the same (60 year) period starting in 2015/16, as the asset became operational in late autumn 2014.
- 8.3 Other methods to provide for debt repayment may occasionally be used in individual cases where this is consistent with the statutory duty to be prudent, as justified by the circumstances of the case, at the discretion of the Director of Finance.
- 8.4 If appropriate, shorter repayment periods (i.e. less than the asset life) may be considered for some or all new borrowing.

- 8.5 Where the Council incurs debt on the purchase of an investment property, in the event of a vacancy of tenancy, the Director of Finance may suspend MRP for up to 2 years, provided it is reasonable to assume a new tenant will be identified.

Housing Revenue Account MRP policy

9. The statutory MRP Guidance states that the duty to make MRP does not extend to cover borrowing or credit arrangements used to finance capital expenditure on HRA assets. This is because of the different financial structure of the HRA, in which depreciation charges have a similar effect to MRP. However, since the Government's HRA self-financing settlement, which introduced a cap on HRA borrowing, which was established in April 2012, the Council has made a minimum revenue provision of 2% of outstanding debt. This will continue (though is seen as part of the depreciation charge in the HRA business plan). The charge in any year will also take account of the HRA business plan, and the context of HRA debt within the authority as a whole (taking account of the Council's single debt pool approach to managing its borrowings. (For the immediate future this means the charge will be at least the 2% minimum). In principle, the Council will also seek to deliver a reduction in HRA debt per dwelling (though our ability to do this may depend upon RTB volumes). Additional voluntary HRA debt repayment provision may be made from revenue or capital resources (that have been derived from the disposal of housing assets).

Concession Agreements and Finance Leases

10. From 2015/16 MRP in relation to concession agreements (e.g. General Fund PFI contracts) and finance leases will be calculated on an asset life method using an annuity repayment profile, consistent with the method for prudential borrowing in paragraph 8 above. The Director of Finance may approve that such debt repayment provision may be made from capital receipts rather than from revenue provision (subject to Policy Committee approval of the draft accounts outturn report).

MRP & Capital Receipts

11. Local authorities may also use capital receipts to repay any borrowing that was incurred to fund capital expenditure in previous years. The Chief Finance Officer will determine annually the most prudent use of Capital Receipts, taking into account forecasts for future expenditure and the generation of further receipts, and the Council's wider financial plans. If capital receipts are utilised to repay debt in year, the value of MRP chargeable will normally be reduced by the value of the receipts utilised.
13. Statutory capitalisation - Expenditure which does not create a fixed asset, but is statutorily capitalised, will follow the MRP treatment in the Government guidance, apart from any exceptions provided for below.

Cash flows

14. Where a significant difference exists between capital expenditure accrued and the actual cash flows, MRP may be charged based on the cash expended at the previous year end, as agreed by the Director of Finance. The reason for this is that, if expenditure has been accrued but cash payments have not yet been made, this may result in MRP being charged in the accounts to repay borrowing which has not yet been incurred.

Equal Pay settlements

15. During 2017/18 the Council has begun making payments in respect of its equal pay settlement liabilities. The MTFS envisages they are funded using capital receipts. Based on our current estimate of the liability, we currently hold enough receipts, but it is feasible that our estimate may change, as may use of receipts and we may find that not all the required receipts have yet been received. As there are risks to the timing and quantum of future capital receipts, as a risk management mechanism, MRP may be reduced in 2017/18 or 2018/19 if there are insufficient capital receipts to fund equal pay settlement costs in that (or the following year in the case of 2017/18). The revenue saving will then be used to meet the settlement costs.
16. Any such reduction will be made good by setting aside equivalent future capital receipts to provide for debt repayment, when there is a surplus of capital receipts available after funding equal pay settlements. As a minimum, any such reduction in MRP will be repaid over 20 years as a charge to revenue account on an annuity profile.

Capitalised loans to others

17. MRP on capitalised loan advances to other organisations or individuals will not normally be required. Instead, the capital receipts arising from the capitalised loan repayments will be used as provision to repay debt. (i.e. MRP will be made and funded from the agreed debt repayment) However, revenue MRP contributions would still be required equal to the amount of any impairment of the loan advanced.

Investments

18. Where investments are made in financial instruments that score as capital expenditure where the Council expects full repayment, no MRP will be made

Voluntary repayment of debt

19. The Council may make additional voluntary debt repayment provision from revenue or capital resources. In this case, the Director of Finance may make an appropriate reduction in the same or the following year's levels of MRP.

20. Where it is proposed to make a voluntary debt repayment provision in relation to prudential borrowing from 2007/08 under the asset life method, it may be necessary to decide which assets the debt repayment relates to, in order to determine the reduction in subsequent MRP. The following principles will be applied by the Director of Finance in reaching a prudent decision:

- where the rationale for debt repayment is based on specific assets or programmes, any debt associated with those assets or programmes will be repaid;
- where the rationale for debt repayment is not based on specific assets, debt representative of the service will be repaid, with a maturity reflecting the range of associated debt outstanding;

Subject to the above two bullet points, debt with the shortest period before repayment will not be favoured above longer MRP maturities, in the interests of prudence, to ensure that capital resources are not applied for purely short term benefits.

Capital expenditure incurred during 2017/18 will not be subject to a MRP charge until 2018/19.

Based on the Council's latest estimate of its Adjusted Capital Financing Requirement estimated³ at 31 March 2018, the budget for MRP has been set as follows:

	31.03.2018 Estimated Adjusted CFR £m	2018/19 Estimated MRP £
Historic capital expenditure prior to 31.03.2008	67.2	677
Capital expenditure after 2008/9-2016/17	154.7	6,278
Estimated capital expenditure 2017/18	44.5	977
Total General Fund	266.4	9,932
Total Housing Revenue Account	187.2	3,745
Total	453.6	11,677

³ Adjustments were made to the CFR when the system changed in 2008 to ensure a smooth transfer from the previous system involving the credit ceiling (a slightly different measure of debt) and MRP.

Annex B - Arlingclose Economic & Interest Rate Forecast January 2018

Underlying assumptions:

- The MPC increased Bank Rate in November 2017 to 0.5%. The rise was questionable based on the available economic data. Market rate expectations are broadly unchanged since the rise and policymakers continue to emphasise that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have revised lower the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.
- The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2. Forecasts for future GDP growth have generally been revised downwards.
- Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.
- More recent labour market data suggested that employment has plateaued, although house prices (outside London) appear to be relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis.
- The depreciation in sterling may assist the economy to rebalance away from spending. Export volumes will increase, helped by a stronger global and Eurozone economic expansions.
- Near-term global growth prospects have continued to improve and broaden, and expectations of inflation are subdued. Central banks are moving to reduce the level of monetary stimulus.
- The MPC increased Bank Rate largely to meet expectations they themselves created. Expectations for higher short term interest rates are now relatively subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.
- Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides.

