



**Reading**  
Borough Council  

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Working better with you

# **Summons and Agenda 26 February 2019**

**Chief Executive  
Reading Borough Council  
Civic Offices, Bridge Street,  
Reading, RG1 2LU**





**Reading**  
Borough Council  
Working better with you

Peter Sloman  
CHIEF EXECUTIVE

Civic Offices, Bridge Street,  
Reading RG1 2LU  
☎ 0118 937 3787

To: All Members of the Council

Direct: ☎ 0118 937 2303  
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michael.popham@reading.gov.uk

18 February 2019

Your contact is: Michael Popham - Democratic Services Manager

Dear Sir/Madam

You are hereby summoned to attend a meeting of the Reading Borough Council to be held at **Council Chamber, Civic Offices, Reading**, on **Tuesday, 26 February 2019 at 6.30 pm**, when it is proposed to transact the business specified in the Agenda enclosed herewith.

Yours faithfully

CHIEF EXECUTIVE



## A G E N D A

1. **MAYOR'S ANNOUNCEMENTS**

To receive Mayor's Announcements.

2. **DECLARATIONS OF INTEREST**

To receive any declarations of interest.

3. **MINUTES**

9 - 12

The Mayor to sign the Minutes of the proceedings of the Council Meeting held on 22 January 2019.

4. **PETITIONS**

13 - 16

To receive petitions in accordance with Standing Order 8.

5. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

17 - 26

Questions in accordance with Standing Order 9.

6. **QUESTIONS FROM COUNCILLORS**

27 - 30

Questions in accordance with Standing Order 10.

### **REPORTS AND RECOMMENDATIONS FROM COMMITTEES**

7. **CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL'S 2019/20 BUDGET**

31 - 40

Report by Director of Resources

8. **2019/20 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**

41 - 152

Report by Director of Resources

9. **COUNCIL TAX SETTING**

153 - 158

Report by Director of Resources

10. **TREASURY MANAGEMENT STRATEGY**

159 - 198

Report by Director of Resources

### **MOTIONS**

11. **CLIMATE EMERGENCY - TOWARDS A ZERO CARBON READING**

199 - 200

Councillor Page to move:

**Please note the motion below was altered at the meeting. The final agreed version of the motion can be found in the link to this item.**

Reading Borough Council (RBC) believes the world is now clearly in the midst of a climate emergency and that more concerted and urgent action is needed at local, national and international level to protect our planet for future generations.

RBC has a long standing commitment to action on climate change. A signatory of the Nottingham Declaration on Climate Change in 2006, the Council was one of the first authorities to produce a detailed Climate Action Plan.

We note that CO<sub>2</sub> emissions in the Borough have fallen by 41% since 2005, which is greater than all but 19 of the 405 authorities in Great Britain, and that Reading Borough Council has reduced its own emissions by 53% since 2008.

Reading is urban in nature and the majority of emissions are from the use of fossil fuels and energy to run buildings and transport. Methane is also harmful to the climate. In Reading, these emissions are primarily from food, human waste and landfill. Gases from the latter two are captured and used to generate energy.

Despite good progress at local level, new evidence continues to emerge about the scale of the likely impacts of climate change. We are now aware through the launch of the Special Report of the Intergovernmental Panel on Climate Change in October 2018 that, in order to reduce the risks of severe climate change, all countries must act much more quickly.

This Council was proud to host the Model Climate Conference in December 2018 in this Chamber attended by students from local secondary schools, which coincided with the Katowice Climate Conference (COP24), and resulted in all the participating students stressing the urgency of climate action and pressing the Council, Government and others to act quickly.

RBC notes that we have already set out a number of ambitious policies and actions which will help to pave the way for the delivery of a Zero Carbon future such as:

- ‘Zero Carbon Standards’ within its draft Local Plan,
- The RBC Carbon Plan
- The forthcoming consultation on options, such as a Clean Air Zone, for improving local air quality and reducing congestion prior to publishing our draft Fourth Local Transport Plan
- The Reading Climate Change Partnership and Strategy - Reading Means Business on Climate Change
- The Launch of Reading Community Energy Society

This Council therefore instructs officers to report to the SEPT and Policy Committees on further potential measures that could accelerate the timescale for reducing carbon dioxide emissions to zero by 2030, but recognises that this date can only be achieved with substantial policy changes from national government.

The Council also calls on the Government to follow the

recommendations of the Committee on Climate Change and radically improve the policy framework including, for example:

- detailed and practical proposals for retrofitting private and public housing stock, where the Green Deal failed.
- upgrade social housing energy efficiency to higher standards
- more support for renewable electricity and heat (and not taxing them unfairly)
- more support for establishing renewably powered heat networks
- more support for the smart technologies and storage and connecting to local power grids.
- more support for electric vehicle infrastructure and ownership, whilst incentivising the scrappage of older polluting vehicles
- more national investment in cycling and walking policies, and the expansion of public transport and car clubs using the latest zero carbon technology
- working with local businesses to improve their energy efficiency
- putting solar arrays on most of the suitable roof space and erecting more large wind turbines
- developing local energy storage facilities
- establishing national recycling standards on industry and supermarkets whilst supporting the roll-out of food waste collection and its use for the generation of clean local energy
- building a town centre district energy system which harnesses heat from the river
- establishing the widespread use of ground-source heat pumps and potentially air source heat pumps.

The Council therefore instructs the Chief Executive to write to our local MPs and to relevant Government departments setting out the above requirements and the need for new legislation and financial support to deliver this radical agenda.

## WEBCASTING NOTICE

Please note that this meeting may be filmed for live and/or subsequent broadcast via the Council's website. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during a webcast will be retained in accordance with the Council's published policy.

Members of the public seated in the public gallery will not ordinarily be filmed by the automated camera system. However, please be aware that by moving forward of the pillar, or in the unlikely event of a technical malfunction or other unforeseen circumstances, your image may be captured. **Therefore, by entering the meeting room, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.**

Members of the public who participate in the meeting will be able to speak at an on-camera or off-camera microphone, according to their preference.

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



**Present:** Councillor D Edwards (Mayor);

Councillors David Absolom, Debs Absolom, Ayub, Ballsdon, Barnett-Ward, Brock, Davies, Eden, Emberson, Ennis, Gavin, Gittings, Grashoff, Hacker, Hopper, Hoskin, James, Jones, Kaur, Khan, Lovelock, Manghnani, Maskell, McEwan, McGonigle, McKenna, O’Connell, Page, Pearce, Robinson, Rowland, D Singh, Stanford-Beale Terry, Vickers, White, J Williams and Woodward.

**Apologies:** Councillors K Edwards, McDonald, R Singh, Skeats, Stevens, Warman and R Williams.

### 34. MINUTES

The Minutes of the meeting held on 16 October 2018 were confirmed as a correct record and signed by the Mayor.

### 35. QUESTIONS FROM MEMBERS OF THE PUBLIC IN ACCORDANCE WITH STANDING ORDER 9

	<u>Questioner</u>	<u>Subject</u>	<b>Answer</b>
1.	Ayotunde Sokule	Gosbrook Road Pedestrian Crossing	Cllr Page
2.	Roger Lightfoot	Council’s Leisure Procurement Project	Cllr Hoskin
3.	Roger Lightfoot	Preferred Bidder for Arthur Hill Pool	Cllr Hoskin
4.	Ginnette Hargreaves-Lees	Drug Related Deaths	Cllr Hoskin
5.	Richard Stainthorp	Arts Awards	Cllr Hacker
6.	John Hoggett	Meetings in Closed Session	Cllr Lovelock
7.	Peter Burt	Reading Sport and Leisure	Cllr Hoskin

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

### 36. QUESTIONS FROM COUNCILLORS IN ACCORDANCE WITH STANDING ORDER NO 10

	<u>Questioner</u>	<b>Subject</b>	<b>Answer</b>
1.	Cllr Eden	Illegal and Anti-Social Encampments	Cllr James
2.	Cllr McGonigle	Engine Idling	Cllr Page

## COUNCIL MEETING MINUTES - 22 JANUARY 2019

3.	Cllr Josh Williams	Reading's Vision for the Future	Cllr Page
4.	Cllr White	Deaths of our Homeless Residents	Cllr Ennis

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

### **37. APPROVAL OF THE LOCAL COUNCIL TAX SUPPORT SCHEME AND THE COUNCIL TAX BASE FOR 2019/20**

Further to Minute 61 of the Policy Committee held on 14 January 2019, the Director of Resources submitted a report regarding the Council Tax support scheme, estimated Council Tax collection rate and Council Tax base for the 2019/20 financial year. The report explained that Section 33 of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 required the Council as the Billing Authority to calculate a Council Tax Base for its area by 31 January each year. The Welfare Reform Act 2012 and Local Government Finance Act 2012 had replaced the Council Tax Benefit scheme with a locally determined Council Tax Reduction Scheme (also known as a local Council Tax Support Scheme), which was effectively a type of Council Tax discount. The legislation required the Council to approve the scheme by the end of January preceding the start of the financial year. The recommended scheme for 2019/20 was a continuation of the scheme that had been agreed by Council at its meeting on 23 January 2018 (Minute 28 refers) for the 2018/19 financial year.

The following motion was moved by Councillor Lovelock and seconded by Councillor Page and CARRIED:

#### **Resolved -**

- (1) That a Council Tax collection rate of 99% for 2019-20 be noted;
- (2) That the existing Council Tax Local Reduction Scheme be retained for 2019/20;
- (3) That the 2019/20 Council Tax Reduction Scheme allowances would be updated in line with the scheme's regulations, be noted;
- (4) That the Reading Borough Council's Council Tax Base for the financial year 2019/20 be set at 55,884;
- (5) That an estimated surplus on the Council Tax Collection Fund in 2018-19 of £200k of which the Council's share was £173k be noted.

### **38. UNPAID TRIAL SHIFTS FOR PROSPECTIVE EMPLOYEES**

Pursuant to Notice, a motion was moved by Councillor Barnett-Ward and seconded by Councillor Emberson and CARRIED:

#### **Resolved -**

## COUNCIL MEETING MINUTES - 22 JANUARY 2019

This Council notes:

That legislation around the use of unpaid trial shifts for prospective employees is unclear and allows unscrupulous employers to exploit job seekers.

That Unite the Union has reported a six-fold increase in complaints related to unpaid trial shifts.

That an attempt to introduce national legislation to require trial shifts to be paid at least minimum wage failed the second reading because it was 'talked out' by the Minister for Small Business, Consumers and Corporate Responsibility.

This Council believes:

That workers should be paid for their work, including training time.

That making a job offer conditional on the job seeker being willing and able to work for free is a discriminatory practice, particularly disadvantaging job seekers with caring responsibilities, or who require special accommodations to work.

That responsible employers who require trial shifts before making an offer of employment should pay the applicant at least the national minimum wage for the time they work.

This Council resolves:

To ask officers to report back to an appropriate committee on the development of an accreditation scheme that encourages and celebrates ethical recruitment practices by Reading's employers, including, but not limited to, a commitment to paying people during any trial period.

(The meeting closed at 7.53 pm).

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AGENDA ITEM 4PETITIONS1. Lead Petitioner: Jennifer Leach  
Declare a Climate Emergency in Reading

- Humans have caused irreversible climate change to Planet Earth; the impact of this is already being felt around the world.
- We were warned last month by the IPCC (Intergovernmental Panel on Climate Change) that we have **twelve years left** to limit this damage. If we do not, our world will most likely face runaway Global Warming and full Climate Breakdown.
- Our current plans and actions are not enough. We must act now, decisively and radically, to reduce our carbon footprint.
- Individuals cannot be expected to make this reduction on their own. Society needs to change its laws, taxation and infrastructure, to make low-carbon living easier and the new norm.
- City Councils around the world are responding by declaring a **Climate Emergency** and committing resources to address this emergency.
- This petition urges Reading Borough Council to do the same.

RESPONSE by Councillor Page (Lead Councillor for Strategic Environment, Planning and Transport):

I thank Ms Leach for presenting the petition on this very important issue. Later this evening I will be moving a Climate Emergency resolution, which I hope will receive substantial support and I attach a copy of the text below:

“Reading Borough Council (RBC) believes the world is now clearly in the midst of a climate emergency and that more concerted and urgent action is needed at local, national and international level to protect our planet for future generations. As such, this Council commits to playing as full a role as possible - leading by example as well as by exhortation - in achieving a carbon neutral Reading by 2030.

RBC has a long standing commitment to action on climate change. A signatory of the Nottingham Declaration on Climate Change in 2006, the Council was one of the first authorities to produce a detailed Climate Action Plan.

We note that CO<sub>2</sub> emissions in the Borough have fallen by 41% since 2005, which is greater than all but 19 of the 405 authorities in Great Britain, and that Reading Borough Council has reduced its own emissions by 53% since 2008.

Reading is urban in nature and the majority of emissions are from the use of fossil fuels and energy to run buildings and transport. Methane is also harmful to the climate. In Reading, these emissions are primarily from food, human waste and landfill. Gases from the latter two are captured and used to generate energy.

Despite good progress at local level, new evidence continues to emerge about the scale of the likely impacts of climate change. We are now aware through the launch of the Special Report of the Intergovernmental Panel on Climate Change in October 2018 that, in order to reduce the risks of severe climate change, all countries must act much more quickly.

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RBC notes that we have already set out a number of ambitious policies and actions which will help to pave the way for the delivery of a Zero Carbon future such as:

- 'Zero Carbon Standards' within its draft Local Plan,
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- The forthcoming consultation on options, such as a Clean Air Zone, for improving local air quality and reducing congestion prior to publishing our draft Fourth Local Transport Plan
- The Reading Climate Change Partnership and Strategy - Reading Means Business on Climate Change
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This Council therefore instructs officers to report to the SEPT and Policy Committees on further potential measures that could accelerate the timescale for reducing carbon dioxide emissions to zero by 2030, but recognises that this date can only be achieved with substantial policy changes from national government.

Council also requests officers to ensure that forthcoming revisions to the Local Transport Plan and Climate Change Strategy (and any other relevant policy statements) reflect the urgency of this resolution.

The Council also calls on the Government to follow the recommendations of the Committee on Climate Change and radically improve the policy framework including, for example:

- detailed and practical proposals for retrofitting private and public housing stock, where the Green Deal failed.
- upgrade social housing energy efficiency to higher standards
- more support for renewable electricity and heat (and not taxing them unfairly)
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- putting solar arrays on most of the suitable roof space and erecting more large wind turbines
- developing local energy storage facilities
- establishing national recycling standards on industry and supermarkets whilst supporting the roll-out of food waste collection and its use for the generation of clean local energy

- building a town centre district energy system which harnesses heat from local rivers or watercourses
- establishing the widespread use of ground-source heat pumps and potentially air source heat pumps
- amending local authority procurement powers to require the delivery of carbon neutral environmental strategies by private sector suppliers

The Council calls on the Government to accept its moral and ethical responsibilities and give Reading as soon as possible the additional powers and funding needed to ensure that Reading is carbon neutral by 2030.

The Council therefore instructs the Chief Executive to write to our local MPs, and to the Prime Minister and to relevant Government departments (DEFRA, MHCLG, DfT, and Treasury) setting out the above requirements and the need for new legislation and financial support to deliver this radical agenda.”

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**AGENDA ITEM 5**

**QUESTIONS FROM MEMBERS OF THE PUBLIC**

**1. Glenn Dennis to ask the Lead Councillor for Housing:  
Unoccupied Residential Properties**

Could the Lead Councillor please tell me the number of residential properties that have been unoccupied in Reading for more than two years ?

Could he outline what steps are being taken to bring these properties back into use ?

**REPLY** by Councillor Ennis Lead Councillor for Housing.

The 2018 data shows there are 387 long term empty properties within the Borough. These are properties that are empty for 6 months or more. There has been an annual reduction in the number of empty properties for example there were 502 empty properties in 2017 and 575 in 2016.

Officers have benchmarked against 12 other Local Authorities and other than Reading only one other Authority has seen an in year reduction.

Unlike many Council's, Reading does not initially seek to tackle empty homes by using enforcement powers, but seek to find a solution with the owner based on why the home became empty in the first place. A person centred approach places the owner at the centre of decision making so that they can make more timely and informed decisions. In turn their improved capacity to act helps to reduce the need for the Council to resort to more costly enforcement approaches such as empty dwelling management orders, enforced sales or compulsory purchase orders.

The Empty Homes Strategy has the annual target of at least 20 'high priority' long- term empty homes bought back into use per annum (defined as those in a strategic location e.g. on a gateway route into Reading, or an area of significant deprivation in the Town Centre; engagement with the owner; management standards; impact upon neighbouring properties).

This target is a reflection of the complexity and labour intensity of working with owners who are often hard to trace, difficult to engage, vulnerable or just obstructive. Further these properties will generally have complex legal and financial stories behind them. In the financial year 2017-18 a total of 29 high priority long term empty homes were bought back to use.

There is no statutory duty to have an Empty Homes Strategy or devote resources to tackle empty homes however the Council recognises the importance of this and is committed to tackling long term empty homes in the Borough given that housing remains a scare and valuable resource.

**2. Richard Stainthorp to ask the Lead Councillor for Strategic Environment, Planning and Transport:  
Station Hill**

Can I ask the Lead Councillor for Strategic Environment, Planning and Transport what, if anything, is happening at Station Hill following the change of ownership a year ago ? Will we ever see the remainder of the Station Hill area redeveloped ?

**REPLY** by Councillor Page Lead Councillor for Strategic Environment, Planning and Transport.

I thank Mr Stainthorp for his question.

The Station Hill site was purchased by Lincoln MGT in June 2018. Lincoln MGT are an established commercial and residential developer, predominantly in the United States and Europe.

Over the past year or so, officers have been in extensive confidential pre-application discussions with Lincoln as to how to take forward or adjust the original Station Hill 3 (SH3) redevelopment proposals. Colleagues may recall this subsequently also included the incorporation of the land known as Telecom House, to the west of the former Friars Walk Shopping Centre.

SH3 was implemented insofar as partial demolition has taken place and the temporary public park has been provided. The amphitheatre/steps/landscaping area forms part of the SH3 masterplan but was actually undertaken, with the previous owner's agreement and guidance, by the then owner and developer of Thames Tower.

For reasons of confidentiality and commercial sensitivity, officers and members are not able to comment on the emerging proposals, nor as to when any planning application(s) is/are likely to be submitted.

However, members should be aware of two recent consents under the Prior Approval system to demolish the NCP car park on Garrard Street and the former Friars Walk Shopping Centre itself (the link bridge over Garrard Street having been removed some years ago by the previous owner/developer).

These approvals are subject to strict conditions on vehicle movements, hours of works, ecology, site hoarding, etc. to ensure a satisfactory methodology for the removal of the buildings/structures.

These prior approvals allow important preparatory works to begin which I hope will signal the start of the site's regeneration and improvement.

3. Peter Burt to ask the following question on behalf of Roger Lightfoot to the Lead Councillor for Health, Wellbeing and Sport:  
**Arthur Hill and Central Swimming Pools**

Reading Borough Council first proposed building replacement swimming pools for Arthur Hill and Central Pool in 2003. A Leisure Project Timeline was published in 2016 - two years or so ago - stating that new pools would open in January 2020. Any amount of research must have been done on this matter by now. You have told us that, because of delays in the leisure outsourcing programme, opening of the new pools will now not take place until mid 2021 at best. What, in detail, has happened between the confident assertions in 2016 and the situation we are in now, two years later, to derail this project ?

**REPLY** by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr Lightfoot. As I'm sure you are aware we have responded on a number of occasions to similar questions from both yourself and Peter Burt with regard to the timetable for the leisure procurement - I would refer you to the responses given at full

Council on the 23<sup>rd</sup> January 2018, full Council on the 26<sup>th</sup> June 2018, Policy Committee on the 26<sup>th</sup> October 2018 and full Council on the 22<sup>nd</sup> January this year.

To reiterate, as we have always said, this is a complex procurement process and a major construction project so whilst we seek to be open and transparent about the timetable we are aiming to achieve it is not one we could ever guarantee. Far from being 'derailed, and as I set out in my response to your question at Council last month, there is a very clear route map to the awarding of a contract in September of this year.

I'm sure you will also be aware that the Council is proposing to allocate £30.5m within its capital programme to invest in new and improved council owned leisure facilities, including a new competition pool at Rivermead and a new pool at Palmer Park Stadium. I would hope that you welcome this investment and the commitment of the Council to dramatically improve the quality of leisure facilities across the Borough.

#### 4. Peter Burt to ask the Leader of the Council:

##### Consultancy Fees

By my reckoning Reading Borough Council has over recent months spent approaching £500,000 on auditors fees to sort out the Council's accounting mess, over £800,000 on the abortive East Reading Mass Rapid Transit scheme, a further £170,000 on consultancy fees for the leisure outsourcing process, and over £1 million in legal fees for the equal pay claim case the Council is contesting. Please correct these figures if you disagree with them.

I calculate this as a total of around £2.5 million of Council Taxpayers money spent with nothing tangible to show for it as a result of poor decision making by the Council. This is at a time when Labour Councillors frequently, and with good reason, complain about the financial difficulties local authorities are facing as a result of government cuts.

Please can you tell me what steps you and the Lead Councillors will be taking over the next municipal year to cap and reduce the amount of money being spent on consultancy fees, and what steps you will be taking to improve Council decision-making and spend money on services and proposals which have the support of local residents.

**REPLY** by Councillor Lovelock Leader of the Council.

Thank you for your question Mr Burt. Firstly, I would point out that the audit fee is not a consultancy cost, the auditor's fee rates are agreed nationally. However, I would further point out that it is entirely usual for Councils to incur consultancy fees in progressing complex schemes or issues. As a general rule this is a far better route to value for money than overstaffing with permanent highly skilled and expensive employees to cover time limited specific pieces of work.

The examples you cite are very different, each underpinned by a specific set of, very often, complex circumstances.

Firstly, and, as I'm sure you're aware, equal pay claims are a national issue affecting very many Councils. I would also like to make it clear, as many people misunderstand this issue, that we are not talking about equal pay for the same job, which was dealt with many decades ago. The recent claims have been about comparing entirely different jobs which needed to be assessed to decide whether they merited the same pay. For example, should a care worker's job be rated the same as a tractor driver? Reading had a large number of comparators because we have kept most of our services in-house. There was also a "no-win - no fee"

lawyer who targeted women in many local authorities and who submitted some genuine claims and a number of claims that proved to be invalid. In this context, and given the very large amounts of money involved, the Council spending on expert legal advice was needed to protect the public purse whilst also seeking to provide a fair outcome for employees. As I have often said, this took longer than anyone would have liked, but without that expert legal advice we might still be seeking to establish how much each individual was due.

With regard to the East Reading MRT scheme there have been some abortive costs, such as the planning fees charged for each of the two planning applications. However, the bulk of the costs will not have been wasted as the preparatory work undertaken included assessing a wide range of alternatives, the details of which were all published, and will feature in the forthcoming transport consultation prior to the publication of the Council's Local Transport Plan 4. Tackling poor air quality, caused by considerable traffic congestion, remains a priority for this Council.

The spending on the leisure procurement is proceeding. As you know, the council is currently having a dialogue with potential providers and decisions will be made later this year on how best to ensure that new Leisure facilities, including two new pools, are built.

With regard to the cost of the current audit, I can assure you that councillors, especially those who have been or are members of the Audit and Governance Committee, feel badly let down by the previous auditors who signed off the accounts year after year with very few issues. When the current auditors took over it became clear that there were discrepancies which should have been dealt with under the previous company. As a result of this a new staffing structure has been put in place to work with the auditors to ensure that the accounting systems are robust. So, yes, we have been clear that this has cost extra, but is necessary to ensure that the improvements are embedded in the financial systems in the future.

The amount spent on consultancy fees depends on the schemes and issues we are managing at any one time and skills and capacity required to manage them. As a responsible employer and learning organisation the Council actively seeks to improve its processes and procedures and invests in the development and training of its staff. However, it would be inappropriate to impose an arbitrary cap that adversely impacted on delivery of projects and hampered the Council's ability to best meet needs and priorities.

**5. Peter Burt to ask the Lead Councillor for Health, Wellbeing and Sport:  
Sport and Leisure Service**

The Lead Councillor for Health, Wellbeing, and Sport has on several occasions, in answering my questions at these meetings, assured me that there will be consultation with members of the public and users of Reading's sport and leisure centres over the arrangements for contracting out the sport and leisure service.

So far I have yet to meet any sports club representative or anyone else who has been invited by the Council to give their views on this matter.

What public consultation will there be on the proposed terms of the contract before it is awarded, and when will this consultation take place ?

**REPLY** by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr Burt. Firstly, and to be very clear, I have never indicated that there would be public consultation on 'the proposed terms of the contract. What I have said is that we would consult on what people want their leisure facilities to deliver. To this end the Council has already consulted with a number of key user groups on their requirements, including swimming and diving clubs. The responses from these user groups and clubs have been included in the documentation sent to leisure operators who are engaged in the procurement process to inform their development of proposals.

In addition we will be consulting the public on what they value with regard to leisure provision and the outcomes that they would wish to see delivered - which could range, for example, from accessible facilities close by to opportunities to socialise and participate in group sessions, to exercise referral schemes to assist with health and well-being.

We are currently drawing up the details of this extensive consultation but I anticipate this will take place over the next couple of months and it will help inform the final specification against which the leisure operator's performance will be monitored as well as informing our strategies to increase participation and enhance well-being.

**6. Colin Lee to ask the Lead Councillor for Health, Wellbeing and Sport:  
Reading Sport and Leisure**

Last month Reading Borough Council announced that it intends to hand over a sweetener of £30 million to the winning bidder for the contract to privatise Reading Sport and Leisure.

Please can you tell me:

- (a) How was this figure calculated and what will the contractor be expected to provide in return for this money ?
- (b) Where will the money come from - for example, loans, Community Infrastructure Levy income, sale of assets, and/or Council Tax income ? Please provide a breakdown for the sources for this money.
- (c) How will payments be phased to the contractor ?
- (d) What safeguards will be put in place to ensure this money is spent in accordance with the contractor's agreement with the Council ?

**REPLY** by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr. Lee.

Firstly, I would like to say that the Council is extremely pleased to be able to announce proposals for significant investment in improving the town's leisure facilities. This investment is into Council assets for the benefit of residents and most definitely is not a 'sweetener' for the leisure operator that is in the process of being procured. In response to your specific queries:

- (a) The level of investment is an informed estimate of the capital investment likely to be required for delivering new and improving existing facilities. This will include a new competition pool at Rivermead, a new pool at Palmer Park and enhancement of facilities at South Reading and Meadway. Detailed capital investment proposals will be developed by operators to meet the Council's requirements. The successful bidder will then be contractually obliged to deliver as per the successful tender.

- (b) The money will be a mix of prudential borrowing, an anticipated capital grant from Sport England and the value of capital receipts secured for the sale of sites at the former Arthur Hill and Central Pool sites. Exact amounts are yet to be determined but the majority, circa £25m, is expected to be prudential borrowing the cost of which will be offset by the payment of a management fee from the operator to the Council.
- (c) As with any capital scheme, stage payments will be based on capital works completed and signed off by a qualified Quantity Surveyor. Also as is common practice the Council will hold a 5% retention on completion to cover a 12 month 'snagging' period.
- (d) And with regard to your last point, and as stated above, how the money is spent will be a contractual obligation on both parties.

**7. Colin Lee to ask the Lead Councillor for Health, Wellbeing and Sport:  
Sport and Leisure Contract**

Given the poor performance of the twenty five year contract which the Council has with RE3 for recycling and waste disposal, many users of the Council's leisure service are worried that the Council is about to repeat the mistakes of the past in entering into another long term contract to disadvantage of the Council for the provision of leisure services.

How many years is the sport and leisure contract expected to be awarded for ?

What indicators will be used to assess contractor performance, and will there be a break point in the contract ?

**REPLY** by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr Lee. Firstly, I do not recognise the characterisation of the re3 Contract you have quoted as having poor performance.

During the life of the re3 contract it has received and managed well in excess of two million tonnes of waste from residents. Over that time our reliance on landfill, the least environmentally acceptable form of waste management, has been driven down from 61% to 11% in the last full year of records (2017/18). At the same time the re3 recycling rate has increased from 24% to just over 35%. The re3 facilities receive over 800,000 visits every year and, each September, user satisfaction is independently tested. In 2018 the survey found that:

- 98% of those surveyed found that that the service overall was good or very good.

The re3 contract has proven flexible when the re3 councils have been called-on to change and the scale and length of the re3 contract has also been advantageous as they have sought to address factors such as austerity and market challenges such the ban by China on imports of some recyclables.

Turning to the plans for leisure we anticipate securing similar benefits from a partnership with our leisure provider over a long-term contract. In the case of leisure the proposed contract length is 25 years which helps us to ensure that we can invest significantly in the quality of our leisure facilities in a way that is affordable and delivers the best outcomes for residents. Of course, and as your question implies, this also requires rigorous contract monitoring and performance standards and in this regard the contract is utilising the 'best practice' template developed and endorsed by Sport England and the sector more widely. Whilst the range of performance measures are too great to repeat here, they range from

standards of cleanliness to overall participation rates and wider employment and well-being impacts - the template contract and the framework for the approach to performance and payments can be accessed by anyone via the Sport England website. In this context there are clear penalties for poor performance and provisions for termination in the unlikely event that this is deemed to be necessary.

**8. Colin Lee to ask the Lead Councillor for Health, Wellbeing and Sport:  
Rivermead - Externalised Management Contract**

Please can you detail the costs of early termination of the externalised management contract for Rivermead in order to progress your privatisation plans for Reading Sports and leisure; I understand notice has already been served ?

**REPLY** by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Mr Lee and, in short, no I cannot detail the costs of early termination of the current contract with GLL for operating Rivermead as these will not be fully determined until the start date of the new contract is confirmed. What I can say is that the negotiation was based on the well accepted principle that GLL should be in a 'no worse or no better' financial position than they would have been had the contract run to its completion date. In this respect I would emphasise that GLL have voluntarily entered into an agreement in order to enable the inclusion of all the Council owned leisure centres in the current procurement exercise. This unification of management across the Council's facilities will provide much more flexible access to all leisure facilities for residents and other users. One Sport and Leisure service covering the whole town is something residents have been telling us they want to see. This complex early termination arrangement allows this to happen.

**9. John Hoggett to ask the Leader of the Council:  
Fees & Charges**

The UK inflation rate since 2012 has been consistently below 3% and is currently standing at 2% (1). In the Proposed Fees and Charges from 1st April 2019 - Directorate of Resources (2) the majority of proposed increases in fees and charges are above the UK inflation rate. For example:

**BEREAVEMENT SERVICES Reading Crematorium Cremation**

Fee Cremation of the remains of: A person aged 18 years and over (includes strewing of cremated remains or the provision of a container and medical referee's fee). Including Environmental Levy 30min service, 45 min time slot. Increase of £20, 3.36%.

Memorial vase and tablet: Purchase of vase and tablet: increase of £13.20, 5.24%

Memorial Tree: Provision of Tree, Surround and stem plaque: increase £23.00, 5.17%

**Burials** (d) Cremated remains in an existing grave or a cremated remains plot: increase £6, 4.65%.

**REGISTRATION SERVICE**

Citizenship Ceremonies: Individual Citizenship Ceremony at Yeomanry House (up to max of 30 people): £6.00 increase, 5.66%.

## **PARKS**

Allotments: Site Category A Standard: £3.68 increase in charge, 50.00%.

How can Reading Borough Council consider increases in Charges and Fees that are more, and in some cases, double the inflation rate

(1)<https://www.statista.com/statistics/270384/inflation-rate-in-the-united-kingdom/>

(2)<https://democracy.reading.gov.uk/documents/s2372/Appendix%20%20-%20Fees%20and%20Charges%20Schedule%20April%202019.pdf?fbclid=IwAR27ghowhECrxsnLug4G-mJvLPme5QNgZebhIG1L-HDp72LwXDcc8cbKmK4>

**REPLY** by Councillor Lovelock Leader of the Council.

There are a number of measures of inflation and whilst the official measure of consumer inflation, CPI has averaged 1.7% annually over the period 2012-2019, the other measure RPI has averaged 2.6%. It is the case that many of the Councils bought in goods and services are based upon RPI and not CPI.

The council has a legal responsibility to set a balanced budget and an obligation to maintain its services in light of the significant cuts in Central Government funding of over £58m since 2009/10. In setting the level of fees and charges it is vital to the future financial sustainability of the Council that the fees for services provided are priced appropriately. In addition to the rate of inflation, other factors considered in setting fees and charges are relevant legislation, benchmarking against public and (where appropriate) private providers and the ability to recover the full cost of service provision. For instance:

### **Bereavement Services -**

- Reading Crematorium Cremation

This fee increase is to recover costs, particularly utility costs which go up yearly. When compared with neighbouring crematoria, Reading's fees remain competitive. For example the 2018/19 fees for Bracknell and Slough which are £845 and £770 respectively. Neighbouring Local Authorities' crematoria are yet to publish their fees for 2019/20.

- Memorial fee increases help with cost recovery as suppliers also increase their merchandise costs. In previous years the percentage increase in the cost of merchandise has been in the region of 5%. Merchandise prices for 2019/20 are yet to be published.

- Burials

Cemetery maintenance costs are on the rise and these costs are reflected in the fees the Council charges for the interment of cremated remains.

### **Citizenship ceremonies**

This fee is based on cost recovery and benchmarking across the South East region. Compared with other South East region Registration service fees, this fee of £112 is competitive and sits



at the lower end of the range (£100 - £225) and below the average fee for a private citizenship of £131.

## **Parks**

- Allotments -

Allotment fees have been reviewed to reflect the cost of service provision. Allotment Law dictates that existing tenants must be served 12 months' notice of the increase from either April or September. Any new tenants can be charged the revised fees from the 1st of April.

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**AGENDA ITEM 6**

**QUESTIONS FROM COUNCILLORS**

**1. Councillor White to ask the Leader of the Council:  
Reading Council Accounts Blunder**

My Green Party colleagues and I would like to know what the latest costs are associated with the failure to file Reading Council's accounts ?

Please include costs so far and predicted future spend. Please also include council officer time.

**REPLY** by Councillor Lovelock Leader of the Council.

If Councillor White or one of his Green colleagues had taken up a place on the Audit and Governance Committee, which as he should know, is chaired by Cllr. Stevens, a member of the Conservative Group, he would have received regular updates on the work to improve the financial management of the Council. He would also know that the entire committee feel strongly that the historic issues the current auditors EY have required the Council to deal with should have been identified by the previous auditors, KPMG. We have rightly concentrated on putting resources into this in depth approach to improving systems and practices, but the question still remains. As councillors we should be able to rely on advice from one of the main companies in the country. When they signed off our accounts year after year why were none of these issues identified?

The provisional external audit fee for 2016/17 was determined by Public Sector Audit Appointments Ltd for Reading Borough Council was £108,938. In discussions with EY, our external auditors, we have accrued for an additional £300,000 for their work to complete the audit based on their assessment of works undertaken to date and required to complete their work. That accrual remains an estimate at this stage and will be subject to a final fee schedule from EY.

Audit and Governance Committee have been regularly kept up to date with the estimated audit fee for 2016/17 as well as the additional work in undertaking that audit and the issues being resolved.

In addition, and as a requirement of audit work undertaken by EY, the Council has arranged for updated valuations on a significant proportion of the Council's land and buildings to be undertaken for the three years ended March 2015; 2016; and 2017. The cost of those valuations over the three years was £113k.

It is not possible to determine a quantum for officer time attributable to work spent on closing the accounts and dealing with matters arising from audit queries as staff time is not separately recorded against individual activities within finance.

The additional external audit work has arisen due to the need to provide additional clarification over the 2016/17 year being audited, but also historic transactions, balances and accounting treatment and has involved the detailed recalculation of some complex and technical issues some of which have had to be recalculated from 2007/08 and for each intervening year.

The Finance function has undergone significant change in the last year, and as well as a number of key appointments being made, systems and procedures have been reviewed to

address the recommendations raised by EY at the conclusion of their 2015/16 audit and from Internal Audit to improve financial control and to make future audits more efficient.

**2. Councillor Josh Williams to ask the Lead Councillor for Health, Wellbeing and Sport: Council Spending - Arthur Hill Swimming Pool**

Can the Lead Councillor for Health, Wellbeing and Sport remind us how much capital spend was needed to keep Arthur Hill Swimming Pool open in East Reading before it was closed in 2016, and how much is now included in the estimated budget for a potential new pool in East Reading ?

**REPLY** by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question Councillor Williams. As set out in the report to full Council in October 2016 that recommended closure of Arthur Hill the estimated cost of urgent works required to keep the pool open was then in the region of £700,000. This figure does not include additional further maintenance and renovation works that would be inevitably more likely for such an elderly facility. Also set-out in the report was the linked revenue saving of £120,000 per annum that was the required subsidy on an ongoing annual basis to keep the pool running.

We do not have a firm costing for the proposed new council owned community pool for East Reading as this is subject to leisure operators developing their detailed proposals as part of the current stage of the ongoing leisure procurement. However, for the purposes of making provision for investment within the Council's capital programme we have estimated the cost of the pool at Palmer Park Stadium as approximately £7 million.

We have been clear for some time that our leisure provision in Reading is need of significant investment. A brand new pool, purpose built for the needs and aspirations of today's residents is expected to significantly out-perform the old and limited Arthur Hill pool. This will be good in terms of a new, modern pool that is attractive to local residents, leading to increased levels of swimming and exercise, but also in terms of income generation, especially as it would be co-located with and improved gym and other leisure facilities at Palmer Park offering a much better integrated leisure offer for residents..

**3. Councillor McGonigle to ask the Lead Councillor for Strategic Environment, Planning and Transport: East Reading MRT Costs**

What are the final East Reading MRT costs, including estimates of officer time ?

**REPLY** by Councillor Page Lead Councillor for Strategic Environment, Planning and Transport.

I thank Cllr McGonigle for her question.

As has been made clear in response to a number of other questions, and also a number of Freedom of Information requests, a total of £823,861 has been spent on the scheme across three financial years namely 2016/17, 2017/18 and 2018/19.

Work on this scheme has been undertaken by a number of Council officers as part of their wider responsibilities, and the Council does not hold a record of individual officer time

4. Councillor Josh Williams to ask the Lead Councillor for Health, Wellbeing and Sport: Sports Forum

In June 2016 I asked what the Council was doing to set up a Sports Forum, and the Lead Councillor for Sport answered positively that “The Council has been working with Get Berkshire Active to establish a new sports forum.”

That didn’t happen, but in July 2018, a local resident asked the Lead Councillor for Sport what the Council was doing to set up a Sports Forum, and the answer was very positive, “I do indeed support the re-establishment of the Sports Forum.”

Can the Lead Councillor tell us whether the Sports Forum will be established in time to input into the outsourcing process, as bidders are about to submit their detailed proposals for the future of Sport and Leisure in Reading ?

**REPLY** by Councillor Hoskin Lead Councillor for Health, Wellbeing and Sport.

Thank you for your question. Contextually, I would like to start by highlighting that the County Sports Partnership, “Get Berkshire Active”, host and deliver a wide variety of forums and networking events across the sub-region and we have a very strong working relationship with them to promote sport and physical activity in the Reading Borough.

As the last sentence of your question seems to imply to recognise it is vitally important that sports user groups and clubs are supported to input into the bidding process for the provision of vastly improved Sport and Leisure provision in Reading.

The Council is currently going through a formal procurement process to select an operating partner to deliver new facilities. Our immediate focus has been to engage directly with leisure facilities users, clubs and regular hirers through a number of meetings and an open evening to ensure the strongest avenues are available for feedback and input; this in addition to the wider ongoing public consultations on proposed facilities developments.

An ongoing dialogue during this time between Officers and stakeholders has informed the procurement specification and continued to inform bidding operators as they develop their proposals. This includes developing our understanding of how clubs needs may overlap and how these might be provided, in the context of a clear strategic drive to increase participation in sport and physical activity through the provision of facilities that best meet the needs of our wider community and reflect levels of use/take-up.

There is certainly an interest by groups in an ongoing form of engagement. Our priority is to develop mechanisms that facilitate meaningful and effective involvement. I am conscious that in the past a sports forum has met but over time suffered from declining membership and stopped meeting. It is important therefore that the format of any new forum or participation structure is sustainable and is developed in partnership with a new operator. There are currently, and will continue to be, a wide range of avenues for current and former service users and stakeholders to offer feedback and influence.

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READING BOROUGH COUNCIL  
REPORT BY DIRECTOR OF RESOURCES

TO:	COUNCIL		
DATE:	26 FEBRUARY 2019	AGENDA ITEM	
TITLE:	CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL'S 2019/20 BUDGET		
SERVICE:	DIRECTORATE OF RESOURCES	LEAD OFFICER: JACQUELINE YATES	
JOB TITLE:	DIRECTOR OF RESOURCES & SECTION 151 OFFICER	E-MAIL:	Jackie.Yates@reading.gov.uk

## 1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

1.1 Under Section 25 of the Local Government Act 2003 there is a requirement for the Council's Chief Financial Officer (Director of Resources) to report to Council on:

- a. The robustness of the estimates made for the purposes of the calculations of the budget; and
- b. The adequacy of the proposed level of financial reserves.

Council in considering its Budget should have regard to this advice.

## 2. RECOMMENDED ACTION

2.1 That Council notes this report in setting its budget for 2019/20 and indicative budgets for the subsequent two financial years 2020/21 and 2021/22.

**APPENDICIES:** Appendix 1 Statement of Reserves and Balances

## 3. POLICY CONTEXT

3.1 As outlined in the Medium Term Financial Strategy and budget report which appears elsewhere on the Agenda, the Council faces a number of significant uncertainties going forward in relation to the outcomes of the Fair Funding Review, Business Rates retention post 2019/20 and Brexit. Their impact on income streams and service costs could be significant.

3.2 As a Unitary authority the Council provides the broadest possible range of services and hence has an inherently higher level of risk than many other authorities simply due to the complexity and nature of the services it provides. Additionally, the Council has taken policy decisions to establish a number of alternate delivery models including wholly owned companies and PFI arrangements which whilst having advantages also have the potential to increase the Council's risk profile.

3.3 Whilst positive progress is being made towards the completion of the Council's 2016/17 and 2017/18 accounts the audits have not yet concluded. It is not anticipated that this work will have an impact on either the 2019/20 budget or the MTFS.

#### 4. ROBUSTNESS OF THE ESTIMATES

##### **Approach to and Assumptions within the 2019/20 Budget and Medium Term Financial Strategy**

4.1 The Council has taken a prudent approach to developing its Medium Term Financial Strategy (MTFS). All savings and pressures previously identified within the February 2018 MTFS have been reviewed and where appropriate have been amended.

4.2 All aspects of the Council's budget, efficiency savings, additional income, service reductions and pressures have been subject to review, with Service Heads being required to review the plans they put forward in previous years and confirm delivery of the proposals. Budget proposals have subsequently been reviewed by:

- The Finance Team
- Corporate Management Team
- Lead Councillors

4.3 The Council's HRA and Capital Programme have been through similar review processes.

4.4 The assumptions on which the MTFS is based are contained within the main budget report presented elsewhere on the agenda, however, key assumptions include:

- **Council Tax increase**- 2.99% per annum for 2019-20 with 1.99% thereafter. This is below the 2019/20 referendum level of 3%
- **Finance Settlement** - The figures are as per the Governments Final Settlement announcement
- **Pay Assumptions** - 2% per annum
- **Inflation** - Non pay budgets have been increased where necessary in order to maintain service levels by either CPI (assumed at 2%) or as contractually specified
- **Provisions** - There are adequate provisions for bad debts and appeals against business rates valuations

4.5 To deliver the Council's policy priorities and a balanced budget in each year of its MTFS 2019/20 - 2021/22 savings of £30.1m are required over the period (£13.6m to be delivered in partnership with Brighter Futures for Children and £16.5m from retained Council services). To facilitate the delivery of service efficiencies and ongoing revenue savings transformation funding of £6.4m has been provided for within the General Fund Capital Programme funded from the 'flexible use of capital receipts'. In addition, Brighter Futures for Children have secured a further £5m of transformation funding from Government over the two years 2019/20 and 2020/21.



- 4.6 The continued need to deliver a high level of savings poses an inherent risk to the delivery of a balanced budget position as over time they become more complex and difficult to deliver. Consequently it is important there is continued focus on savings delivery to ensure they are delivered as planned. Contingency sums of circa £4m have been allowed for in both 2019/2020 & 2020/21 and £3.5m in 2021/22 to mitigate any potential shortfall or slippage in the delivery of higher risk savings.
- 4.7 The Council has an ambitious Capital Programme over the next three years totalling £463.9m (£366.5m General Fund and £97.4m Housing Revenue Account). The net cost of which (after the application of specific grants and contributions) is predominantly funded from borrowing. The Council's external borrowing is projected to increase to £713million over the period. The associated capital financing costs together with the revenue implications of the specific schemes are provided for within the relevant revenue accounts.
- 4.8 It is imperative that close monitoring of the Capital Programme takes place to ensure projects are delivered to time and budget so that borrowing costs do not increase beyond what is provided for within revenue budgets.
- 4.9 For a second year the Council will have the benefit of being part of a Berkshire Business Rates Pilot. The additional funding arising is one off. Therefore it is essential it is used to increase the Council's financial resilience going forward.

#### **Financial Management**

- 4.10 All reports to members have the associated financial implications identified within the report. Monitoring of the budget throughout the year is undertaken by Financial Services in conjunction with Heads of Service and Cost Centre Managers. During 2018/19 improvements have been made to the revenue monitoring process to improve the quality of reporting and ensure that variations are reported and acted on at an early stage. When budget pressures do emerge it is the responsibility of the service area to contain them in the first instance, failing that they should be managed within the Directorate and ultimately at a corporate level. If pressures remain at year end reserves will reduce and subsequently need to be replenished.
- 4.11 Monthly monitoring reports are considered by the Council's Corporate Management Team and quarterly performance reports are presented to the Council's Policy Committee.
- 4.12 Recognising the significant level of savings required to deliver a balanced budget and MTFs a series of Programme Boards; each chaired by a member of the Corporate Management Team have been set up to manage and track savings delivery.
- 4.13 In recent years the Council has experienced significant overspends in demand led budgets. In 2017/18 these overspends reduced significantly with Adult Social Care (ASC) delivering to budget and Children's services reducing its overspend by half. In the current year the latest outturn forecast is similar, with ASC projecting a small underspend at year end and Children's services a similar level of overspend to 2017/18.

- 4.14 As a result of containing pressures and the delivery of savings which enabled the release of contingency budgets the Council underspent against budget in 2017/18. This meant the Council only had to draw down £1m from reserves rather than the £4.3m budgeted.

### **Insurance and Risk Management**

- 4.15 The Council's Insurance arrangements are a mix of external premiums and internal self insurance funds. An external review of the Council's Insurance Reserve has recently been undertaken; it concluded the reserve was sufficient.
- 4.16 The Council has an internal risk manager and strategic risk management is being embedded across the Council.

## **5. ADEQUACY OF RESERVES AND BALANCES**

- 5.1 The prudent level of reserves a Council should maintain is a matter of judgement. The consequence of not having adequate reserves can be significant. In the event of a serious problem or a series of events, the Council could run the risk of a deficit or be forced to cut expenditure in a damaging or arbitrary way should reserves not be available.

- 5.2 CIPFA (Chartered Institute of Public and Finance and Accountancy) have stated that there should be no imposed limit on the level or nature of balances required be held by an individual Council. However, in light of recent high profile failures and funding concerns being raised by authorities they are about to launch a financial resilience index which uses a basket of 15 indicators to measure individual authorities financial resilience compared to their comparator group. Key indicators include:

- The level of reserves held as a percentage of net revenue expenditure
- The average change in reserves over the last three years
- The reserve "burn rate"
- The cost of adult social care as a percentage of net revenue expenditure
- The average cost of children's social care as a percentage of net revenue expenditure
- OFSTED rating
- Auditors value for money conclusion

It is anticipated that the requirement to formally report on these indicators will be incorporated into a new Financial Management Code.

- 5.3 The Council drew heavily on its reserves in 2016/17 (£12.5m) and as stated in paragraph 3.12 did not have to draw on them as heavily as planned in 2017/18. Going forward the Council faces significant financial uncertainty in terms of Business Rates Retention, the Fair Funding Review and Brexit. In addition, there is an ongoing need to manage the considerable demand pressures on Children's services and Adult Social Care. Consequently, for this authority the Section 151 Officer recommends that the level of working balance for the General Fund should be in the region of £7million or 5% of net revenue expenditure which will bring the authority more into line with the unitary average.
- 5.4 In total the Council's General Fund reserves and balances are forecast to be in the region of £26.6 million at 31st March 2019. A full schedule of reserves and

balances including those which are ring fenced to the Housing Revenue Account and Schools is attached at Appendix 1 together with an explanation as to their intended use.

## **6. CONCLUSIONS**

6.1 The Council has taken a prudent approach to setting its budget and I would conclude that:

- The process for the formulation of General Fund, HRA and Capital budgets provides for a reasonable assurance of their robustness;
- The level of contingencies provided for slippage in, or non-delivery of higher risk savings is prudent;
- The provision of a transformation fund funded from the 'flexible use of capital receipts' facilitates the ongoing delivery of required savings; and
- The level of the Council's total reserves whilst below the average of similar types of authority are increasing and sufficient to provide for:
  - A working balance to cushion the impact of unexpected events or uneven cash flows; and
  - The setting aside of funds to meet known or anticipated liabilities (earmarked reserves).

## **7. LEGAL IMPLICATIONS**

7.1 The Council has a legal requirement to set a balanced budget. In agreeing its' budget Council is required to take into account the report of its S151 Officer as set out in paragraph 1.1 above.

## **8. FINANCIAL IMPLICATIONS**

8.1 These are set out in the body of the report.

## **9. EQUALITIES IMPLICATIONS**

9.1 There are no Equalities Implications arising directly from this report.

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## Summary of Estimated Reserve Movements 31.03.19 - 31.03.22

## Appendix 1

		2019/20		2020/21		2021/22		
		Balance	Movement	Balance	Movement	Balance	Movement	
		31.03.19	in year	31.03.20	in year	31.03.21	in year	
		£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	
<b>General Fund Balance</b>	Minimum level of unallocated reserves, 5% of net revenue budget	(7,000)		(7,000)		(7,000)		(7,000)
<b>Earmarked Reserves-General Fund</b>								
Emergency Planning/Brexit Reserve	To cover for unforeseen emergencies not budgeted for and costs arising from Brexit	(305)		(305)		(305)		(305)
Other Reserves	A variety of small reserves held to cover future unforeseen expenditure	(208)		(208)		(208)		(208)
Public Health	The Public Health Grant is ring-fenced so any underspend is carried forward and spent in future years	(567)		(567)		(567)		(567)
Schools Deficit Liability	To fund potential deficits of schools that may become academies in the future	(800)	(200)	(1,000)		(1,000)		(1,000)
Organisational Change	To help meet the cost of the Council's change programmes that cannot be charged to capital	(2,495)	(772)	(3,267)	802	(2,465)	(623)	(3,088)
Pension Liabilities	To cover potential future Pension Fund liabilities arising from Employer contribution rate fluctuations	(1,087)		(1,087)		(1,087)		(1,087)
Commercial Property Liabilities	To manage urgent liabilities associated with the Council's property	(800)	(1,200)	(2,000)		(2,000)		(2,000)
Revenue Grant Unapplied Reserve	To hold Revenue Grant balances where the conditions for use have been met but relevant expenditure has not yet been incurred	(1,886)		(1,886)		(1,886)		(1,886)
Self insurance	To meet estimated liabilities in connection with internally-held risks related to the Council's Insurance programme	(2,882)		(2,882)		(2,882)		(2,882)
Contingency Balance Reserve	The residual of the contingency forecast in 2018/19 is used to smooth the savings profile in the MTFS	(3,000)	2,000	(1,000)	1,000	0		0
Capital Financing Smoothing Reserve	To smooth funding across the period of the Medium Term Financial Strategy	(525)	(3,448)	(3,973)		(3,973)		(3,973)
IT and Digital Reserve	To replace IT and digital equipment that has passed its useful life to improve operational efficiency	(1,000)		(1,000)		(1,000)		(1,000)
Abortive Capital Cost Reserve	To provide for the cost of feasibility studies that do not progress into capital schemes	(2,000)		(2,000)		(2,000)		(2,000)

## Summary of Estimated Reserve Movements 31.03.19 - 31.03.22

## Appendix 1

		2019/20		2020/21		2021/22	
		Balance	Movement	Balance	Movement	Balance	Movement
		31.03.19	in year	31.03.20	in year	31.03.21	in year
		£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
							Balance
							31.03.22
							£ '000
Business Rates Smoothing	To provide for the potential downturn in the economy that would reduce the level of Business Rates	(2,000)		(2,000)		(2,000)	(2,000)
<b>Total Earmarked Reserves</b>		<b>(19,555)</b>	<b>(3,620)</b>	<b>(23,175)</b>	<b>1,802</b>	<b>(21,373)</b>	<b>(623)</b>
<b>Total General Fund Revenue Reserves</b>		<b>(26,555)</b>	<b>(3,620)</b>	<b>(30,175)</b>	<b>1,802</b>	<b>(28,373)</b>	<b>(623)</b>
<b>Schools Reserves</b>							
School Balances	Schools are able to carry forward any underspends on their budgets.	(1,788)		(1,788)		(1,788)	(1,788)
Dedicated Schools Grant	This is in deficit due to overspends in high needs block. This is planned to be repaid by 31st March 2023.	1,885	(230)	1,655	(371)	1,284	(561)
		97	(230)	(133)	(371)	(504)	(561)
							723
							(1,065)
<b>Housing Revenue Account Reserves</b>							
HRA/Major Repairs Account	Represents the balance carried forward on these accounts.	(15,889)	2,628	(13,261)	2,504	(10,757)	3,252
Balance		(9,324)		(9,324)		(9,324)	(9,324)
North Whitley PFI	To provide a smoothing reserve for PFI payments.	(25,213)	2,628	(22,585)	2,504	(20,081)	3,252
							(16,829)
<b>Total Revenue Reserves</b>		<b>(51,671)</b>	<b>(1,222)</b>	<b>(52,893)</b>	<b>3,935</b>	<b>(48,958)</b>	<b>2,068</b>
							<b>(46,890)</b>

## Amendment to Appendix 7- Fees and Charges Schedule April 2019

The following four lines in Appendix 7 of the Budget Setting Report included erroneous fee charges for April 2019 - corrected figures are provided below:

### Proposed Fees and Charges from 1st April 2019 - Directorate of Environment & Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>STREETCARE</b>						
Green Waste	Green Waste Service Bin	Per annum	60.00		10.00	20.00%
	Green Waste Service Bin (Concession)	Per annum	45.00		7.50	20.00%
	Green Waste Service Bag	Per annum	20.00		5.00	33.33%
	Green Waste Service Bag (Concession)	Per annum	15.00		3.75	33.33%

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# Agenda Item 8

## READING BOROUGH COUNCIL

### REPORT BY DIRECTOR OF RESOURCES

<b>TO: COUNCIL</b>	
<b>DATE: 18 FEBRUARY 2019</b>	<b>AGENDA ITEM: 8</b>
<b>TITLE: 2019/20 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY TO 2021/22</b>	
<b>LEAD COUNCILLOR: JO LOVELOCK</b>	<b>PORTFOLIO: LEADER OF THE COUNCIL</b>
<b>SERVICE: ALL</b>	<b>WARDS: BOROUGHWIDE</b>
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#### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report sets out the Council's draft Medium Term Financial Strategy (MTFS) and associated spending plans for the three years 2019/20 to 2021/22. The report covers all aspects of the Council's spend: General Fund revenue expenditure funded by the council tax payer, government grant and other sources of income, Housing Revenue Account (HRA) expenditure, funded by council tenants' rents, and the Council's Capital Programmes (General Fund and HRA) funded by grants and contributions, capital receipts, revenue and prudential borrowing.
- 1.2. The proposed Medium Term Financial Strategy is informed by and supports delivery of the Council's Corporate Plan priorities and seeks to ensure that the Council is "fit for the future" with sound finances that allow the Council's future funding challenges and spending pressures to be met.
- 1.3. The underpinning rationale of the budget strategy set out in this report is to deliver a balanced and affordable budget that ensures the Council's finances are sustainable in both the short (one year) and medium term (three years). That in the longer term the Council's finances are not reliant on the unsustainable use of one-off reserves or funding and that reserves are increased to mitigate future funding challenges and risk. The budget strategy is also informed by the Council's Vision: "to ensure that Reading realises its potential - and that everyone who lives and works in Reading can share in the benefits of its success", and service delivery themes set out in its Corporate Plan:
  - Securing the economic success of Reading;
  - Improving access to decent housing to meet local needs;
  - Protecting and enhancing the life outcomes of vulnerable adults and children;
  - Keeping Reading's environment clean, green and safe;
  - Promoting great education, leisure and cultural opportunities for people in Reading; and

- Ensuring the Council is ‘fit for the future’.
- 1.4. The Draft Budget and MTFS are based on the latest information currently available. Full Council will meet to determine its budget, associated Council Tax level and precept for 2019-20 at its meeting on 26<sup>th</sup> February 2019.
  - 1.5. The MTFS 2019 - 2022 provides for a balanced budget position across the three years, as well as a net contribution to reserves over the three years of £2.4m using part of the benefit from the business rate pilot, which will enable reserves to move back towards a more robust level.
  - 1.6. The Strategy, which builds on work over the previous 12 - 18 months, provides for a robust financial position going forward in order that vital and valued services can continue to be delivered. It relies on significant service transformation to drive increased efficiency savings and income generation in order that service reductions can be minimised. In particular it assumes:
    - a) Revenue Support Grant from Government has effectively reduced to zero in 2019/20 due to the Business Rates pilot and will remain at zero following the Business Rates reset;
    - b) Council Tax increases of 2.99% in 2019/20 and 1.99% in both 2020/21 and 2021/22;
    - c) The benefit of Business rate growth forecast in 2019/20 has been discounted in 2020/21 because the impact of the planned business rate reset is as yet unknown;
    - d) £27.5m of efficiencies and increased income across the period;
    - e) A contingency provision over the three years (£4.4m 2019/20; £4.1m 2020/21; and £3.4m 2021/22) to mitigate possible slippage or non-achievement of higher risk savings and budget pressures over the period;
    - f) Facilitates capital investment of £464m over the period 2019/20 to 2021/22 of which £249m is for invest to save purposes;
    - g) £6.4 of transformation funding (over the period 2019/20 to 2021/22) to support delivery of efficiency savings assumed within the MTFS; and
    - h) Service reductions of £2.6m.
  - 1.7. On 1st December 2018 the Council incorporated a Local Authority Company, Brighter Futures for Children, to provide services previously provided directly by the Council. The cost of providing those services, as well as funding for transformational change (an additional £2.1m in 2019/20) is included in the Medium Term Financial Strategy.

For ease of reading; the remainder of the report is split into four sections:

<b>Section A</b>	Background and Context
<b>Section B</b>	General Fund Revenue Budget
<b>Section C</b>	Housing Revenue Account (HRA) Budget
<b>Section D</b>	Capital Programme

## 2. RECOMMENDED ACTION -

2.1. That the proposed 2019-20 General Fund and Housing Revenue Account budgets, draft Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-9 be approved, noting the following:

- a) the Council's General Fund Budget Requirement of £139.5m for 2019/20;
- b) the proposed service savings and efficiencies of £10.5m together with additional income of £4.4m in 2019/20 required to achieved a balanced budget for that year;
- c) the proposed growth in 2019/20 service budgets of £12.5m;
- d) the overall savings proposed within the MTFS of £30.1m (of which changes to income, fees and charges is £6.2m) and three-year growth changes to service budgets of £30.9m;
- e) the increase in the Band D Council Tax for the Council of 2.99% or £47.24 per annum representing a Band D Council Tax of £1,627.23 per annum as set out in paragraph 15.1;
- f) the Housing Revenue Account budget for 2019/20 of £42.7m as set out in Appendix 4 and a reduction of 1.00% (£/wk) in social dwelling rents from April 2019 giving a revised weekly average social rent of £99.39 as set out in paragraph 19.3;
- g) the General Fund and Housing Revenue Account Capital Programmes as set out in Appendix 5;
- h) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 6;
- i) the changes to Fees and Charges outlined in Appendix 7 of the report;
- j) the allocation of the £76.4m dedicated schools grant as set out in Appendix 8;
- k) the Equality Impact Assessment requirements as set out in Appendix 9.

Appendix 1	Summary of General Fund Budget 2019-20 to 2021-22
Appendix 2	General Fund Revenue Budget by Service 2019-20 to 2021-22
Appendix 3	Detailed General Fund Budgets 2019-20 to 2021-22
Appendix 4	Housing Revenue Account Budget 2019-20 to 2021-22
Appendix 5	General Fund and HRA Capital Programme 2019-20 to 2021-22
Appendix 6	Flexible Capital Receipts Strategy
Appendix 7	Fees and Charges
Appendix 8	Dedicated Schools Grant 2019/20
Appendix 9	Equality Impact Assessment

## **Section A Background and Context**

### **3. Background**

3.1. The Medium Term Financial Strategy makes assumptions about income from Government grants, Council Tax, fees and charges and rents. The MTFs underpins service provision and the Council's priorities as set out in its Corporate Plan:

- Securing the economic success of Reading;
- Improving access to decent housing to meet local needs;
- Protecting and enhancing the life outcomes of vulnerable adults and children;
- Keeping Reading's environment clean, green and safe;
- Promoting great education, leisure and cultural opportunities for people in Reading; and
- Ensuring the Council is Fit for the Future

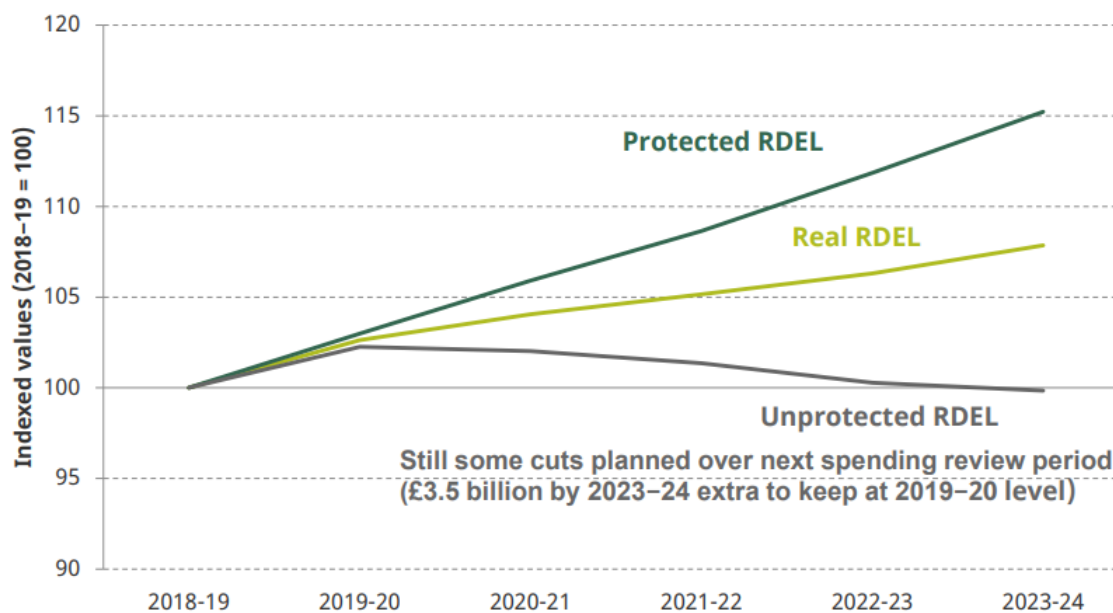
### **4. National Economic Position**

4.1. Brexit has the potential to have a significant impact for both the UK's economic future as well as the Council's financial position. The Chancellor's Autumn Budget set out the path for a 'soft' Brexit. If there is a 'hard' Brexit then there could be a further review of public spending with potential consequences for future government funding to local authorities. Whilst the assumptions underpinning this three year MTFs continue to assume future growth in Council Tax, to ensure the Council takes a prudent view of future income streams, growth in the business rate taxbase assumed in 2019/20 has been removed for the remainder of this MTFs, other than for expected CPI inflation. The Council Tax Base has been assumed to increase by 1.5% in 2020/21 and 2021/22.

4.2. The Chancellor's Autumn Budget Statement claimed "Austerity is over". However, whilst this may be the case for protected areas like the NHS, for "non-protected" departments like Local Government, Police and Fire there is likely to be reductions in funding from 2020/21 to 2023/24.

4.3. The Institute of Fiscal Studies published the planned change to Public Expenditure Resource - Departmental Expenditure Limits (RDEL) in October 2018, set out in the graph overleaf:

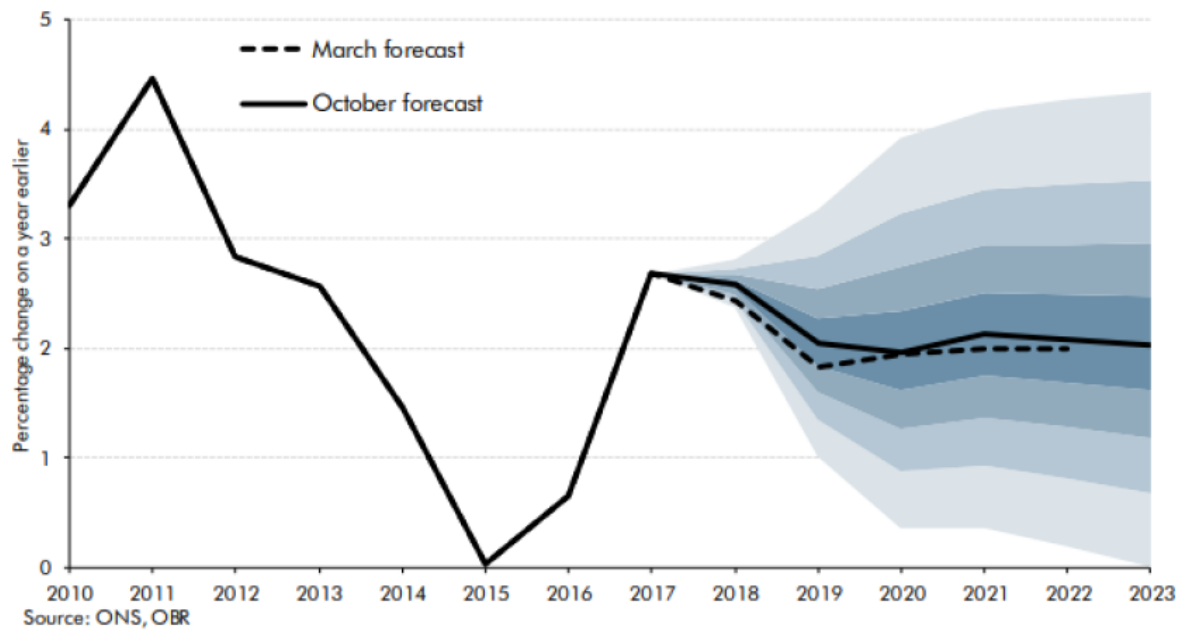
## Real freeze for unprotected departments between now and 2023–24



Note: RDEL refers to Public Sector Current Expenditure in Resource Departmental Expenditure Limits (PSCE in RDEL).  
Source: Author's calculations using OBR Economic and Fiscal Outlook, October 2018

- 4.4. The forecast position for Local Government as shown above, is a one-off cash increase in 2019/20, followed by real term reductions (excluding inflation) in subsequent years reducing government funding back to 2018/19 levels.
- 4.5. The funding position for local authorities generally will remain uncertain beyond 2019/20 until the new Comprehensive Spending Review (CSR) is announced in the latter part of 2019, after which Councils will need to review their funding forecasts.
- 4.6. During 2019/20 the Ministry for Housing, Communities and Local Government (MHCLG) are also reviewing the Local Government Funding Formula and proposing to roll out 75% business rates retention nationally from 2020/21. At this stage it is impossible to say what the overall impact will be for the Council.
- 4.7. The specific announcements made by the Chancellor in his Autumn Budget which affect the Council's finances were:
  - An additional £650m grant funding for Social Care in 2019-20. Reading's allocation is £1.541m (£0.569m from the £210m previously announced and £0.972m from the additional £410m subsequently announced for the whole country);
  - The National Living wage rise of 4.9% from April 2019, increasing from £7.83 to £8.21 per hour, while the National Minimum Wage average rate for all age groups will rise by 4.4%. This and future increases has the potential to impact on contract costs to the Council, in particular care costs.

- 4.8. Inflation is forecast to remain at around 2.0% over the three years of the MTFS as set out in the Office of National Statistics chart below:



- 4.9. The Council has assumed 2.0% general inflation per annum in this three-year MTFS.

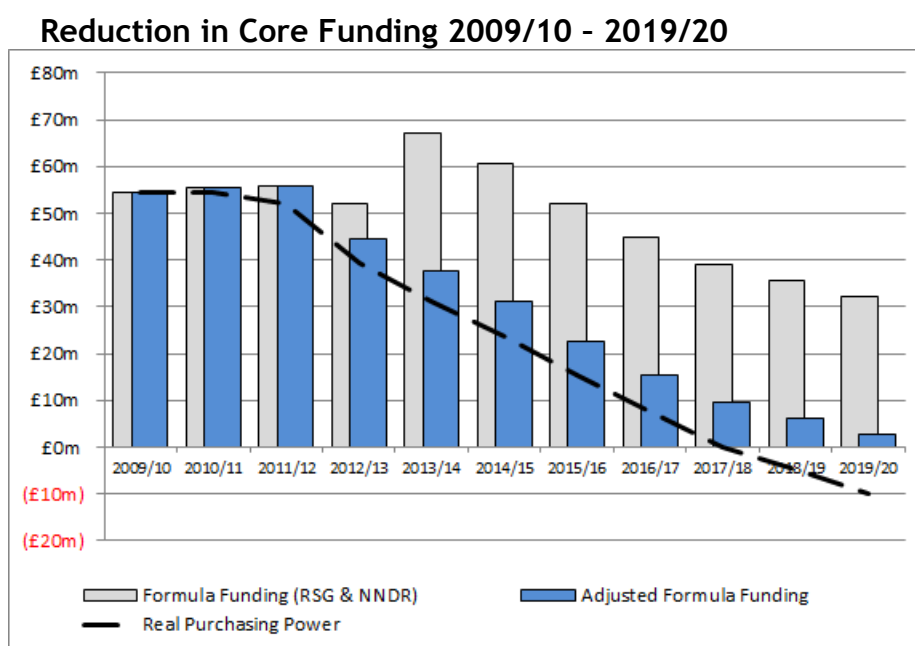
## 5. Interest Rates

- 5.1. Interest rates currently remain at historically low levels. The Bank of England’s Monetary Policy Committee expectation is that there will be a slow rise in interest rates over the next few years. The Council’s Treasury Advisors, Arlingclose, predict the Bank Base Rate will rise twice in 2019 to 1.25% and this expectation has been reflected in the Council’s treasury management budget.
- 5.2. Clearly given the degree of uncertainty around Brexit and the future state of the UK and world economy, interest rate projections have the potential to change. On the timeline of most economic cycles however, (regardless of possible Brexit implications), we are potentially closer to the next economic downturn than we are past the onset of the last recession. This would potentially impact the level of business rate income received.

## 6. Local Government Finance Settlement

- 6.1. Local government generally has borne more than its share of public spending reductions as part of the Government’s austerity measures. Since 2009/10 Reading Borough Council has seen substantial reductions in government grant allocations as set out in the chart overleaf. Whilst the headline Settlement figures show that funding declined from £55m in 2009/10 to £32m in 2019/20, this masks the fact that specific or new grants have been rolled into the Revenue Support Grant during the period.
- 6.2. Comparing business rates and Revenue Support Grant (RSG) (the lighter columns) with the 2009/10 position less specific grants the equivalent government funding for 2019/20 would be just £3m (the darker columns). Taking into account the decline in purchasing power over the period by applying a CPI deflator (the black line), shows

that compared to the £55m received in 2009/10, the Council has seen a £65m real-terms reduction in that funding.



- 6.3. The current four-year settlement, of which 2019/20 is the final year, did not change. This means Reading, prior to the extension to a second year of the Berkshire Business Rate Pilot which is explained below, would have had a RSG of £1,998k.
- 6.4. All major funding announcements were made in the Chancellor's Autumn Budget, and all the Provisional Settlement did was confirm the allocations of adult social care funding, which for Reading is as set out in para 4.7 above.
- 6.5. Authorities will also receive one-off funding in 2019/20 from the Government's Levy Account surplus. A total of £180m will be distributed pro rata to Settlement Funding Assessment (SFA), Reading's share is £463k.
- 6.6. Other changes in the Provisional Settlement were as expected but did not benefit Reading, in particular:
- Negative RSG has been cancelled, with the cost of funding those authorities with negative RSG in 2019/20 being paid for by the Government;
  - Northamptonshire County Council were granted dispensation to increase their Council tax level by an additional 2.0%, 4.99% in total without having to have a referendum; and
  - Additional funding was found to ensure that the Rural Services Delivery Grant remained at the same level in 2019-20 as in 2018-19.
- 6.7. The Final Settlement figures for 2019/20 confirming the above were released on the 29<sup>th</sup> January. However, on the 28<sup>th</sup> January the Secretary of State announced the allocation of £56.5m of Brexit Funding to local authorities. All unitary authorities including Reading will receive £105k in each of 2018/19 and 2019/20. The funding is not ring fenced but is expected to be used to fund preparatory work in relation to Brexit.

6.8. Due to the late notification of the funding the 2019/20 sum has been added to the earmarked reserves for 2019/20.

6.9. The Secretary of State has indicated that further funding may be forthcoming from individual government departments to fund 'new burdens' placed on authorities as a consequence of Brexit if they arise.

## **7. 75% Retained Business Rates Pilot 2019/20**

7.1. The number of business rate pilots was increased to 15 for 2019/20, Berkshire being only one of three areas outside London and Devolution Areas to retain Pilot status. The Pilot is based on 75% Business Rate retention rather than the 100% in 2018/19. It will provide a one off benefit to the Council of approximately £3,440k in 2019/20 which will be used to increase reserves to more robust levels.

7.2. As in 2018/19 one of the conditions of the pilot scheme is that 50% of the additionally retained business rates must be pass-ported to the Local Enterprise Partnership (LEP) and used to fund strategic infrastructure improvements. Reading's contribution is £2.3m. The schemes to be funded have yet to be agreed by the LEP, but have the potential to further benefit the Borough.

## **8. Comprehensive Spending Review (CSR) 2019, Fair Funding Review and 75% Retained Business Rates post 2019/20.**

8.1. As indicated in para 4.5 above, local government is facing unprecedented uncertainty around its future funding due to three simultaneous reviews the Government is undertaking. The outcomes of these are unlikely to be announced before December 2019, giving local authorities very little time to plan for their 2020/21 budgets and beyond.

8.2. The objectives of the Fair Funding Review are to:

- Set new funding baselines for local authorities in England for implementation in 2020/21;
- Replace the current methodology which is considered out-of-date and complex;
- Provide a more transparent approach that does not undermine growth incentives;
- Update key cost drivers;
- Reflect 'future need' as far as possible; and
- Consider how to make a fair adjustment for 'relative resources' (e.g. council tax yield), and how to transition to new allocations quickly.

8.3. Transitional arrangements will be used to implement the new system, thereby providing some protection to individual authorities from major shifts in funding in any one year. The transitional arrangements are expected to taper out over the period of the next funding cycle and are intended to be "fiscally neutral", meaning that those authorities seeing reductions in funding will receive some protection, whilst those entitled to increased allocations will see gains delayed. The Government has stated it will be looking to achieve a balance between stability,



minimising an authority's change in funding and moving local authorities to their funding target as soon as possible.