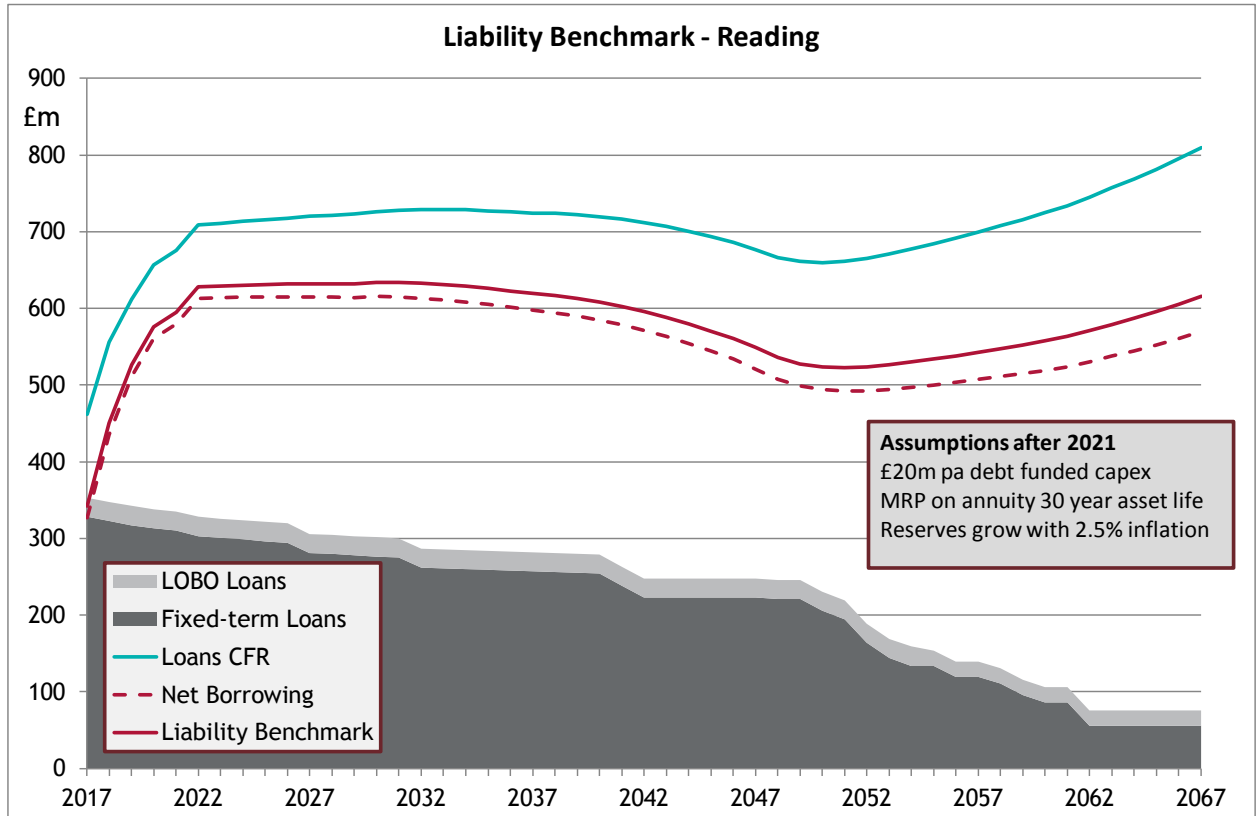
APPENDIX 4

- The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government’s seemingly deteriorating fiscal stance is an upside risk.

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.21
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.17
3-month LIBID rate														
Upside risk	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.23
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.10	-0.15	-0.15	-0.15	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.22
1-yr LIBID rate														
Upside risk	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.28
Arlingclose Central Case	0.70	0.70	0.70	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.78
Downside risk	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.15	-0.15	-0.15	-0.26
5-yr gilt yield														
Upside risk	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.33
Arlingclose Central Case	0.75	0.80	0.80	0.80	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	1.15	0.92
Downside risk	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.35
10-yr gilt yield														
Upside risk	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.33
Arlingclose Central Case	1.25	1.25	1.25	1.25	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.55	1.60	1.38
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.34
20-yr gilt yield														
Upside risk	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.33
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.90	1.90	1.95	1.95	2.00	2.05	2.05	2.05	2.10	1.95
Downside risk	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.41
50-yr gilt yield														
Upside risk	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.33
Arlingclose Central Case	1.70	1.70	1.70	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.95	1.95	2.00	1.84
Downside risk	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.41

Annex C - Alternative Liability Benchmark

The graph in 4.4 shows the position over the present MTFS period, but assumes no significant borrowing after that. Arlingclose also recently prepared the benchmark assuming £20m per annum is spent on per annum thereafter.



This shows a long term debt around £600m from the beginning of the next decade

Annex D - Existing Investment & Debt Portfolio Position

	31/12/17 Actual Portfolio £m	31/12/17 Average Rate %
External Borrowing:		
PWLB - Fixed Rate	259.4	3.65
PWLB - Variable	4.8	1.03
Other Local authorities (short term)	58.0	0.43
LOBO loans from banks	25.0	4.21
Banks - Fixed Rate (ex Barclays LOBO)	5.0	3.99
Total External Borrowing	352.2	3.12
Other Long Term Liabilities:		
PFI	31.0	
Finance Leases	0.7	
Total Gross External Debt	383.9	
Investments:		
Money Market Funds	2.5	0.33
Bank Call Accounts	5.9	0.40
Pooled Funds (CCLA Property Fund)	15.0	c.4.86
Total Investments	23.4	
Net Debt	360.5	
Non-treasury investments:		
Investment property	45.0	
Shares in subsidiary	1.7	
Loans to subsidiary	1.7	3.13%
Lease to subsidiary	7.8	
Total non-treasury investments	56.2	
Total investments	79.6	

OUTLINE CAPITAL STRATEGY 2018/19

There is a new explicit requirement that has been introduced in the 2017 revision of the (Chartered Institute of Public Finance and Accountancy) CIPFA Prudential Code for authorities to publish a capital strategy. The code says

“The capital strategy is intended to give 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 associated risk is managed and the implications for future financial sustainability”

In the consultation paper introducing the code changes CIPFA made it clear that the strategy was intended to be quite a short document written in accessible language.

It was not possible to draft this strategy in time for pre-budget scrutiny at Audit & Governance (A&G) Committee. Nevertheless, A&G’s scrutiny of the draft Treasury Management & Investment (TM&I) Strategy Statement identified several issues that are intended to be covered within this document.