- 8.4. Whilst the Fair Funding Review is welcomed by many councils, its focus will be on how finite resources are distributed rather than whether there are enough overall resources available in total.
- 8.5. Alongside the Fair Funding Review there is a full reset of the Business Rates Retention Scheme planned for 2020/21.
- 8.6. From 2020/21 local authorities will collectively be able to retain 75% of the Business Rates they collect and other Government grants, including Revenue Support Grant and potentially the Public Health Grant or other grants will be phased out to offset the increase in the business rates share locally retained. This will significantly change the composition of council funding, increasing potential rewards from business rate growth, but also risks, such as losses in income due to rating appeals.
- 8.7. Reading is unlikely to benefit to the extent it has from being part of the Berkshire Business Rates Retention Pilot as resources will be redistributed nationally rather than amongst those just in the pilot.
- 8.8. The key challenge for Government will be to balance meeting local authority funding need with providing an incentive to grow local economies whilst also providing individual local authorities with adequate funding and protection against business rate reductions.
- 8.9. 2019/20 is the last year of the current four-year Settlement Offer. The Comprehensive Spending Review which will be announced in Autumn 2019 will set the overall funding envelope for the public sector for the four year period from 2020/21 onwards.
- 8.10. The impact of these reviews as outlined above will not be known until very late in the Council's 2020/21 budget setting process. It is unlikely that there will be any meaningful data on which to base funding assumptions until the Provisional Settlement is announced in December 2019 which creates significant uncertainty.
- 8.11. Reading, along with other local authorities, will continue to engage with Government to better understand the potential impact of these changes and will feed any further data into the budget setting process as and when it is known.

## **9. Current Year Financial Position - As at the end of November 2018**

- 9.1. Detailed revenue monitoring is undertaken on a monthly basis. As of the end of November (Period 8) service areas are forecasting an overspend of £1.475m against the approved General Fund budget with further potential net weighted risks of £0.324m. Both of these amounts have been taken into account when setting the 2019/20 budget.
- 9.2. In setting its budget the Council prudently allowed for the delay or non-delivery of the planned £18.175m savings proposals (£17.278m for 2018/19 and £0.897m of slipped savings brought forward from 2017/18) by creating a contingency provision which will be applied to offset the projected overspend. The table below

summarises the General Fund projected outturn as at the end of November 2018 before applying the contingency:

	Approved Budget (£,000's)	Forecast Outturn (£,000's)	Full Year Variance (£,000's)
Directorate of Adults Care and Health Services	36,639	36,438	(201)
Directorate of Childrens, Education & Early Help	41,048	42,474	1,427
Directorate of Enviroment & Neighbourhood Services	23,459	23,633	174
Directorate of Resources	12,793	12,853	60
Corporate Items	24,973	24,988	15
	<b>138,912</b>	<b>140,386</b>	<b>1,475</b>
Business Rates (NNDR) Net Yield	(52,250)	(52,250)	-
Council Tax	(86,662)	(86,662)	-
	<b>-</b>	<b>1,475</b>	<b>1,475</b>

9.3. The Housing Revenue Account is projecting an underspend against its revenue budget of £0.350m as set out in the table below:

	Approved Budget (£,000's)	Forecast Outturn (£,000's)	Full Year Variance (£,000's)
Responsive Repairs	2,725	2,675	(50)
Planned Maintenance	3,165	3,115	(50)
Major Works	9,500	9,500	-
Managing Tenancies	1,302	1,302	-
Management, Policy & Support	5,474	5,474	-
Private Finance Initiative	6,823	6,823	-
Rent Collection	1,013	1,013	-
Building Cleaning, Energy and other	2,756	2,706	(50)
Capital Financing	10,325	10,325	-
HRA Income	(43,083)	(43,283)	(200)
	<b>-</b>	<b>(350)</b>	<b>(350)</b>

9.4. The General Fund Capital Programme is forecast to underspend in 2018/19 by £6.3m which is predominantly the result of slippage on two larger schemes (ICT Technical Infrastructure and phase three of the Accommodation Review) from 2018/19 into future years and changes to the General Fund New Build and Acquisition scheme, which following review has been transferred to the Housing Revenue Account Capital Programme). The table overleaf summarises the General Fund Capital position as at Period 8:

	Full Year Approved Budget			Full Year Forecast		
	2018/19 (£,000's)	2019/20 (£,000's)	2020/21 (£,000's)	2018/19 (£,000's)	2019/20 (£,000's)	2020/21 (£,000's)
<b>Gross Expenditure</b>	123,536	163,405	118,300	105,816	144,491	111,179
Funded by:						
Grants & Contributions	(26,400)	(49,285)	(24,135)	(17,733)	(37,790)	(18,891)
s106/CIL	(3,018)	(9,430)	(2,750)	(1,034)	(9,430)	(2,750)
Other	(1,387)	(4,521)	(867)	(652)	-	-
<b>Net Capital Spend</b>	<b>92,731</b>	<b>100,169</b>	<b>90,548</b>	<b>86,397</b>	<b>97,271</b>	<b>89,538</b>

9.5. The Housing Revenue Account Capital Programme is forecasting £6.3m of slippage into future years due to delays predominantly relating to the New Builds and Acquisitions programmes. The table below summarise the Period 8 monitoring forecasts:

	Full Year Approved Budget			Full Year Forecast		
	2018/19 (£,000's)	2019/20 (£,000's)	2020/21 (£,000's)	2018/19 (£,000's)	2019/20 (£,000's)	2020/21 (£,000's)
<b>Gross Expenditure</b>	25,318	14,528	8,537	18,977	21,223	8,512
Funded by:						
Other	(10,085)	(8,081)	(7,800)	(10,085)	(8,081)	(7,800)
<b>Net Capital Spend</b>	<b>15,233</b>	<b>6,447</b>	<b>737</b>	<b>8,892</b>	<b>13,142</b>	<b>712</b>

## Section B General Fund Revenue Budget

### 10. Overall Three-Year Budget Position

- 10.1. In February 2018 Full Council agreed a balanced budget for the three years of the MTFs. The strategy has been extended to 2021/22 and all income and expenditure and planning assumptions have been reviewed.
- 10.2. Each year of the revised 2019/20 - 2021/22 MTFs shows a balanced position. The net contribution to earmarked reserves over the three year period is £2.4m which together with the planned release of contingency sums as at 31<sup>st</sup> March 2019 will increase reserves back towards a more robust level. On the assumptions made, the Council does not have an underlying reliance on the use of one-off reserves in its base budget going into 2022/23.
- 10.3. The Council's General Fund Balance is planned to increase to £7.0m (approximately 5% of the Council's net budget) across each of the three years of the MTFs to reflect the additional risks facing the Council going forward. This percentage is more comparable to that of other unitary councils.
- 10.4. This draft budget includes £12.5m of service growth items for 2019/20 (£2.0m pay costs; £3.2m inflation; and £7.3m other pressures), £10.5m of service savings (£7.9m efficiencies and £2.6m service changes) plus £4.4m of increased income. This net reduction in service budgets for 2019/20 of £2.4m matches the expected changes in Corporate Items budgets and total core funding to maintain an overall balanced budget position for 2019/20.
- 10.5. The Strategy relies on achieving savings and additional income of £30.1m over the three years to 2021/22 - £14.9m of which is required to be achieved in 2019/20. Of the £30.1m due to be delivered over the 3 years of the Plan £13.6m relates to savings needing to be found in Children's Services and delivered in partnership with Brighter Futures for Children, the Council's wholly owned Children's company. The residual £16.5m has to be found from other directly managed Council services as summarised below:

#### **Savings Summary 2019/20 - 2021/22**

	<b>Efficiency Savings £000</b>	<b>Invest to Save Schemes £000</b>	<b>Income, Fees &amp; Charges £000</b>	<b>Service Reductions £000</b>	<b>Total £000</b>
Children's Services	11,208	274	0	2,160	<b>13,642</b>
Other Council Services	9,273	551	6,216	453	<b>16,493</b>
<b>Total</b>	<b>20,481</b>	<b>825</b>	<b>6,216</b>	<b>2,613</b>	<b>30,135</b>

- 10.6. A summary of directorate budgets and corporate funding are set out in the table overleaf. Further detail is provided in Appendices 1 - 3 attached:

#### **Directorate and Corporate Budgets: 3 year summary**

		<b>Proposed Medium Term Financial Strategy</b>		
		<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
1	Adults Care and Health Services	35,600	37,777	40,218
2	Environment & Neighbourhood Services	21,188	19,941	19,467
3	Resources	12,841	13,126	13,183
4	Children's, Education & Early Help *	41,849	41,305	41,773
5	<b>Total Directorates</b>	<b>111,478</b>	<b>112,149</b>	<b>114,641</b>
6	Capital Financing Costs	13,680	14,880	14,880
7	Other Corporate Budgets	10,690	9,181	8,177
8	<b>Movements to/(from) Reserves</b>	<b>3,620</b>	<b>(1,802)</b>	<b>623</b>
9	<b>Total Corporate Budgets</b>	<b>27,990</b>	<b>22,259</b>	<b>23,680</b>
10	<b>Total Net Spend (Budget Requirement)</b>	<b>139,468</b>	<b>134,408</b>	<b>138,321</b>
<b>Financed by</b>				
11	Council Tax Income	(90,936)	(94,137)	(97,450)
12	Business Rates (NNDR) Local Share (Net of Tariff and Levy)	(41,957)	(34,461)	(35,231)
13	Business Rates (NNDR) Levy - one-off benefit in 2019/20	(463)	0	0
14	Small Business Rate Rebate (S31 Grant)	(2,200)	(2,200)	(2,200)
15	New Homes Bonus	(3,739)	(3,610)	(3,440)
16	Collection Fund - Council Tax Surplus - one-off	(173)	0	0
17	<b>Total Funding</b>	<b>(139,468)</b>	<b>(134,408)</b>	<b>(138,321)</b>

\* On 1st December 2018 the Council transferred responsibility for the delivery of the majority of its Children's Services to Brighter Futures for Children, a wholly owned company of Reading Borough Council.

## 11. Value for Money & Efficiency

- 11.1. During 2017/18 the Council delivered savings totalling £11.7m and as at the end of November 2018 had delivered £13.3m of the £18.2m due to be delivered in year.
- 11.2. An Improvement Plan put in place to improve accuracy in the processing of Housing Benefit claims has resulted in no deduction in Subsidy for 'local authority error' which is a significant achievement and an improvement of £0.4m and £0.6m on the previous two financial years.
- 11.3. Additionally, a review of Single Person Discount (SPD) eligibility for Council Tax is forecast to generate a Collection Fund surplus of £0.2m in 2018/19. A rolling review of entitlement to SPD will take place over the life of the MTFP.

- 11.4. Over the next three years the MTFS assumes delivery of a further £23.9m of savings as well as additional income of £6.2m, (£10.5m and £4.4m respectively assumed in 2019/20). The programme of cumulative efficiency savings are set out in detail in Appendix 3.
- 11.5. As in 2017/18 and 18/19, to support the delivery of efficiencies and ongoing savings, transformation funding has been made within the Council’s Capital Programme funded from Capital Receipts. Appendix 6 attached sets out the Council’s Strategy for the ‘flexible use of capital receipts’, together with the proposals to be funded and spend to date against those already agreed.
- 11.6. On the 1<sup>st</sup> December 2018 the Council transferred the delivery of the majority of its children’s services to Brighter Futures for Children, a wholly owned company of the Council. The objective being that the Company will drive improvements in service delivery and reduce cost pressures through changes to practice and process. To facilitate this the Department for Education and Skills (DFES) have allocated £5m of transformation funding to the Company over the two years 2019/20 and 2020/21 which is in addition to the £3.8m allocated within the Council’s own transformation fund. Details of the specific projects funded by Council resources are set out in Appendix 6.

## 12. Reserve Levels

- 12.1 The Council has had to use revenue reserves to balance its budget in previous years which has saw them reduce to £20.4m at 31<sup>st</sup> March 2018, proportionately one of the lowest levels when compared to other unitary councils.
- 12.2 The MTFS plans to increase revenue reserves to £29m and maintain them going forward. This is set out in the table below:

	31.03.19	31.03.20	31.03.21	31.03.22
	£m	£m	£m	£m
General Fund	7.0	7.0	7.0	7.0
Earmarked Reserves	19.6	23.2	21.4	22.0
<b>Total</b>	<b>26.6</b>	<b>30.2</b>	<b>28.4</b>	<b>29.0</b>

\* A further breakdown of reserves can be found in the S151 Officer’s report which appears elsewhere on the agenda.

\*\* Earmarked reserves are sums held for specific purposes and to mitigate potential known risks eg the insurance reserve and grants unapplied.

- 12.3 By the end of the current MTFS period in 2021/22 there will be no underlying reliance on reserves to balance future budgets.

## 13. Dedicated Schools Grant

- 13.1. Schools’ Budgets are 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 is currently split into the following four blocks:

- Schools Block;
- Central School Services Block;
- Early Years Block; and
- High Needs Block.

- 13.2. Whilst funding can be transferred between the four blocks after consultation with schools and Schools Forum it cannot be diverted for other purposes. The ESFA have limited the movement of funds from the Schools Block to 0.5% of the total Schools Block.
- 13.3. The total amount of DSG the Council will receive in 2019/20 is £76.4m (£0.5m less after recouplement than in the current year). Appendix 8 attached sets out in detail how this money is distributed between blocks.
- 13.4. In addition to the Council's DSG the ESFA allocate £47.4m funding directly to academy schools. This is referred to as Recouplement in table 1 in appendix 8.
- 13.5. The Council has transferred responsibility for the management of its schools funding to Brighter Futures for Children, including consultation with Schools and the Schools Forum. The detailed distributions to individual schools will be published on both the Company's and Council's websites in due course.

#### 14. Planning Assumptions

- 14.1. The following planning assumptions are included within the Medium Term Financial Strategy:
- Base Budget** - The starting point for planning is the 2018-19 base budget as agreed by Council in February 2018, adjusted for any approved budget virements;
  - Council Tax Increase** - A 2.99% rise for 2019/20 (in line with the 2019/20 Referendum limits) and a 1.99% rise in both 2020/21 and 2021/22 (in line with future Bank of England CPI targets);
  - Local Council Tax Scheme** - Remains unchanged from 2018/19;
  - Capital Borrowing Rates** - Current long term Public Works Loans Board rates (after including the certainty rate discount) are 2.65%. In line with information from our treasury management advisors, these are assumed to rise by 0.5% during 2019/20, and then remain static over the final two years of the MTF5;
  - Investment Interest** - The Bank of England base rate is currently 0.75% and is not projected to change over the planning period. The Council currently also benefits from:
    - **Externally Managed Property Investments** - The Council has £15m invested in property funds. The Council makes a return of between 4% to 5% on a quarterly basis; and
    - **Investment Properties** - The Council own investment properties valued at £26m as at 31<sup>st</sup> March 2017. These properties provide a return of 6% pa.
  - Inflation** - Most budgets are cash limited. Over the period CPI is assumed to be 2.0% per annum in line with the Bank of England target rate;

- g) **Pay Assumptions** - 2.0% per annum has been budgeted for over the three year period;
- h) **Pensions** - The MTFS includes an increase in the current contribution in line with pay inflation. The next triennial valuation of the Pension Fund is expected to take place over the course of 2019/20 and will potentially impact on the employer contribution rate from 2020/21;
- i) **Increases in Fees and Charges** - Details are set out in Appendix 7;
- j) **Demographic Growth** - demographic growth of £11.5m has been allowed for in demand-led service budgets;
- k) **Capital Financing** - The prudential borrowing costs associated with the proposed capital programmes are accommodated within the revenue budgets; and
- l) **Transformation Programme** - £6.4m of transformation funding to facilitate delivery of service efficiencies and savings over the three years 2019/20 - 2021/22 in General Fund revenue budgets is provided for within the General Fund Capital Programme.

14.2. The detail of the Council's Draft General Fund Budget is set out in Appendices 1, 2 and 3 attached.

## 15. Assumed Council Tax Levels

15.1. The MTFS assumes a 2.99% increase in 2019/20 for the Council's Band D Council Tax amount (which would be £1,627.23). The other preceptors in the Borough, Thames Valley Police Authority and the Berkshire Fire and Rescue Service have advised that their proposed increases will be 13% (or £24 for an average band D property (the maximum allowed for police authorities) and 2.99% respectively.

15.2. The impact on taxpayer bills (before any reduction for discounts) of the Council's proposed 2.99% increase represents an increase of 91p per week for a Band D Council Tax payer. The overall increase after taking account of the Police and Fire increases will be 4.0% or £1.41 per week, £1,899.79 in total.

15.3. The majority of properties in Reading are Band C and below (40% of properties are in Band C). The Reading element for Band C properties in 2019/20 will be £1,446.43, an increase of 81p per week. Including Police and Fire Band C Council Tax will be £1,688.71.

## 16. Risk Implications

16.1. Broadly the main risks to the balanced position of the Draft General Fund budget relate to achieving the agreed level of savings and income generation as assumed in the MTFS whilst containing spending pressures.

16.2. More specifically risks relating to the Council's General Fund budgets include:

- The ability to contain demographic demand pressures;
- Buoyancy of the general and local economy;



- Adverse interest rate movements;
- Increased inflationary pressures;
- Delivery of capital receipts to fund the flexible use for transformation purposes;
- Future local government financing settlements from central government;
- Delivery of savings and income projections in line with assumptions; and
- Slippage in the Capital Programme adversely impacting savings assumed within the MTFS.

16.3. In setting the new three-year MTFS, contingency provisions of £4.4m in 2019/20, £4.1m in 2020/21 and £3.4m in 2021/22 have been provided for to allow for slippage or non-delivery of higher risk savings and income targets. Also, as outlined above, the Council has made prudent assumptions in relation to Business Rate and income collection.

## Section C Housing Revenue Account

### 17. Housing Revenue Account (HRA) Budget

17.1. 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 2018/19. The HRA budget must avoid a deficit on reserves over the 30 year HRA Business Plan. Although over the next three years reserves reduce they are still at reasonable levels and in the future the HRA is planned to move into a surplus.

17.2. A summary of the HRA revenue budget is set out below and detailed in Appendix 4:

	2019/20	2020/21	2021/22
	£000s	£000s	£000s
Expenditure	42,678	44,210	46,745
Income	40,049	41,706	43,493
Total (Surplus) / Deficit	2,629	2,504	3,252
HRA Reserves C/fwd	22,584	20,081	16,828

### 18. Planning Assumptions

18.1. The following planning assumptions are included in the HRA 30 year Business Plan and three year forward budget projections:

- **Rents** - 2019/20 is the final year of the rent reduction policy. Ongoing rent is assumed to revert to CPI + 1% in accordance with Government advice;
- **Void Rates** - are assumed at 2.5%;
- **Right to Buy** - sales assumed at 15 per annum;
- **Service Charges** - are assumed to increase by CPI year-on-year, but cannot exceed full cost recovery;
- **PFI Credit** - provision of £3.997m relating to 1,280 properties in North Whitley and managed by Infinity until 2035 has been included;
- **Capital Receipts** - sales of five properties per annum are assumed to Homes for Reading;
- **Interest on Balances** - assumed at 0.5%;
- **Inflation** - assumes CPI;
- **Bad Debt Provision** - 2.5% of rent and service charges; and
- **Debt Financing Costs** - are included within the revenue budget.

## 19. Works to Existing Stock

19.1. 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 whether additional fire precautions were advised in any of the building types surveyed, to improve safety standards in the context of recent incidents. 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 has been made in the HRA Capital Programme and Business Plan to fully implement the recommendations. The profile of spend is as follows:

2018/19 (£,000's)	2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
1,485	1,991	706	1,250	5,432

## 20. Rents

20.1. The Welfare Reform and Work Act 2016 (WRWA 2016) required that social housing rents reduce by 1% per annum for 4 years starting from 2016/17. The Council's HRA Business Plan has been updated to reflect the required 1% p.a. reduction with the exceptions noted below.

20.2. The Council has an option to increase rents in line with its normal policy in the Private Finance Initiative (PFI) area, which is an exemption allowed under the WRWA 2016 (as the contractual arrangement includes an inflationary uprate to costs 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.

20.3. The Council needs to consider these options each financial year in the context of the HRA's financial viability. The Council did not apply a differentiated rent for PFI tenants in previous years and it is similarly not proposed for 2019/20. The anticipated effect of the 2019/20 rent proposals is therefore expected to be as follows:

	Actual 2018/19 £	Proposed 2019/20 £	Increase/ (Decrease) %
Average Rent per Week	100.40	99.39	(1.01)

20.4. For historic reasons current rents are, on average across the stock, @ 6% below the social housing formula rent set by Government, known as 'Target Rent'. As previously agreed by the Council, rent levels will be set in line with Target Rent whenever a property is re-let.

- 20.5. As agreed at Policy Committee in November 2018, an 'Adjusted Target Rent' will be charged as a default for permanent social housing developed as part of the Council's new build housing programme. This will reflect the expected rent levels of the existing stock, had the mandatory annual 1% rent decrease for all social housing not been imposed by Government in 2015 for 4 years. As noted above, the Government has announced that its previous national policy of CPI plus 1% will be restored for 5 years from 2020/21.
- 20.6. The proposed Adjusted Target Rent is significantly lower than Local Housing Allowance levels (the maximum amount of benefit payable to cover housing rental costs) and 'Affordable Rents' often used by Registered Providers (where the rent is set at 80% of market rent). Whilst this is a proposed default it is not intended to be a blanket policy for all new build schemes, thereby enabling future delivery of mixed tenure schemes, including regeneration, where letting all properties at the proposed Adjusted Target Rent level may not be viable. Also, schemes supported by Homes England grant awarded on the basis that properties will be let at social rent will not be let at Adjusted Target Rent.
- 20.7. Rent collection performance remains top quartile compared with the Council's comparator group, (most housing providers compare the level of rent arrears as a percentage of total annual rent). Reading's performance (2.14%) places the authority in the top performing quartile for the last full financial year). The bad debt provision has been increased by £400k p.a. to reflect the anticipated impact on arrears of Universal Credit implementation. As whilst 'managed migration' is on hold and under review, natural migration will continue as it has for the last year.
- 20.8. Temporary accommodation is included in the General Fund. Rents are set at 90% of the Local Housing Allowance rate for the relevant unit size.

## **21. Risks**

- 21.1. Many of the risks identified in respect of the delivering a balanced General Fund revenue budget (see para 16.2) also have relevance for the Housing Revenue Account. Particular risks that pertain additionally to the HRA include:
- Rent collection levels that may be affected by any downturn in the local economy;
  - Further extension and full roll-out of Universal Credit which again may impact on rent collection levels;
  - Increases in debt financing costs arising from inflationary cost increases in relation to the new build programme; and
  - Maintenance costs inflationary pressures - potentially additionally impacted by any change to workforce demographics that might arise due to Brexit.

## **Section D Capital Programme**

### **22. Overall Programme**

- 22.1. The overall Capital Programme for the three year period will commit £464m to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading.
- 22.2. The programme is broken down into two sections, the General Fund and the Housing Revenue Account. Against each scheme in the Programme is detailed the total cost, external contributions from, for example, government and developers and the net cost to the Council to be funded from borrowing.

### **23. General Fund Capital Programme**

- 23.1. The proposed General Fund Capital Programme shown in Appendix 5a totals £366.5m gross over the three year period 2019/20 to 2021/22.
- 23.2. Application of specific and corporate funding (including grants, Community Infrastructure Levy and available capital receipts), reduces the net borrowing requirement over the three year period to £260.9m.
- 23.3. Of this, £249.0m relates to invest-to-save projects with associated revenue savings assumed within the MTFS. The Schemes will not proceed however, without robust business cases that clearly demonstrate a positive net revenue benefit. Excluding invest-to-save schemes, future borrowing costs for general capital expenditure over the future three year period amounts to £11.9m. The costs of borrowing are provided for within the MTFS revenue budgets.
- 23.4. The Programme also provides for an additional £6.4m of transformation funding to fund the one-off cost of projects over the period 2019/20 and 2020/20 to facilitate the delivery of efficiency savings assumed within the MTFS. Appendix 6 attached sets out the detail of the Council's Flexible Use of Capital Receipts Strategy and the spending on each project.
- 23.5. Key areas of proposed investment within the General Fund Capital Programme include:

#### **Adult Social Care & Health**

- 23.6. The Draft Programme provides funding for a number of strategic reviews in relation to accommodation options for future service delivery. The service is currently undertaking a number of consultations to inform those options and ensure provision of more appropriate and fit for purpose facilities.

#### **Education and Early Help**

- 23.7. There are 3 main work streams: Sufficiency of Pupil Places; Condition related improvements to school buildings; and statutory Health and Safety.
- 23.8. The Government has announced provisional capital allocations for schools over the next 3 years to 2021/22. The allocations are based on pupil number returns and projections provided by all local authorities, the results of recent national building condition surveys, and details of the size of the overall school estate. In addition,

the Council has been successful in bidding for further Education and Skills Funding Agency (ESFA) funding, and negotiated project funding. The Council has also been successful in securing a £6m grant to part fund a new school at Dee Park.

- 23.9. Schools require regular maintenance to ensure that buildings comply with the appropriate Health and Safety legislation and that facilities are safe, warm and dry for teaching. This responsibility is shared by the Council and the Governing Body of maintained schools to ensure that pupils can access their 190 days of education each academic year.
- 23.10. Reading needs a new Secondary School and work has been ongoing to prepare the way for a successful bid under Wave 13 of the government's 'Free Schools' programme. Bids were submitted by potential sponsors in October 2018, with results announced in Spring 2019. This is a later programme than originally anticipated and means that a secondary school would now be unlikely to open until the 2022/23 academic year. A suitable location for the school has been identified at Richfield Avenue and site surveys are underway to de-risk the site (part of the site was previously used as a refuse tip). Agreement has been reached with Secondary schools to provide bulge class capacity during the build period of the proposed new school which now includes academic year 2021/22 due to the delay in the Government's Free School timetable and an estimated completion date for the new school of Summer 2022 (for 22/23 academic year).
- 23.11. The ESFA has gained planning permission for a new two form entry primary school, 'The Heights School', at Mapledurham Playing Fields (MPF). The permission is subject to a Section 106 agreement which secures a number of on and off site improvements to facilitate the school and provide mitigation to offset the impact of the development on the MPF.
- 23.12. Significant investment in Special education needs and disability (SEND) places is proposed at:
- Phoenix College- In 2015 the Council were successful in bidding for grant aid to renovate the main building at Phoenix College, however upon inspection by the ESFA, the main building was identified as wholly unsuited to its role as a school building. The ESFA have agreed, in principle at this stage, for the Council to either use the grant funds to improve the current building or re-provide the whole school elsewhere within the Borough. Options to relocate the school will be considered by a future Policy Committee
  - Avenue School Expansion - A further 30 SEND places are planned at the Avenue Centre through conversion of the training suite.

### **Housing**

- 23.13. Homes for Reading Ltd. the Council's wholly-owned housing company, is now trading. The Council's Capital Programme makes provision for loans and share capital consistent with the company's original business plan. A review of the company's business plan is currently under way and funding will only be released following its satisfactory conclusion.

### **Strategic Transport**

- 23.14. A programme of major transport schemes is planned, 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 managing congestion, enabling sustainable economic growth and housing development; alongside increased public transport and cycling usage resulting in benefits in journey times, air quality, social inclusion, public health and safety.
- 23.15. 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 £17.5m station and interchange at Green Park. Further funding of £10m 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. A further total investment of £1.3m is being made to the National Cycle Network number 422 which runs east-west through Reading.
- 23.16. The Council has also secured Government funding to upgrade a significant number of local buses to the highest environmental standards and by doing so secure better air quality. Funding has also been secured to install electric vehicle charging points on local streets to encourage a switch to zero and low emission cars.
- 23.17. A revised Local Transport Plan will be developed and include a public consultation to seek views on further options to reduce congestion, improve air quality, manage demand and provide safe and attractive options to walk and cycle.
- 23.18. Recognising the need to consider public realm improvements (including pedestrian and cyclists accessibility) within the town centre, funding to complete a feasibility study and design framework is included within the draft Capital Programme.

### **Highways**

- 23.19. Provision for bridge and carriageway maintenance is included within the draft Capital Programme, with the vast majority of funding from central government grants and a small proportion of borrowing.
- 23.20. 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.

### **Community, Leisure and Heritage**

- 23.21. The Council has commenced a process to secure a leisure operator to manage all its indoor leisure facilities. This includes the development of new facilities as well as investment in retained facilities.
- 23.22. Following a review of playground equipment the Programme provides for an extensive programme of replacement and upgrade. Additionally a programme of improvement works to parks and open spaces is planned for 2019/20.

### **Ensuring the Council is fit for the future**

23.23. In December 2016 the Council approved an Investment Property Acquisitions Policy. One of the principal aims of that Policy was to maintain an effective property-based investment portfolio to help sustain the Council's on-going finances. Further provision of £100m is made within the Programme for further acquisition and diversification of the portfolio.

23.24. Provision for ongoing investment in ICT and technology is included to modernise the way we work and support business transformation. In particular projects are included to:

- Enable delivery of savings that are directly dependent on new technology and the digitisation of services;
- 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 it is supported and compliant with required standards; and
- Invest in security measures to protect our systems and data from cyber-security threats.

23.25. Full detail of the Draft General Fund Capital Programme is provided in Appendix 5a.

## **24. Housing Revenue Account Capital Programme**

24.1. The draft HRA Capital Programme is intrinsically linked to the HRA Business Plan since the resources to fund the Programme are largely generated through housing rents. Appendix 5b provides full details of the draft HRA Capital Programme.

24.2. The Council's house building programme is well underway and most recently delivered 28 new modular units for temporary accommodation in Lowfield Road which were let in January 2018 to homeless households. The first 57 new affordable rented homes at Conwy Close were also handed over before Christmas 2018. In total the Council has made provision to invest a further £66m in its new build and acquisitions programme over the three years 2019/20 - 2021/22 providing additional new affordable homes, subject to approvals.

24.3. The Council also plans to continue to invest between £9m and £13m per annum in its existing housing stock over the next 3 years. This includes a £3.9m programme of Fire Safety works, with a particular focus on high-rise residential accommodation.

## **25. Risk Implications impacting the Capital Programme**

25.1. The main risks to the Capital Programme are summarised below:

- Cost overruns would impose additional borrowing costs (and associated financing charges to revenue) if unable to be met from scheme contingencies or other mitigating actions;
- Slippage in realisation of capital receipts impacts on available financing sources, with the potential to lead to additional capital borrowing. In particular, significant slippage could leave insufficient receipts to fully



finance the transformation costs - which impacts pound for pound on the revenue account;

- Slippage in delivery of spend to save initiatives results in associated revenue savings not being delivered as anticipated; and
- The cost of delivering the capital projects increases due to inflationary pressures.

## **25.2. Budget Next Steps**

25.3. The Budget will be considered by Council at its meeting on 26<sup>th</sup> February.

25.4. Statutory consultation based on the budget proposals contained in this report will be undertaken and responses reported back to Policy Committee and Full Council in February.

## **26. Financial Implications**

26.1. As set out in the report

## **27. Legal Implications**

27.1. The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council.

27.2. The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance (s.151) Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered as agreed and that new expenditure is contained within available resources.

27.3. Members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.

## **28. Risk**

28.1. As set out in the body of this report.

## **29. Equalities Impact Assessment**

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

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

- 29.2. An initial Assessment of the proposals as set out in the MTFS has been undertaken and Appendix 9 sets out the individual savings proposals where specific equality impact assessments will need to be undertaken prior to their implementation.
- 29.3. Additionally, when considering changes to service provision, local authorities are under a duty to consult representatives of a wide range of local stakeholders. Authorities must consult representatives of council tax payers, those who use or are likely to use services provided by the authority and those appearing to the authority to have an interest in any area within which the authority carries out functions.

### **30. BACKGROUND PAPERS**

- 2018-19 to 2020/21 Budget Setting and Medium Term Financial Strategy approved by Full Council 28 February 2018;
- MHCLG Provisional & Final Local Government Finance Settlement 2019/20; and
- Council Tax Base Report 14 January 2019.

Reading Borough Council Recommended General Fund  
Revenue Budget for 2019-20 & Future Year Proposals

Appendix 1

	Recommended Budget 2019/20 £'000	Proposed Budget 2020/21 £'000	Proposed Budget 2021/22 £'000
<b>Adult Social Care Directorate</b>	<b>35,600</b>	<b>37,777</b>	<b>40,218</b>
Commissioning and Improvement	1,131	1,165	1,201
Mental Health Support	2,330	2,675	2,759
Learning Disability Support	15,817	16,694	17,929
Group Homes & Properties	(278)	(278)	(278)
Adult Social Care Activities	23	1,355	1,532
Safeguarding Adults	425	446	468
Older People/Physical Disabilities Services	15,520	15,296	16,320
Directorate Other	1,007	994	838
Public Health Service	(851)	(1,055)	(1,045)
Preventative Services	476	485	494
<b>Environment &amp; Neighbourhood Services Directorate</b>	<b>21,188</b>	<b>19,941</b>	<b>19,467</b>
Transport & Street Care	14,808	14,134	13,884
Planning, Development & Regulatory Services	1,213	402	420
Housing and Neighbourhood Services	2,381	2,620	2,519
Economic and Cultural Development	2,031	1,977	1,770
Environment & Neighbourhood Services Overheads	755	808	874
<b>Resources Directorate</b>	<b>12,841</b>	<b>13,126</b>	<b>13,183</b>
Customer Services	8,635	8,605	8,425
HR & Organisational Development	1,570	1,608	1,665
Internal Audit	673	686	699
Procurement	322	327	332
Finance	(1,142)	(1,003)	(949)
Legal and Democratic	2,783	2,903	3,011
<b>Children's Services</b>	<b>41,849</b>	<b>41,305</b>	<b>41,773</b>
Brighter Futures for Children	41,110	40,631	41,179
Retained by Council	739	674	594
<b>Total Service Expenditure</b>	<b>111,478</b>	<b>112,149</b>	<b>114,641</b>
<b>Corporate Budgets</b>	<b>27,990</b>	<b>22,259</b>	<b>23,680</b>
Capital Financing Costs	13,680	14,880	14,880
Other Corporate Budgets	10,690	9,181	8,177
Movement to/(from) Reserves	3,620	(1,802)	623
<b>Net budget Requirement</b>	<b>139,468</b>	<b>134,408</b>	<b>138,321</b>
<b>Financed By:</b>			
Council Tax Income	(90,936)	(94,137)	(97,450)
NNDR Local Share	(41,957)	(34,461)	(35,231)
New Homes Bonus	(3,739)	(3,610)	(3,440)
Section 31 Grant	(2,200)	(2,200)	(2,200)
Business Rates Levy Rebate	(463)	0	0
Collection Fund - Council Tax Surplus	(173)	0	0
<b>Total Funding</b>	<b>(139,468)</b>	<b>(134,408)</b>	<b>(138,321)</b>
<b>(Over)/Under Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Reading Borough Council Revenue Budget at Service Level 2019-2020

Appendix 2

	Approved Budget 2018/19 *	Payroll Inflation	Contractual Inflation	Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Service Reductions	New Bids	Proposed Budget 2019/20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adult Social Care and Health Directorate</b>	<b>36,637</b>	<b>275</b>	<b>1,441</b>	<b>658</b>	<b>(1,590)</b>	<b>0</b>	<b>(2,071)</b>	<b>0</b>	<b>250</b>	<b>35,600</b>
Commissioning and Improvement	844	23	14	0	0	0	0	0	250	1,131
Mental Health Support	2,360	7	259	7	(295)	0	(8)	0	0	2,330
Learning Disability Support	15,568	25	336	452	(555)	0	(9)	0	0	15,817
Group Homes & Properties	(239)	0	1	0	0	0	(40)	0	0	(278)
Adult Social Care Activities	1,555	97	90	0	(319)	0	(1,400)	0	0	23
Safeguarding Adults	428	10	12	0	0	0	(25)	0	0	425
Older People/Physical Disabilities Services	14,388	79	722	199	150	0	(18)	0	0	15,520
Directorate Other	1,556	18	4	0	(571)	0	0	0	0	1,007
Public Health Service	(308)	10	0	0	0	0	(553)	0	0	(851)
Preventative Services	485	6	3	0	0	0	(18)	0	0	476
<b>Environment &amp; Neighbourhood Services Directorate</b>	<b>23,460</b>	<b>573</b>	<b>1,279</b>	<b>1,003</b>	<b>(2,682)</b>	<b>(8)</b>	<b>(2,134)</b>	<b>(453)</b>	<b>150</b>	<b>21,188</b>
Transport & Street Care	15,600	178	844	192	(667)	0	(1,307)	(32)	0	14,808
Planning, Development & Regulatory Services	1,706	176	215	611	(946)	(8)	(311)	(380)	150	1,213
Housing and Neighbourhood Services	3,520	80	45	0	(747)	0	(476)	(41)	0	2,381
Economic and Cultural Development	1,963	124	129	150	(295)	0	(40)	0	0	2,031
Environment & Neighbourhood Services Overheads	671	15	46	50	(27)	0	0	0	0	755
<b>Resources Directorate</b>	<b>12,178</b>	<b>311</b>	<b>226</b>	<b>746</b>	<b>(473)</b>	<b>0</b>	<b>(147)</b>	<b>0</b>	<b>0</b>	<b>12,841</b>
Customer Services	8,289	141	160	414	(314)	0	(55)	0	0	8,635
Human Resources	1,636	42	21	0	(129)	0	0	0	0	1,570
Internal Audit	622	13	0	40	0	0	(2)	0	0	673
Procurement	180	5	0	137	0	0	0	0	0	322
Finance	(1,290)	38	10	130	(30)	0	0	0	0	(1,142)
Legal and Democratic	2,741	72	35	25	0	0	(90)	0	0	2,783
<b>Children's Services</b>	<b>41,566</b>	<b>821</b>	<b>236</b>	<b>4,533</b>	<b>(2,873)</b>	<b>(274)</b>	<b>0</b>	<b>(2,160)</b>	<b>0</b>	<b>41,849</b>
Brighter Futures for Children	40,974	674	236	4,533	(2,873)	(274)	0	(2,160)	0	41,110
Retained by Council	592	147	0	0	0	0	0	0	0	739
<b>Total Budget at Service Level</b>	<b>113,841</b>	<b>1,980</b>	<b>3,182</b>	<b>6,940</b>	<b>(7,618)</b>	<b>(282)</b>	<b>(4,352)</b>	<b>(2,613)</b>	<b>400</b>	<b>111,478</b>