Given the detail in the TM&I Strategy, the new code permits it to be considered and agreed by a committee, rather than needing to be approved by Council as a whole, though a small number of Prudential Indicators, (such as the Authorised Borrowing Limit; the maximum amount of money the Council is permitted to borrow) remain formally a Council decision as part of the budget.

The Code guides that the chief finance officer (CFO) must report on the affordability and risk associated with the capital strategy. The strategy should set out the long-term context in which capital expenditure and investment decisions are made and gives consideration to risk, reward and impact on the achievement of the Council’s priorities.

The capital strategy should form a part of the authority’s medium to long term forward financial planning processes as it provides 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 associated risk is managed and the implications for future financial sustainability. CIPFA intend that all councillors should have a full understanding of the overall strategy, governance procedures and risk appetite. There should be sufficient detail to understand how stewardship, value for money, prudence, sustainability and affordability will be secured and to meet legislative requirements on reporting.

The code sets out 5 areas that should be included

- Capital Expenditure
- Debt and Borrowing and Treasury Management
- Commercial Activities
- Other long-term liabilities
- Knowledge and skills

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The following sections set out the present position in these areas

Capital expenditure

Capital Expenditure is expenditure that will provide benefits for several forward years. It ranges from the purchase of vehicles and equipment where the benefit may only last 3-5 years to new buildings where the benefit should be at least 40-60 years, and the purchase of freehold land where the benefit might continue indefinitely. It includes public infrastructure works, such as the road network, parks and public open spaces, and may also include grant expenditure to others to provide such things.

The Council has a forward capital programme, which is agreed each financial year as part of the budget, but subject to periodic updating in-year as plans change and are updated. In principle all capital expenditure must have Policy Committee or Council approval, though the CFO has a delegation to approve expenditure that is funded by grant where the grant requires reasonably specific use of the money.

Capital expenditure generally supports the Council's wider service delivery strategies, for example by ensuring there are sufficient, quality school places in the town, the road network operates as efficiently and effectively as possible, and at a more basic level ensuring we have sufficient vehicles and IT to meet day to day service needs. Currently the programme is normally presented in groupings linked to the Council's Strategic Priorities.

Expenditure is monitored throughout the year and progress reported at each Policy Committee alongside revenue budget monitoring. In principle, if only at year end, the Council considers accounting for all items that meet the capital definition as capital expenditure.

Capital expenditure is funded through various sources of finance:

- Capital Grants from Government (or others)
- Section 106 Planning Income
- Community Infrastructure Levy (also related to Planning)
- The HRA Major Repairs Reserve for expenditure on Council Housing
- Capital Receipts arising from the sale of the Council's assets
- Borrowing, which has to be repaid (with interest) over the expected life of the asset from revenue
- Revenue, including contributions from schools towards capital schemes in the school

Normally the preferred order of using finance available is broadly as above. However, up until 2022 Government rules permit capital receipts to be used to meet equal pay settlements and the revenue costs of reforming services that then reduces on-going running costs. Given the lack of available revenue funding, the use of receipts for these purposes (rather than for capital expenditure) is being prioritised. The CFO will finally determine the

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funding of the capital programme as part closing the accounts and determining the outturn expenditure each year.

Some items within the capital programme are linked to the Council's asset management planning processes to ensure the Council's operational infrastructure (operational buildings, vehicles and IT estate) remain fit for purpose. If we did not include these items, in general higher revenue costs (on repairs, vehicle maintenance, arising from IT failure and inefficient staff time use) would tend to result.

The Housing Revenue Account (HRA) capital programme includes both some new build housing as well as major repair programmes to the existing stock. Within the HRA there is a formal government set debt cap of £209m, whereas General Fund borrowing is constrained by locally determined affordability considerations.

Debt, Borrowing and Treasury Management

The Council's Treasury Management Strategy Statement deals in detail with debt & borrowing. At the end of 2017 the Council had over £300m borrowing outstanding and the Council's 2018/19 strategy shows that increasing over the next 3-4 years to over £600m. Much of this significant increase is associated with the Council's financial strategy, which includes the purchase of income generating property within the Borough, including housing for rent through the Council's Homes for Reading subsidiary and commercial investment properties.

Whilst these are clearly large sums of money it should be observed that the Council's assets are valued at over £1bn on the balance sheet. Although borrowing is not secured on assets (but instead on the Council's future income) these include all Council Housing (£466m), the road network (£215m) as well as all the Council's other operational land and buildings (£337m), so present borrowings are more than three times covered by our asset base.

Government rules however require us to calculate our historic debt through the "capital finance requirement"(CFR), which is basically a measure of unpaid historic borrowing associated with the purchase of capital assets. The CFR is normally higher than actual borrowing, as the Council holds some (limited) reserves, but also normally has a positive cash flow, so holds "working capital". As at 31/3/17 the CFR was £493m, and it is scheduled to rise to over £700m by 31/3/21. A large part of the difference between the CFR and actual borrowing outstanding is accounted for by "internal debt"; effectively the use of working capital and reserves to avoid borrowing, and the financing costs that go with it.

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Forecasts for the next few years are as follows;

	31.3.17 Actual £m	31.3.18 Estimate £m	31.3.19 Forecast £m	31.3.20 Forecast £m	31.3.21 Forecast £m
Total CFR	493.0	526.3	615.0	659.6	684.3
Less: Other debt liabilities (PFI)	- 31.8	- 30.8	- 29.8	- 28.8	- 27.0
Borrowing CFR	461.2	495.5	585.2	630.8	657.3
External borrowing	353.4	339.2	286.7	282.3	278.0
Internal borrowing	107.8	105.0	105.0	100.0	90.0
Forecast New borrowing Need	-	51.3	193.5	248.5	289.3

The TM&I statement includes a “liability benchmark” graph which shows how debt is expected to rise over the MTF5 period in comparison with existing borrowing. Linked to these forecasts the Council is required by law to set a limit on its borrowing, known as the authorised limit, which is the maximum amount of borrowing that can be outstanding at any point in time.

The Council’s budget is required to include a provision for the repayment of debt (minimum revenue provision - MRP) over the life of the assets. The full MRP statement appears as an Annex to the TM&I Strategy. However its key requirement includes the repayment of debt using an annuity based approach over the asset life (so effectively this will work like a repayment mortgage, though as the debt reduces interest payment reduces, and therefore principal payments will rise over time).

Commercial Activities

There are two broad developing strands to the Council’s commercial activities; Reading Direct Services offers a service to residents and businesses in and near the borough, as well as providing some services for other local authorities. Generally these are moderate to lower risk commercial activity built upon the Council’s internal capability to deliver its own services. In relation to capital expenditure, Direct Services will need some capital assets to deliver to its customers.