\*Approved Budget 2018-2019 includes in year budget virements

Reading Borough Council Revenue Budget at Service Level 2020-2021

Appendix 2

	Approved Budget 2019/20	Payroll Inflation	Contractual Inflation	Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Service Reductions	New Bids	Proposed Budget 2020/21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adult Social Care and Health Directorate</b>	<b>35,600</b>	<b>284</b>	<b>1,445</b>	<b>874</b>	<b>(1,505)</b>	<b>0</b>	<b>1,079</b>	<b>0</b>	<b>0</b>	<b>37,777</b>
Commissioning and Improvement	1,131	23	11	0	0	0	0	0	0	1,165
Mental Health Support	2,330	8	337	0	0	0	0	0	0	2,675
Learning Disability Support	15,817	25	401	451	0	0	0	0	0	16,694
Group Homes & Properties	(278)	0	0	0	0	0	0	0	0	(278)
Adult Social Care Activities	23	100	84	0	(145)	0	1,293	0	0	1,355
Safeguarding Adults	425	11	10	0	0	0	0	0	0	446
Older People/Physical Disabilities Services	15,520	82	595	299	(1,200)	0	0	0	0	15,296
Directorate Other	1,007	19	4	124	(160)	0	0	0	0	994
Public Health Service	(851)	10	0	0	0	0	(214)	0	0	(1,055)
Preventative Services	476	6	3	0	0	0	0	0	0	485
<b>Environment &amp; Neighbourhood Services Directorate</b>	<b>21,188</b>	<b>543</b>	<b>1,245</b>	<b>146</b>	<b>(1,406)</b>	<b>(253)</b>	<b>(1,522)</b>	<b>0</b>	<b>0</b>	<b>19,941</b>
Transport & Street Care	14,808	167	857	19	(156)	0	(1,561)	0	0	14,134
Planning, Development & Regulatory Services	1,213	178	142	207	(1,035)	(253)	(50)	0	0	402
Housing and Neighbourhood Services	2,381	80	51	0	9	0	99	0	0	2,620
Economic and Cultural Development	2,031	102	145	(80)	(211)	0	(10)	0	0	1,977
Environment & Neighbourhood Services Overheads	755	16	50	0	(13)	0	0	0	0	808
<b>Resources Directorate</b>	<b>12,841</b>	<b>316</b>	<b>225</b>	<b>255</b>	<b>(504)</b>	<b>0</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>13,126</b>
Customer Services	8,635	142	170	152	(489)	0	(5)	0	0	8,605
Human Resources	1,570	43	10	0	(15)	0	0	0	0	1,608
Internal Audit	673	13	0	0	0	0	0	0	0	686
Procurement	322	5	0	0	0	0	0	0	0	327
Finance	(1,142)	39	10	90	0	0	0	0	0	(1,003)
Legal and Democratic	2,783	74	35	13	0	0	(2)	0	0	2,903
<b>Children's Services</b>	<b>41,849</b>	<b>852</b>	<b>385</b>	<b>2,412</b>	<b>(4,193)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,305</b>
Brighter Futures for Children	41,110	852	385	2,412	(4,128)	0	0	0	0	40,631
Retained by Council	739	0	0	0	(65)	0	0	0	0	674
<b>Total Budget at Service Level</b>	<b>111,478</b>	<b>1,995</b>	<b>3,300</b>	<b>3,687</b>	<b>(7,608)</b>	<b>(253)</b>	<b>(450)</b>	<b>0</b>	<b>0</b>	<b>112,149</b>

\* Additional Social Grant Funding from November 2018 Budget Announcement was agreed for 2019-2020 and grant has been removed for 2020-2021

	Rcommended Budget 2021/22 £'000	Payroll Inflation £'000	Contractual Inflation £'000	Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Service Reductions £'000	New Bids £'000	Proposed Budget 2021/22 £'000
<b>Adult Social Care and Health Directorate</b>	<b>37,777</b>	<b>293</b>	<b>1,357</b>	<b>970</b>	<b>(179)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,218</b>
Commissioning and Improvement	1,165	24	12	0	0	0	0	0	0	1,201
Mental Health Support	2,675	8	76	0	0	0	0	0	0	2,759
Learning Disability Support	16,694	26	507	702	0	0	0	0	0	17,929
Group Homes & Properties	(278)	0	0	0	0	0	0	0	0	(278)
Adult Social Care Activities	1,355	103	74	0	0	0	0	0	0	1,532
Safeguarding Adults	446	11	11	0	0	0	0	0	0	468
Older People/Physical Disabilities Services	15,296	86	670	268	0	0	0	0	0	16,320
Directorate Other	994	19	4	0	(179)	0	0	0	0	838
Public Health Service	(1,055)	10	0	0	0	0	0	0	0	(1,045)
Preventative Services	485	6	3	0	0	0	0	0	0	494
<b>Environment &amp; Neighbourhood Services Directorate</b>	<b>19,941</b>	<b>530</b>	<b>1,200</b>	<b>8</b>	<b>(510)</b>	<b>(290)</b>	<b>(1,412)</b>	<b>0</b>	<b>0</b>	<b>19,467</b>
Transport & Street Care	14,134	170	790	8	0	0	(1,218)	0	0	13,884
Planning, Development & Regulatory Services	402	181	191	0	0	(290)	(64)	0	0	420
Housing and Neighbourhood Services	2,620	82	7	0	(60)	0	(130)	0	0	2,519
Economic and Cultural Development	1,977	80	163	0	(450)	0	0	0	0	1,770
Environment & Neighbourhood Services Overheads	808	17	49	0	0	0	0	0	0	874
<b>Resources Directorate</b>	<b>13,126</b>	<b>323</b>	<b>60</b>	<b>100</b>	<b>(424)</b>	<b>0</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>13,183</b>
Customer Services	8,605	143	14	87	(424)	0	0	0	0	8,425
Human Resources	1,608	45	12	0	0	0	0	0	0	1,665
Internal Audit	686	13	0	0	0	0	0	0	0	699
Procurement	327	5	0	0	0	0	0	0	0	332
Finance	(1,003)	41	0	13	0	0	0	0	0	(949)
Legal and Democratic	2,903	76	34	0	0	0	(2)	0	0	3,011
<b>Children's Services</b>	<b>41,305</b>	<b>963</b>	<b>438</b>	<b>3,209</b>	<b>(4,142)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,773</b>
Brighter Futures for Children	40,631	963	438	3,209	(4,062)	0	0	0	0	41,179
Retained by Council	674	0	0	0	(80)	0	0	0	0	594
<b>Total Budget at Service Level</b>	<b>112,149</b>	<b>2,109</b>	<b>3,055</b>	<b>4,287</b>	<b>(5,255)</b>	<b>(290)</b>	<b>(1,414)</b>	<b>0</b>	<b>0</b>	<b>114,641</b>

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**SUMMARY OF GENERAL FUND BUDGET CHANGES 2019-2022**

**Appendix 3**

<b>Adult Social Care and Health Directorate</b>	<b>Payroll Inflation £'000</b>	<b>Contractual Inflation £'000</b>	<b>Pressures £'000</b>	<b>Efficiency Savings £'000</b>	<b>Invest to Save £'000</b>	<b>Income, Fees &amp; Charges £'000</b>	<b>Service Reductions £'000</b>	<b>New Bids £'000</b>	<b>Total £'000</b>
Commissioning and Improvement	70	37	0	0	0	0	0	250	357
Mental Health Support	23	672	7	(295)	0	(8)	0	0	399
Learning Disability Support	76	1,244	1,605	(555)	0	(9)	0	0	2,361
Group Homes & Properties	0	1	0	0	0	(40)	0	0	(39)
Adult Social Care Activities	300	248	0	(464)	0	(107)	0	0	(23)
Safeguarding Adults	32	33	0	0	0	(25)	0	0	40
Older People/Physical Disabilities Services	247	1,987	766	(1,050)	0	(18)	0	0	1,932
Directorate Other	56	12	124	(910)	0	0	0	0	(718)
Public Health Service	30	0	0	0	0	(767)	0	0	(737)
Preventative Services	18	9	0	0	0	(18)	0	0	9
<b>Total</b>	<b>852</b>	<b>4,243</b>	<b>2,502</b>	<b>(3,274)</b>	<b>0</b>	<b>(992)</b>	<b>0</b>	<b>250</b>	<b>3,581</b>

<b>Environment &amp; Neighbourhood Services Directorate</b>	<b>Payroll Inflation £'000</b>	<b>Contractual Inflation £'000</b>	<b>Pressures £'000</b>	<b>Efficiency Savings £'000</b>	<b>Invest to Save £'000</b>	<b>Income, Fees &amp; Charges £'000</b>	<b>Service Reductions £'000</b>	<b>New Bids £'000</b>	<b>Total £'000</b>
Transport & Street Care	515	2,491	219	(823)	0	(4,086)	(32)	0	(1,716)
Planning, Development & Regulatory Services	535	548	818	(1,981)	(551)	(425)	(380)	150	(1,286)
Housing and Neighbourhood Services GF	242	103	0	(798)	0	(507)	(41)	0	(1,001)
Economic and Cultural Development	306	437	70	(956)	0	(50)	0	0	(193)
Environment & Neighbourhood Services Overheads	48	145	50	(40)	0	0	0	0	203
<b>Total</b>	<b>1,646</b>	<b>3,724</b>	<b>1,157</b>	<b>(4,598)</b>	<b>(551)</b>	<b>(5,068)</b>	<b>(453)</b>	<b>150</b>	<b>(3,993)</b>

<b>Resources Directorate</b>	<b>Payroll Inflation £'000</b>	<b>Contractual Inflation £'000</b>	<b>Pressures £'000</b>	<b>Efficiency Savings £'000</b>	<b>Invest to Save £'000</b>	<b>Income, Fees &amp; Charges £'000</b>	<b>Service Reductions £'000</b>	<b>New Bids £'000</b>	<b>Total £'000</b>
Customer Services	426	344	653	(1,227)	0	(60)	0	0	136
Human Resources	130	43	0	(144)	0	0	0	0	29
Internal Audit	39	0	40	0	0	(2)	0	0	77
Procurement	15	0	137	0	0	0	0	0	152
Finance	118	20	233	(30)	0	0	0	0	341
Legal and Democratic	222	104	38	0	0	(94)	0	0	270
<b>Total</b>	<b>950</b>	<b>511</b>	<b>1,101</b>	<b>(1,401)</b>	<b>0</b>	<b>(156)</b>	<b>0</b>	<b>0</b>	<b>1,005</b>

<b>Children's Services</b>	<b>Payroll Inflation £'000</b>	<b>Contractual Inflation £'000</b>	<b>Pressures £'000</b>	<b>Efficiency Savings £'000</b>	<b>Invest to Save £'000</b>	<b>Income, Fees &amp; Charges £'000</b>	<b>Service Reductions £'000</b>	<b>New Bids £'000</b>	<b>Total £'000</b>
Brighter Futures for Children	2,489	1,059	10,154	(11,063)	(274)	0	(2,160)	0	205
Retained by Council	147	0	0	(145)	0	0	0	0	2
<b>Total</b>	<b>2,636</b>	<b>1,059</b>	<b>10,154</b>	<b>(11,208)</b>	<b>(274)</b>	<b>0</b>	<b>(2,160)</b>	<b>0</b>	<b>207</b>

<b>Overall Total</b>	<b>6,084</b>	<b>9,537</b>	<b>14,914</b>	<b>(20,481)</b>	<b>(825)</b>	<b>(6,216)</b>	<b>(2,613)</b>	<b>400</b>	<b>800</b>
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## Directorate of Adult Care & Health Services (DACHS)

NB. The highlighted figures reflect changes to the February 2018 Medium Term Financial Plan (MTFP). Figures not highlighted are as per the agreed February 2018 MTFP

Business Case	Service Area	Description	Risk Rating	Proposed Budget Changes			
				2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
1	<b><u>Commissioning and Improvement</u></b>						
2	Payroll Inflation	National Pay Award		23	23	24	70
3	Contractual Inflation	Increments - Commissioning and Improvement Team		14	11	12	37
4	New Bid	Contribution to the Voluntary Sector		250	-	-	250
5	<b><u>Mental Health Support</u></b>						
6	Payroll Inflation	National Pay Award		7	8	8	23
7	Contractual Inflation	Increments - Mental Health Teams		4	1	3	8
8		Utilities		1	-	-	1
9	AS4	Care Contract Costs		254	336	73	663
10	<b>Total Contractual Inflation</b>			259	337	76	672
11	AS5	Pressure		7	-	-	7
12	DACHS17A	Efficiency Savings	0%	(20)	-	-	(20)
13	DACHS3C	Commissioning Delivery Model	0%	(275)	-	-	(275)
14	<b>Total Efficiency Savings</b>			(295)	-	-	(295)
15		Income, Fees & Charges		(8)	-	-	(8)
16	<b><u>Learning Disability Support</u></b>						
17	Payroll Inflation	National Pay Award		25	25	26	76
18	Contractual Inflation	Increments - Learning Disability Teams		14	14	14	42
19		Utilities		3	-	-	3
20	AS4	Care Contract Costs		319	387	493	1,199
21	<b>Total Contractual Inflation</b>			336	401	507	1,244
22	AS1	Pressure		214	230	482	926
23	AS2	Demographic Growth - Transforming Care		208	221	156	585
24	AS5	Demographic Growth		30	-	64	94
25	<b>Total Pressure</b>			452	451	702	1,605
26	DACHS17A	Efficiency Savings	0%	(80)	-	-	(80)
27	DACHS3C	Commissioning Delivery Model	0%	(475)	-	-	(475)
28	<b>Total Efficiency Savings</b>			(555)	-	-	(555)
29		Income, Fees & Charges		(9)	-	-	(9)

For the 2018-2021 MTFs, business cases were only provided for savings. For the new MTFs for 2019-2022, all proposed changes, with the exception of staffing costs, with an aggregate value over £50k required a business case.

NB. The highlighted figures reflect changes to the February 2018 Medium Term Financial Plan (MTFP). Figures not highlighted are as per the agreed February 2018 MTFP

Business Case	Service Area	Description	Risk Rating	Proposed Budget Changes			
				2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
<b>30</b>	<b>Group Homes &amp; Properties</b>						
31		Contractual Inflation	Utilities	1	-	-	1
32	DACHS27A	Income, Fees & Charges	Rent Increase in Group Homes	(40)	-	-	(40)
<b>33</b>	<b>Adult Social Care Activities</b>						
34		Payroll Inflation	National Pay Award	97	100	103	300
35		Contractual Inflation	Increments - Adult Social Care Teams	74	54	64	192
36	AS4		Equipment/Assistive Technology	16	30	10	56
37		<b>Total Contractual Inflation</b>		90	84	74	248
38	AS3	Income, Fees & Charges	Changes in Better Care Fund Grant	(107)	-	-	(107)
39			Additional Funding - Nov 18 Budget Announcement	(1,293)	1,293	-	-
40		<b>Total Income, Fees &amp; Charges</b>		(1,400)	1,293	-	(107)
41	DACHS9C	Efficiency Savings	Business Support Restructure	(84)	-	-	(84)
42	DACHS10C		Mental Health and Locality Team Restructure	(235)	(145)	-	(380)
43		<b>Total Efficiency Savings</b>		(319)	(145)	-	(464)
<b>44</b>	<b>Safeguarding Adults</b>						
45		Payroll Inflation	National Pay Award	10	11	11	32
46		Contractual Inflation	Increments - Safeguarding	12	10	11	33
47	DACHS25A	Income, Fees & Charges	Deputies - Review the charging policy	(25)	-	-	(25)
<b>48</b>	<b>Older People/Physical Disabilities Services</b>						
49		Payroll Inflation	National Pay Award	79	82	86	247
50		Contractual Inflation	Increments - Older People/Physical Disabilities Services	85	86	85	256
51			Utilities	5	-	-	5
52	AS4		Care Cost Contracts	632	509	585	1,726
53		<b>Total Contractual Inflation</b>		722	595	670	1,987
54	AS5	Pressure	Demographic Growth	199	299	268	766
55	DACHS7C	Efficiency Savings	Direct Payments	(100)	(100)	-	(200)
56	DACHS24A		Charles Clore Court	(50)	-	-	(50)
57	DACHS1B (AS8)		Commissioning Delivery Model	300	(1,100)	-	(800)
58		<b>Total Efficiency Savings</b>		150	(1,200)	-	(1,050)
59		Income, Fees & Charges	Client Contribution Inflationary Increase	(18)	-	-	(18)

For the 2018-2021 MTFs, business cases were only provided for savings. For the new MTFs for 2019-2022, all proposed changes, with the exception of staffing costs, with an aggregate value over £50k required a business case.

DETAILED GENERAL FUND BUDGET CHANGES 2019-2022

NB. The highlighted figures reflect changes to the February 2018 Medium Term Financial Plan (MTFP). Figures not highlighted are as per the agreed February 2018 MTFP

<u>Business Case</u>	<u>Service Area</u>	<u>Description</u>	<u>Risk Rating</u>
60	<u>Directorate Other</u>		
61	Payroll Inflation	National Pay Award	
62	Pressure	Reverse 18/19 Savings - use of capital receipts for Transformation Team	
63	Contractual Inflation	Increments - Adults Management Team	
64	Efficiency Savings	Better use of Apprenticeship Levy	35%
65	AS6	Additional Contract Deductions	50%
66	AS9	Extension of Provider Services	50%
67	AS10	Extension of Assistive Technology Project	50%
68	AS11	Extension of Front Door Project	0%
69	AS12	Extension of Review & Right Sizing Project	0%
70	<b>Total Efficiency Savings</b>		
71	<u>Public Health Team Costs</u>		
72	Payroll Inflation	National Pay Award	
73	DACHS4B	Income, Fees & Charges	65%
74	<u>Preventative Services</u>		
75	Payroll Inflation	National Pay Award	
76	Contractual Inflation	Increments - Preventative Services	
77	DACHS2B	Income, Fees & Charges	0%
78	<b>Total</b>		

Proposed Budget Changes			
2019/20	2020/21	2021/22	Total
(£,000's)	(£,000's)	(£,000's)	(£,000's)
18	19	19	56
-	124	-	124
4	4	4	12
(21)	(10)	-	(31)
-	-	(179)	(179)
-	(100)	-	(100)
-	(50)	-	(50)
(50)	-	-	(50)
(500)	-	-	(500)
(571)	(160)	(179)	(910)
10	10	10	30
(553)	(214)	-	(767)
6	6	6	18
3	3	3	9
(18)	-	-	(18)
(1,037)	2,177	2,441	3,581

For the 2018-2021 MTFs, business cases were only provided for savings. For the new MTFs for 2019-2022, all proposed changes, with the exception of staffing costs, with an aggregate value over £50k required a business case.

**Directorate of Environment and Neighbourhoods services (DENs)**

NB. The highlighted figures reflect changes to the February 2018 Medium Term Financial Plan (MTFP). Figures not highlighted are as per the agreed February 2018 MTFP

	<u>Business Case</u>	<u>Service Area</u>	<u>Description</u>	<u>Risk Rating</u>	Proposed Budget Changes			
					2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
1		<b>Transport and Street Care</b>						
2		Payroll Inflation	National Pay Award		178	167	170	515
3		Contractual Inflation	Increments - Transport and Street Care		99	99	81	279
4			NSL Contract (Traffic Enforcement)		53	53	53	159
5			IT maintenance (Urban Traffic Control, Traffic Signal & CCTV)		2	2	2	6
6			Business Rates (Car Parks)		46	70	70	186
7			Greenwave Fares (Reading Buses)		24	24	24	72
8			General Waste Material & Disposal contract (Tipping Contract - 4%)		47	47	47	141
9	WD1		Fomento de Construcciones y Contratas (FCC) Waste Management Contract (RE3)		476	479	441	1,396
10			Fleet services		25	11	-	36
11			Street Lighting (Energy) - Scottish and Southern Electricity Contract		58	58	58	174
12			Street Cleaning Materials		12	12	12	36
13			Payments to Grundon		2	2	2	6
14		<b>Total Contractual Inflation</b>			<b>844</b>	<b>857</b>	<b>790</b>	<b>2,491</b>
15		Pressure	Demographic Growth - Additional Homes Waste Collection		180	-	-	180
16			Business Rates - Small Mead (Reading Only) & Long Shot Lane Premises (7%)		12	19	8	39
17		<b>Total Pressure</b>			<b>192</b>	<b>19</b>	<b>8</b>	<b>219</b>
18	T&S15	Efficiency Savings	Car park management process savings through IT improvements and staff reductions	0%	(100)	(50)	-	(150)
19			Strategic Transportation Savings	0%	(43)	(25)	-	(68)
20	T&S10		Increase in savings - Waste Operations	30%	(361)	(31)	-	(392)
21	DENS34B		Implement an invest to save for a new tree gang	0%	(13)	-	-	(13)
22	DENS35A		Transformation and rationalisation of the Neighbourhood Support Team	30%	(100)	-	-	(100)
23	DENS31C		Increase in trading through Reading Commercial Services	0%	(50)	(50)	-	(100)

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Business Case	Service Area	Description	Risk Rating	Proposed Budget Changes			
				2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
24	<b>Total Efficiency Savings</b>			<b>(667)</b>	<b>(156)</b>	-	<b>(823)</b>
25	T&S5	Income, Fees and Charges	Delayed Saving Target - Increased provision of Red Routes - moved to 20/21	50	(50)	-	-
26	DENS43AA	Increased provision of Red Routes thus increased enforcement		(75)	-	-	(75)
27	DENS11C	Introduce areas of pay and display in the town centre		(50)	-	-	(50)
28	DENS7C	Increase on-street pay and display charges		(19)	-	-	(19)
29	DENS13C	Introduce a 24/7 charge for all Town Centre Pay & Display		(25)	-	-	(25)
30	DENS34C	Extend residents parking permit areas		(100)	(200)	-	(300)
31	DENS4C	Review existing Parking Permit Charges		(256)	(53)	-	(309)
32	DENS30C	Review public car parking provision borough-wide		(200)	(200)	-	(400)
33	DENS10C	Revise existing access restriction (portman road bus gate)		(25)	-	-	(25)
34	DENS20B	Alternative funding for Real Time Passenger Information		(20)	-	-	(20)
35	T&S2 & 3	Workplace Parking Levy - Delay in implementation to 20/21 and fully implemented from 21/22		-	(800)	(1,000)	(1,800)
<del>36</del>	T&S4	Expansion of Pay & Display Proposal		(10)	(40)	-	(50)
<del>37</del>	T&S11	Off street car parking contract back in house		(200)	-	-	(200)
<del>38</del>	T&S12	Increase public parking charges		-	(200)	(200)	(400)
<del>39</del>	T&S6	Increased income from Greenwave Fares (Reading Buses)		(20)	-	-	(20)
40	T&S10	Increase in Saving - Trade Waste		(86)	-	-	(86)
41	T&S17	Additional Charge on Green Waste Collection		-	(18)	(18)	(36)
42	DENS49A DENS3C	Increase Green Waste collection charges		(180)	-	-	(180)
43	DENS2C	Increase Parks and Open Spaces revenue		(65)	-	-	(65)
44	DENS33B	Increase allotment rental charges and review plot sizes		(26)	-	-	(26)
45	<b>Total Income, Fees and Charges</b>			<b>(1,307)</b>	<b>(1,561)</b>	<b>(1,218)</b>	<b>(4,086)</b>
46	DENS32B	Service Reduction	Reduce frequency of public parks grass cutting	(32)	-	-	(32)
47	<b>Planning, Development and Regulatory Services</b>						
48	Payroll Inflation	National Pay Award		176	178	181	535
49	Contractual Inflation	Increments - Planning, Development and Regulatory Services		97	97	101	295
50	Contract Inflation - NNDR & Utilities on Corporate buildings			102	26	82	210
51	Contract Inflation - NNDR & Utilities on Business Parks			12	17	6	35
52	Control of Substances Hazardous to Health Regulations Software contract			4	2	2	8

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<u>Business Case</u>	<u>Service Area</u>	<u>Description</u>	<u>Risk Rating</u>
53	<b>Total Contractual Inflation</b>		
54	PDRS1	Pressure	Compliance works building rationalisation.
55	T&S13	Efficiency Savings	Review of Enforcement Contracts 50%
56	PDRS2		Remove one-off growth from 2018-19 0%
57	DENS33C		Extension of mandatory licensing of houses in multiple occupancy (HMO) 0%
58	DENS66C		Savings arising from the closure of Darwin Close, Hamilton Centre and more efficient use of Bennet Road 0%
59	DENS48C		Increase income from commercial property acquisitions 75%
60	DENS20A		Closure of a number of public conveniences following review. 0%
61	<b>Total Efficiency Savings</b>		
62	Invest to Save		Commercialisation of direct services 0%
63	DENS19A	Income, Fees and Charges	Increase Planning Fees and reduction of staff 0%
64	DENS50C		Town Centre Street Trading - New Pitches 0%
65	PDRS7		Additional administration charges via Community Infrastructure Levy 0%
66	PDRS10		Charge for pre-application for planning 0%
67	PDRS6&9		Licensing income 0%
68	DENS16A		Additional income raised from property holdings 0%
69	<b>Total Income, Fees and Charges</b>		
70	DENS04A	Service Reductions	Service changes in environmental protection 0%
71	DENS49C		Corporate Facilities Management reductions 0%
72	PDRS5		Review and Restructure of Cleaning Services 0%
73	<b>Total Service Reductions</b>		
74	New Bids		Consultancy Support for commercial property acquisitions

Proposed Budget Changes			
2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
215	142	191	548
611	207	-	818
(25)	(50)	-	(75)
(100)	-	-	(100)
(21)	(5)	-	(26)
-	(230)	-	(230)
(750)	(750)	-	(1,500)
(50)	-	-	(50)
(946)	(1,035)	-	(1,981)
(8)	(253)	(290)	(551)
(60)	-	-	(60)
(30)	-	-	(30)
(25)	-	-	(25)
(25)	(25)	(25)	(75)
(84)	(25)	(39)	(148)
(87)	-	-	(87)
(311)	(50)	(64)	(425)
(230)	-	-	(230)
(25)	-	-	(25)
(125)	-	-	(125)
(380)	-	-	(380)
150	-	-	150

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Business Case	Service Area	Description	Risk Rating	Proposed Budget Changes				
				2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)	
75	<b>Housing and Neighbourhood Services General Fund</b>							
76	Payroll Inflation	National Pay Award		80	80	82	242	
77	Contractual Inflation	Increments - Housing and Neighbourhood Services		28	28	7	63	
78		Book Stock & Business Rates within Libraries		17	23	-	40	
79	<b>Total Contractual Inflation</b>			<b>45</b>	<b>51</b>	<b>7</b>	<b>103</b>	
80	HNS9	Efficiency Savings	Housing Property Services - income generation	60%	(30)	(60)	(60)	(150)
81			Housing Building Maintenance Income	0%	(25)	(31)	-	(56)
82	DENS15A		Reconfiguring the services of the Homelessness Pathway contracts, the Floating Support contract and the Street Outreach contract.	0%	(61)	-	-	(61)
83	DENS39B/DE NS17C		Reduce expenditure on homelessness, Bed and Breakfast and temporary accommodation.	0%	(350)	(100)	-	(450)
84	DENS58C		Transfer of saving from Community Safety to Housing GF - Reduce contract value for housing related support to young people	0%	(35)	-	-	(35)
85	HNS8		Reducing use of nightly paid emergency accommodation (inc B&B)	0%	(200)	200	-	-
86	HNS12		Grant funding of Community Centres	0%	(46)	-	-	(46)
87	<b>Total Efficiency Savings</b>				<b>(747)</b>	<b>9</b>	<b>(60)</b>	<b>(798)</b>
88	DENS44B	Income, Fees and Charges	Increased rents from Council owned/managed temporary accommodation.	0%	(10)	-	-	(10)
89	HNS1		New income generating Visa Verification service	0%	(37)	-	-	(37)
90	HNS4		Flexible Homelessness Support Grant (229k One off for 2019-2020)	0%	(379)	229	-	(150)
91	PDRS3		Introduction of Discretionary HMO Licensing	50%	-	(130)	(130)	(260)
92	HNS3		Income from visa verification programme starting at Central library. This is connected to HNS1 above.	0%	(50)	-	-	(50)
93	<b>Total Income, Fees and Charges</b>				<b>(476)</b>	<b>99</b>	<b>(130)</b>	<b>(507)</b>
94	DENS41B	Service Reductions	Deletion of one Full Time Equivalent post in Housing Needs	0%	(41)	-	-	(41)

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Business Case	Service Area	Description	Risk Rating	Proposed Budget Changes			
				2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
95	<b>Economic and Cultural Development</b>						
96	Payroll Inflation	National Pay Award		124	102	80	306
97	Contractual Inflation	Increments - Economic and Cultural Development		68	68	68	204
98		NNDR & Utilities on Leisure & Sport buildings		7	13	49	69
99		NNDR & Utilities on Leisure, Culture & Sport buildings		17	19	11	47
100		NNDR & Utilities on Museum and Town Hall		37	45	35	117
101	<b>Total Contractual Inflation</b>			<b>129</b>	<b>145</b>	<b>163</b>	<b>437</b>
102	ECD1	Pressure	Reduced income in Play Service for one year	80	(80)	-	-
103			Unachievable Income on Parks	45	-	-	45
104	ECD2		Electricity Charges for Hexagon (increased since Civic demolition)	25	-	-	25
105	<b>Total Pressure</b>			<b>150</b>	<b>(80)</b>	<b>-</b>	<b>70</b>
106	ECD4/5	Efficiency Savings	Alternative Delivery Model for Cultural Services	(145)	(101)	(450)	(696)
107	ECD6		Achieving additional income from Schools SLA Fees & Charges.	(150)	(110)	-	(260)
108	<b>Total Efficiency Savings</b>			<b>(295)</b>	<b>(211)</b>	<b>(450)</b>	<b>(956)</b>
109	ECD5	Income, Fees & Charges	Theatres Fees and Charges Increases	(40)	(10)	-	(50)
110	<b>DENS Overhead</b>						
111	Payroll Inflation	National Pay Award		15	16	17	48
112	Contractual Inflation	Increments - DENs Management		34	34	34	102
113		NNDR & Utilities on Records Office		12	16	15	43
114	<b>Total Contractual Inflation</b>			<b>46</b>	<b>50</b>	<b>49</b>	<b>145</b>
115	Pressure	Coroners		50	-	-	50
116	Efficiency Savings	Reductions on Training budget.	35%	(27)	(13)	-	(40)
117	<b>Total</b>			<b>(2,272)</b>	<b>(1,247)</b>	<b>(474)</b>	<b>(3,993)</b>

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**Directorate of Resources**

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Business Case	Service Area	Description	Risk Rating	Proposed Budget Changes			
				2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
1	<b>Customer Services</b>						
2	Payroll Inflation	National Pay Award		141	142	143	426
3	Contractual Inflation	Increments - Customer Services		50	55	4	109
4		Stopford Contract & NNDR within Records and Registrars		8	9	10	27
5		Northgate & Other IT Contracts		98	100	-	198
6		Financial and Data Systems (Revenue and Benefits)		4	6	-	10
7	<b>Total Contractual Inflation</b>			<b>160</b>	<b>170</b>	<b>14</b>	<b>344</b>
8	BRR1	Pressure	Removal of the Nationality Checking income budget	31	-	-	31
9	CS1		Delivery Fund Staff	-	78	87	165
10	IT1		Reprofiling of IT Programme	91	74	-	165
11			Unachieved IT saving removed within Revenue and Benefits	30	-	-	30
12			Growth due to Communications team restructure	12	-	-	12
13			Digitisation - Saving not realisable	250	-	-	250
14	<b>Total Pressure</b>			<b>414</b>	<b>152</b>	<b>87</b>	<b>653</b>
15	CCS-17C	Efficiency Savings	Efficiencies from mid-point contract review	(17)	(93)	-	(110)
16	CSS-1C		Reduction of cheque payments	(50)	(50)	-	(100)
17	IT2		Reprocurement of Northgate Contract	-	-	(250)	(250)
18			Adjustments on IT Supplies and Services	13	(20)	-	(7)
19	RB1		Revenues and Benefits alternative delivery model	(260)	(302)	(150)	(712)
20			Corporate Customer Services savings	-	(24)	(24)	(48)
21	<b>Total Efficiency Savings</b>			<b>(314)</b>	<b>(489)</b>	<b>(424)</b>	<b>(1,227)</b>
22	Income, Fees & Charges		Refugee Funding	(35)	-	-	(35)
23			Income from event sponsorship and selling advertising	(20)	(5)	-	(25)
24	<b>Total Income, Fees and Charges</b>			<b>(55)</b>	<b>(5)</b>	<b>-</b>	<b>(60)</b>

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Business Case	Service Area	Description	Risk Rating	Proposed Budget Changes			
				2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
25	<b>Human Resources and Organisational Development</b>						-
26		Payroll Inflation	National Pay Award	42	43	45	130
27		Contractual Inflation	Increments - Human Resources Team	10	10	12	32
28			Catering Contract - Kennet Day Nursery	11	-	-	11
29		<b>Total Contractual Inflation</b>		21	10	12	43
30		Efficiency Savings	Apprentice Levy savings	(29)	(15)	-	(44)
31	HR2		Agency Contract	(100)	-	-	(100)
32		<b>Total Efficiency Savings</b>		(129)	(15)	-	(144)
33	<b>Internal Audit</b>						-
34		Payroll Inflation	National Pay Award	13	13	13	39
35	AUD1	Pressure	Removal of the income budget to unrealisable project	40	-	-	40
36		Income, Fees & Charges	Inflationary increase on fees and charges	(2)	-	-	(2)
37	<b>Procurement</b>						-
38		Payroll Inflation	National Pay Award	5	5	5	15
39	PRO1	Pressure	New Contract Manager post for Children's Company	72	-	-	72
40	PRO2		Additional establishment changes in procurement services	65	-	-	65
41		<b>Total Pressure</b>		137	-	-	137
42	<b>Finance</b>						-
43		Payroll Inflation	National Pay Award	38	39	41	118
44		Contractual Inflation	Increments - Accountancy Team	10	10	-	20
45		Pressure	Inclusion of 2 posts in analysis team posts funded by Delivery fund	-	-	13	13
46			Finance re-organisation	-	90	-	90
47			Pressure on the Support Services recharge	130	-	-	130
48		<b>Total Pressure</b>		130	90	13	233
49		Efficiency Savings	Supplies and services	(30)	-	-	(30)

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<u>Business Case</u>	<u>Service Area</u>	<u>Description</u>	<u>Risk Rating</u>
50	<b>Legal and Democratic</b>		
51	Payroll Inflation	National Pay Award	
52	Contractual Inflation	Increments - Legal and Democratic Services	
53	<b>Total Contractual Inflation</b>		
54	Pressure	Child Care Solicitors - Pay Adjustment	
55		Review of Ward boundaries (one off project)	
56	<b>Total Pressure</b>		
57	L&D2	Income, Fees and Charges	0%
		Income generation from charging for services, assuming new delivery model for legal services implemented	
58	<b>Total</b>		

Proposed Budget Changes			
2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	Total (£,000's)
			-
72	74	76	222
35	35	34	104
35	35	34	104
-	38	-	38
25	(25)	-	-
25	13	-	38
(90)	(2)	(2)	(94)
663	285	57	1,005

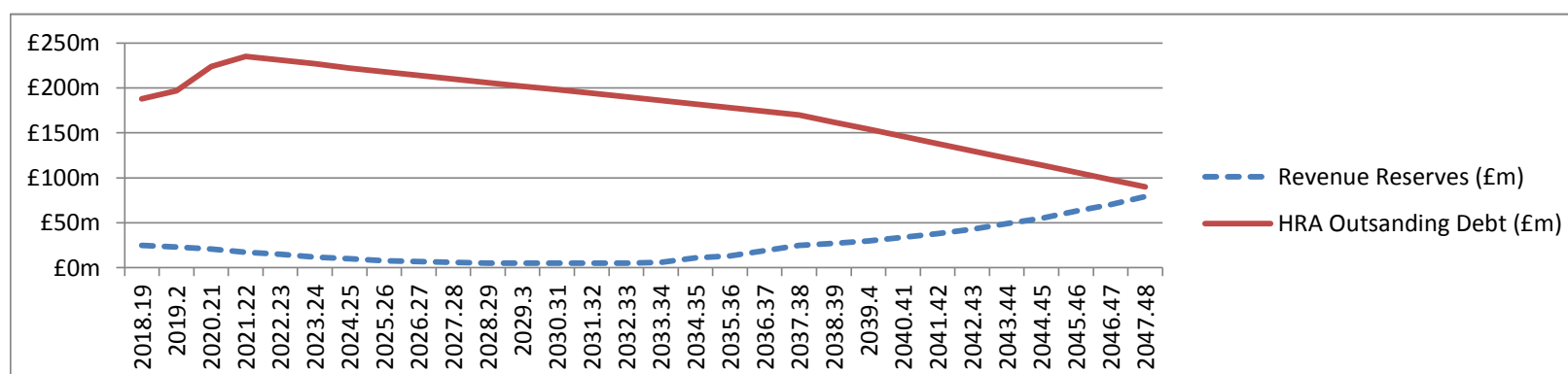
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# Housing Revenue Account (HRA)

Appendix 4

Expenditure	Note	Recommended	Proposed	Proposed
		Budget 2019/20 £000s	Budget 2020/21 £000s	Budget 2021/22 £000s
Housing Management	1	7,938	8,031	8,232
Services	2	2,806	2,876	2,948
Revenue repairs costs	3	5,009	5,407	5,669
PFI Costs	4	7,066	7,193	7,324
Bad Debt Provision	5	1,317	959	1,006
Major Repairs	6	8,105	8,402	8,723
Debt Costs	7	10,269	11,169	12,667
Other Expenditure		168	172	177
		<b>42,678</b>	<b>44,210</b>	<b>46,745</b>
<b>Income</b>				
Dwelling Rents (net)	8	34,642	36,265	38,018
Service Charges	9	1,113	1,154	1,198
PFI Credit		3,997	3,997	3,997
Other Income		176	181	185
Interest on Balances		120	109	95
		<b>40,049</b>	<b>41,706</b>	<b>43,493</b>
<b>Total (Surplus) / Deficit</b>		<b>2,629</b>	<b>2,504</b>	<b>3,252</b>
<b>Balance Brought Forward</b>		<b>25,213</b>	<b>22,584</b>	<b>20,081</b>
<b>Total (Surplus) / Deficit</b>		<b>2,629</b>	<b>2,504</b>	<b>3,252</b>
<b>Balance Carried Forward</b>		<b>22,584</b>	<b>20,081</b>	<b>16,828</b>

1	Housing Management increases relate to inflation on staff and operational costs - assumed to be in line with CPI (2.5%)
2	Increases in Services relate to inflation on staff and operational costs - assumed to be in line with CPI (2.5%)
3	The reduction in 2019/20 reflects a reduction in minor voids and the removal of the Tenant Improvement Fund. Ongoing increases are the result of inflation and an increase in dwelling numbers and inflation.
4	PFI Costs are index linked; smoothing reserve covers any increases above 2.5% p.a.
5	Rent arrears suggest that this additional sum was unnecessary, so has been reduced back in future years.
6	Major repairs appear to reduce in 2019/20, however this is due to the amount of major works over and above the minimum MRA sum, is assumed to be funded from borrowing, and not revenue from 2019/20 onwards.
7	Debt cost increases to reflect the proposed investment in new dwellings in the HRA. The initial reduction between 2018/19 and 2019/20 is due to the 2018/19 budget being based on a higher level of borrowing that was actually required, due to slippage in the capital programme.
8	The Dwelling rent decrease in 2019/20 is due to the additional number of dwellings income being offset by the 1% rent reduction policy. Future year increases in rents are inline with Govt's CPI +1% rent policy and reflects the increase in the number of dwellings.
9	The Increase in service charges reflects an increase in dwellings and an assumed CPI inflationary increase.