More significantly in relation to capital and with a different risk profile the Council has approved a property investment strategy, and formed Homes for Reading Ltd (HfR). In both cases the Council borrows money to purchase property on which a rent will be received. Whether directly (commercial property) or indirectly through the HfR company there is the risk that rental income may not be sufficient to meet borrowing and other costs. Therefore, the Council has developed appraisal models and tools to assess risk and forecast net income in each case, and only proceeds with purchases that meet the agreed criteria. In the case of commercial property purchases the Council normally operates via an agent independent of the Council and

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carries out external due diligence before proceeding including taking independent expert advice.

Other long-term liabilities

In addition to traditional borrowing, the Council also has liabilities associated with its private finance initiative (PFI) contracts and some leasing liabilities. These will slowly decline over their contract lives.

Knowledge and skills

Within the Finance function the Council employs a range of staff with the necessary skills to manage the Council's treasury position. This includes staff able to manage day to day movements on the Council's bank account; staff who ensure that capital assets are accounted for properly; and staff who assess complex investment property opportunities. The Council also has access to Treasury Advisors who offer proactive guidance and advice with almost all aspects of the Council's capital activity. As a typical local authority, we have a relatively low risk appetite, but recognise that no capital/treasury activity is without risk and therefore we undertake appropriate risk assessments as a matter of routine.

This outline capital strategy is intended to strike a balance between detail and accessibility to councillors. The strategy suggests some initial and on-going A&G scrutiny so that the strategy is developed over time between councillors and officers. In preparing the Chief Finance Officer's statement on the robustness of estimates, adequacy of reserves and the management of risk (contained in the main budget report), the CFO has considered the affordability and risk associated with the capital strategy, which has informed his conclusions set out in section 6.1 of the report.

GENERAL FUND & SUMMARY COST CENTRE BUDGETS 2018-2019, 2019-2020 & 2020-2021

	PAGES	ESTIMATE 2018/2019	ESTIMATE 2019/2020	ESTIMATE 2020/2021
		£'000	£'000	£'000
Resources	2	12,279	12,467	12,787
Environment & Neighbourhood Services	3	23,812	19,517	17,997
Childrens, Education & Early Help Service	4	41,569	41,868	41,337
Adult Care & Health	5	37,479	37,950	41,267
Total Directorate Requirements		115,139	111,802	113,388
Capital Financing Costs		11,680	13,680	14,880
Insurance Costs		1,143	1,200	1,260
Property & Pensions Liabilities, Environment Agency Levy, NNDR Levy, Other Provisions & Cross Council Savings		1,734 cr	1,383	1,600
Contribution to LEP		6,250		
Savings Contingency		3,322	4,322	4,322
Redundancy Provision		800	800	800
		136,600	133,187	136,250
Budget Funding Measures				
Equalisation Reserve Transfers		3,275	433 cr	1,994 cr
Grants		3,464 cr	3,585 cr	3,205 cr
Use of General Fund Balance		2,500	0	0
Budget Requirement		138,911	129,169	131,051
Less				
Reading Share of Business Rate Income		128,700	66,548	68,212
Business Rate Tarrif Payment		81,037 cr	28,977 cr	29,701 cr
Revenue Support Grant		0	1,998	0
Reading's Share of Collection Fund Surplus/Deficit		4,586	0	0
Council Tax Requirement		86,662	89,600	92,540

COUNCIL TAX LEVELS

2017-2018		2018-2019
£		£
1,148.88	Council Tax at Band A	1,217.75
1,340.36	Council Tax at Band B	1,420.71
1,531.85	Council Tax at Band C	1,623.68
1,723.33	Council Tax at Band D	1,826.63
2,106.29	Council Tax at Band E	2,232.54
2,489.25	Council Tax at Band F	2,638.46
2,872.21	Council Tax at Band G	3,044.38
3,446.66	Council Tax at Band H	3,653.26

RESOURCES SERVICES DIRECTORATE

DIRECTOR - JACKIE YATES (wef 19/3/18)

	2018-19 Budget Breakdown				2018-19 Estimate Budget	2019-20 Budget		2019-20 Estimate Budget	2020-21 Budget		2020-21 Estimate Budget
	Employee	Running Costs	Gross	Income		Gross	Income		Gross	Income	
	Costs		Expenditure								
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>MANAGING DIRECTOR & CUSTOMER SERVICES</u>											
Managing Director's Office	187	101	287	0	287	295	0	295	304	0	304
Business Improvement Team	1,666	90	1,755	-348	1,407	1,803	-350	1,453	1,852	-350	1,502
IT Services	314	4,730	5,044	-138	4,906	5,426	-138	5,288	5,513	-138	5,375
Customer Services	1,208	264	1,471	-146	1,325	1,504	-146	1,358	1,536	-146	1,390
Entitlement and Assessment	2,252	662	2,914	-2,061	852	2,447	-2,066	381	2,362	-2,066	296
Housing Benefit & Council Tax	0	78,080	78,080	-77,930	150	77,955	-77,930	25	77,955	-77,930	25
Reading UK CIC	0	0	0	0	0	0	0	0	0	0	0
Registration & Bereavement Services	643	406	1,049	-2,586	-1,537	1,076	-2,586	-1,510	1,097	-2,586	-1,489
Voluntary Sector Support Team	26	318	344	0	344	329	0	329	238	0	238
MANAGING DIRECTOR & CUSTOMER SERVICES TOTAL	6,296	84,651	90,944	-83,209	7,734	90,835	-83,216	7,619	90,857	-83,216	7,641
<u>FINANCIAL SERVICES</u>											
FINANCIAL SERVICES TOTAL	2,756	831	3,588	-645	2,944	3,653	-195	3,458	3,808	-195	3,613
<u>LEGAL, HUMAN RESOURCES & DEMOCRATIC SERVICES</u>											
Legal Services	3,837	2,634	6,471	-4,417	2,054	6,555	-4,417	2,138	6,640	-4,417	2,223
Committee Administration	318	18	336	-14	323	342	-14	328	348	-14	334
Human Resources & Payroll	2,209	491	2,700	-928	1,773	2,752	-956	1,796	2,807	-971	1,836
Elections/Electoral Registration	204	321	525	-103	422	529	-103	426	533	-103	430
LEGAL, HUMAN RESOURCES & DEMOCRATIC SERVICES TOTAL	6,568	3,464	10,032	-5,462	4,572	10,178	-5,490	4,688	10,328	-5,505	4,823
<u>COMMUNICATION</u>											
Marketing + Pub.Relations	362	71	433	-20	413	434	-30	404	445	-35	410
Mayoralty & Lord Lieutenant	66	36	102	-55	47	104	-55	49	106	-55	51
COMMUNICATION TOTAL	428	107	535	-75	460	538	-85	453	551	-90	461
Resources Directorate Services Total	16,048	89,053	105,099	-89,391	15,710	105,204	-88,986	16,218	105,544	-89,006	16,538
Recharge to non General Fund Services				-3,431	-3,431		-3,751	-3,751		-3,751	-3,751
RESOURCES DIRECTORATE TOTAL	16,048	89,053	105,099	-92,822	12,279	105,204	-92,737	12,467	105,544	-92,757	12,787