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## Appendix 5a - General Fund Capital Budget

Project Name	18/19 Proposed Budget			19/20 Proposed Budget			20/21 Proposed Budget			21/22 Proposed Budget		
	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Delivery Fund	5,911	-	5,911	4,254	-	4,254	2,112	-	2,112	-	-	-
<b>CORPORATE TOTAL</b>	<b>5,911</b>	<b>-</b>	<b>5,911</b>	<b>4,254</b>	<b>-</b>	<b>4,254</b>	<b>2,112</b>	<b>-</b>	<b>2,112</b>	<b>-</b>	<b>-</b>	<b>-</b>
Alternative premise for Learning Disability Respite Service & Learning Hub	-	-	-	150	-	150	-	-	-	-	-	-
Alternative premise for Mental Health Supported Living Service & Wellness Hub	-	-	-	375	-	375	50	-	50	-	-	-
Care and Support Dynamic Purchase Framework	-	-	-	138	(93)	45	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector-Ringfenced Grant)	1,123	(1,123)	-	978	(978)	-	978	(978)	-	978	(978)	-
<b>DIRECTORATE OF ADULTS CARE AND HEALTH</b>	<b>1,123</b>	<b>(1,123)</b>	<b>-</b>	<b>1,641</b>	<b>(1,071)</b>	<b>570</b>	<b>1,028</b>	<b>(978)</b>	<b>50</b>	<b>978</b>	<b>(978)</b>	<b>-</b>
Additional Secondary School Places / Bulge Classes	-	-	-	-	-	-	-	-	-	526	(526)	-
Blessed Hugh Faringdon - Asperger Unit 30 place expansion (SEN)	1,841	(1,841)	-	38	(38)	-	-	-	-	-	-	-
Civitas- Synthetic Sports Pitch	-	-	-	329	(329)	-	-	-	-	-	-	-
Cranbury College at JMA	-	-	-	894	(294)	600	-	-	-	-	-	-
Crescent Road Playing Field Improvements	104	(104)	-	218	(218)	-	-	-	-	-	-	-
Critical Reactive Contingency	461	(461)	-	506	(506)	-	507	(507)	-	526	(526)	-
Devolved School Formula Capital	212	(212)	-	-	-	-	-	-	-	-	-	-
Foster Carer Extensions	217	-	217	100	-	100	100	-	100	100	-	100
Green Park Primary School	520	(520)	-	2,470	(2,470)	-	-	-	-	-	-	-
Heating and Electrical Programme - Manor Pry Power	-	-	-	157	(157)	-	-	-	-	-	-	-
Heating and Electrical Renewal Programme	324	(324)	-	545	(545)	-	507	(507)	-	526	(526)	-
Initial Viability work for the Free School at Richfield Avenue	90	(90)	-	170	(170)	-	-	-	-	-	-	-
Katesgrove Primary Trooper Potts Building	-	-	-	2,632	(2,632)	-	4,359	(4,359)	-	736	(736)	-
Meadway Early Years Building Renovation	-	-	-	243	(243)	-	10	(10)	-	-	-	-
New ESFA funded schools - St Michaels	58	(58)	-	2,632	(2,632)	-	101	(101)	-	-	-	-
Phoenix redevelopment Priority Schools Building Programme 2	78	(78)	-	4,074	(4,074)	-	3,548	(1,748)	1,800	421	(421)	-
Primary Schools Expansion Programme - 2013-2017	650	(650)	-	514	(514)	-	-	-	-	-	-	-
Ranikhet New School	-	-	-	-	-	-	6,083	(6,083)	-	1,052	(1,052)	-
Schools - Fire Risk Assessed remedial Works	50	(50)	-	202	(202)	-	203	(203)	-	210	(210)	-
Thameside SEN Expansion	-	-	-	66	(66)	-	-	-	-	-	-	-
The Avenue SEN Expansion Scheme	59	(59)	-	202	(202)	-	-	-	-	-	-	-
The Heights Permanent Site Mitigation	98	(4)	94	1,723	(1,506)	217	183	(87)	96	263	(263)	-
The Heights Temporary School	1,317	(1,317)	-	136	(136)	-	-	-	-	-	-	-
<b>DIRECTORATE OF CHILDRENS, EDUCATION AND EARLY HELP</b>	<b>6,079</b>	<b>(5,768)</b>	<b>311</b>	<b>17,851</b>	<b>(16,934)</b>	<b>917</b>	<b>15,601</b>	<b>(13,605)</b>	<b>1,996</b>	<b>4,360</b>	<b>(4,260)</b>	<b>100</b>
Abbey Quarter	660	(660)	-	405	(405)	-	120	(120)	-	-	-	-
Accommodation Review - Henley Road Cemetery	605	-	605	-	-	-	-	-	-	-	-	-
Accommodation Review - Phase 2A & B	650	(350)	300	-	-	-	-	-	-	-	-	-
Accommodation Review - Phase 2C (19 Bennet Road)	751	-	751	3,709	-	3,709	1,668	-	1,668	98	-	98
Accommodation Review - Town Hall	1,318	-	1,318	100	-	100	-	-	-	-	-	-
Air Quality Monitoring	3	(3)	-	97	(97)	-	-	-	-	-	-	-
Bridges and Carriageways	2,736	(2,326)	410	1,732	(1,322)	410	1,669	(1,259)	410	410	-	410
Car Parking - P&D, Red Routes, Equipment	100	(100)	-	100	(100)	-	100	(100)	-	-	-	-
Car Parks Development and Improvement	226	(226)	-	226	(226)	-	226	(226)	-	-	-	-
Cattle Market Car Park	-	-	-	523	(523)	-	-	-	-	-	-	-
CCTV	30	(30)	-	20	(20)	-	-	-	-	-	-	-
Cemeteries and Crematorium	67	-	67	30	-	30	-	-	-	-	-	-
Central Pool Regeneration	1,400	(1,400)	-	75	-	75	-	-	-	-	-	-
Chestnut Walk Improvements	-	-	-	25	(25)	-	129	(38)	91	6	-	6
CIL Local Funds - Community	-	-	-	25	(25)	-	27	(27)	-	-	-	-

Project Name	18/19 Proposed Budget			19/20 Proposed Budget			20/21 Proposed Budget			21/22 Proposed Budget		
	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
CIL Local Funds - Heritage and Culture	-	-	-	70	(70)	-	70	(70)	-	-	-	-
CIL Local Funds - Leisure and Play	-	-	-	301	(301)	-	302	(302)	-	-	-	-
CIL Local Funds - Transport	-	-	-	217	(217)	-	218	(218)	-	-	-	-
Community Hubs	688	(200)	488	554	(274)	280	-	-	-	-	-	-
Community Resilience	50	-	50	50	-	50	50	-	50	50	-	50
Culture & Leisure facilities	100	-	100	100	-	100	100	-	100	100	-	100
Defra Air Quality Grant - Go Electric Reading	19	(19)	-	5	(5)	-	50	(50)	-	-	-	-
Demountable Pool	60	-	60	-	-	-	-	-	-	-	-	-
Development of facilities at Prospect Park/Play	25	-	25	426	(200)	226	24	-	24	-	-	-
Eastern Area Access Works	-	-	-	340	(340)	-	-	-	-	-	-	-
Green Park Station	2,000	(2,000)	-	14,050	(14,050)	-	1,000	(1,000)	-	-	-	-
Grounds Maintenance Workshop Equipment	-	-	-	50	-	50	-	-	-	-	-	-
Homes for Reading - Loan Finance	11,000	-	11,000	19,250	-	19,250	19,250	-	19,250	-	-	-
Homes for Reading - Share Capital	9,000	-	9,000	15,750	-	15,750	15,750	-	15,750	-	-	-
Invest in council buildings/Health & safety works	2,500	-	2,500	2,000	-	2,000	1,500	-	1,500	1,500	-	1,500
Invest to save energy savings - Street lighting	-	-	-	54	-	54	100	-	100	100	-	100
Invest to Save Salix (match funding for Energy Efficiency Schemes)	260	-	260	348	-	348	250	-	250	-	-	-
Leisure Procurement	96	-	96	500	-	500	15,000	(750)	14,250	15,000	(750)	14,250
Local Traffic Management and Road Safety Schemes	200	(200)	-	200	(200)	-	197	(197)	-	-	-	-
Local Transport Plan Development	288	(288)	-	558	(558)	-	288	(288)	-	-	-	-
National Cycle Network Route 422	430	(430)	-	364	(364)	-	-	-	-	-	-	-
Oxford Rd Community Centre	166	(16)	150	-	-	-	-	-	-	-	-	-
Oxford Road Corridor Works	-	-	-	326	(326)	-	-	-	-	-	-	-
Playground equipment and Refreshment: Boroughwide	-	-	-	270	(44)	226	725	-	725	640	-	640
Private Sector Renewals	300	-	300	300	-	300	300	-	300	300	-	300
Pumping Station Upgrade Scheme (new)	-	-	-	250	-	250	-	-	-	-	-	-
re3 Receipt of Food Waste	50	(32)	18	50	(32)	18	-	-	-	-	-	-
Reading Football Club Social Inclusion Unit to SRLC	65	(42)	23	911	(934)	(23)	522	(522)	-	38	(38)	-
Reading West Station	-	-	-	200	(200)	-	-	-	-	-	-	-
Replacement Vehicles	2,170	-	2,170	350	-	350	460	-	460	2,800	-	2,800
S106 individual schemes list	-	-	-	334	(334)	-	-	-	-	-	-	-
Small Leisure Schemes	400	(400)	-	500	(200)	300	500	(150)	350	500	(100)	400
Smart City Cluster project and C-ITS	750	(750)	-	1,230	(1,230)	-	-	-	-	-	-	-
South Reading MRT (Phases 1 & 2)	650	(650)	-	353	(353)	-	-	-	-	-	-	-
South Reading MRT (Phases 3 & 4)	2,250	(2,250)	-	7,898	(7,898)	-	2,536	(2,536)	-	-	-	-
St George's Church Affordable Housing scheme	302	(302)	-	-	-	-	-	-	-	-	-	-
The Keep	-	-	-	94	-	94	-	-	-	-	-	-
Traffic Management Schools	-	-	-	295	(295)	-	-	-	-	-	-	-
Tree Planting	25	-	25	25	-	25	25	-	25	25	-	25
Waste Operations - In Cab Waste Management System	70	-	70	-	-	-	-	-	-	-	-	-
West Reading Transport Study - Southcote/Coley Improvements	400	-	400	-	-	-	-	-	-	-	-	-
Western Area Access Works	-	-	-	128	(128)	-	-	-	-	-	-	-
Whitley Wood Community Art	35	(35)	-	-	-	-	-	-	-	-	-	-
Reading Town Centre Feasibility Study	-	-	-	86	(86)	-	-	-	-	-	-	-
<b>DIRECTORATE OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES</b>	<b>42,895</b>	<b>(12,709)</b>	<b>30,186</b>	<b>75,854</b>	<b>(31,382)</b>	<b>44,472</b>	<b>63,156</b>	<b>(7,853)</b>	<b>55,303</b>	<b>21,567</b>	<b>(888)</b>	<b>20,679</b>

Project Name	18/19 Proposed Budget			19/20 Proposed Budget			20/21 Proposed Budget			21/22 Proposed Budget		
	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Digital Solutions	572	-	572	1,291	-	1,291	460	-	460	410	-	410
Digital Transformation and Innovation	150	-	150	300	-	300	300	-	300	300	-	300
Future ICT & Digital Operating Model	-	-	-	490	-	490	1,580	-	1,580	250	-	250
ICT Technical Infrastructure	472	-	472	2,018	-	2,018	267	-	267	20	-	20
Lease to RTL (Bus Purchase)	600	-	600	-	-	-	-	-	-	-	-	-
Oracle Capital Works - financed through reduced rental	480	-	480	206	-	206	100	-	100	100	-	100
Purchase of Commercial Property	100,000	-	100,000	50,000	-	50,000	50,000	-	50,000	50,000	-	50,000
<b>DIRECTOR OF RESOURCES</b>	<b>102,274</b>	<b>-</b>	<b>102,274</b>	<b>54,305</b>	<b>-</b>	<b>54,305</b>	<b>52,707</b>	<b>-</b>	<b>52,707</b>	<b>51,080</b>	<b>-</b>	<b>51,080</b>
<b>Grand Total</b>	<b>158,282</b>	<b>(19,600)</b>	<b>138,682</b>	<b>153,905</b>	<b>(49,387)</b>	<b>104,518</b>	<b>134,604</b>	<b>(22,436)</b>	<b>112,168</b>	<b>77,985</b>	<b>(6,126)</b>	<b>71,859</b>

Net Cost of Schemes	138,682	104,518	112,168	71,859
Funded by: Community Infrastructure Levy	(4,296)	(3,000)	(2,500)	(3,300)
Capital Receipts	(10,556)	(10,750)	(5,673)	(2,442)
Prudential Borrowing	(123,830)	(90,768)	(103,995)	(66,117)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>of which borrowed to fund invest-to-save schemes:</i>	<i>(120,696)</i>	<i>(85,500)</i>	<i>(99,250)</i>	<i>(64,250)</i>
<i>borrowed to fund other capital expenditure:</i>	<i>(3,134)</i>	<i>(5,268)</i>	<i>(4,745)</i>	<i>(1,867)</i>

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## Appendix 5b - Housing Revenue Account Capital Budget

Project Name	18/19 Proposed Budget			19/20 Proposed Budget			20/21 Proposed Budget			21/22 Proposed Budget		
	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Major Repairs	7,099		7,099	8,687		8,687	6,692		6,692	7,817		7,817
Hexham Road	1,200		1,200	1,400		1,400	950		950	-		-
Disabled Facilities Grants	585		585	600		600	600		600	500		500
Fire Safety Works	1,485		1,485	1,991		1,991	706		706	1,250		1,250
New Build & Acquisitions - Phase 1	6,705		6,705	970		970	164		164			-
New Build & Acquisitions - Phase 2	1,360		1,360	8,524		8,524	3,606		3,606			-
New Build & Acquisitions - Phase 3	50		50	1,200		1,200	32,666	(8,840)	23,826	14,000	(2,900)	11,100
New Build & Acquisitions - (Ex General Fund)	633	(443)	190	210	(177)	33	3,900	(3,900)	-	1,000	(1,000)	-
<b>DIRECTORATE OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES</b>	<b>19,117</b>	<b>(443)</b>	<b>18,674</b>	<b>23,582</b>	<b>(177)</b>	<b>23,405</b>	<b>49,284</b>	<b>(12,740)</b>	<b>36,544</b>	<b>24,567</b>	<b>(3,900)</b>	<b>20,667</b>
<b>Grand Total</b>	<b>19,117</b>	<b>(443)</b>	<b>18,674</b>	<b>23,582</b>	<b>(177)</b>	<b>23,405</b>	<b>49,284</b>	<b>(12,740)</b>	<b>36,544</b>	<b>24,567</b>	<b>(3,900)</b>	<b>20,667</b>
Net Cost of Schemes			18,674			23,405			36,544			20,667
Funded by: Community Infrastructure Levy												
Capital Receipts			(2,508)			(2,881)			(1,131)			
Revenue Funding (Major Repairs Reserve)			(10,369)			(12,678)			(8,948)			(9,567)
Prudential Borrowing			(5,797)			(7,846)			(26,465)			(11,100)
			-			-			-			-

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## **Appendix 6      Flexible Capital Receipts Strategy**

### **1. Purpose**

- 1.1. This paper sets out and updates the Council's Strategy for the use of flexible capital receipts (the "Strategy") to deliver savings and transformation through the Delivery Fund created for this purpose. The Strategy:
  - 1.1.1. Describes how the Delivery Fund is being spent in line with Government Guidance for the use of flexible capital receipts
  - 1.1.2. Sets out a revised profile for the Delivery Fund taking account of additional funds allocated in 2018/19, the creation of Brighter Futures for Children and extension of the scheme into 2021/22 aligned with the revised MTFS.

### **2. Background**

- 2.1. The Council's Medium Term Financial Strategy (MTFS) agreed in February 2018 set challenging savings targets for the three years (2018/19 to 2020/21) amounting to £40.6m.
- 2.2. The scale and front end loading of these cost reductions, as identified in the report to Council, required significant investment up front in order to facilitate their implementation and generate the required savings and service improvement.
- 2.3. The MTFS set out the Council's intention to continue to use freedoms for the flexible use of capital receipts to create a Delivery Fund to provide the investment in change needed to achieve the savings.
- 2.4. A report to Council on 26 June 2018 set out in detail how the Delivery Fund would be invested to deliver the agreed savings and transformation.

### **3. Use of Capital Receipts**

- 3.1. Ordinarily much of the cost of delivering these savings and service improvements would not be eligible to be capitalised. However, to assist local authorities in investing in long term efficiency and improvement initiatives, the Minister for Housing Communities & Local Government issued Guidance in March 2016 (subsequently updated in February 2018) gave local authorities the freedom to use qualifying capital receipts from the sale of their own assets to help fund the revenue costs of transformation projects and savings delivery. Specifically the Guidance requires that expenditure:

- is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners;
- is properly incurred for the financial years that begin on 1 April 2016, 1 April 2017, 1 April 2018, 1 April 2019, 1 April 2020 and 1 April 2021; and
- that expenditure treated as capital expenditure in accordance with it only be met from capital receipts.

3.2. Although set-up and implementation costs of any new processes or arrangements can be classified as qualifying expenditure, the ongoing revenue costs of the new processes or arrangements are excluded. Failure to comply with the conditions of the Direction could result in such expenditure having to be charged back to the revenue budget.

3.3. An important feature of this flexibility requires the Council to demonstrate the highest standards of accountability and transparency, and each individual project that will be funded or part-funded through capital receipts flexibility must be disclosed and approved by full Council.

#### 4. Use of Delivery Fund

4.1. During 2017/18 a number of requests for use of capital receipts to support transformation and savings delivery (the Delivery Fund) were agreed. These included:

4.1.1. Core capacity to set up and deliver the Council's programme of change and transformation; and

4.1.2. Resources to deliver specific savings.

4.2. The Full Council Meeting of 26 June 2018 agreed use of a total of £13.6m of capital receipts and the individual projects that would be supported (including projects supported in 2017/18).

4.3. The report also noted the Gateway Review process in place to ensure that all expenditure against the Delivery Fund is validated and approved.

4.4. Regular monitoring and administration of the Gateway Review process takes place through the Council's Corporate Programme governance arrangements. Where there is a variation to the proposed use of Delivery Fund or additional requests consistent with the Strategy have arisen these are managed through the Corporate Programme Board and included in Table C below.

4.5. It should be noted that the Schedule includes some unallocated and provisional sums.



## 5. Spend to date and changes since June 2018

5.1. Expenditure to date is £3.2m (total for each year below):

5.1.1. 2017/18: £1.3m

5.1.2. 2018/19: £1.9m

5.2. The June 2018 Full Council Report noted that there may be some in year changes required to projects funded by the Delivery Fund. Details of changes to Delivery Fund use are summarised in Table A below, with further explanation in the text beneath (details are also included in Table C). In total, the requests total a further £2.6m.

**Table A: Changes to Delivery Fund since June 2018**

Name of project	Total agreed (June 2018 Report) £000	Total proposed (February 2019 Report) £000	Additional Proposed £000
Children's Transformation Workstream (see 5.2.1)	3,235 (2017-21)	3,832 (2017-20)	597
Transport and Parking (see 5.2.2)	n/a	1,368	1,368
Public Conveniences (see 5.2.2)	n/a	50	50
Assets Workstream (see 5.2.3)	n/a	169	169
Improvements to Electronic Social Care Record and Reporting (MOSAIC) (see 5.2.4)	115	156	41
I-Trent - improvements (see 5.2.4)	200	268	68
Commissioning Capacity at Senior Level - DACHS (see 5.2.4)	240	307	67
Revenue and Benefits legal and project management capacity (see 5.2.4)	145	366	221
<b>TOTAL</b>	<b>3,935</b>	<b>6,516</b>	<b>2,581</b>

**5.2.1. Children's Transformation Workstream:** A total of £3.2m was originally allocated for Children's Transformation (2017-21). Following the establishment of Brighter Futures for Children (BFFC) as the Council's provider of Children's and Education services in December 2018 a review of the savings and transformation plans has resulted in an update to the proposed use of the Delivery Fund agreed in June 2018. This amount has now been increased to £3.8m and now comprises spend against four projects agreed in June 2018 totalling £366k, revised plans for the remaining £1.37m allocated for 2018/19 and £2.1m in 2019/20. Projects for 2018-20 are contained in Table C.

**5.2.2. Transport and Parking Workstream/Public Conveniences:** A total of five requests to provide support from the Delivery Fund to Transport and Parking projects totalling £498k (supporting £600k of ongoing savings) and a request for £50k (resulting in £80k recurring savings) related to closure of public conveniences that were not included in the report to the June Council meeting were received. In addition, £870k was requested to develop and implement a new borough-wide car parking strategy and associated action plan.

**5.2.3. Assets Workstream:** A Strategic Project Manager was requested to manage the delivery of the former Civic Site and other key sites achieving capital receipts (£169k).

**5.2.4. Additional spend against existing projects:** A further £397k has been allocated to four existing Delivery Fund projects to extend their scope and associated impact. Details can be found in Table A above and Table C below.

## 6. Future spend

6.1. As part of the process of developing the business cases for the new savings and income-generation proposals included in the revised MTFs the requirement for investment from the Delivery Fund was considered. A total requirement of £500k (four requests) has been identified and included in the Strategy. In addition, a request for £41k for one off initial investment in the town hall project to deliver additional savings has been included. Also included is a request for £61k to recover single person discount Council Tax. The total of these six requests is £602k.

6.2. The balance of the Delivery Fund agreed in June 2018 that has not yet been allocated against specific projects is included in the Strategy as contingency (unallocated) and in order to make provision for funding of new or additional savings/transformation projects. This will be managed through the Corporate Programme Board with commitments reported back to Council in the next revision to the Strategy.

6.3. Detailed forecasting will be completed to establish expected spend across all projects. This will be fed into discussions at year end with the lead for each project to establish carry forward. Any underspend not carried forward will be returned to the unallocated funding envelope.

6.4. Based on the assumptions included in this report the £13.6m Delivery Fund spend would need to increase by £861k over the remaining four years of the programme 2018/19 - 2021/22 if all requests were funded in full. It is anticipated potential underspends against allocations and the application of a strict gateway review process by the Programme Board will enable the requirement to fund transformation limited to that level previously approved. A summary of this position is shown in Table B and in detail in Table C.

**Table B: Summary of Delivery Fund Allocation for 2017/18 - 2021/22**

Proposal type	2017/18 (£000's)	2018/19 allocation (£000's)	2019/20 allocation (£000's)	2020/21 allocation (£000's)	2021/22 allocation (£000's)	Total (£000's)
<b>June 2018</b>						
Capital Receipts Strategy (June 2018)	2,095	5,661	3,734	836	0	12,326
Unallocated (June 2018)	0	250	500	500	0	1,250
<b>TOTAL</b>	<b>2,095</b>	<b>5,911</b>	<b>4,234</b>	<b>1,336</b>	<b>0</b>	<b>13,576</b>
<b>February 2019</b>						
Capital Receipts Strategy Total Requests	1,319	6,405	6,098	615	0	14,437
Programme Board Re-Prioritisation	0	(494)	(1,864)	1,497	0	(861)
<b>TOTAL</b>	<b>1,319</b>	<b>5,911</b>	<b>4,234</b>	<b>2,112</b>	<b>0</b>	<b>13,576</b>

**Table C: Updated Delivery Fund Schedule**

Description of saving / transformation	Total Saving identified (£000's) OR Transformation	Delivery Fund Resource	2017-21 Total Delivery Fund allocation (June 2018) (£000's)	2017/18 Delivery Fund spend ACTUAL (£000's)	2018/19 Delivery Fund allocation (inc. 17/18 carry forward) (£000's)	2019/20 Delivery Fund allocation (£000's)	2020/21 Delivery Fund allocation (£000's)	2021/22 Delivery Fund allocation - NEW (£000's)	2017-22 Total Delivery Fund allocation (Feb 2019) (£000's)
<b>DOR Projects</b>									
Housing Benefit Overpayment Recovery	<b>345</b>	Housing Benefit Overpayment Recovery Officer	<b>122</b>	12	54	56	0	0	<b>122</b>
Capacity and leadership to deliver change and savings across programme, as well as delivery of specific savings, incl: Christmas Closure; Increased use of Apprenticeship Levy to fund training	<b>500</b>	Head of HR	<b>366</b>	-	n/a	n/a	n/a	-	<b>0*</b>
Contract Management Savings	<b>1,050</b>	Head of Procurement	<b>366</b>	-	n/a	n/a	n/a	-	<b>0*</b>

Service restructure and reconfiguration	<b>Transform</b>	Recruitment Costs	<b>42</b>	42	0	0	0	0	<b>42</b>
Supporting delivery of directorate savings and improving Accounts Payable processes	<b>Transform</b>	Strategic Business Partner - CSS	<b>103</b>	-	n/a	n/a	-	-	<b>0*</b>
Supporting delivery of directorate savings and improving Accounts Payable processes	<b>Transform</b>	Accounts Payable Assistant Improving efficiency of AP process to deliver ongoing efficiency and savings	<b>54</b>	27	27	0	0	0	<b>54</b>
Process improvements and more efficient accounts production	<b>Transform</b>	CIPFA Big Red Button	<b>19</b>	16	3	0	0	0	<b>19</b>
Improve Corporate Debt Collection - centralisation of invoices and transformation of service delivery	<b>Transform</b>	Improve Corporate Debt Collection - centralisation of invoices	<b>96</b>	-	64	32	0	0	<b>96</b>
Digitisation - cross cutting savings and redesign of Council-wide services	<b>490</b>	Firmstep developer X2	<b>92</b>	-	92	0	0	0	<b>92</b>
Service restructure and reconfiguration	<b>Transform</b>	SOLACE Recruitment Fees For Future Finance Function	<b>32</b>	17	15	0	0	0	<b>32</b>

Engagement of transformation partner to drive process efficiency and cost reduction in parallel with market testing of service	954	External Support to undertake Market Testing (outsourcing) of the Revenue and Benefits Services	115	-	116	50	0	0	166
		Additional legal and TUPE advice	20	-	90	100	0	0	190
		Associated project costs, supplies and services	10	-	10	0	0	0	10
Revenues and Benefits market testing									
Charging Financial Analysts to transformation pot for two years to support commercialisation work	Transform	One Finance Analyst (plus one interim for 4 months in 18/19)	306	-	69	47	48	0	164
Corporate Approach to Reducing Fraud	196	IT Costs	25	-	25	0	0	0	25
		Contingency	20	-	20	0	0	0	20
Management and Staffing Review	592	Change Management	50	-	50	0	0	0	50
Capacity and leadership to deliver change and savings across programme	Transform	Corporate Programme Manager	275	130	72	73	0	0	275
Working across Corporate Programme. Capacity and leadership to deliver change	Transform	NMT - Corporate Support	87	18	34	35	0	0	87

and savings across programme									
Legal support to deliver Corporate Programme and associated savings	Transform	Contracts Solicitor	55	-	28	27	0	0	55
		Employment Solicitor	26	-	13	13	0	0	26
		Conveyancing/Contracts Solicitor	47	-	23	24	0	0	47
HR support to deliver Corporate Programme and associated savings. Supporting recruitment and retention of social workers as part of improvement and to deliver savings	Transform	HR Support 1	20	14	6	0	0	0	20
Interim post to ensure delivery of savings in 2017/18 and construction of budget (inc. savings) for 2018/19 and 3 year MTFS	Transform	Finance Director	100	n/a	0	0	0	0	0*
Contract Management Savings	3,050	V4S Procurement Consultancy Support. Payments due as percentage of savings delivered	400	88	162	150	0	0	400
Improvements to Electronic Social Care Record and Reporting (MOSAIC) and provision for	Transform	Reporting and Performance	225	76	149	0	0	0	225
		Senior Consultant to act as System Owner	91	91	0	0	0	0	91
		Process review and MOSAIC improvement	23	23	0	0	0	0	23

improvement of other IT systems over term of Programme		for Children's Services							
		Programme Management funding to complete current phase (16/17 Programme)	20	-	20	0	0	0	20
		Early Help Implementation	5	-	5	0	0	0	5
		Interim reporting post in Children's Services	43	43	0	0	0	0	43
		Corporate Systems Owner	107	84	23	0	0	0	107
		Finance Specialist	115	74	82	0	0	0	156
		Project Manager on Business Objects Implementation	16	-	16	0	0	0	16
		Adult's Business Objects Implementation	34	-	34	0	0	0	34
		MOSAIC & FUSION Commitments Interface - implementation costs	11	-	11	0	0	0	11
		Business Objects Developer	35	-	35	0	0	0	35
		Provision for application management improvements in other systems (includes. 18/19 i-trent review)	200	-	122	146	0	0	268
Capacity to support delivery of change and savings across programme	Transform	Programme Officers X2	276	-	92	92	92	0	276
Capacity to manage and support HR and	Transform	HR Capacity	450	-	150	150	150	0	450



workforce change associated with Corporate Programme									
<b>DCEEH Projects</b>									
Working across workstream of Corporate Programme to deliver savings and transformation	<b>Transform</b>	Programme Manager	<b>188</b>	52	n/a	n/a	n/a	n/a	<b>52**</b>
Creation of Access to Resources Team	<b>1,000</b>	Senior Commissioner	<b>98</b>	-	n/a	n/a	n/a	n/a	<b>0**</b>
Increase capacity of local 'under 20 mile' placements for Looked After Children (LAC)  Revise under 5 offer. Generate income or reduction in staff	<b>3,576</b>	Project Manager	<b>55</b>	-	n/a	n/a	n/a	n/a	<b>0**</b>
Current level of additional	<b>500</b>	Recruitment and Workforce &	<b>500</b>	-	n/a	n/a	n/a	n/a	<b>0**</b>

investment will no longer be required following delivery of Improvement Plan		Management Training (Investment to secure ongoing savings)							
Balance of original Children's Transformation allocation	-	Various	2,393	n/a	n/a	n/a	n/a	n/a	0
<b>DACHS Projects</b>									
Resources used for the facilitation of the delivery of the Programme wide savings	979	Strategic Lead for Transformation	245	32	115	98	0	0	245
		Project Support	17	16	1	0	0	0	17
		Programme Officer	75	19	26	30	0	0	75
Changes to Adult Social Care Front Door; Group Home Rental Increase. Also supports delivery of CSS Digitisation savings and Review and Right Sizing Care Packages & Stretch Targets	432	Transformation Project Manager	192	63	64	65	0	0	192
Transformation of wellbeing; ASC Restructure	1,101	Transformation Project Manager 2	159	-	105	54	0	0	159
Effective Utilisation of Extra Care; Learning	837	Transformation Project Manager 3	169	27	88	54	0	0	169

Disabilities (Operations Team); Development of Home Care; VCS Development and Commissioning. Also supports wider digitisation & efficiency and Changes to the Adult Social Care Front Door									
Deputies - Review the charging policy; FAB Team Fees & Charges & Stretch Target; Increased usage of Assistive Technology and Equipment; Increased usage of Direct Payments	<b>1,370</b>	Transformation Project Manager 4	<b>162</b>	20	88	54	0	0	<b>162</b>
Review and Right Sizing Care Packages & Stretch Targets	<b>1,300</b>	Social Workers X6 (S117, LDX2, MH, OP, PD) Investment to secure ongoing savings	<b>818</b>	236	582	0	0	0	<b>818</b>
Reducing Adult Social Care contracts spend	<b>1,200</b>	Commissioning Capacity at Senior Level	<b>240</b>	49	174	84	0	0	<b>307</b>
ASC Mobile Working	<b>Transform</b>	Adult Social Care mobile working (Underpins the ability to achieve process efficiency and	<b>80</b>	-	80	0	0	0	<b>80</b>

		staffing restructures)							
Review of alternative delivery models for Public Health	<b>430</b>	Public Health Specialist	<b>30</b>	-	30	0	0	0	<b>30</b>
Delivery Models for Commissioning, Prevention & Quality Services	<b>800</b>	Contingency for consultancy advice for service shaping	<b>200</b>	-	100	50	50	0	<b>200</b>
Informs all commissioning projects to ensure demand is understood and markets are shaped accordingly	<b>Transform</b>	Specialist Needs Analysis	<b>30</b>	-	30	0	0	0	<b>30</b>
The resource supports restructures, wider remodelling of the workforce, and learning & development. Associated savings: Commissioning Team Realignment; Implementation of Business Support restructure; Locality Team Realignment	<b>562</b>	Workforce consultancy & Training Programmes (Including £100k of Partners for change)	<b>500</b>	-	300	100	100	0	<b>500</b>
To review the	<b>1,545</b>	Market shaping	<b>275</b>	-	75	100	100	0	<b>275</b>

operation of the Willows; Charles Clore Court (Commissioning); Undertake a commissioning exercise with the VCS; Continuation of review of Public Health (Mandated Services) contracts; Review of the Performance Function; Development of Maples Day Service; Review of alternative delivery models for Public Health; Adult Social Care Provider Services		consultancy, Project Management staff (Investment to secure ongoing savings)							
<b>DENS Projects</b>									
Working across workstream of Corporate Change Programme to deliver savings and transformation	<b>Transform</b>	Project Officer 1	<b>51</b>	8	21	22	0	0	<b>51</b>
Review of waste collection delivery models. Also	<b>1,544</b>	Specialist advice and support, administration resource, Contract	<b>200</b>	22	127	51	0	0	<b>200</b>

connected to Waste Operations-optimising collection routes; Increase Trade Waste Collection and Disposal service turn over by 100% (£650,000pa to £1.3m)		manager costs, Procurement of IT systems, Introduction of revised collection schedule							
Review option of trust model for Arts	<b>250</b>	Consultancy costs	<b>300</b>	-	150	150	0	0	<b>300</b>
Maximising Income from the Town Hall & Museum	<b>220</b>	Consultancy support to provide commercial advice on business plan and associated staffing structures	<b>30</b>	-	30	0	0	0	<b>30</b>
Review existing Parking Permit Charges	<b>309</b>	Comms Support, IT Support	<b>50</b>	-	50	0	0	0	<b>50</b>
Extend residents parking permit areas	<b>300</b>	Consultant support	<b>300</b>	-	150	150	0	0	<b>300</b>
Introduce Bus Lane Enforcement on Kings Road and Forbury Road bus lanes	<b>100</b>	DLO support to introduce new parking schemes	<b>70</b>	-	70	0	0	0	<b>70</b>
Make theatres break even through working with other operators	<b>150</b>	Independent consultants to market test (establish feasibility / business case)	<b>25</b>	-	25	0	0	0	<b>25</b>
		Project management (consultant) of	<b>50</b>	-	0	50	0	0	<b>50</b>

		procurement process (if it goes ahead based on 1st stage)							
Alternative delivery models - identify and prioritise those services that are most likely to yield a significant saving with the 3-year MTFS period	1,200	Specific requirements and resources to be confirmed (£42k for project manager 18/19) 31 July 2018	250	20	180	50	0	0	250
Extend houses in multiple occupation (HMO)/private rented sector (PRS) Licensing	40	New IT system required & ongoing software maintenance	75	-	75	0	0	0	75
<b>Unallocated Funds</b>									
Capacity to manage and support Corporate Programme of Change as delivery vehicle for £40m savings and projects to ensure transformation to underpin financial sustainability of the Council	n/a	Managing Change - unallocated funding	1250	-	0	0	0	0	0
<b>NEW Projects 2018/19</b>									