ENVIRONMENT AND NEIGHBOURHOOD SERVICES DIRECTORATE

DIRECTOR - ALISON BELL

	2018-19 Budget Breakdown				2018-19 Estimate Budget	2019-20 Budget			2019-20 Estimate Budget	2020-21 Budget		2020-21 Estimate Budget
	Employee	Running Costs	Gross	Income		Gross	Income	Gross		Income		
	Costs		Expenditure								Expenditure	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
<u>TRANSPORTATION AND STREET CARE</u>												
Neighbourhood Services	4,348	1,782	6,130	-2,930	3,200	5,620	-3,240	2,380	5,607	-3,257	2,350	
Streetcare Services	2,917	2,319	5,238	-2,793	2,444	5,224	-2,743	2,481	5,261	-2,768	2,493	
Network and Parking Services	1,125	4,769	5,892	-10,916	-5,025	6,005	-11,766	-5,761	6,168	-12,919	-6,751	
Waste Disposal	236	25,518	25,753	-17,658	8,096	25,449	-17,658	7,791	25,954	-17,658	8,296	
Transportation Services	696	7,104	7,800	-876	6,924	7,637	-876	6,761	7,545	-876	6,669	
TRANSPORTATION AND STREET CARE TOTAL	9,322	41,492	50,813	-35,173	15,639	49,935	-36,283	13,652	50,535	-37,478	13,057	
<u>PLANNING, DEVELOPMENT & REGULATORY SERVICES</u>												
Sustainability	117	77	193	-219	-26	197	-219	-22	200	-219	-19	
Corporate Facilities Management	3,386	5,213	8,598	-4,651	3,948	8,715	-4,651	4,064	8,588	-4,651	3,937	
Land & Property Development	287	286	573	-4,955	-4,382	592	-5,455	-4,863	618	-5,955	-5,337	
Regulatory Services	3,187	1,104	4,289	-2,395	1,895	4,339	-2,676	1,663	4,440	-2,689	1,751	
Planning	1,183	259	1,442	-1,324	119	1,485	-1,434	51	1,529	-1,434	95	
Building Control	558	54	612	-429	183	625	-429	196	639	-429	210	
Health & Safety	196	23	219	-67	152	226	-67	159	232	-67	165	
Property Development	296	220	515	-512	3	524	-512	12	534	-512	22	
PLANNING, DEVELOPMENT & REGULATORY SERVICES TOTAL	9,210	7,236	16,441	-14,552	1,892	16,703	-15,443	1,260	16,780	-15,956	824	
<u>HOUSING & NEIGHBOURHOOD SERVICES</u>												
Libraries	768	462	1,230	-203	1,027	1,207	-203	1,004	1,248	-203	1,045	
Community Safety and Neighbourhood Initiatives	564	46	610	-549	61	588	-549	39	602	-549	53	
Housing Building Maintenance	4,744	5,517	10,259	-10,259	0	10,287	-10,285	2	10,314	-10,312	2	
Housing GF	1,294	7,982	9,276	-6,681	2,595	8,570	-6,391	2,179	8,517	-6,391	2,126	
HOUSING & NEIGHBOURHOOD SERVICES TOTAL	7,370	14,007	21,375	-17,692	3,683	20,652	-17,428	3,224	20,681	-17,455	3,226	
<u>ECONOMIC & CULTURAL DEVELOPMENT</u>												
Sports & Leisure	1,879	1,008	2,887	-2,069	818	1,302	-1,089	213	1,348	-1,089	259	
Business Development	205	20	225	-475	-250	233	-885	-652	241	-995	-754	
Arts Venues	1,175	2,773	3,949	-3,616	332	3,972	-3,636	336	0	0	0	
Town Hall & Museum	1,234	761	1,996	-1,094	901	2,077	-1,194	883	2,154	-1,194	960	
Records and Archives	639	379	1,018	-900	118	1,052	-900	152	1,090	-900	190	
New Directions	1,090	398	1,489	-1,481	8	1,508	-1,481	27	1,529	-1,481	48	
ECONOMIC & CULTURAL DEVELOPMENT TOTAL	6,222	5,339	11,564	-9,635	1,927	10,144	-9,185	959	6,362	-5,659	703	
DENS Directorate	859	8	867	-197	671	895	-473	422	924	-737	187	
ENVIRONMENT & NEIGHBOURHOOD SERVICES TOTAL	32,983	68,082	101,060	-77,249	23,812	98,329	-78,812	19,517	95,282	-77,285	17,997	

DIRECTORATE OF CHILDRENS, EDUCATION AND EARLY HELP SERVICES

DIRECTOR - ANN MARIE DODDS

	2018-19 Budget Breakdown				2018-19 Estimate Budget	2019-20 Budget		2019-20 Estimate Budget	2020-21 Budget		2020-21 Estimate Budget
	Employee	Running Costs	Gross	Income		Gross	Income		Gross	Income	
	Costs		Expenditure								
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
CHILDREN'S SAFEGUARDING											
Children's Management and Training	810	136	945	0	945	971	0	971	993	0	993
External Placements	0	12,356	12,356	-51	12,306	12,138	-51	12,087	11,912	-51	11,861
Family Support	4,918	650	5,567	-114	5,452	5,738	-114	5,624	5,913	-114	5,799
Placement Choice	2,530	6,172	8,702	-113	8,589	8,781	-113	8,668	8,858	-613	8,245
Safeguarding	1,232	314	1,545	-80	1,465	1,598	-80	1,518	1,648	-80	1,568
Children's Safeguarding Total	9,490	19,628	29,115	-358	28,757	29,226	-358	28,868	29,324	-858	28,466
EARLY HELP SERVICES											
Early Help Management	468	9	377	-100	377	403	0	403	436	0	436
Children Centres	1,337	291	1,627	-869	757	1,659	-1,020	639	1,688	-1,229	459
Targetted Youth Services	614	102	716	-165	551	716	-165	551	707	-215	492
Other Early Help Services	2,480	205	2,687	-1,295	1,392	2,717	-1,305	1,412	2,625	-1,320	1,305
Specialist Youth Services	788	119	907	-463	444	922	-463	459	926	-463	463
Early Help Services Total	5,687	726	6,314	-2,892	3,521	6,417	-2,953	3,464	6,382	-3,227	3,155
EDUCATION SERVICES AND SCHOOLS											
Education General	672	312	985	-114	870	1,007	-138	869	1,029	-150	879
Early Years	798	13,355	14,152	-553	13,601	14,175	-553	13,622	14,200	-553	13,647
School Improvement	743	200	943	-660	129	958	-814	144	974	-814	160
Special Education & Children's Disability Team	1,518	18,813	20,332	-121	20,211	20,365	-121	20,244	20,255	-121	20,134
Asset Management	417	261	678	-627	51	680	-627	53	683	-627	56
Schools - ISB *	0	44,941	44,941	0	44,941	44,952	0	44,952	44,964	0	44,964
Schools Block *	0	5,232	5,232	-79,361	-74,129	5,232	-79,361	-74,129	5,232	-79,361	-74,129
Education Services and Schools Total	4,148	83,114	87,263	-81,436	5,674	87,369	-81,614	5,755	87,337	-81,626	5,711
GOVERNANCE AND BUSINESS SUPPORT											
Governance and Business Support Total	1,427	-71	1,356	0	1,356	1,400	0	1,400	1,443	0	1,443
TRANSFORMATION AND IMPROVEMENT											
LSCB & Safeguarding	1,214	34	1,248	-34	1,213	1,200	-34	1,166	1,223	-34	1,189
Performance Data CSC & Education	445	21	466	-90	376	482	-90	392	492	-90	402
Transformation and Improvement Total	1,659	55	1,714	-124	1,589	1,682	-124	1,558	1,715	-124	1,591
DIRECTORATE MANAGEMENT											
Directorate Management Total	991	0	991	-319	672	862	-39	823	1,010	-39	971
CHILDRENS, EDUCATION & EARLY HELP SERVICE TOTAL	23,402	103,452	126,753	-85,129	41,569	126,956	-85,088	41,868	127,211	-85,874	41,337

DIRECTORATE OF ADULT SOCIAL CARE AND HEALTH SERVICES

DIRECTOR - SEONA DOUGLAS

	2018-19 Budget Breakdown				2018-19 Estimate Budget £'000	2019-20 Budget		2019-20 Estimate Budget £'000	2020-21 Budget		2020-21 Estimate Budget £'000
	Employee Costs £'000	Running Costs £'000	Gross Expenditure £'000	Income £'000		Gross Expenditure £'000	Income £'000		Gross Expenditure £'000	Income £'000	
	ADULT SERVICES										
ASC Management	329	563	893	-2,222	-1,330	904	-2,329	-1,425	1,178	-1,087	91
Group Homes and Properties	19	83	102	-342	-239	102	-382	-280	102	-382	-280
Adult Social Care Activities	8,492	1,088	9,578	-4,695	4,883	9,571	-4,695	4,876	9,785	-4,695	5,090
Safeguarding	422	195	617	-201	416	638	-226	412	656	-226	430
Mental Health Support	329	2,482	2,811	-397	2,416	2,802	-405	2,397	3,169	-405	2,764
Learning Disability Support	1,093	16,001	17,094	-1,411	15,684	17,381	-1,420	15,961	17,897	-1,420	16,477
OP/PD Support	0	19,133	19,133	-5,519	13,615	19,502	-5,537	13,965	20,288	-5,537	14,751
ADULT SERVICES TOTAL	10,684	39,545	50,228	-14,787	35,445	50,900	-14,994	35,906	53,075	-13,752	39,323
Commissioning and Improvement	855	25	880	0	880	911	0	911	940	0	940
Preventative Services	119	1,055	1,174	-635	540	1,161	-635	526	1,166	-635	531
Public Health	749	9,009	9,759	-9,759	0	9,500	-9,500	0	9,242	-9,242	0
WELLBEING TOTAL	1,723	10,089	11,813	-10,394	1,420	11,572	-10,135	1,437	11,348	-9,877	1,471
DIRECTORATE OTHER TOTAL	581	64	645	-31	614	659	-52	607	535	-62	473
ADULT SOCIAL CARE & HEALTH TOTAL	12,988	49,698	62,686	-25,212	37,479	63,131	-25,181	37,950	64,958	-23,691	41,267

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Discretionary Rate Relief 2017/18 update & 2018/19

In the Spring 2017 Budget, the Government announced that it would make available to local government an additional £300m over 4 years to implement discretionary rate relief schemes to help mitigate the impact of the 2017 revaluation of business rates.

Government decided to distribute the money based on properties with rateable values up to £200k, but reminded authorities that allocations to individual businesses are subject to State Aid Rules. (These rules are intended to stop unfair market competition arising from government financial support (in a wide context) being given to a business in excess of a threshold). In effect the rules require us to make appropriate checks with potential recipients of the relief that their receipt of it would not constitute a breach of the rules (which limit support to 200,000 Euro (c. £175k) in any 3 year period).

At September 2017's Policy Committee we explained that each billing authority was required to devise its own local Discretionary Relief Scheme and that there was a requirement to consult with relevant major precepting authorities; (in our case the Fire Authority), but that the precise distribution is at the discretion of the Council as a local authority, though the money was intended to relieve increases in business rates.

Reading's allocation from the £300m is as follows:

2017/18	£1,014k
2018/19	£ 492k
2019/20	£ 203k
2020/21	£ 29k

In connection with revaluation changes introduced in 2017/18 the Government had already set (and funded) a transitional relief scheme, which limited increases in rates for properties with a large rv increase to

- 12.5% + inflation for properties with a new rv under £100,000
- 42.5% + inflation for properties with a new rv over £100,000

Taking account of this we initially introduced a scheme that extended the 12.5% + inflation band to properties with an rv £100,000-£200,000. We contacted all relevant ratepayers and 53 from 122 property occupiers responded accepting the relief, and we were able to reduce their increases to 12.5% + inflation (from various higher levels up to the 42.5% + inflation). £474k of relief was given in this way. A small number of property owners declined relief (for State Aid reasons), and about half did not reply, despite reminders.

In order to spend the remaining £540k of the available allocation just after Christmas we broadened the scheme to take in rv's in the range £100,000-£250,000. This extended the potential relief to 41 more properties. These

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properties together with those who had not replied were contacted in early January and asked to reply by the end of January, indicating whether or not they wished to receive relief. As a result of this we were able to grant relief to 4 more properties using a further £39,148 of the sum available.