DENS: Develop and implement a new borough-wide Car Parking Strategy and associated action plan	<b>1,400</b>	Project Manager	<b>0</b>	n/a	<b>68</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>124</b>
		Communications Officer	<b>0</b>	n/a	<b>11</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>21</b>
		Consultant Support	<b>0</b>	n/a	<b>37</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>70</b>
		Consultant Support (Car park surveys / database set-up)	<b>0</b>	n/a	<b>52</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>108</b>
		Technical Support Officers x5	<b>0</b>	n/a	<b>0</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>175</b>
		Project Delivery	<b>0</b>	n/a	<b>120</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>870</b>
DENS: The project will focus on delivery of the former Civic Site and other key sites achieving capital receipts	<b>11,695</b>	Strategic Project Manger	<b>0</b>	n/a	<b>19</b>	<b>75</b>	<b>75</b>	<b>0</b>	<b>169</b>
DENS: Close half of public conveniences - costs related to carrying out a review of the provision	<b>80</b>	Consultancy costs and costs to improve remaining facilities	<b>0</b>	n/a	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>
DENS: Undertake a review of existing provision to inform the closure of a number of public conveniences			<b>0</b>	n/a		<b>0</b>	<b>0</b>	<b>0</b>	
BFFC: Workstream A: Improving Practice Standards	<b>n/a***</b>	Practice Improvement leadership. 18/19 start up	<b>0</b>	n/a	<b>80</b>	<b>0</b>	<b>n/a</b>	<b>n/a</b>	<b>80</b>
BFFC: Work stream B: Developing	<b>500</b>	Achieve a stable workforce by recruiting more permanent staff in	<b>0</b>	n/a	<b>85</b>	<b>10</b>	<b>n/a</b>	<b>n/a</b>	<b>95</b>



Workforce Excellence		Social Care							
	<b>Transform</b>	Training for Safety Standards Model. 18/9 project start up training	<b>0</b>	n/a	10	0	n/a	n/a	<b>10</b>
BFFC: Work stream C: Building Community Capacity	n/a***	Pre Birth Support Team. 18/19 start up	<b>0</b>	n/a	40	0	n/a	n/a	<b>40</b>
	n/a***	Family Reunification Team. 18/19 start up	<b>0</b>	n/a	40	0	n/a	n/a	<b>40</b>
	n/a***	Edge of Care Team, Adolescents. 18/19 start up	<b>0</b>	n/a	40	0	n/a	n/a	<b>40</b>
	<b>350</b>	Revised under 5 offer to make best use of Early Years and Children's Centre provision	<b>0</b>	n/a	0	10	n/a	n/a	<b>10</b>
BFFC: Work stream D: Stronger Stability for Children	n/a***	Re-imaging Foster Care. 18/19 start up	<b>0</b>	n/a	20	0	n/a	n/a	<b>20</b>
	n/a***	Placement Solutions Team. 19/20 start up	<b>0</b>	n/a	50	0	n/a	n/a	<b>50</b>
	n/a***	Education, therapeutic & support to ensure placement stability for YP moving within 20 miles. Linked to D12 - solutions team savings of £1.8M. 18/19 start up	<b>0</b>	n/a	30	255	n/a	n/a	<b>285</b>
BFFC: Work stream E: Consolidating Corporate Resilience	<b>1,025</b>	Strengthen Commissioning Function (provide senior Commissioning and Contract Management capacity) 18/19 start up. Savings linked to Improved Contract Management	<b>0</b>	n/a	55	239	n/a	n/a	<b>294</b>
	<b>390</b>	Design &	<b>0</b>	n/a	50	50	n/a	n/a	<b>100</b>

		implementation of supported lodgings for 16+							
	<b>250</b>	Review of Continued Health Contribution (CHC). 18/19 start up	<b>0</b>	n/a	15	60	n/a	n/a	<b>75</b>
	<b>500</b>	Enhanced utilisation of capacity at Pinecroft & Cressingham Children's Homes. 18/19 capital equipment	<b>0</b>	n/a	175	50	n/a	n/a	<b>225</b>
	<b>300</b>	Potential use of RBC property for additional childrens home or respite care. Funding for feasibility study if required	<b>0</b>	n/a	40	150	n/a	n/a	<b>190</b>
	<b>500</b>	SEND Commissioner. 18/19 start up	<b>0</b>	n/a	25	100	n/a	n/a	<b>125</b>
	<b>Transform</b>	Development of traded services	<b>0</b>	n/a	145	350	n/a	n/a	<b>495</b>
	<b>Transform</b>	Transformation Programme Team	<b>0</b>	n/a	300	550	n/a	n/a	<b>850</b>
	<b>Transform</b>	Contingency for restructure if required	<b>0</b>	n/a	400	0	n/a	n/a	<b>400</b>
	<b>Transform</b>	Funds to be allocated to projects in April 2019 post further diagnostics and completion of detailed business planning process	<b>0</b>	n/a	0	360	n/a	n/a	<b>360</b>
<b>NEW Projects 2019/20</b>									
DENS: Introduction of discretionary	<b>260</b>	Resource to scope out/take discretionary	<b>0</b>	n/a	0	50	0	0	<b>50</b>

HMO Licensing		scheme forward							
DENS: Car Park management processes through IT improvements and staff reductions	150	Car parking equipment and capital	0	n/a	0	350	0	0	350
DENS: Increase public parking charges	400	Change systems to reflect changes (including signs)	0	n/a	0	50	0	0	50
DENS: Review Enforcement Contracts	133	Consultancy support	0	n/a	0	50	0	0	50
DENS: Maximising Income from the Town Hall & Museum	220	One-off investment - equipment, marketing, consultancy	0	n/a	0	41	0	0	41
DOR: Single Person Discount Council Tax Recovery	170	Specialist Officer and provision for data matching	0	n/a	0	61	0	0	61
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>13,576</b>	<b>1,319</b>	<b>6,405</b>	<b>6,098</b>	<b>615</b>	<b>0</b>	<b>14,437</b>
<b>Description of saving / transformation</b>	<b>Total Saving identified (£000's) OR Transformation</b>	<b>Delivery Fund Resource</b>	<b>2017-21 Total Delivery Fund allocation (June 2018) (£000's)</b>	<b>2017/18 Delivery Fund spend ACTUAL (£000's)</b>	<b>2018/19 Delivery Fund allocation (inc. 17/18 carry forward) (£000's)</b>	<b>2019/20 Delivery Fund allocation (£000's)</b>	<b>2020/21 Delivery Fund allocation (£000's)</b>	<b>2021/22 Delivery Fund allocation - NEW (£000's)</b>	<b>2017-22 Total Delivery Fund allocation (Feb 2019) (£000's)</b>

\* These projects have been removed from the Delivery Fund and are to be funded from the revenue budget

\*\* These projects are now included in the NEW Projects 2018/19 section

\*\*\* These projects are mainly funded by DfE and as such make a contribution to a total saving of £6.2m



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## Proposed Fees and Charges from 1st April 2019 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>BEREAVEMENT SERVICES</b>						
<b>Reading Crematorium</b>						
Cremation Fee Cremation of the remains of:	Stillborn child or child under 18 years of age (includes use of chapel, strewing of any cremated remains or the provision of a container and medical referees fee)	Each	-		0.00	0.00%
	A person aged 18 years and over (includes strewing of cremated remains or the provision of a container and medical referee's fee). Including Environmental Levy 30min service, 45 min time slot	Each	810.00		25.00	3.18%
Cremation Fee	A person aged 18 years and over (includes strewing of cremated remains or the provision of a container and medical referee's fee). Including Environmental Levy 20 min service, 30 time slot	Each	615.00		20.00	3.36%
	Cremation Fee without service including environmental levy (DIRECT Crem)	Each	505.00		15.00	3.06%
	Memorial service or service of double length in addition to usual cremation or interment fee	Each	304.00		9.00	3.05%
	Saturday & Evening Surcharge	Each	335.00		10.00	3.08%
	Public Health Cremation Fee including environmental levy	Each	580.00		15.00	2.65%
Strewing of cremated remains	Remains received from another Crematorium	Each	88.50		3.00	3.51%
	Retention of remains on temporary deposit per month after the first month for a maximum of three months	Each	82.50		2.50	3.13%
	To witness the strewing of remains	Each	42.00		1.50	3.70%
	Unwitnessed strewing of remains	Each	42.00		1.50	3.70%
Certified extract from register		Each	37.00		2.00	5.71%
Book of remembrance	Two-line entry	Each	63.33	76.00	3.49	4.82%
	Five-line entry	Each	105.00	126.00	5.00	4.14%
	Five-line entry with illuminated capital	Each	160.00	192.00	8.50	4.63%
	Five-line entry with floral motif, service badge etc.	Each	179.00	214.80	9.30	4.53%
	Eight-line entry	Each	142.92	171.50	8.00	4.90%
	Eight-line entry with illuminated capital	Each	199.58	239.50	12.00	5.27%
	Eight-line entry with floral motif, service badge etc.	Each	260.00	312.00	15.00	5.05%
	Full coat of arms 5-8 lines	Each	332.08	398.50	19.00	5.01%
Extra Lines upto a maximum of 11	Each	23.58	28.30	0.79	2.88%	
Remembrance card	Copy of a two-line entry	Each	39.17	47.00	2.00	4.45%
	Copy of a five-line entry	Each	66.25	79.50	3.00	3.92%
	Copy of a five-line entry with any type of motif	Each	129.17	155.00	6.00	4.03%
	Copy of an eight-line entry	Each	92.50	111.00	4.50	4.23%
	Copy of an eight-line entry with any type of motif	Each	145.00	174.00	7.50	4.50%
Memorial vase and tablet	Purchase of vase and tablet	Each	221.00	265.20	13.20	5.24%
	Renewal for period of 10 years	Each	285.00	285.00	8.50	3.07%
Memorial plaques	Bronze memorial single plaque (includes fee for plaque and fee for 10 year lease of plaque space)	Each	265.25	281.30	13.30	4.96%
	Replacement single plaque	Each	80.25	96.30	4.80	5.25%
	Single plaque with motif (includes plaque fee and fee for 10 year lease of plaque space)	Each	281.25	300.50	14.00	4.89%
	Replacement single plaque with motif	Each	96.25	115.50	5.50	5.00%
	Lease of single plaque space for 10 years *Fees are doubled in the case of a 12" x 4" double plaque	Each	185.00	185.00	8.50	4.82%
	Renewal of lease for baby plaque	Each	22.20	22.20	0.70	3.26%
	Photo Cameo on Plaque additional cost (added to normal plaque cost)	Each	78.67	94.40	4.40	4.89%
Hall of Memory Tree Leaf	Aluminium plaque and intial 5 year lease	Each	124.67	136.00	6.00	4.62%
	Lease for 5 years renewal	Each	68.00	68.00	3.00	4.62%
	Replacement leaf	Each	56.67	68.00	3.00	4.62%
Memorial Tree	Provision of Tree, Surround and stem plaque	Each	390.00	468.00	23.00	5.17%
	Renewal of Lease for further 10 years	Each	590.00	590.00	28.00	4.98%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Memorial bench	Memorial bench (for a period of 10 years)	Each	1,241.00	1,356.00	48.00	3.67%
	Replacement Bench	Each	575.00	690.00	28.00	4.23%
	Renewal of Lease for a further 10 years	Each	666.00	666.00	20.00	3.10%
	Replacement plaque for tree or bench	Each	122.08	146.50	6.49	4.64%
Wall Plaque	Memorial granite wall plaque	Each	373.00	447.60	21.60	5.07%
	Purchase of memorial granite wall plaque	Each	131.00	157.20	7.20	4.80%
	Lease of space for memorial granite wall plaque	Each	285.00	285.00	8.50	3.07%
	Moving of Memorial Plaque to new location	Each	50.00	60.00	3.00	5.26%
Administrative	Administration Fee	Each	50.00	60.00	4.00	7.14%
Memorial Bed Garden	Memorial bed including 1 Memorial plaque + 10 year lease	Each	980.00	1,058.00	50.50	5.01%
	Replacement plaque and surround	Each	390.00	468.00	22.50	5.05%
	Lease renewal fee for further 10 years	Each	590.00	590.00	28.00	4.98%
Birdbath Memorial Plaques	Small Bird bath Plaque (row 1) in central Square + 10 yr	Each	375.00	393.00	13.50	3.56%
	Replacement Plaque (row 1)	Each	90.00	108.00	5.00	4.86%
	small Bird bath Plaque (row 2) in central Square + 10 yr	Each	414.00	439.80	15.30	3.60%
	Replacement Plaque (row 2)	Each	129.00	154.80	6.80	4.60%
	Medium Bird bath Plaque(row 3) in Central Square + 10 yr lease	Each	465.00	501.00	18.50	3.83%
	Replacement Plaque (row 3)	Each	180.00	216.00	10.00	4.85%
	medium Bird bath Plaque(row 4) in Central Square + 10 yr lease	Each	531.00	580.20	22.70	4.07%
	Replacement Plaque (row 4)	Each	246.00	295.20	14.20	5.05%
	Large Bird bath Plaque (row 5) in Central Square + 10 yr lease	Each	595.00	657.00	21.50	3.38%
	Replacement Plaque (row 5)	Each	310.00	372.00	13.00	3.62%
	Renewal of Lease (10 years)	Each	285.00	285.00	8.50	3.07%
Sanctums	Sanctum for 2 sets cremated remains 25 yr lease	Each	1,030.00	1,102.00	109.00	10.98%
	Replacement Granite (no motif)	Each	360.00	432.00	89.00	25.95%
	Renewal Lease for further 25 years	Each	670.00	670.00	20.00	3.08%
Baby Grave Galvanised Sculpture	Plaque for baby grave	Each	112.08	134.50	4.50	3.46%
	Replacement plaque	Each	67.08	80.50	2.50	3.20%
<b>Reading Cemetery</b>						
Henley Road, Reading Cemetery, Caversham Cemetery - Exclusive rights of burial in earth graves (including certificates of grant)	For the exclusive right of burial for 75 years in an earth grave 9 feet by 4 feet:					
	Section B	Each	2,270.00		90.00	4.13%
	Section D	Each	1,814.00		72.00	4.13%
	Section G & Mayfield Traditional	Each	1,400.00		55.00	4.09%
	* For details of the locations of Sections B, D and G please call at the Cemetery office to see the plan					
	b) The lawn or park Cemetery in an earth grave 9 feet by 4 feet	Each	1,010.00		40.00	4.12%
	d) Desk Vase Tablet cremated remains plot for 2 set of	Each	536.00		21.00	4.08%
	e) Grave purchased/reserved for future use	Each	505.00		20.00	4.12%
	* Please note the charges payable for exclusive right of burial in any grave or vault will be trebled in the case of any person who was not an inhabitant of the Borough at the time of their death					
	*Extension to lease for exclusive rights of burial for 25yrs	Each	375.00		15.00	4.17%
	*Extension to lease for exclusive rights of burial for 25yrs period on traditioanl graves	Each	515.00		25.00	5.10%
Vaulted or walled graves	Charges to be individually agreed with the Cemeteries Manager according to size and depth of graves where an exclusive					
Burials	a) If stillborn or <5 yrs old	Each	56.00		2.00	3.70%
	b) If aged between 5 - 17 years old	Each	140.00		5.00	3.70%
	c) If the body is that of a person aged 18 years or over	Each	790.00		30.00	3.95%
	d) Cremated remains in an existing grave or a cremated remains plot	Each	135.00		6.00	4.65%
	Cremated remains 5-17 yrs	Each	31.00		1.00	3.33%
	cremated remains stillborn to 5 yrs	Each	-		0.00	0.00%
	f) Cremated Remains returned from elsewhere for Burial	Each	47.00		2.00	4.44%
	g) For any burial below 6 feet in depth an additional charge will be made per burial	Each	280.00		10.00	3.70%
	Additional depth for child under 18	Each	176.00		6.00	3.53%



## Proposed Fees and Charges from 1st April 2019 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Common grave	In a grave where an exclusive right of burial has not been granted:					
	a) If the body is that of a stillborn child or under 5 years old	Each	-		0.00	0.00%
	b) If the body is that of a person over 5 years old	Each	135.00		6.00	4.65%
	c) If the body is that of a person aged 18 years or over (Public Health)	Each	780.00		25.00	3.31%
* The charge payable for burials in any grave where no exclusive right of burial has been granted will be doubled in the						
Monuments, Gravestones, Tablets and Stone kerbs	For the right to erect any gravestone or monument on a grave space:					
	a) Traditional	Each	273.00		10.00	3.80%
	b) Lawn, Park and Mayfield Cemetery	Each	190.00		7.00	3.83%
	c) Park cremated remains section flat stone & DVT's	Each	70.00		2.50	3.70%
	f) Cremated Remains Headstone Section	Each	70.00		2.50	3.70%
Other fees and charges	Transfer of grant of exclusive right of burial	Each	66.67	80.00	4.01	5.27%
	Search Fee - up to 4 records per enquiry	Each	12.50	15.00	1.25	11.11%
	Exhumation of Cremated Remains	Each	250.00		10.00	4.17%
	Use of chapel prior to burial for stillborn child or a child under 18 years old	Each	62.00		2.00	3.33%
	Chapel Fee Prior to a Burial for person over 18 years old	Each	304.00		19.00	6.67%
	Administration Fee for Public Health Funeral	Each	225.00	270.00	10.00	3.84%
	Charge for provision of a Quran grave	Each	790.00		25.00	3.27%
	Bench Maintenance (Powerwash and treatment with teak oil)	Each	69.17	83.00	3.00	3.75%
	Removal of trees from plots	Each	69.17	83.00	3.00	3.75%
	Grave Maintenance	Each	69.17	83.00	3.00	3.75%
	Webcast Services	Live Webcast (upto 20 viewers)	Each	27.50	33.00	0.00
Additional Viewers (per 10)		Each	Service Ended			
Live+On-Demand Webcast for up to 28 days and downloadable		Each	39.58	47.50	0.00	0.00%
Physical copy of Webcast recording on DVD, blu-ray or USB memory stick and audio cd		Each	43.75	52.50	0.00	0.00%
Webcast CD Audio		Each	Service Ended			
Additional Physical copy CD, DVD, Blu-ray or USB		Each	20.83	25.00	(10.01)	(28.59%)
Webcast Digital Download		Each	Service Ended			
Visual Tributes	Single Photo	Each	10.83	13.00	0.00	0.00%
	Slideshow (up to 25)	Each	33.33	40.00	0.00	0.00%
	Photo Tribute (up to 25)	Each	60.00	72.00	0.00	0.00%
	Additional 25 photos	Each	20.83	25.00	0.00	0.00%
	Photos & Video Tribute (up to 2 minutes)	Each	78.33	94.00	3.00	3.30%
	Self Build Checking	Each	16.67	20.00	0.00	0.00%
	Additional Time for tributes etc:					
	DVD of Visual Tribute only	Each	Service Ended			
	DVD of Pro Photo tribute only	Each	20.83	25.00	0.00	0.00%
	Webcast DVD with Visual Tribute	Each	Service Ended			
	Physical Copy of Webcast revording including the Pro Photo Tribute on DVD, Memory Stick, Blu-ray	Each	64.58	77.50	0.00	0.00%
	Downloadable copy of Pro Photo tribute	Each	10.83	13.00	0.00	0.00%
	Extra Work required on tributes	Each	20.83	25.00	0.00	0.00%
	Reading Cemetery	<b>*NO NEW GRAVE SPACE AVAILABLE.</b> Charges for burials into existing graves and all other fees and charges are the same as for Henley Road Cemetery.				
Caversham Cemetery	<b>*NO NEW GRAVE SPACES AVAILABLE.</b> Charges for burials into existing graves and all other fees and charges are the same as					

## Proposed Fees and Charges from 1st April 2019 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>REGISTRATION SERVICE</b>						
Registration Service	Notice of marriage or partnership	Per Person	35.00		0.00	0.00%
Registration Service	Registrar's attendance at Register Office marriage or civil	Per couple	46.00		0.00	0.00%
Registration Service	Registrar's attendance at outside church	Per couple	90.00		0.00	0.00%
Registration Service	Attendance at place of detention or house for notice of marriage or partnership	Per couple	300.00		0.00	0.00%
Certificates	Registration Certificate at first time of registering the event	Per Certificate	11.00		0.00	0.00%
	Express Service Replacement Certificate	Per Certificate	35.00		0.00	0.00%
	Replacement certificate Closed Register -Postal/Telephone/web Incl. admin fee	Per Certificate	11.00		(0.75)	(6.38%)
Citizenship Ceremonies	Individual Citizenship Ceremony at Yeomanry House (up to max of 30 people)	Per Person	93.33	112.00	6.00	5.66%
	Friday & Saturday Individual Citizenship Ceremony at Yeomanry House (up to max of 30 people)	Per Person	129.17	155.00	5.00	3.34%
Nationality Checking	Joint Citizenship and passport checking	Per Person	Service Ended			
Immigration services	EU Passport Return Service	Per Person	20.83	25.00	3.00	13.64%
Approved Premises Marriages - (9am to 5pm)	Monday to Thursday (9am to 5pm)	Per Couple	322.50	387.00	8.00	2.11%
	Friday & Saturday (9am to 5pm)	Per Couple	375.00	450.00	0.00	0.00%
	Sunday & Bank Hols (9am to 5pm)	Per Couple	404.17	485.00	0.00	0.00%
Approved Premises Marriages - After 5pm	Venue: Monday to Thursday	Per Couple	325.00	390.00	0.00	0.00%
	Venue: Friday & Saturday	Per Couple	380.00	456.00	0.00	0.00%
	Venue: Sunday & Bank Hols	Per couple	412.50	495.00	0.00	0.00%
Attendance in Yeomanry Suite	Monday to Thursday	Per couple	Service Ended			
	Friday & Saturday	Per couple	Service Ended			
	Sunday & Bank Hols	Per Couple	Service Ended			
New Ceremony Room: Reading Museum & Town Hall	Monday to Thursday	Per Couple	128.33	154.00	6.00	4.05%
	Friday & Saturday	Per Couple	216.67	260.00	10.00	4.00%
	Sunday & Bank Hols	Per Couple	404.17	485.00	0.00	0.00%
Renewal of Vows & Baby Naming	Monday to Thursday	Per Ceremony	128.33	154.00	5.00	3.35%
	Friday & Saturday	Per Ceremony	155.00	186.00	6.00	3.33%
	Sunday & Bank Hols	Per Ceremony	180.00	216.00	6.00	2.86%
Approval of venues for marriages or Civil Partnerships (up to 2 rooms)	Renewal of marriage or Civil Partnership licence	Per Venue	1,416.67	1,700.00	0.00	0.00%
National Checking Service	Adult	Per Person	Service Ended			
	Child	Per Person	Service Ended			
Administrative fee	For services offered on a Saturday such as Notices of	Per Person	18.33	22.00	1.00	4.74%
	Changes to booking	Per Person	18.33	22.00	1.00	4.74%
<b>GIS - MAPPING</b>						
Street Naming & Numbering	New addresses	Each	46.00	55.20	0.00	0.00%
	New streets	Each	264.00	316.80	0.00	0.00%
<b>LEGAL SERVICES</b>						
Right to Buy	Engrossment Fee (Freehold)	Per Transfer	65.00	78.00	0.00	0.00%
	Engrossment Fee (Leasehold)	Per Lease	75.00	90.00	0.00	0.00%
Requisition (LLC1) Postal	Search using LLC1 form only	per search	30.00	36.00	0.00	0.00%
***Standard Enquiries (CON29) Postal	Search using CON29 form only	per search	83.00	99.60	0.00	0.00%
Full Search LLC1 and CON29	Search using LLC1 and CON29 form	per search	113.00	135.60	6.00	4.63%
Copy documents	Copy document	per request	25.00	30.00	0.00	0.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>INCOME &amp; RECOVERY</b>						
Council Tax Summons Cost		Per	114.00		0.00	0.00%
Business Rates Summons Cost		Per summons issued	160.00		0.00	0.00%
Civil Penalties Housing Benefits		per case identified	50.00		0.00	0.00%
Civil Penalties Council Tax		per case identified	70.00		0.00	0.00%
<b>DEMOCRATIC SERVICES</b>						
Admission Appeals - Charge per appeal		per admission appeal heard	200.00	240.00	0.00	0.00%
School Exclusion Review Hearing		per review heard	650.00	780.00	0.00	0.00%
<b>CUSTOMER SERVICES</b>						
Blue Badges (New & Renewals)	Disabled Parking Badge	Each	10.00		0.00	0.00%
<b>LEARNING AND WORKFORCE DEVELOPMENT</b>						
Training	Places on training for school staff (1 day)	per place	66.00		0.00	0.00%
	Places on training for PVI sector	per place	33.00		0.00	0.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Adults Care and Health Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>LEARNING DISABILITY SERVICES</b>						
Whitley Wood Hostel - Respite (External)	Weekday - 1:1 Bed	Night	532.95		10.45	2%
	Weekday - 1:4 Bed	Night	241.25		4.75	2%
	Weekend - 1:1 Bed	Night	645.15		12.65	2%
	Weekend - 1:4 Bed	Night	291.75		5.75	2%
Whitley Wood Hostel - Respite (Internal)	Weekday - 1:1 Bed	Night	437.50		8.62	2%
	Weekday - 1:4 Bed	Night	192.20		3.80	2%
	Weekend - 1:1 Bed	Night	533.05		10.45	2%
	Weekend - 1:4 Bed	Night	333.55		6.55	2%
Day Services (External)	1:6 Service	Day	61.75		1.25	2%
	1:4 Service	Day	78.55		1.55	2%
	1:2 Service	Day	123.45		2.45	2%
	1:1 Service	Day	213.20		4.20	2%
Day Services (Internal)	1:6 Service	Day	44.60		0.90	2%
	1:4 Service	Day	56.80		1.13	2%
	1:2 Service	Day	93.45		1.84	2%
	1:1 Service	Day	166.75		3.27	2%
	RBC Resident	Day	43.90		0.90	2%
<b>OLDER PEOPLE SERVICES</b>						
Non-Reading Borough Council Resident		Day	43.90		0.90	2%
Day Centre Meals		Meal	4.50	5.40	0.00	0%
Home Care Services	Use of Reading Borough Council services after reablement period	Hour	18.41		0.45	2%
	Use of Reading Borough Council services after reablement period Rate 2	Hour	37.55		0.00	0%
<b>OTHER CHARGES</b>						
Self Funder	Set up charge	Once	300.00		0.00	0%
	Annual Fee	Year	250.00		0.00	0%
Deferred Payment Agreement (DPA)	Set-up Fees (excluding Land Registry fees, property valuation fees if required, cost of specialist legal/financial advice if required, which are recharged at actual cost to the Council on a case by case basis).	Once	400.00		0.00	0%
	Admin set up Fee (Other administrative set-up costs)	Once	151.70		3.70	2%
Deferred Payment Agreement (DPA) & Interim Funding Arrangement	Annual Fee (excluding property valuation fees, Land Registry fees, cost of specialist legal/financial advice which are recharged at actual cost to the Council on a case by case basis if required).	Year	242.90		5.89	2%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>CONCESSIONARY FARES</b>						
Concessionary Fares Replacement Pass	Market Rate	Each	10.00	12.00	0.00	0.00%
Car Park Charge at Mere oak Park & Ride Site	Concession Rate	Each	0.83	1.00	0.00	0.00%
Greenwave Park & Ride Bus Ticket - Return	Concession Rate	Each	4.50		0.00	0.00%
Access Fee for the Reading Transport Model	Market Rate	Each	416.67	500.00	0.00	0.00%
<b>PARKS</b>						
Mooring	Standard	24 hrs	7.92	9.50	0.00	0.00%
	Standard	up to 4hrs	3.33	4.00	0.00	0.00%
Allotments	Site Category A Standard	Per year Per 250 sqm	11.04		3.68	50.00%
	Site Category A Concession	Per year Per 250 sqm	8.28		0.00	0.00%
	Site Category B Standard	Per year Per 250 sqm	8.26		2.75	49.91%
	Site Category B Concession	Per year Per 250 sqm	6.20		0.00	0.00%
	Site Category C Standard	Per year Per 250 sqm	5.52		1.84	50.00%
	Site Category C Concession	Per year Per 250 sqm	4.14		0.00	0.00%
	Start Up Fees Standard	Per year Per 250 sqm	40.68		6.78	20.00%
	Start Up Fees Your Reading Passport General	Per year Per 250 sqm	31.56		5.26	20.00%
	Start Up Fees Your Reading Passport Concession	Per year Per 250 sqm	10.20		1.70	20.00%
	Shed Rental	Per year Per 250 sqm	16.44		2.74	20.00%
Chickens	Per year Per 250 sqm	16.44		2.74	20.00%	
<b>HIGHWAYS</b>						
Drainage Works	Rodding - Daytime	Each	85.00	102.00	0.00	0.00%
	Rodding - Out of Hours	Each	94.00	112.80	0.00	0.00%
	Jetting - Daytime	Each	113.50	136.20	0.00	0.00%
	Jetting - Out of Hours	Each	127.00	152.40	0.00	0.00%
	Cesspools & Septic Tanks	per 1000 gallons	239.00	286.80	0.00	0.00%
	CCTV Surveys	Each	282.00	338.40	0.00	0.00%
	Recovery of property from gullies	Each	61.00	73.20	0.00	0.00%
Out of Hours Call Out	Fixed fee for standby and vehicle costs	Per call out	40.00	48.00	0.00	0.00%
Accident Reclaims	Administration Fee	Each	64.50	77.40	1.20	1.57%
	Inspectors Visit	Each	96.50	115.80	1.80	1.58%
Building Over Sewer/Drainage Plans	Reproduction of Agreements	Each	57.50	69.00	1.20	1.77%
	Reproduction of plan	Each	23.00	27.60	0.60	2.22%
Footway Crossings	Application Fee	Each	61.00	73.20	1.20	1.67%
	Inspectors Visit And Measure Up	Each	64.00	76.80	1.56	2.07%
	Site supervision and quality control (min 2 visits)	Each	122.00	146.40	2.40	1.67%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %	
Solicitor Enquiries	Map Reproduction	first plan	51.00	61.20	1.20	2.00%	
	Map Reproduction	Each additional plan	23.00	27.60	0.60	2.22%	
	Supervision Of Works (Project <£250k)	cost of works	10% of cost of works, but subject to a minimum charge of £3,001	10% of cost of works, but subject to a minimum charge of £3,001	0.00	0.00%	
	Design Check & Admin (Project <£250k)	cost of works	3% of cost of works, but subject to a minimum charge of £1,000	3% of cost of works, but subject to a minimum charge of £1,000	0.00	0.00%	
	Supervision Of Works (Project >£250k)	cost of works	6% of cost of works, but subject to a minimum charge of £22,500	6% of cost of works, but subject to a minimum charge of £22,500	0.00	0.00%	
	Design Check & Admin (Project >£250k)	cost of works	5% of cost of works, but subject to a minimum charge of £7,500	5% of cost of works, but subject to a minimum charge of £7,500	0.00	0.00%	
	Copying S278 Agreements	Each	52.00	62.40	1.20	1.96%	
	Copying S38 Agreements	Each	52.00	62.40	1.20	1.96%	
A-Boards	Application fee	Each	61.00	73.20	1.20	1.67%	
	Annual Licence fee	Each	51.00	61.20	1.20	2.00%	
	Recovery of A board from store	Each	56.00	67.20	1.20	1.82%	
Miscellaneous Income	Scaffold / Hoarding Licence Fee	Up to 4 weeks	192.00	230.40	4.02	1.78%	
		Each additional week or part week	32.00	38.40	0.78	2.07%	
	Stopping up of the public highway applications	Each	781.50	937.80	13.80	1.49%	
	S171 Licence (e.g. works on highway or store building material on the highway)	Up to 4 weeks	406.00	487.20	7.20	1.50%	
		each additional week or part week	25.50	30.60	0.60	2.00%	
	S142 Licence to plant on highway	Each	192.00	230.40	3.60	1.59%	
	Consenting on ordinary waterCourse	Each	51.00	61.20	1.20	2.00%	
	Swapouts	Each	381.00	457.20	7.20	1.60%	
	Application fee for access protection markings to existing footway crossings	Each	58.00	69.60	1.20	1.75%	
	Provision of new access protection marking up to 5m long	Each	35.50	42.60	4.20	10.94%	
	Miscellaneous Income	Provision of new access protection marking each additional metre over 5m	Metre	7.00	8.40	0.48	6.06%
		Refreshing access protection marking up to 5m long	Each	32.50	39.00	0.60	1.56%
		Refreshing access protection marking each additional metre	Metre	7.00	8.40	0.48	6.06%
		Access control/Key for lockable bollard fee	Each	64.00	76.80	1.20	1.59%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>STREETCARE</b>						
Bulky Waste Collections	Collection of 1 Item	Each	37.00		0.00	0.00%
	Your Reading Passport Concession	Each	27.70		0.00	0.00%
	Collection of 2 Items	Each	42.30		0.00	0.00%
Special Collections	Your Reading Passport Concession	Each	31.70		0.00	0.00%
	Collection of 3 Items	Each	48.50		0.00	0.00%
	Your Reading Passport Concession	Each	36.30		0.00	0.00%
	Collection of 4 Items	Each	54.60		0.00	0.00%
	Your Reading Passport Concession	Each	41.00		0.00	0.00%
	Collection of 5 Items	Each	61.00		0.00	0.00%
	Your Reading Passport Concession	Each	45.60		0.00	0.00%
	Fridge freezers - Domestic (under counter)	Each	36.00		0.00	0.00%
	Your Reading Passport Concession	Each	27.00		0.00	0.00%
	Fridge freezers - Domestic fridge/freezer	Each	46.40		0.00	0.00%
	Your Reading Passport Concession	Each	34.80		0.00	0.00%
	Fridge freezers - Domestic (over 60cm wide)	Each	56.60		0.00	0.00%
	Your Reading Passport Concession	Each	42.50		0.00	0.00%
	Cancellation charge (less than 3 days before collection)	Each	11.00		0.00	0.00%
	- Half load	1/2 load	80.00		0.00	0.00%
	- Full load	1 Load	160.00		0.00	0.00%
	Trade Waste	Trade General sack in multiples of 25	Per 25	3.50		0.00
Trade General sack in multiples of 100		Per 100	2.30		0.00	0.00%
Trade recycling sack		Each	1.60		0.00	0.00%
Wheeled Bin	240 litre new (plastic) - Domestic	Each	47.50		0.00	0.00%
	Bin delivery charge - all 240l grey bins	Each	15.00		0.00	0.00%
	240 litre replacement - recycling (new developments)	Each	47.50		0.00	0.00%
	Bin delivery charge - all recycling bins	Each	15.00		0.00	0.00%
	360 litre new (plastic) - Domestic	Each	70.00		0.00	0.00%
	Bin delivery charge - all 360l bins	Each	15.00		0.00	0.00%
	1100 litre (steel) - Trade Waste	Each	371.00		0.00	0.00%
	1100 litre (Plastic) - Trade Waste	Each	286.00		0.00	0.00%
	Bin delivery charge - per bin	Each	15.00		0.00	0.00%
Green Waste	Green Waste Service Bin	Per annum	55.00		5.00	10.00%
	Green Waste Service Bin (Concession)	Per annum	41.25		3.75	10.00%
	Green Waste Service Bag	Per annum	16.50		1.50	10.00%
	Green Waste Service Bag (Concession)	Per annum	12.50		1.25	11.11%
	New/Replacement Green Waste Bin	Each	38.00		0.00	0.00%
	New/Replacement Green Waste Bag	Each	12.00		0.00	0.00%
	Bin delivery charge - per bin	Each	15.00		0.00	0.00%
Skip Licences	Licence for skips on highway for each 7 days	Each	35.00		0.00	0.00%
	Labour cost (clean up team) per hour	Each	71.00	85.20	0.00	0.00%
	Tipping waste (transportation and disposal cost) per tonne	Each	161.00	193.20	0.00	0.00%
	Hazardous Clinical Waste Collections - per property per collection	Each	7.50		0.00	0.00%
Exterior Cleansing and Graffiti Removal	Graffiti removal / washdown	minimum per job + materials	65.00	78.00	0.00	0.00%
	Emergency biohazard clearance	minimum per job	65.00	78.00	0.00	0.00%
	Machine sweeping	minimum per job + tipping	85.00	102.00	0.00	0.00%
	Fly tip removal	minimum per job + tipping	65.00	78.00	0.00	0.00%
	+ additional labour	minimum per job	35.00	42.00	0.00	0.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>HOUSING</b>						
Temporary Accommodation Charges - B&B	One Room	Each	221.97		0.00	0.00%
	Two Room	Each	297.58		0.00	0.00%
Temporary Accommodation charges - New Tenants only	One Room/One Bedroom	Each	132.41		0.00	0.00%
	Two Bedrooms	Each	164.19		0.00	0.00%
Base Rent - non B&B	Three Bedrooms	Each	194.31		0.00	0.00%
Temporary Accommodation charges - New Tenants only	One Room/One Bedroom	Each	21.85		0.00	0.00%
	Two Bedrooms	Each	27.51		0.00	0.00%
Service Charge - non B&B	Three Bedrooms	Each	27.72		0.00	0.00%
Garage Rentals	Various	Each	Increased by CPI plus 1%			
<b>LIBRARIES</b>						
Overdue Charges	Adult Book - daily (to a maximum of £10.00)	Item	0.27		0.00	0.00%
	Children's Book - Daily (to a maximum of £3.00)	Item	0.11		0.00	0.00%
	Children's CD - Story/Teen (to a maximum of £4.00)	Item	0.10		0.00	0.00%
	CD - SINGLE (to a maximum of £12.00)	Item	0.55		0.00	0.00%
	CD - Set (to a maximum of £15.00)	Item	0.55		0.00	0.00%
	DVD (to a maximum of £15.00)	Item	1.20		0.10	9.09%
Hire Charges	Children's CD - Story/Teen	21 Days	-		0.00	0.00%
	CD - Single	21 Days	0.50		(0.50)	(50.00%)
	CD Set 2-6	21 Days	2.00		0.00	0.00%
	CD Set 7+	21 Days	3.00		0.00	0.00%
	DVD - 1-2	7 Days	2.50		(0.10)	(3.85%)
	DVD Set 3-6	7 Days	4.00		0.00	0.00%
	DVD Set 7+	7 Days	4.00		0.00	0.00%
	Children's DVDS	7 Days	1.00		0.00	0.00%
Audio Visual Subscription (unlimited)	per year	50.00		0.00	0.00%	
Children's activity Sessions	Cost recovery fee	Per child	1.00		0.00	0.00%
Note: A 10% discount on the regular Hire charge of these items is given to customers holding a general Your Reading Passport.						
Note: A 50% discount on the regular Hire charge of these items is given to customers holding a concessionary Your Reading Passport.						
Reservations	Not in Stock	Item	3.00		0.00	0.00%
	In stock	Item	0.60		0.10	20.00%
	From the British Library	Item	8.00		0.00	0.00%
	Periodical Articles (+ photocopying charge per sheet)	Item	5.00		0.00	0.00%
Photocopies	A4	per sheet	0.15		0.00	0.00%
	A3	per sheet	0.30		0.00	0.00%
Printing from Public Computers	A4 - Black & White	per sheet	0.15		0.00	0.00%
	A4 - Colour	per sheet	0.30		0.00	0.00%
Replacement Cards	Library Card Replacement or Provision of pin for Library Card	Item	3.00		0.20	7.14%
Reading Groups	Membership fee	per year	20.00		0.00	0.00%
Local Studies Camera Licence		per day	5.00		0.00	0.00%
Local Studies High Res Scanning		per image	2.00		0.00	0.00%
Fee for postal item lost notice		per letter	1.00		0.00	0.00%
Admin fee for lost/damaged stock		per item	5.00		0.00	0.00%
Overdue Charges	ToyY - Small - Daily (To a max of 6.00)	Item	0.15		0.00	0.00%
	Toy - Large - Daily (To a max of 15.00)	Item	0.40		0.00	0.00%
Vocal Sets Service (RBC Residents)	Borrowing from Reading stock	Set	5.00		1.00	25.00%
	Overdue charges	Set	5.00		0.00	0.00%
Vocal Sets Service (Non-RBC Residents)	Borrowing from Reading stock	Set	10.00		2.00	25.00%
Orchestral Set Service	Booking fee	Set	7.00		1.00	16.67%
	Overdue charges	Set	7.00		(0.50)	(6.67%)
Drama Sets Service (Non-RBC Residents)	Borrowing from Reading stock	Set	5.00		0.00	0.00%
	Overdue charges	Per Adult Book	Charges per Adult book			
Book Club Service (RBC Residents)	Borrowing from Reading stock	Set	-		0.00	0.00%
	Overdue charges	Per Adult Book	Charges per Adult book			
Book Club Service (Non-RBC Residents)	Borrowing from Reading stock	Set	7.50		2.50	50.00%
	Overdue charges	Per Adult Book	Charges per Adult book			
Lost (in print items)	Full cost of replacement + £5 admin fee	Item	Cost dependent on Item			
Lost (out of print items)	£15 + £5 Admin fee	Item	20.00		0.00	0.00%
Damaged Items	Varies by item	Item	Cost dependent on Item			
Withdrawn Stock	Varies by item	Item	Cost dependent on Item			
Photocopying (serviced)	A4 black and white	Sheet	0.50		0.20	66.67%



## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Photocopying (serviced)	A4 colour	Sheet	0.50		0.00	0.00%
	A3 black and white	Sheet	0.50		0.00	0.00%
	Service charge (does not include postage)	Transaction	5.00		0.00	0.00%
Printing from microform	A4 print	Sheet	0.50		0.00	0.00%
	A3 print	Sheet	0.50		0.00	0.00%
Printing from microform (serviced)	A4 print	Sheet	1.00		0.50	100.00%
	A3 print	Sheet	1.00		0.00	0.00%
	Service charge (does not include postage)	Film	5.00		0.00	0.00%
Copies of Local Studies Images	Email	Image	3.00		0.00	0.00%
	Printed - glossy paper	Image	5.00		0.00	0.00%
	Postage	Transaction	Current postage cost will be applied			
Charges for publication of images			By arrangement with specialist - contact library			
Research for local history (more than 30 mins)			By arrangement with specialist - contact library			
Study Carrels	10:00-13:00	Session	2.00		1.00	100.00%
	13:00-closing time (17:00/19:00)	Session	2.00		1.00	100.00%
Library Display Panels		Booking	6.00		1.00	20.00%
Toy Library	Membership childminders/playgroups	Annual	15.00		0.00	0.00%
	Membership parents	Annual	5.00		0.00	0.00%
	Membership schools/nurseries/providers	Annual	75.00		0.00	0.00%
Hire Charges	Toy Small item	Item	0.50		0.00	0.00%
	Toy Large item	Item	1.50		0.00	0.00%
	Toy Large/Very large item	Item	3.00		0.00	0.00%
Libraries - gallery fee	Libraries	fortnight	50.00		0.00	0.00%
Libraries - room Hire	Hire of a library space	Per Hour	20.00		0.00	0.00%
	Reading Group Fee (non RBC residents)	Per Hour	30.00		0.00	0.00%
<b>PRIVATE SECTOR HOUSING</b>						
Licence for house in multiple occupancy	Band A Licence Fee (Accredited Landlord)	per application	768.00		128.00	20.00%
	Band B Licence Fee (New HMOs only - proof required)	per application	864.00		144.00	20.00%
	Band C Licence Fee (All other applications)	per application	1,782.00		297.00	20.00%
	Charge per additional sleeping room over 5	per application	30.00		5.00	20.00%
	Band A Renewal Fee *15% Discount per additional property Licence Fee for Band A only	per application	414.00		69.00	20.00%
	Band B Renewal Fee	per application	510.00		85.00	20.00%
	Band C Renewal Fee	per application	978.00		163.00	20.00%
	* 15% Discount per additional property for Renewal Fee applies to band A					
Non Statutory Inspection Charge	Fee HMO inspection, report, drawing up plans and assisting with the completion of the licence application form	upto 6 hours	547.20	656.64	109.44	20.00%
Non Statutory Inspection Charge	Fee for non statutory inspection to provide advice and a report. Charge for up to 2 hours and does not include drawing up plans or completing HMO licence application	upto 2 hours	182.40	218.88	36.48	20.00%
Adminstration Charges	Fee for bounced cheque, copy of notices, copy of HMO licence, landlord information pack , HMO licence register	per transaction	34.00	40.80	6.80	20.00%
Provision of Factual Statement	Factual Statement	per statement	376.00	451.20	75.20	20.00%
Reading Rent with Confidence Scheme	inspection of each dwelling	per application	216.00	259.20	43.20	20.00%
Non Statutory Inspection Charge	Inspection and schedule of works for empty homes	upto 4 hours	364.80	437.76	72.96	20.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>LICENSING</b>						
<b>PREMISES LICENCES</b>						
Gambling - Adult Gaming Centre Premises Licence	new	per licence	1,391.00		0.00	0.00%
	annual fee	per licence	876.00		0.00	0.00%
	variation	per licence	1,018.00		0.00	0.00%
	transfer	per licence	1,236.00		0.00	0.00%
	re-instatement	per licence	1,030.00		0.00	0.00%
	provisional statement	per statement	1,391.00		0.00	0.00%
	provisional statement - holder	per licence	1,030.00		0.00	0.00%
	copy of licence	per licence	22.00		0.00	0.00%
	notification of change	per licence	22.00		0.00	0.00%
Gambling - Betting Premises licence	new	per licence	1,236.00		0.00	0.00%
	annual fee	per licence	494.00		0.00	0.00%
	variation	per licence	824.00		0.00	0.00%
	transfer	per licence	876.00		0.00	0.00%
	re-instatement	per licence	876.00		0.00	0.00%
	provisional statement	per statement	1,236.00		0.00	0.00%
	provisional statement - holder	per licence	824.00		0.00	0.00%
	copy of licence	per licence	22.00		0.00	0.00%
	notification of change	per licence	22.00		0.00	0.00%
Gambling - Bingo Premises licence	new	per licence	2,287.00		0.00	0.00%
	annual fee	per licence	876.00		0.00	0.00%
	variation	per licence	1,133.00		0.00	0.00%
	transfer	per licence	1,236.00		0.00	0.00%
	re-instatement	per licence	1,236.00		0.00	0.00%
	provisional statement	per statement	2,266.00		0.00	0.00%
	provisional statement - holder	per licence	1,133.00		33.00	3.00%
	copy of licence	per licence	22.00		0.00	0.00%
	notification of change	per licence	22.00		0.00	0.00%
Gambling - Casino Premises licence	new	per licence	1,183.00		0.00	0.00%
	annual fee	per licence	1,442.00		0.00	0.00%
	variation	per licence	1,545.00		0.00	0.00%
	transfer	per licence	1,391.00		0.00	0.00%
	re-instatement	per licence	1,339.00		0.00	0.00%
	copy of licence	per licence	22.00		0.00	0.00%
	notification of change	per licence	22.00		0.00	0.00%
	notification of change	per licence	22.00		0.00	0.00%
Gambling - Family Entertainment Centre Premises Licence	new	per licence	1,751.00		0.00	0.00%
	annual fee	per licence	773.00		0.00	0.00%
	variation	per licence	876.00		0.00	0.00%
	transfer	per licence	876.00		0.00	0.00%
	re-instatement	per licence	876.00		0.00	0.00%
	provisional statement	per statement	1,854.00		0.00	0.00%
	provisional statement - holder	per licence	824.00		0.00	0.00%
	copy of licence	per statement	22.00		0.00	0.00%
	notification of change	per statement	22.00		0.00	0.00%
Gambling - Track premises licence	new	per statement	1,751.00		0.00	0.00%
	annual fee	per statement	1,030.00		0.00	0.00%
	variation	per statement	876.00		0.00	0.00%
	transfer	per licence	876.00		0.00	0.00%
	re-instatement	per licence	876.00		0.00	0.00%
	provisional statement	per statement	1,854.00		0.00	0.00%
	provisional statement - holder	per licence	824.00		0.00	0.00%
	copy of licence	per licence	22.00		0.00	0.00%
notification of change	per licence	22.00		0.00	0.00%	
Sex Shop Licence	Grant/Renewal of Licence	per licence	1,082.00		0.00	0.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Sex Entertainment Licence (SEV)	Grant of Licence	per licence	2,575.00		0.00	0.00%
	Renewal of Licence	per licence	1,947.00		0.00	0.00%
	Variation	per licence	1,011.00		0.00	0.00%
	Transfer	per licence	124.00		0.00	0.00%
Film Classification	Film Classification (local film festivals)	per 15 mins or part thereof (of the film)	15.00		0.00	0.00%
Street Trading Outside Town Centre	OUT OF TOWN - Grant/ Renewal (Fast Food)	per stall/per application	2,421.00		0.00	0.00%
	OUT OF TOWN - Grant/Renewal (sandwich/icecream/retail food)	per stall/per application	901.00		0.00	0.00%
	OUT OF TOWN - Grant/Renewal (Non Food)	per stall/per application	464.00		0.00	0.00%
	OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up 3m (Trading dates listed on licence)	up to 3 x3 m single trader stall per day	129.00		0.00	0.00%
	OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up 3m (Trading dates listed on licence)	up to 3 x3 m single trader stall per day	98.00		0.00	0.00%
	OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up to 6 m (Trading dates listed on licence)	up to 6 x6 m single trader stall per day	206.00		0.00	0.00%
	OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up to 6 m (Trading dates listed on licence)	up to 6 x6 m single trader stall per day	144.00		0.00	0.00%
	OUT OF TOWN - Occasional (9-14 days per year) (Trading dates listed on licence)	Single trader	26.00		0.00	0.00%
	OUT OF TOWN - Occasional (15-45 days per year) (Trading dates listed on licence)	Single trader	15.00		0.00	0.00%
	OUT OF TOWN - Occasional (46-60 days per year) (Trading dates listed on licence)	Single trader	8.00		0.00	0.00%
Street Trading Town Centre	Town Centre - Grant/ Renewal (Broad Street)	per stall	6,129.00		0.00	0.00%
	Town Centre - Grant/ Renewal (Bridge Street)	per stall	6,129.00		0.00	0.00%
	Town Centre - Grant/ Renewal (Reading Station)	per stall	6,129.00		0.00	0.00%
	Town Centre - Market not under charter 1-14 days per yr	up to 3 x3 m single trader stall per day	12.00		0.00	0.00%
	Town Centre - Market not under charter 15-60 days per yr	up to 3 x3 m single trader stall per day	4.00		0.00	0.00%
	Town Centre - Market not under charter 1-14 days per yr	>over3x3m single trader stall per day	15.00		0.00	0.00%
	Town Centre - Market not under charter 15-60 days per yr	>over3x3m single trader stall per day	6.00		0.00	0.00%
	All Street Traders - Variation	per stall	247.00		0.00	0.00%
	All Street Traders - Additional Street Trading Assistant	per assistant	15.00		0.00	0.00%
	All Street Traders - fee for paying by direct debit - no other installment system allowed	per application	52.00		0.00	0.00%
Scrap Metal	Site Licence - new/renewal	per 3 year licence	876.00		0.00	0.00%
	Collectors Licence -new/renewal	per 3 year licence	577.00		0.00	0.00%
	Variation of Site Licence /Collectors Licence	per licence	260.00		0.00	0.00%
	Simple Variation (ie. admin changes) for site Licence or Collector	per licence	76.00		0.00	0.00%
	Replacement Licence or badge for collector	per licence	15.00		2.00	15.38%
Pavement Café	Town Centre/Out of Town - Initial Charge	per annum	268.00		0.00	0.00%
	Town Centre - Plus payment per table	per annum	77.00		0.00	0.00%
	Out of Town - Plus payment per table	per annum	39.00		0.00	0.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %	
Caravan Site Licence	Grant	per site	714.00		0.00	0.00%	
	Transfer	per site	328.00		0.00	0.00%	
	Variation	per site	489.00		0.00	0.00%	
	Annual Fee (less than 10 units)	per site	258.00		0.00	0.00%	
	Annual fee (less than 30 units)	per site	288.00		0.00	0.00%	
	Annual fee (more than 30 Units)	per site	318.00		(980.00)	(75.50%)	
	copies of site licence	per site	15.00		4.00	36.36%	
Other Fees	Check & Submit Service	Each	98.00		0.00	0.00%	
	Pre-application advice and site visit	Each	157.00		0.00	0.00%	
	DBS Standard	per person	32.00	32.00			
	Door Safe log Book	per book	15.00	15.00	4.00	36.36%	
<b>TRANSPORT LICENCES</b>							
Hackney Carriage Vehicle and Driver (not including disclosure fee)	Hackney carriage Vehicle grant or renewal	per operator	400.00	400.00	64.00	19.05%	
Private Hire Operators - 1 Year Grant	3 Year Hackney carriage driver new/ renewal	per operator	328.00	328.00	8.00	2.50%	
Private Hire Operators - 1 Year Grant	Each additional applicant	per operator	245.00		0.00	0.00%	
	1 -3 Vehicles	per operator	806.00		0.00	0.00%	
	4-10 Vehicles	per operator	1,292.00		0.00	0.00%	
	11-40 Vehicles	per operator	2,572.00		0.00	0.00%	
	41-100 Vehicles	per operator	4,314.00		0.00	0.00%	
	101+ Vehicles	per operator	5,181.00		0.00	0.00%	
Private Hire Operators - 1 Year Renewal	Each additional applicant	per operator	185.00		0.00	0.00%	
	1 -3 Vehicles	per operator	561.00		0.00	0.00%	
	4-10 Vehicles	per operator	892.00		0.00	0.00%	
	11-40 Vehicles	per operator	1,977.00		0.00	0.00%	
	41-100 Vehicles	per operator	3,583.00		0.00	0.00%	
Private Hire Operators - 5 Year Grant	101+ Vehicles	per operator	4,333.00		0.00	0.00%	
	Each additional applicant	per operator	245.00		0.00	0.00%	
	1 -3 Vehicles	per operator	2,125.00		0.00	0.00%	
	4-10 Vehicles	per operator	3,150.00		0.00	0.00%	
	11-40 Vehicles	per operator	8,020.00		0.00	0.00%	
Private Hire Operators - 5 Year Renewal	41-100 Vehicles	per operator	15,241.00		0.00	0.00%	
	101+ Vehicles	per operator	18,851.00		0.00	0.00%	
	Each additional applicant	per operator	185.00		0.00	0.00%	
	1 -3 Vehicles	per operator	2,065.00		0.00	0.00%	
	4-10 Vehicles	per operator	3,092.00		0.00	0.00%	
Private Hire Operators - 5 Year Renewal	11-40 Vehicles	per operator	7,917.00		0.00	0.00%	
	41-100 Vehicles	per operator	15,191.00		0.00	0.00%	
	101+ Vehicles	per operator	18,730.00		0.00	0.00%	
	Private Hire Vehicle and Driver	Private Hire Vehicle grant or renewal	per application	307.00		8.00	2.68%
		Executive vehicle grant or renewal	per application	343.00		8.00	2.39%
3 Year driver new/renewal (not including disclosure fee)		per application	319.00		6.00	1.92%	
School Transport	School Transport vehicle (Class IV) vehicle	per application	98.00		3.00	3.16%	
	3 year ST driver grant/renewal (not incl disclosure fee)	per application	240.00		6.00	2.56%	
School Transport - 1 Year Grant	Each additional applicant	per operator	245.00		0.00	0.00%	
	1 -3 Vehicles	per operator	445.00		0.00	0.00%	
	4-10 Vehicles	per operator	836.00		0.00	0.00%	
	11-40 Vehicles	per operator	1,727.00		0.00	0.00%	
	41-100 Vehicles	per operator	2,251.00		0.00	0.00%	
	101+ Vehicles	per operator	3,141.00		0.00	0.00%	
School Transport - 1 Year Renewal	Each additional applicant	per operator	145.00		0.00	0.00%	
	1 -3 Vehicles	per operator	345.00		0.00	0.00%	
	4-10 Vehicles	per operator	570.00		0.00	0.00%	
	11-40 Vehicles	per operator	1,132.00		0.00	0.00%	
	41-100 Vehicles	per operator	1,513.00		0.00	0.00%	
School Transport - 5 Year Grant	101+ Vehicles	per operator	2,290.00		0.00	0.00%	
	Each additional applicant	per operator	245.00		0.00	0.00%	
	1 -3 Vehicles	per operator	1,245.00		0.00	0.00%	
	4-10 Vehicles	per operator	2,324.00		0.00	0.00%	
	11-40 Vehicles	per operator	4,955.00		0.00	0.00%	
School Transport - 5 Year Grant	41-100 Vehicles	per operator	6,763.00		0.00	0.00%	
	101+ Vehicles	per operator	10,351.00		0.00	0.00%	

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
School Transport - 5 Year Renewal	Each additional applicant	per operator	145.00		0.00	0.00%
	1 -3 Vehicles	per operator	1,145.00		0.00	0.00%
	4-10 Vehicles	per operator	2,058.00		0.00	0.00%
	11-40 Vehicles	per operator	4,620.00		0.00	0.00%
	41-100 Vehicles	per operator	6,333.00		0.00	0.00%
	101+ Vehicles	per operator	9,890.00		0.00	0.00%
Other Charges - Vehicle	Vehicle Transfer of ownership -(admin only + issue licence)	per application	48.00		1.00	2.13%
	Replace vehicle plate (4 new tags+plate+30 mins)	per vehicle	58.00		0.00	0.00%
	temporary replacement Hackney Carriage or Private Hire Vehicle Plate	per application	47.00		2.00	4.44%
	HC Taxi livery design + 1 vehicle	per application	136.00		6.00	4.62%
	HC Livery - Additional vehicle check	per vehicle	38.00		6.00	18.75%
	HC Taxi livery renewal +1 vehicle	per application	89.00		4.00	4.71%
	<3 YEAR COMPLIANCE TEST - PH, EXEC, HC OR ST	per application	35.00		5.00	16.67%
	AGED VEHICLE CHECK - PH, ST or Executive Vehicles over age 10 years +	per vehicle	35.00		5.00	16.67%
	ELECTRIC VEHICLE ONLY - HC, PH, EXEC, ST	per application	145.00		0.00	0.00%
	Other Charges - Driver	Driver knowledge test	per driver	43.00		6.00
rescheduled new driver interview/ (no shows)		per driver	15.00			
Change of Application HC to PH or PH to HC		per application	33.00		1.00	3.13%
Replacement badge or licence (incl change of address)		per driver	15.00		0.00	0.00%
DBS Enhanced (HC, PH, ST driver)		per driver	50.00			
Driver - Visa Expiry (2 Badges, 1 cert+admin)		per driver	77.00		0.00	0.00%
Other Charges - Operator	Operator logbook	Per logbook	3.50		0.00	0.00%
	admin Charge + copy of the licence	per operator	48.00		1.00	2.13%
	copy of the licence	Per Operator	15.00		0.00	0.00%
Other Charges - General	Bounced Cheque	Each	33.00		1.00	3.13%
	Admin Charge	Each	33.00		1.00	3.13%
	Factual Statement	Each	140.00		4.00	2.94%
	Check and submit taxi application form	Each	98.00		3.00	3.16%
<b>FOOD &amp; SAFETY</b>						
Courses	Level 2 Food Safety & Hygiene Course (One day)	per candidate	72.00		0.00	0.00%
	Level 2 Food Safety in Catering Exam- re-sit fee	per candidate	41.00		0.00	0.00%
	Level 2 Food Safety - replacement certificate	Each	84.00		0.00	0.00%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	803.00		0.00	0.00%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	1,044.00		0.00	0.00%
	Additional candidates for level 2 Course on clients premises	Each	80.00		0.00	0.00%
	Level 3 Supervising food hygiene & safety (min 6 candidates)	Each	324.00		0.00	0.00%
	Level 3 Supervising food hygiene & safety (2 or more candidates)	Each	292.00		0.00	0.00%
	Level 3 Supervising food hygiene & safety (up to 10 candidates)	Each	2,575.00		0.00	0.00%
	Preparation & delivery of bespoke Training	Each	148.00		0.00	0.00%
	Food Hygiene Visits	Fee for missed Food Hygiene premises inspection visit where appointment made	Each	37.00	44.40	0.00
Food Hygiene Rating Scheme reinspection		Each	170.00	204.00	0.00	0.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Food Hygiene Miscellaneous	Fishery Product Inspections per tonne (set by statute) - 1 Euro/ £0.90	Each	0.90		0.00	0.00%
	Approved Cold Store inspection per hour per Officer	Each	78.00		0.00	0.00%
	Export Food Certificate	Each	165.00		0.00	0.00%
	Fridge/Freezer thermometer	Each	3.00		0.00	0.00%
	Condemned Food Certificate	Each	138.00		0.00	0.00%
	Administration Fee/Cancellation Fee	Each	33.00		0.00	0.00%
	Factual Statement to solicitors & others	Each	157.00		0.00	0.00%
	Additional documents	Each	103.00		0.00	0.00%
Special treatments	Single treatment Premises (premises +1 operator) One Off payment. (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	per premises +1 operator -	268.00		0.00	0.00%
	Single treatment Operator (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	per operator One Off payment	46.00		0.00	0.00%
	Special Treatment Operator/premises Replacement Certificate (no changes)	per certificate	31.00		0.00	0.00%
Safety at Sports Ground	Issue of Safety of Sports Grounds Safety Certificate + additional fee for risk based system checks. Fee invoiced quarterly.	certificate	206.00	247.20	0.00	0.00%
	Amendment to Safety Certificate	per certificate	1,669.00	2,002.80	0.00	0.00%
	Issue of Special Safety Certificate	per certificate	2,225.00	2,670.00	0.00	0.00%
<b>PRIMARY AUTHORITY AND BUSINESS ADVICE</b>						
Primary Authority Business Advice	Commercial property search		74.00		0.00	0.00%
	Mini Primary Authority fee / minimum annual PA fee	less than 3 hours advice per year	500.00		0.00	0.00%
	Medi Primary Authority Fee	less than 25 hours advice per year	1,700.00		0.00	0.00%
	Pay as You Go standing charge (PAYG)	per profession	1,500.00		0.00	0.00%
	Primary Authority Advice (Admin Officer)	per hour	64.00		0.00	0.00%
	Primary Authority Partnership advice (EHO, TSO, Lice Officer)	per hour	72.00		0.00	0.00%
	Primary Authority Set up fee	per business	250.00		0.00	0.00%
	Additional Services outside RBC (ie Wales, Emergency Primary Authority Advice	per service	145.00		0.00	0.00%
		per hour	120.00		0.00	0.00%
Business Advice - Regulation Services	Start Up advisory /Reg Services Health Check (Option 2)	per premises	152.00		0.00	0.00%
	Bespoke Service (Option 3) then hourly rate	per business	800.00		0.00	0.00%
Business Advice	Outside a Primary Authority Partnership	per hour	76.00		0.00	0.00%
<b>TRADING STANDARDS &amp; COROneRS</b>						
Petroleum Spirits (set by statute)	Up to 2500 litres	per licence	44.00		0.00	0.00%
	2500-50,000 litres	per licence	60.00		0.00	0.00%
	Over 50,000 litres	per licence	125.00		0.00	0.00%
	Transfer of Licence	per licence	8.00		0.00	0.00%
	Petroleum Search	per search	74.00		0.00	0.00%
Weights and Measures Verification Fees	Technical Officer Hourly Rate	Per Hour	36.74		0.00	0.00%
	Weights and Measures Inspector Hourly Rate	Per Hour	61.32		0.00	0.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Explosives (Set by statute)	Licence to store explosives no min separation					
	1 year	per Licence	109.00		0.00	0.00%
	2 year	per Licence	141.00		0.00	0.00%
	3 Year	per Licence	173.00		0.00	0.00%
	4 Year	per Licence	206.00		0.00	0.00%
	5 Year	per Licence	238.00		0.00	0.00%
	Renewal to store explosives no minimum separation					
	1 Year	per Licence	54.00		0.00	0.00%
	2 Year	per Licence	86.00		0.00	0.00%
	3 Year	per Licence	120.00		0.00	0.00%
	4 Year	per Licence	152.00		0.00	0.00%
	5 Year	per Licence	185.00		0.00	0.00%
	Licence to store explosives with min separation					
	1 Year	per Licence	185.00		0.00	0.00%
	2 Year	per Licence	243.00		0.00	0.00%
	3 Year	per Licence	304.00		0.00	0.00%
	4 Year	per Licence	374.00		0.00	0.00%
	5 Year	per Licence	423.00		0.00	0.00%
	Renewal to store explosives with minimum separation					
	1 Year	per Licence	86.00		0.00	0.00%
	2 Year	per Licence	147.00		0.00	0.00%
	3 Year	per Licence	206.00		0.00	0.00%
	4 Year	per Licence	266.00		0.00	0.00%
	5 Year	per Licence	326.00		0.00	0.00%
	Variation/Transfer/Replacement	per Licence	36.00		0.00	0.00%
	Year round to sell fireworks	per Licence	500.00		0.00	0.00%
	Courses British Institute of Inn keeping Awarding Body Courses		per person	75.00		0.00
Coroner (Set by Statute)	Paper copy of document under 10 pages	First 10	5.00		0.00	0.00%
	Additional pages	Each	0.50		0.00	0.00%
	Document other than email or paper	Each	5.00		0.00	0.00%
	Inquest transcript of not more than 360 words	Each	6.20		0.00	0.00%
	for a copy of 361 to 1440 words	Each	13.10		0.00	0.00%
	for a of the first 1440 of a document exceeding 1440 words	Each	13.10		0.00	0.00%
	for each 72 words after the first 1440 words or part thereof	Each	0.70		0.00	0.00%
<b>ENVIRONMENTAL PROTECTION</b>						
Environmental Protection & Nuisance Team	Contaminated Land/Environmental Information Request (Residents)	per hour	42.92	51.50	0.00	0.00%
	Contaminated Land/Environmental Information Request (Commercial)	per hour	61.83	74.20	0.00	0.00%
	Sound check consultancy	per hour	61.83	74.20	0.00	0.00%
	Officer charge	per hour	61.83	74.20	0.00	0.00%
Dog Warden	Statutory Stray Fee	Each	25.00	30.00	0.00	0.00%
	Dog picked up but not kennelled	Each	51.50	61.80	0.00	0.00%
	Up to One day in Kennels	Period	113.33	136.00	0.00	0.00%
	Up to two days in kennels	Period	132.50	159.00	0.00	0.00%
	Up to three days in kennels	Period	151.00	181.20	0.00	0.00%
	Up to four days in kennels	Period	170.00	204.00	0.00	0.00%
	Up to five days in kennels	Period	188.83	226.60	0.00	0.00%
	Up to six days in kennels	Period	207.75	249.30	0.00	0.00%
	Up to seven days in kennels	Period	226.67	272.00	0.00	0.00%
	Up to eight days in kennels	Period	245.50	294.60	0.00	0.00%
	Additional days over 8	Each	18.92	22.70	0.00	0.00%
	veterinary fees will be charged on a cost basis.	At Cost		Price on Request		

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Animal Establishments	Animal Boarding annual licence (exclusive of vets' fees) Catteries and Kennels	Per Licence	350.00	420.00	0.00	0.00%
	Pet Shop small annual licence (exclusive of vets' fees)	Per Licence	168.33	202.00	0.00	0.00%
	Pet Shop large (exclusive of vets' fees) - more than 75m2	Per Licence	473.00	567.60	0.00	0.00%
	Pet shop/boarding/breeding licence amendment	Per Licence	99.75	119.70	0.00	0.00%
	small home boarder (annual fee)	Per Licence	91.50	109.80	0.00	0.00%
	medium home boarder (annual fee)	Per Licence	121.92	146.30	0.00	0.00%
	larger home boarder (annual fee)	Per Licence	195.67	234.80	0.00	0.00%
	small home boarder (min fee)	Per Licence	51.92	62.30	0.00	0.00%
	medium home boarder (min fee)	Per Licence	69.25	83.10	0.00	0.00%
	larger home boarder (min fee)	Per Licence	109.58	131.50	0.00	0.00%
	small home boarder (Pro rata fee)	Per Licence	7.42	8.90	0.00	0.00%
	medium home boarder (pro rata fee)	Per Licence	9.92	11.90	0.00	0.00%
	larger home boarder (pro rata fee)	Per Licence	15.67	18.80	0.00	0.00%
	small home boarder (late payment fee)	Per Licence	105.50	126.60	0.00	0.00%
	medium home boarder (late payment fee)	Per Licence	139.25	167.10	0.00	0.00%
	larger home boarder (late payment fee)	Per Licence	205.17	246.20	0.00	0.00%
	Animal Breeding Establishments (exclusive of vets' fees)	Per Licence	288.42	346.10	0.00	0.00%
	Horse Riding Establishment Licence	Per Licence	335.42	402.50	0.00	0.00%
	Dangerous Wild Animals Licence or Zoo	Per Licence	370.83	445.00	0.00	0.00%
	Performing Animals Registration	Per Licence	463.50	556.20	0.00	0.00%
Performing Animals Licence	Per Animal	41.17	49.40	0.00	0.00%	
<b>LOCAL AIR POLLUTION PREVENTION AND CONTROL (LAPPC)</b>						
Annual Subsistence Charge	Standard process Low	per Licence	772.00	772.00	0.00	0.00%
	Standard process Medium	per Licence	1,161.00	1,161.00	0.00	0.00%
	Standard process High	per Licence	1,747.00	1,747.00	0.00	0.00%
	Permit for Vapour Recovery Part I and Dry Cleaners L	per Licence	79.00	79.00	0.00	0.00%
	Permit for Vapour Recovery Part I and Dry Cleaners M	per Licence	158.00	158.00	0.00	0.00%
	Permit for Vapour Recovery Part I and Dry Cleaners H	per Licence	237.00	237.00	0.00	0.00%
	Permit for Vapour Recovery Part I & II combined L	per Licence	113.00	113.00	0.00	0.00%
	Permit for Vapour Recovery Part I & II combined M	per Licence	226.00	226.00	0.00	0.00%
	Permit for Vapour Recovery Part I & II combined H	per Licence	341.00	341.00	0.00	0.00%
	Vapour Recovery and other Reduced Fees L	per Licence	228.00	228.00	0.00	0.00%
	Vapour Recovery and other Reduced Fees M	per Licence	365.00	365.00	0.00	0.00%
	Vapour Recovery and other Reduced Fees H	per Licence	548.00	548.00	0.00	0.00%
	<b>PLANNING</b>					
<b>PLANNING - PRE APPLICATION FEES</b>						
Level 1	Householders advice on house extensions	Each	157.30	188.76	17.16	10.00%
	Follow up Meetings	Each	90.75	108.90	9.90	10.00%
	Small business and developers: advice on building works and change of use where the floor area involved is up to 200sqm.	Each	145.00	174.00	0.00	0.00%
	Follow up Meetings	Each	85.00	102.00	0.00	0.00%
	Proposals for community uses - (Free of charge for up to 200sqm)	Each	145.00	174.00	0.00	0.00%
	Follow up Meetings	Each	85.00	102.00	0.00	0.00%
	Advertisements	Each	250.00	300.00	0.00	0.00%
	Follow up Meetings	Each	85.00	102.00	0.00	0.00%
	Telecommunication installations	Each	145.00	174.00	0.00	0.00%
	Follow up Meetings	Each	85.00	102.00	0.00	0.00%
	Listed Building consent /conservation area consent.	Each	145.00	174.00	0.00	0.00%
	Follow up Meetings	Each	85.00	102.00	0.00	0.00%
	Trees and Landscaping	Each	145.00	174.00	0.00	0.00%
	Follow up Meetings	Each	85.00	102.00	0.00	0.00%
	Works to trees covered by tree preservation orders.	Each	145.00	174.00	0.00	0.00%
Follow up Meetings	Each	85.00	102.00	0.00	0.00%	



## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Level 2 Business, commercial or other development of 201 sqm to 1000 or up to 19 dwellings.	201 - 499sqm	Each	350.00	420.00	0.00	0.00%
	500 - 1000sqm	Each	660.00	792.00	0.00	0.00%
	1 - 3 dwellings	Each	350.00	420.00	0.00	0.00%
	4 - 9 dwellings	Each	500.00	600.00	0.00	0.00%
	10 - 15 dwellings	Each	825.00	990.00	0.00	0.00%
	15 - 19 dwellings	Each	1,000.00	1,200.00	0.00	0.00%
	One Meeting included in above fee, additional Meetings charged by hour.	Each	110.00	132.00	0.00	0.00%
Level 3	Introductory Meeting fee	Each	220.00	264.00	0.00	0.00%
Development > 1,001 sqm or 20+ dwellings or other proposals	Additional Meetings and advice thereafter by negotiation.	Each	Price on Request			
Responses to Enquiries Involving Research	e.g. enquiries about legal status of land or property, enforcement notices, planning history, etc., by negotiation based on an estimate of the time needed.	Each	Price on Request			
<b>PLANNING ADMINISTRATION CHARGES</b>						
Planning History Search	Where more complicated or several addresses	per application	22.92		0.00	0.00%
Copies of Section 106 Agreements	per agreement	per application	22.92		0.00	0.00%
Copies of Planning Decision Notices	A list given of decision notices required	per application	10.83		0.00	0.00%
	One decision notice from Microfiche slide	per application	10.83		0.00	0.00%
	One decision notice from Microfiche slide plus plans (all on One slide)	per application	22.92		0.00	0.00%
	Scanning more than One slide	per application	22.92		0.00	0.00%
	Plans and documents for an application that need redacting	per application	10.83		0.00	0.00%
Enquiries for evidence that conditions have been discharged (statutory Fee)	Householders	per application	37.40		0.00	0.00%
	All others	per application	127.60		0.00	0.00%
S106 and Community Infrastructure Levy obligation enquiries		per application	22.90		0.00	0.00%
Tree Preservation Order Documents		per application	22.92		0.00	0.00%
<b>PUBLIC CONVENIENCES</b>						
	charge for entry to automated toilets	Each	0.40		0.00	0.00%
<b>COMMUNITY SAFETY</b>						
Town Safe Radio Membership daytime		Annual membership	450.00	540.00	0.00	0.00%
Town Safe Associate member		Annual membership	225.00	270.00	0.00	0.00%
Town Safe External member		Annual membership	250.00	300.00	0.00	0.00%
Town Safe Nighttime full membership		Annual membership	400.00	480.00	0.00	0.00%
Internal partners		Annual membership	250.00	250.00	0.00	0.00%
<b>Leisure</b>						
<b>Swimming</b>						
Pool	Adult (Peak / Off Peak)	Session	4.17	5.00	0.00	0.00%
	Adult Your Reading Passport General	Session	3.67	4.40	0.00	0.00%
	Adult Your Reading Passport Concession	Session	2.71	3.25	0.00	0.00%
	Adult Your Reading Passport Concession Off Peak	Session	-	-	0.00	0.00%
	Junior / Student	Session	2.50	3.00	0.00	0.00%
	Junior / Student Your Reading Passport	Session	2.17	2.60	0.00	0.00%
	Junior / Student Your Reading Passport Concession	Session	-	-	0.00	0.00%
	Under 3 all pools	Session	-	-	0.00	0.00%
	Holiday Swim Activity	Session	0.83	1.00	0.00	0.00%
Family Swim Activity	Session	9.92	11.90	0.00	0.00%	