In the circumstances of needing to use the money by 31 March (which practically means by the end of February because we need to complete the scheme ahead of needing to bill for the 2018/19 financial year), at this point officers considered how the scheme should be redesigned, and now propose the following to ensure the full allocation is spent in 2017/18

Reason for Allocation	Approx. £ allocated
Relief Already in Place cannot be changed unless ratepayer moves	506,073
Extra Applications Agreed in response to January Mailshot on the same basis	39,148
Relief to the Council's Voluntary Sector Partners	47,000
Relief to small responsible ratepayers known to be struggling to pay (the increase) this year (33,000
Extending Pub Relief (double the Government's £1,000)	17,000
Other Applications anticipated	50,000
Extending the DRR Scheme to reduce increases to as low an increase above Inflation as possible - up to	351,918
Total, if all the above is done	1,044,140
Allocation	1,013,000
so scale back extension by	-9%

The changes proposed are therefore as follows

- (i) We now propose granting relief from business rates in 2017/18 to the Council's key voluntary sector partners. As these are charitable organisations they already benefit from 80% charity relief, so doing this provides relief to c.28 more properties using c.£47k of the money available.
- (ii) Taking account of comments made by Customer Services staff responsible for collecting business rates, we are aware of a number of very small businesses who struggle to pay their rates. These are often one person businesses, operating on a "hand to mouth" basis on a day to day basis (i.e. they are relying on day to day business takings to meet their own living costs and pay their business bills, which they take seriously. We propose making some discretionary awards of the money available (of about 20% of the full bill to help these businesses, as it would appear to make a

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real difference to them. These will be done at the discretion of the Head of Customer Services in consultation with the Head of Finance. Whilst we do not propose inviting applications because of the time, should other businesses feel they are in this category, they will need to advise Customer Services by a week before the practical deadline for completing this year's scheme, so their circumstances can be considered.

- (iii) We are currently checking with a small number of prospective applicants for a response (where we do not immediately think State Aid will be an issue - in general these appear to be Reading based businesses (rather than the Reading office of a much larger business)
- (iv) Further extending the Government's pub relief of £1,000 (which we could choose to double to support 17 local pubs who have received relief this year)
- (v) Further extending the relief granted to existing applicants; effectively this year we would give more relief to those who have already applied, reducing their rates increase to as close as possible to the 2% RPI inflation that would ordinarily have applied as the available allocation will permit. Based on current estimates these properties would have a 2-3% effective increase, rather than 12.5% after the DRR scheme to date and up to 44.5% in the context of the original Government Transition Scheme. However, we would couple this proposal with a different approach in 2018/19.

The key point to note is that if the money is not used by the end of March, the related grant has to be returned to Government, as there is no year end flexibility.

2018/19

For 2018/19, taking account of the challenges we have faced in 2017/18 we propose a different approach. Instead of focusing the available relief on larger properties with rv above £100,000, those of which are eligible will have received significant relief in 2017/18 (some of which may effectively be a credit on the account at the year end, as many businesses have paid in full by now), we will focus the relief in the first instance on smaller properties with rv's under £100,000. We will continue with the same exclusions as this year's scheme (the Council itself, other public sector and charitable organisations, large chains etc.), but focus the relief on reducing their bills to the equivalent of inflation only increases since 2016/17 (i.e. to make sure the bill is as close to 5% more than 2016/17 whereas in some cases the bill could be up to c. 30% (for those in maximum transition who will have had 14.5% increases in 2017/18 and be facing a further 15.5% 2018/19 increase. We have not yet been able to fully model this scheme, but propose reporting back to Policy Committee (either as a stand alone report or alongside the NNDR collection performance in Budget Monitoring) on progress.

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If there is money left over from the reduced 2018/19 allocation once we have done the above we will (subject to State Aid checks) give this relief to the initial cohort of 2017/18 applicants.

For logistical reasons it may be difficult to grant relief in time for the initial billing, and in general we propose that the State Aid position for the smaller properties will be checked on a “negative assurance” basis (i.e. we will assume it is not an issue and grant the relief, but in advising those eligible that if State Aid is an issue for them they should contact us, so the relief can be adjusted/removed).

We will publish the formal scheme on the website and may update it during the year, but other basic conditions of the scheme (about being in occupation etc.) will be as in 2017/18, set out at Policy Committee in September.

As this scheme is slightly wider, you are asked to put in place a wider delegation to the Head of Customer Service and Head of Finance to operate the scheme which will be used in consultation with the Leadership and Chair of Audit & Governance Committee.

Dedicated Schools Grant

The Schools' Budget is funded through a combination of the Dedicated Schools Grant (DSG) and income from the Education & Skills Funding Agency (ESFA).

The DSG is ring-fenced in order to fund education provision and from 2018-2019 is split into four blocks:

- the Schools Block;
- the new Central Block;
- the Early Years Block; and
- the High Needs Block

Local Authorities can transfer funding between the 4 blocks after consultation with schools and Schools Forum but cannot divert funding away from the DSG. The ESFA have restricted movement of funds from the Schools Block up to the limit of 0.5% of the total Schools Block.

The Schools Block and schools funding formula for 2018-19 are based on the October 2017 census of pupil numbers. The provisional Early Years Block funding published by the DfE is based on January 2017 census. The funding of free entitlement to 3 and 4 year olds through the Early Years National Funding Formula (EYNFF) will be based on participation each term.

The table below provides information on the funding allocation for each block.

<u>2018-19 DSG funding allocation as at January 18 (£m) (before academy recoupment)</u>	Early Years (Provisional)	Schools Block	High Needs	Central Block	2018-19 Total
Schools Block Guaranteed unit of funding per pupil		86.824			86.824
Central functions				1.305	1.305
High Needs			19.296		19.296
Early Years 15hrs Free entitlement	9.007				9.007
Early Years 2 Year old entitlement	1.467				1.467
Early Years Pupil Premium	0.138				0.138
Maintained Nursery Transition Grant	0.332				0.332
Disability Access Fund	0.033				0.033
Indicative 30hrs Allocation (Additional 15hrs)	2.454				2.454
Total funding available	13.432	86.824	19.296	1.305	120.856

The DSG for 2017-18 was £114.49m with the agreed split being Early Years (£12.47m), Schools & Central Block (£83.83m) and High Needs (£18.19m).

Schools Block

The council is responsible for the allocation of formula funding from the Schools Block to schools, after consultation with Schools Forum. Following government consultation a national funding formula will be implemented in 2020-2021. The

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council officers with Schools Forum reviewed the 2017-2018 local formula and agreed steps to move towards the published national formula. The formula in 2018-2019 will look like the national formula but with some national rates not being fully implemented. This is to give schools time to transition from the current funding arrangements to the expected national funding formula in 2020-2021.

The Local Authority received additional grant within the schools block for 2018-2019, and it was agreed by Schools Forum to use this increase:

- to help the transition to the new formula; and
- to make sure that all schools receive an increase in per pupil funding from 2018-2019.

Growth Fund

The growth fund is set at £1.0m (in 2017-18 this was £0.9m) and includes the planned primary schools expansion programme and provision for schools experiencing a short term reduction in pupil rolls. These elements were approved by Schools Forum in December 2017.

Movement between blocks

All Schools were consulted and Schools Forum approved in December 2017 the Local Authority's proposal to transfer 0.5% of the Schools Block to the High Needs Block. This will be used to reduce the continuing deficit, which is estimated to be £3.7m at 31 March 2018.

De-delegation

All of the de-delegations proposed by the Local Authority were agreed by primary and secondary members of the Schools Forum in December 2017. De-delegations will not be allowed within the National formula and so the council has taken steps to reduce some of the de-delegations and to promote service level agreements with schools instead. Schools Forum also made the decision to remove the "Schools in Financial Difficulty" de-delegation for 2018-2019. The table below shows the amount of de-delegated funding agreed by the Schools Forum: -

De-delegations	£m
Behaviour Support (Primary Only)	0.18
Support for under-achieving and EAL ethnic groups (Primary Only)	0.04
Staff Supply cover - Union duties (Primary Only)	0.04
School Improvement (Primary and Secondary)	0.14
Schools in Financial Difficulty (Primary and Secondary)	removed
Education Services Grant - general duties (Primary Only)	0.08
Total de-delegated Retentions	0.48

Academies and free schools receive funding using the same local formula as maintained schools. The total formula funding (before de-delegations) by phase is: Primary £53.5m and Secondary £31.9m.

Central Block

The new Central Block does not contain new funding, the funding for this block was previously within the Schools Block.. The change has happened to

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assist the government in implementing the national formula.

There are set criteria, to be approved by the Schools Forum, for any funding that is centrally retained; the majority of this expenditure cannot be increased, which places additional pressures on the Local Authority's budget. There are exceptions to this which include admissions and Education statutory duties.

All of the central retentions proposed by the Local Authority were agreed by primary and secondary members of the Schools Forum in December 2017. The table below shows the amount of centrally retained funding agreed by the Schools Forum: -

Central Retentions	£m
Contribution to combined services	0.63
Prudential Borrowing	0.05
Admissions	0.21
Servicing of Schools' Forum	0.02
Education Services Grant - statutory duties	0.39
Total Central Retention	1.30

Early Years Block

The Early Years National Funding Formula (EYNFF) was implemented In April 2017. The national formula consists of a universal base rate with adjustments to reflect the variation in local costs. The rate for all Early Years settings stays at the 2017-2018 level of £4.80 per hour. This is due to the Early Years Block not receiving a funding uplift per pupil within 2018-2019. The rate covers all universal 15 hours entitlement and the additional 15 hours for working parents that started in September 2017.

Two year old funding will continue at the same rate as 2017-2018 (£5.55 per hour)

Early Years Pupil Premium will continue at the same rate as 2017-18 and the criteria will be used to fund the deprivation supplement within the national formula (53p per hour).

High Needs Block

The High Needs Block is funding that the Local Authority receives from the Education and Skills Funding Agency (ESFA). This includes the funding previously allocated for Special Schools, Resource Units and funds held centrally for Cranbury College. Other services such as post-16 SEN funding are also funded from this block.

The Local Authority has agreed the number of places available for SEND and alternative provision within the Borough's boundaries. The Local Authority, as a commissioner of specialist provision, holds a central budget for SEND Services and support that is allowed to be funded by the High Needs Block and to provide top up funding for those children and young people assessed as requiring additional support through an Education, Health and Care Plan. Schools Forum received a detailed report on the use of this budget in October 2017 and an update in December 2017.

Like many other Local Authorities, the High Needs Block has come under significant financial pressure in 2017-2018 with an expected in-year overspend of £2.5m (and a deficit of £3.7m in total due to the £1.2m deficit from 2016-17). This is a result of increased population, limited available provision within the Borough, increased demand and level of need, extending provision to 16 to 25 year olds and that funding for this block is largely set at the 2011/12 level.

The government has introduced a national formula for the High Needs Block in 2018-2019 that uses many current pupil factors and historic spends. The block has increased since 2017-2018.

DSG deficit and recovery plan

At the end of this financial year, it is anticipated there will be a net DSG deficit of £3.7m, which will require approval from the Schools Forum in March 2018. Schools Forum will be asked to partially fund the deficit from the Schools Block which reduces the overall amount that each school receives.

This issue represents a significant risk to the Local Authority and Schools within the Borough as any shortfall is likely to impact significantly on future funding. The new formula will not take account of a historic deficit position. Therefore, the Local Authority and Schools will need to address this in a measured and disciplined way over the short to medium term.

The Local Authority has created a working group of the SEND Strategy Board to review the internal and external processes of all SEND functions. This will support a future plan on how to address the SEND needs for Reading children while reducing the in-year deficit and overall pressure of the High Needs Block.

Other Grants

2018-19 Pupil Premium illustrative allocation tables are expected to be published by the DfE in the summer term 2018. The confirmed rates will remain at the 2017-18 levels except for the looked after children plus rate which will increase from £1,900 to £2,300.

Pupil Premium, Universal Infant Free School Meals (£2.30 per meal) and School Sports Grants, are largely passed directly to schools using the DfE allocation approach.

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HOUSING REVENUE ACCOUNT

	2017-18 Budget	2018-19 Budget
Expenditure		
	£'000	£'000
Responsive & Planned Repairs (1)	5,865	5,690
Major Repairs (1)	7,541	8,300
Major Repairs - Hexham Road	1,400	1,200
Major Repairs c/fwd (2)	0	0
Major Repairs - Hexham Road c/fwd (2)	0	0
Emergency Provision	200	200
Total Repairs	15,006	15,390
Managing Tenancies	1,926	1,928
Management, Policy & Support	4,259	5,001
PFI	6,746	6,823
Rent Collection	963	1,013
Building Cleaning, Warden, Concierge & Energy Costs	2,017	2,327
Rents, rates and other	303	276
Total Supervision & Management	16,214	17,368
Capital Financing costs (3)	10,500	10,325
TOTAL HRA EXPENDITURE	41,720	43,084
Income		
Dwelling rents (4)	34,300	33,637
Garages (5)	443	0
Heating Charges	200	140
Shop Rents (5)	200	0
Total Rents	35,143	33,777
PFI Allowance	3,997	3,997
Interest on Revenue Balance	110	110
Service Charges	803	968
Other Income	185	172
Total Other Income	5,095	5,247
TOTAL HRA INCOME	40,238	39,024
Net Expenditure/(Income)	1,482	4,059

(1) Outlined in 2018/19 Programme of Works to Council Housing Stock

(2) There has been a shift in the spend profile for some of the major repairs projects. For example £0.38m previously agreed expenditure is being carried forward into 17/18.

(3) The scope for additional voluntary debt repayment will be reviewed.

(4) Social rents are subject to a 1% reduction (2018/19 is year 3 of 4) as outlined in the Welfare Reform and Work Act 2016

(5) Garages and shops transfer to the General Fund in 2018/19