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Pool Hire - Sports/community use	Meadway Pool	Per Hour	70.38	84.45	0.00	0.00%
	South Reading Leisure Centre (Whole Pool)	Per Hour	70.42	84.50	0.00	0.00%
	South Reading Leisure Centre (Per lane)	Per Hour	12.50	15.00	0.00	0.00%
Membership Charges	Bronze Gym	per person	14.17	17.00	0.00	0.00%
	Bronze Gym Your Reading Passport	per person	13.33	16.00	0.00	0.00%
	Bronze Gym Pathway	per person	13.33	16.00	0.00	0.00%
	Silver Swim & Gym	per person	18.75	22.50	0.00	0.00%
	Silver Swim & Gym Your Reading Passport	per person	17.08	20.50	0.00	0.00%
	Silver Swim & Gym Pathway	per person	17.08	20.50	0.00	0.00%
	Silver Swim & Class	per person	18.75	22.50	0.00	0.00%
	Silver Swim & Class Your Reading Passport	per person	17.08	20.50	0.00	0.00%
	Silver Swim & Class Pathway	per person	17.08	20.50	0.00	0.00%
	Silver Gym & Class	per person	18.75	22.50	0.00	0.00%
	Silver Gym & Class Your Reading Passport	per person	17.08	20.50	0.00	0.00%
	Silver Gym & Class Pathway	per person	17.08	20.50	0.00	0.00%
	Gold Swim,Gym & Class	per person	24.17	29.00	0.00	0.00%
	Gold Swim,Gym & Class Your Reading Passport	per person	22.08	26.50	0.00	0.00%
	Gold Swim,Gym & Class Pathway	per person	22.08	26.50	0.00	0.00%
	Plat All facilities	per person	29.17	35.00	0.00	0.00%
	Plat All facilities Your Reading Passport	per person	26.67	32.00	0.00	0.00%
	Plat All facilities Pathway	per person	26.67	32.00	0.00	0.00%
	Replacement	Single fee	per person	4.17	5.00	0.00
Badminton	Adult	Session	10.33	12.40	0.00	0.00%
	Adult Your Reading Passport General	Session	8.83	10.60	0.00	0.00%
	Adult Your Reading Passport Concession	Session	6.13	7.35	0.00	0.00%
	Adult/Junior weekdays 9.00am - 5.00pm Your Reading Passport Concession	Session	-	-	0.00	0.00%
	Junior	Session	5.13	6.15	0.00	0.00%
	Junior Your Reading Passport General	Session	4.46	5.35	0.00	0.00%
	Junior Your Reading Passport Concession	Session	3.13	3.75	0.00	0.00%
Table Tennis	Adult	Session	9.33	11.20	0.00	0.00%
	Adult Your Reading Passport General	Session	7.17	8.60	0.00	0.00%
	Adult Your Reading Passport Concession	Session	5.13	6.15	0.00	0.00%
	Adult/Junior weekdays 9.00am - 5.00pm Your Reading Passport Concession	Session	-	-	0.00	0.00%
	Junior	Session	4.17	5.00	0.00	0.00%
	Junior Your Reading Passport General	Session	3.58	4.30	0.00	0.00%
	Junior Your Reading Passport Concession	Session	2.50	3.00	0.00	0.00%
Squash 40 minutes	Adult	Session	9.33	11.20	0.00	0.00%
	Adult Your Reading Passport General	Session	7.17	8.60	0.00	0.00%
	Adult Your Reading Passport Concession	Session	5.13	6.15	0.00	0.00%
	Adult/Junior weekdays 9.00am - 5.00pm Your Reading Passport Concession	Session	-	-	0.00	0.00%
	Junior	Session	4.17	5.00	0.00	0.00%
	Junior Your Reading Passport General	Session	3.58	4.30	0.00	0.00%
	Junior Your Reading Passport Concession	Session	2.50	3.00	0.00	0.00%
Area Hire - Sports community use	Meadway Hall Hire - Sporting booking	Per Hour	48.08	57.70	0.00	0.00%
	Meadway / South Reading Leisure Centre Hall Hire - Non - Sporting Events	Per Hour	81.83	98.20	0.00	0.00%
	Meadway Sports 1/2 Hall	Per Hour	19.21	23.05	0.00	0.00%
	South Reading Leisure Centre Hall Hire	Per Hour	40.00	48.00	0.00	0.00%
	South Reading Leisure Centre 1/2 Hall	Per Hour	20.00	24.00	0.00	0.00%
	Meadway Studio Hire	Per Hour	12.83	15.40	0.00	0.00%
	South Reading Leisure Centre Studio Hire	Per Hour	29.58	35.50	0.00	0.00%
	Palmer Studio Hire	Per Hour	29.75	35.70	0.00	0.00%
	Palmer Track/Cycle Hire	Per Hour	39.17	47.00	0.00	0.00%
	Palmer Stadium Pitch Lights	Per Hour	259.00	310.80	0.00	0.00%
	Palmer Stadium pitch without lights	Per Match	171.25	205.50	0.00	0.00%
	Palmer event cycling / Athletics per additional out of hours	Per Match	76.75	92.10	0.00	0.00%
	Palmer Adult RBC Athletics Meet	Per Hour	60.08	72.10	0.00	0.00%
	Palmer Junior RBC Athletics Meet	Per Hour	30.63	36.75	0.00	0.00%
	Palmer Adult Athletics Meet	Per Hour	65.96	79.15	0.00	0.00%
Palmer Junior Athletics Meet	Per Hour	34.17	41.00	0.00	0.00%	

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Cycling / Athletics	Adult Cycling	Session	4.92	5.90	0.00	0.00%
	Adult Athletics	Session	4.92	5.90	0.00	0.00%
	Adult Your Reading Passport General	Session	4.08	4.90	0.00	0.00%
	Adult Your Reading Passport Concession	Session	2.71	3.25	0.00	0.00%
	Junior Athletic	Session	2.25	2.70	0.00	0.00%
	Junior Cycling	Session	3.08	3.70	0.00	0.00%
	Junior Your Reading Passport General	Session	2.00	2.40	0.00	0.00%
	Junior Your Reading Passport Concession	Session	1.46	1.75	0.00	0.00%
	Adult Tuesday & Thursday Cycling	Session	5.00	6.00	0.00	0.00%
	Junior Tuesday & Thursday Cycling	Session	2.38	2.85	0.00	0.00%
	Cycle Racing	Session	3.33	4.00	0.00	0.00%
	Wheelie Fun	Session	2.58	3.10	0.00	0.00%
	Everybody Active Cycling	Session	2.92	3.50	0.00	0.00%
	Cycling for health	Session	2.50	3.00	0.00	0.00%
Cricket - Weekend	Adult One Off Game	Session	131.08	157.30	0.00	0.00%
	Adult Block 10+ Games	Session	111.75	134.10	0.00	0.00%
	Junior One Off Game	Session	65.67	78.80	0.00	0.00%
	Junior Block 10+ Games	Session	56.08	67.30	0.00	0.00%
Tennis	Adult Standard	Session	5.13	6.15	0.00	0.00%
	Adult Your Reading Passport General	Session	4.08	4.90	0.00	0.00%
	Adult Your Reading Passport Concession	Session	-	-	0.00	0.00%
	Junior Standard	Session	2.58	3.10	0.00	0.00%
	Junior Your Reading Passport General	Session	2.17	2.60	0.00	0.00%
	Junior Your Reading Passport Concession	Session	-	-	0.00	0.00%
Tennis (Artificial-turf)	Adult Standard	Session	7.33	8.80	0.00	0.00%
	Adult Your Reading Passport General	Session	5.83	7.00	0.00	0.00%
	Adult Your Reading Passport Concession	Session	-	-	0.00	0.00%
	Junior Standard	Session	3.67	4.40	0.00	0.00%
	Junior Your Reading Passport General	Session	2.92	3.50	0.00	0.00%
	Junior Your Reading Passport Concession	Session	-	-	0.00	0.00%
Bowls	Adult Standard	Session	3.92	4.70	0.00	0.00%
	Adult Your Reading Passport General	Session	2.67	3.20	0.00	0.00%
	Adult Your Reading Passport Concession	Session	1.96	2.35	0.00	0.00%
	Junior Standard	Session	1.96	2.35	0.00	0.00%
	Junior Your Reading Passport General	Session	1.38	1.65	0.00	0.00%
	Junior Your Reading Passport Concession	Session	1.13	1.35	0.00	0.00%
	Hire of woods and mats	Session	3.17	3.80	0.00	0.00%
Football	Adult One Off Game Standard	Match	98.42	118.10	0.00	0.00%
	Adult Block 10+ Games Standard	Match	83.83	100.60	0.00	0.00%
	Adult Block 5+ Teams Standard	Match	75.13	90.15	0.00	0.00%
	Senior League discounts	Match	20.46	24.55	0.00	0.00%
	Senior League discounts	Match	15.38	18.45	0.00	0.00%
	Senior League discounts	Match	10.25	12.30	0.00	0.00%
	Junior One Off Game Standard	Match	53.63	64.35	0.00	0.00%
	Junior Block 10+ Games Standard	Match	38.96	46.75	0.00	0.00%
	Junior Block 5+ Teams standard	Match	34.04	40.85	0.00	0.00%
	Mini Soccer per Game	Match	16.04	19.25	0.00	0.00%
	Mini Soccer 10+ Games	Match	13.67	16.40	0.00	0.00%
	Mini Soccer 5+ Teams	Match	12.21	14.65	0.00	0.00%
Australian Rules & Gaelic	One Off	Match	88.00	105.60	0.00	0.00%
	Block 10+ Games	Match	73.33	88.00	0.00	0.00%
5-a-side football	Adult Peak - single	Per Hour	45.17	54.20	0.00	0.00%
	Adult Peak - Block	Per Hour	37.64	45.17	0.00	0.00%
	Junior Peak - single	Per Hour	23.79	28.55	0.00	0.00%
	Junior Peak - Block	Per Hour	19.83	23.79	0.00	0.00%
Casual Fitness	Adult - Peak Training	Session	6.67	8.00	0.00	0.00%
	Adult - Peak Training Your Reading Passport General	Session	5.83	7.00	0.00	0.00%
	Adult - Peak Training Your Reading Passport Concession	Session	4.33	5.20	0.00	0.00%
	Junior/Student - Peak Training	Session	3.33	4.00	0.00	0.00%
	Junior/Student - Peak Training Your Reading Passport General	Session	2.92	3.50	0.00	0.00%
	Junior/Student - Peak Training Your Reading Passport Concession	Session	2.17	2.60	0.00	0.00%
	Junior/Student Fitness Session	Session	3.33	4.00	0.00	0.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %	
Courses	Junior Swimming 30 mins	Per Lesson	5.38	6.45	0.00	0.00%	
	Junior Swimming 30 mins Your Reading Passport General	Per Lesson	5.17	6.20	0.00	0.00%	
	Adult Swimming 30 mins	Per Lesson	6.25	7.50	0.00	0.00%	
	Adult Swimming 30 mins Your Reading Passport General	Per Lesson	6.00	7.20	0.00	0.00%	
	Trampolining 1hr	Per Lesson	5.96	7.15	0.00	0.00%	
	Trampolining 1hr Your Reading Passport	Per Lesson	5.54	6.65	0.00	0.00%	
	Gymnastics 1hr	Per Lesson	5.96	7.15	0.00	0.00%	
	Gymnastics 1hr Your Reading Passport General	Per Lesson	5.54	6.65	0.00	0.00%	
	Gymnastics (Pre School) 45mins	Per Lesson	5.00	6.00	0.00	0.00%	
	Badminton	Per Lesson	5.63	6.75	0.00	0.00%	
	Badminton Your Reading Passport General	Per Session	5.29	6.35	0.00	0.00%	
	Cardio Care 1hr General	Per Session	3.75	4.50	0.00	0.00%	
	Cardio Care 1hr Your Reading Passport	Per Session	3.50	4.20	0.00	0.00%	
	Cardio Care Course 6wk	Per Session	21.08	25.30	0.00	0.00%	
	Cardio Care Course 6 wk Your Reading	Per Session	20.75	24.90	0.00	0.00%	
	Cardio Care Course 5wk	Per Session	17.58	21.10	0.00	0.00%	
	Cardio Care Course 5 wk Your Reading	Per Session	17.29	20.75	0.00	0.00%	
	Administration charge for registration on to Courses Direct Debit	One Off	3.58	4.29	0.00	0.00%	
Group Training Sessions	Class A	Session	6.25	7.50	0.00	0.00%	
	Class B	Session	5.46	6.55	0.00	0.00%	
	Class C	Session	4.71	5.65	0.00	0.00%	
	Class D	Session	4.46	5.35	0.00	0.00%	
	Class E	Session	3.75	4.50	0.00	0.00%	
	Class F	Session	3.13	3.75	0.00	0.00%	
	Pool Party	Session	71.67	86.00	0.00	0.00%	
	Tots	Session	55.00	66.00	0.00	0.00%	
	Disco	Session	59.58	71.50	0.00	0.00%	
3G Hire	Cycling	Session	91.67	110.00	0.00	0.00%	
	South Reading Leisure Centre 3G pitch (full)	Per Hour	140.00	168.00	0.00	0.00%	
	South Reading Leisure Centre 3G pitch (half)	Per Hour	70.00	84.00	0.00	0.00%	
Tennis	South Reading Leisure Centre 3G Pitch	Per Hour	35.00	42.00	0.00	0.00%	
	South Reading Leisure Centre	Per Hour	5.00	6.00	0.00	0.00%	
	South Reading Leisure Centre	Per Hour	5.00	6.00	0.00	0.00%	
Parties	Soft Play	Session	66.67	80.00	0.00	0.00%	
	Bouncy Castle (Half Hall)	Session	66.67	80.00	0.00	0.00%	
	Sporty	Session	100.00	120.00	0.00	0.00%	
	Pool Inflatable	Session	108.33	130.00	0.00	0.00%	
	Traditional Pool	Session	66.67	80.00	0.00	0.00%	
Club Charges	Reading Athletics Club	Session	35.00	42.00	0.00	0.00%	
	Reading Road Runners Friday	Session	27.79	33.35	0.00	0.00%	
	Reading Road Runners Wednesday	Session	47.58	57.10	0.00	0.00%	
	Reading Track Cycle	Session	32.33	38.80	0.00	0.00%	
	Palmer Park Velo Club Use	Session	17.00	20.40	0.00	0.00%	
	Palmer Park Velo Club Event	Session	23.33	28.00	0.00	0.00%	
<b>MUSEUM</b>	Aikido	Session	18.88	22.65	0.00	0.00%	
	School Sessions	(Session, loan, membership, talk etc)	per event	149.00	178.80	0.00	0.00%
	Welcome and wow talks	(Session, loan, membership, talk etc)	per event	35.00	42.00	0.00	0.00%
	Membership 5 boxes RBC non academy		membership	385.00	462.00	0.00	0.00%
	Membership 3 boxes RBC non academy		membership	330.00	396.00	0.00	0.00%
	Membership 5 boxes academy schools		membership	412.00	494.40	0.00	0.00%
	Membership 3 boxes RBC academy		membership	357.00	428.40	0.00	0.00%
	Membership 5 boxes non RBC schools		membership	459.00	550.80	0.00	0.00%
	Membership 3 boxes non rbc schools		membership	409.00	490.80	0.00	0.00%
	Individual box loan		per box	45.00	54.00	0.00	0.00%
	Curious curator packs and welcome and wow talks		per occasion	35.00	42.00	0.00	0.00%
	Reminiscence		membership	85.00	102.00	0.00	0.00%
	Museum introduction		per occasion	45.00	54.00	0.00	0.00%
	Talks - Booked privately		per talk	75.00	90.00	0.00	0.00%
	Long talks - booked privately		per talk	150.00	180.00	0.00	0.00%
	photography/filming		per image/hour	Price on Request			
	Archaeology		per deposit	From £110	From £132	0.00	0.00%
	Corporate loans		membership	1,000.00	1,200.00	0.00	0.00%
Family activities		per event	From 50p		0.00	0.00%	
Talks - Public		per event	5.00		0.00	0.00%	

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
<b>BERKSHIRE ARCHEOLOGY</b>						
Charges for provision of Historic Environment Record data to commercial users	BerksHire Archaeology, DENS	Per Hour	44.00	52.80	0.00	0.00%
<b>ARTS VENUES</b>						
Reading Arts - per transaction postage fee for ticket bookings	Across all price points for tickets available from Reading Arts and Venues	Per Transaction	1.46	1.75	0.00	0.00%
Reading Arts - Membership scheme for The Hexagon	Charged at the discretion of customers, and along the booking pathway.	Per Transaction	25.00	30.00	0.00	0.00%
<b>BUSINESS DEVELOPMENT</b>						
Lamp Column Banner Advertising (Broad Street West)	Single (3 months)	each	750.00	900.00	0.00	0.00%
	Renewal (additional 3 months)	each	650.00	780.00	0.00	0.00%
	Pair (3 Months)	each	1,300.00	1,560.00	0.00	0.00%
	Renewal (additional 3 months)	each	1,000.00	1,200.00	0.00	0.00%
	Single (6 months)	each	1,300.00	1,560.00	0.00	0.00%
	Renewal (additional 6 months)	each	1,000.00	1,200.00	0.00	0.00%
	Pair (6 months)	each	2,300.00	2,760.00	0.00	0.00%
	Renewal (additional 6 months)	each	2,000.00	2,400.00	0.00	0.00%
Roundabout Advertising	Imperial Way - A33	each	6,000.00	7,200.00	0.00	0.00%
	Castle Street - IDR	each	6,000.00	7,200.00	0.00	0.00%
	Caversham Road - Richfield Ave	each	5,200.00	6,240.00	0.00	0.00%
	Chatham Street - IDR	each	8,000.00	9,600.00	0.00	0.00%
	Forbury Reservation	each	2,000.00	2,400.00	0.00	0.00%
	Forbury / Kenavon Drive	each	4,500.00	5,400.00	0.00	0.00%
	Hartland / Northumberland	each	4,000.00	4,800.00	0.00	0.00%
	Honiton / Northumberland	each	2,000.00	2,400.00	0.00	0.00%
	Norcot / Oxford Road	each	8,000.00	9,600.00	0.00	0.00%
	Liebenrood / Tilehurst Rd	each	3,600.00	4,320.00	0.00	0.00%
	Queens Road reservation	each	2,000.00	2,400.00	0.00	0.00%
	Vastern / Caversham road	each	3,600.00	4,320.00	0.00	0.00%
	Vastern / Forbury Road	each	4,500.00	5,400.00	0.00	0.00%
	Vastern / George Street	each	8,000.00	9,600.00	0.00	0.00%
	Whitley / Christchurch	each	4,000.00	4,800.00	0.00	0.00%
	Whitley Wood Lane/Road	each	4,000.00	4,800.00	0.00	0.00%
	Circuit / Southcote Lane	each	2,000.00	2,400.00	0.00	0.00%
	Southcote Lane / Virginia Way	each	3,000.00	3,600.00	0.00	0.00%
Gillette Way / Rosekiln	each	4,000.00	4,800.00	0.00	0.00%	
	Discretionary discount <25%					
Welcome to Reading Signage	Single 12 months	each	1,200.00	1,440.00	0.00	0.00%
	Single 6 months	each	800.00	960.00	0.00	0.00%
	All 6 months	each	3,600.00	4,320.00	0.00	0.00%
	All 12 months	each	6,000.00	7,200.00	0.00	0.00%
<b>NEW DIRECTIONS</b>						
Adult Safeguarded Learning (ASL)	Adult Education	Per Hour	7.45	8.94	0.00	0.00%
Adult Skills Budget (ASB)	Adult Education	Per Hour	3.62	4.34	0.00	0.00%
Non-funded Learning	Adult Education	Per Hour	6.70	8.04	0.00	0.00%
<b>TOWN HALL</b>						
Amateur Group Hire	Room Hire & Equipment	Daily	2,083.00	2,500.00	0.00	0.00%
Concert Hall Room Hire	Room Hire	Daily	From £2,075	From £2,490	0.00	0.00%
Concert Hall plus Tech package	Room Hire & Equipment	Daily	3,250.00	3,900.00	0.00	0.00%
Victoria Hall Room Hire	Room Hire	Half Daily/Daily	From £470	From £564	0.00	0.00%
Waterhouse Chamber Hire	Room Hire	Half Daily/Daily	From £200	From £240	0.00	0.00%
Soane Space	Room Hire	Half Daily/Daily	From £175	From £210	0.00	0.00%
3B's	Room Hire	Half Daily/Daily	From £160	From £192	0.00	0.00%
Jane Austen/Oscar Wilde	Room Hire	Half Daily/Daily	From £80	From £96	0.00	0.00%
Marcus Adams	Room Hire	Daily	From £75	From £90	0.00	0.00%
Concert Hall Daily Delegate Rate	Catering & room Hire	Daily	From £41	From £49.20	0.00	0.00%
Victoria Hall Daily Delegate Rate	Catering & room Hire	Half Daily/Daily	From £21	From £25.20	0.00	0.00%
Waterhouse Daily Delegate Rate	Catering & room Hire	Half Daily/Daily	From £27	From £32.40	0.00	0.00%
Jane Austen/Oscar Wilde Daily Delegate Rate	Catering & room Hire	Half Daily/Daily	From £25	From £30	0.00	0.00%
3B's Daily Delegate Rate	Catering & room Hire	Half Daily/Daily	From £23.50	From £28.20	0.00	0.00%

## Proposed Fees and Charges from 1st April 2019 - Directorate of Environment and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2019 £	New Fee including VAT £	Increase/ (decrease) £	Increase/ (decrease) %
Soane Space Daily Delegate Rate	Catering & room Hire	Half Daily/Daily	From £23.50	From £28.20	0.00	0.00%
Lectern PA Hire	Equipment	Daily	80.00	96.00	0.00	0.00%
PA Hire	Equipment	Daily	55.00	66.00	0.00	0.00%
MicrophOne Hire	Equipment	Daily	62.00	74.40	0.00	0.00%
Tech time	Equipment	Per hour	26.00	31.20	0.00	0.00%
Monitor Hire	Equipment	Daily	35.00	42.00	0.00	0.00%
Additional Projector Screen	Equipment	Daily	15.00	18.00	0.00	0.00%
LCD Projector	Equipment	Daily	55.00	66.00	0.00	0.00%
Laptop Hire	Equipment	Daily	55.00	66.00	0.00	0.00%
Piano Hire	Equipment	Daily	55.00	66.00	0.00	0.00%
Piano Tuned	Equipment	Daily	80.00	96.00	0.00	0.00%
Lectern Hire	Equipment	Daily	15.00	18.00	0.00	0.00%
Flip Chart	Equipment	Each	16.00	19.20	0.00	0.00%
SPeaker phOne	Equipment	Daily	31.50	37.80	0.00	0.00%
Display Board	Equipment	Daily	30.00	36.00	0.00	0.00%
Dance Floor	Equipment	Daily	55.00	66.00	0.00	0.00%
Pads & Pens	Equipment	Per person	3.25	3.90	0.00	0.00%
Photocopies	Equipment	Each	12p	14p	0.00	0.00%
Late Bar	Equipment	Event	105.00	126.00	0.00	0.00%
Serving Staff	Equipment	Per hour	18.00	21.60	0.00	0.00%
Security Staff	Equipment	Per hour	20.00	24.00	0.00	0.00%
DJ	Equipment	Per event	425.00	510.00	0.00	0.00%
Stage- Vic Hall	Equipment	Daily	£80-£160	£96-£192	0.00	0.00%
<b>BERKSHIRE RECORDS OFFICE</b>						
Copy certificates (baptism, burial, pre 1837 marriage)		Each	11.67	14.00	0.00	0.00%
Copy certificates (post 1837 marriage)		Each	8.33	10.00	0.00	0.00%
Reprographics		Each	1.67	2.00	0.84	101.20%
Self Service Photos		Each	1.67	2.00	0.84	101.20%
Self-Service Printouts		Each	0.83	1.00	0.41	97.62%
Digital Photos		Each	8.33	10.00	0.00	0.00%
Restoration Service		Half Hour	13.33	16.00	1.66	14.22%
Research		Half Hour	13.33	16.00	1.66	14.22%
Research		Per Hour	26.67	32.00	3.34	14.32%
<b>MODERN RECORDS</b>						
Records Storage	Storage of records by box	Per Box	9.00	10.80	0.00	0.00%
<b>PLAY SERVICES</b>						
School Support	1:1 Support Session	Per hour	30.90	37.08	0.00	0.00%
	Lunchtime Support Session	Per hour	22.66	27.19	0.00	0.00%
	STEPS - Travel Project	Per hour	51.50	61.80	0.00	0.00%
Hire	Equipment Hire - Large	per Session	103.00	123.60	0.00	0.00%
	Equipment Hire - Medium	per Session	82.40	98.88	0.00	0.00%
	Equipment Hire - Small	per Session	51.50	61.80	0.00	0.00%
Staff Support	0-5 Staff Support	Per hour	15.86	19.03	0.00	0.00%
Events	Play in the Park	per Session	3.09	3.71	0.00	0.00%
	Mini Kickers	Per hour	2.06	2.47	0.00	0.00%
	Walking Football	Per hour	4.12	4.94	0.00	0.00%
	Holiday Events	per Session	6.18	7.42	0.00	0.00%
Discretionary	Archery for over 50's	per Session	6.70	8.03	0.00	0.00%
	Team building	per Session	66.95	80.34	0.00	0.00%
Holiday Clubs Age range 4- 12	8:30am to 1pm	per Session	9.17	11.00	0.00	0.00%
	1pm to 5:30pm	per Session	9.17	11.00	0.00	0.00%
	9am to 3:30pm	per Session	14.17	17.00	0.00	0.00%
	8:30am to 5:30pm	per Session	18.22	22.00	0.00	0.00%
After School Club	Regukar Session (single)	per child	9.17	11.00	0.00	0.00%
	Regular Session (siblings)	per child	7.33	8.80	0.00	0.00%
	Short Session (single)	per child	6.67	8.00	0.00	0.00%
	Short Session (siblings)	per child	5.33	6.40	0.00	0.00%

**DEDICATED SCHOOLS GRANT 2019/20****1 BACKGROUND**

- 1.1 The Dedicated Schools Grant (DSG) funds both maintained schools and academies and is ring fenced for school/pupil activity as defined by the School and Early Years Finance (England) Regulations (2018). The grant received is notionally split between four funding blocks: schools, central school services, early years, and high needs. Its use is split between the:
- Individual School's Budget (ISB) or delegated budget. This is the funding that is passed directly to schools and is mainly formula driven, and
  - The Centrally Retained School's Budget (non-delegated budget).
- 1.2 There is limited flexibility for Local Authorities to transfer funding between the four blocks, but it cannot be used for other purposes. The Education and Skills Funding Agency have limited the movement of funds from the Schools Block to 0.5% of the total Schools Block allocation, but only with the agreement of the Schools' Forum after having consulting with all schools.
- 1.3 Overspends on the DSG are carried forward and a first call on subsequent year's allocations. Underspends are carried forward to support the future year's school's budget. Monitoring the outturn position is therefore necessary to inform the new financial year's budget position.
- 1.4 The methodology for allocating DSG to authorities changed significantly in 2018/19, with new national funding formula introduced.
- 1.5 The Authority has a responsibility to ensure that DSG is deployed in accordance with the conditions of grant and the School and Early Years Finance (England) Regulations. The arrangements for 2019/20 are detailed by the Education and Skills Funding Agency (ESFA) "Schools revenue funding 2019 to 2020 operational guide" published in July 2018, the "High needs funding 2019 to 2020 operational guide" published in September 2018, and the "Early years entitlements: local authority funding of providers operational guidance for 2019 to 2020" published in November 2018.
- 1.6 From 2019/20, ESFA will require a report from any LA that has a DSG deficit of more than 1% as at 31 March 2019, to explain how it plans to bring the DSG account back into balance.
- 1.7 Schools Forum is consulted on all aspects of the DSG and have termly meetings with council officers. All reports and minutes can be found at the below link:

<http://www.reading.gov.uk/article/12037/2019-Schools-Forum-Meeting-Papers>

## 2 DSG ALLOCATION FOR 2019/20

2.2 The allocations for 2019/20 were published by the Government on 17<sup>th</sup> December 2018. Table 1 provides a summary.

**Table 1: DSG allocations per block**

Block	DSG Allocations prior to recoupment		
	2018/19 Revised (£'000s)	2019/20 (£'000s)	Change (£'000s)
Schools Block	86,824	89,524	2,700
Central School Services Block	1,305	1,330	25
Early Years Block	12,560	12,548	(12)
High Needs Block	19,128	20,424	1,296
<b>Total (Gross)</b>	<b>119,817</b>	<b>123,826</b>	<b>4,009</b>
Less Recoupment - schools	(41,189)	(45,016)	(3,827)
Less Recoupment - high needs	(1,757)	(2,442)	(685)
<b>Total (Net)</b>	<b>76,871</b>	<b>76,368</b>	<b>(503)</b>

2.3 The allocations for the schools and central schools services blocks are final. A small proportion of the high needs block is subject to change and will be confirmed in March. This will include an adjustment for Thames Valley Free School which is now included within the local authority allocation. For planning purposes these figures have been estimated and the allocation adjusted. The local authority will also estimate the early years block based on the January 2019 census when available, as the current figure is based on January 2018, and this is not updated until July 2019; it is not finalised until July 2020 because 7/12 of the allocation will be based on the January 2020 census.

2.4 Overall, the 2019/20 allocation has increased by over £4.0m, but part of this is offset by recoupment. The following paragraphs set out further detail on the 2019/20 allocations and budget in each funding block.

2.5 The DSG has been in deficit for a number of years, due to spending pressures in the high needs block in relation to increasing numbers of pupils receiving Education Health & Care Plans (EHCPs), increasingly complex needs, and increasing costs of provision, particularly those outside the local authority. This is against a funding allocation that has seen very little increase since 2011/12.

2.6 There has been transfers of funding from other blocks (including using year end under spends) towards offsetting the deficit and Table 3 shows the net overall position of the DSG balance for the last few years.



**Table 2: DSG Deficit Year on Year**

Year	£'000s
2014/15	0
2015/16	2,057
2016/17	3,397
2017/18	2,860
2018/19 estimate	1,885
2019/20 estimate	1,655
2020/21 estimate	1,284
2021/22 estimate	723
2022/23 estimate	(29)

### 3 High Needs Block

- 3.1. The high needs block mainly funds pupils in specialist and alternative settings, such as special schools (both maintained and independent), resource units within mainstream schools, pupil referral units, and pupils with high needs in mainstream and early years settings and post 16 colleges. It also provides central support services such as occupational health, sensory needs, hospital tuition, and outreach.
- 3.2. Table 2 breaks down the funding allocation for the high needs block. The allocation is provisional as there are still adjustments to be confirmed.

**Table 3: High Needs Block DSG Allocation**

High Needs Block	2018/2019 allocation (£'000s)	2019/2020 allocation (£'000s)
High needs Formula	20,156	20,321
Hospital Allocation (provisional)		182
Additional Allocation	384	384
Special School census (includes TVFS in 2019/20)	1,077	1,317
Import/Export Adjustment (not yet known, but 2019/20 figure adjusted for TVFS)	(2,106)	(1,782)
<b>Gross High Needs Allocation</b>	<b>19,511</b>	<b>20,424</b>
Top Sliced for Academies for EFSA (recoupment) to pay academies direct (2019/20 is an estimate and includes TVFS)	(1,757)	2,442
<b>High Needs Allocation after ESFA recoupment</b>	<b>17,754</b>	<b>17,981</b>
Add 0.5% from Schools Block	434	447
<b>Total High Needs Block</b>	<b>18,188</b>	<b>18,428</b>

- 3.3 The funding for 2019/20 has increased by £239k on a like for like basis after taking into account the inclusion in the allocation for the first time of

Thames Valley special school and the increase in the number of places to be funded at The Avenue special school. The place funding for academies/free schools is top sliced from the local authority allocation and paid to the school direct.

- 3.4 The new high needs funding formula does not deliver additional funding to Reading, and being on the funding floor, only a 0.5% increase is being received year on year. In December, the Government announced additional funding for high needs due to growing pressures in this block nationally, and for Reading this totals £384k in both 2018/19 and 2019/20, an addition of £768k across the two years. This funding was allocated nationally based on the number of 2 - 18 year olds, and nothing to do with actual need.
- 3.5 The Schools' Forum in December agreed a further transfer of funds from the schools block to the high needs block in 2019/20, and this will go towards repaying the deficit.
- 3.8 Table 4 shows the current recovery plan. The forecast deficit to be brought forward in the high needs block is expected to be £2.083m (after £0.198m of growth fund underspend is used in the schools block).
- 3.9 Spending should more or less match the in-year grant allocation in 2019/20, as has been the position in 2018/19. In 2020/21 expenditure will need to reduce by a small amount (£300k), followed by a further £100k each year which may be possible as the impact of the SEND strategy takes effect, i.e. leavers from expensive provision being replaced by new placements in cheaper new local provision. This reduction will need to be maintained until the deficit is paid off. It is assumed that the funding allocation will increase by 0.5% each year. On this basis, the deficit will be repaid by 2022/23 and some investment in existing provision can start to be made in 2023/24. This does not, however, account for a significant increase in overall numbers of EHCPs, which could delay recovery of the deficit.

**Table 4: High Needs Block Deficit Recovery Plan**

High Needs Block Budget	2018/19 Forecast £'000s	2019/20 Estimated £'000s	2020/21 Estimated £'000s	2021/22 Estimated £'000s	2022/23 Estimated £'000s
Base Budget	19,535	20,442	20,442	20,442	20,442
Less in year savings	0	0	-300	-400	-500
<b>Expenditure prior to repayment of deficit</b>	19,535	20,442	20,142	20,042	19,942
Add: Repayment of previous year deficit	2860	2083	1655	1284	723
<b>Total Expenditure</b>	22,395	22,525	21,797	21,326	20,665
DSG in year Allocation	19,512	20,423	20,513	20,603	20,694
Transfer from other blocks	434	447	0	0	0
Possible under spends in other blocks	366	0	0	0	0
<b>Total Funding</b>	20,312	20,870	20,513	20,603	20,694
<b>Net Position deficit</b>	2,083	1,655	1,284	723	(29)

3.10 From next year, the LA will be required to report deficits of 1% or more of the total DSG allocation to the Department for Education (DfE) (by the end of June 2019). Recovery plans will need to be discussed with and agreed by the Schools' Forum. The DfE's expectation is that the DSG will be brought back into balance within three years.

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## Equality Impact Assessment

**Name of proposal/activity/policy to be assessed**

BUDGET 2019/20 AND MEDIUM TERM FINANCIAL STRATEGY TO 2021/22

**Directorate:** RESOURCES

**Service:** Council-wide

**Name and job title of person doing the assessment**

**Name:** Clare Muir

**Job Title:** Policy and Voluntary Sector Manager

**Date of assessment:** 17th January 2019

**What is the aim of your policy or new service?**

To set a balanced and affordable budget that ensures the Council's finances are sustainable in both the short (one year) and medium term (three years), whilst at the same time ensuring that entering the longer term the Council is not built on unsustainable use of one-off reserves. The budget is also underpinned by funding service areas to meet the Council's wider priorities and service delivery themes set out in its Corporate Plan of:

- Securing the economic success of Reading;
- Improving access to decent housing to meet local needs;
- Protecting and enhancing the life outcomes of vulnerable adults and children.
- Keeping Reading's environment clean, green and safe.
- Promoting great education, leisure and cultural opportunities for people in reading;
- Ensuring the Council is Fit for the Future

The Draft Budget proposes

a) service savings and efficiencies of £10.5m together with additional income of £4.4m in 2019/20 required to achieved a balanced budget for that year;

b) growth in 2019/20 service budgets of £12.5m;

c) overall savings of £30.1m (of which changes to income, fees and charges is £6.2m) and three-year growth changes to service budgets of £30.9m;

d) the increase in the Band D Council Tax of 2.99% or £47.24 per annum representing a Band D Council Tax of £1,627.23 per annum;

e) the Housing Revenue Account budget for 2019/20 of £42.7m and a reduction of 1.00% (£/wk) in social dwelling rents from April 2019 giving a revised weekly average social rent of £99.39

The Strategy relies on significant service transformation to drive increased efficiency savings and income generation in order that service reductions can be minimised.

**Who will benefit from this proposal and how?**

Residents and service users will benefit if service reductions are minimised.

**Who are the main stakeholders and what do they want?**

Residents, businesses, councillors and council staff in Reading.

Our Citizens Panel has told us that the things that are the most important in making somewhere a good place to live are: level of crime, health services, public transport, clean streets and good schools and the things they believed most needed improving are: roads and pavement repairs, the level of traffic congestion, clean streets, the level of crime and affordable decent housing.

**Assessment of Relevance and Impact**

The draft budget proposes 40 new or re-phased savings set out in (Appendix 3). The Equality duty has been considered for each of these proposed savings and for 32 of these an equality impact assessment is not relevant.

For the remaining 8 an Equality Impact Assessment will be required as the proposal is developed. These are:

Ref	Efficiency Saving/Service Reduction	Saving Proposal
AS9	Efficiency Saving	Further stretch on Provider Services - Additional savings in the third year of review of the DACHS in house portfolio
T&S2 & 3	Efficiency Saving	Workplace Parking Levy - DENS14-C - Delay in implementation to 20/21 and fully implemented from 21/22
PDRS3	Efficiency Saving	Introduction of Discretionary HMO Licensing - extending the HMO licensing scheme to cover all HMOs in 2019/20. This would bring in properties with three or more tenants forming two or more households.
T&S4	Efficiency Saving	Additional Income Expansion of Pay & Display Proposal - To increase the provision of on-street Pay & Display (P&D) parking in specific local business and shopping areas. Namely: 1>Whitley Street local shopping area 2>Battle Farm and Cardiff Road business areas 3>Craddock Road and Gillette Way area - this would need to be combined with the provision of a resident permit parking scheme for the Elgar Road South/Bourne Avenue area
PDRS6&9	Efficiency Saving	Reforecast income Licensing income budget - increase the taxi licensing fees which covers the Hackney, Private Hire and School Transport drivers and operators to offset revenue costs to the service.
T&S17	Efficiency Saving	Additional Charges on Green Waste Collection - increase the 19/20 green waste collection charge of £60 in line with inflation (2.2%) in 20/21 & 21/22.
	Efficiency Saving	Commercialisation - Alternative to Market Testing
PDRS5	Efficiency Saving	Review and Restructure of Cleaning Services - hard market test the service to ensure improvements are in line with what is available on the private market.

Equality Impact Assessments will be undertaken and the outcomes reported back for consideration by the relevant committee as proposals are developed.

Signed Clare Muir	Date 17 <sup>th</sup> January 2019
Signed Jackie Yates	Date

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# Agenda Item 9

READING BOROUGH COUNCIL  
REPORT BY DIRECTOR OF RESOURCES

**TO: COUNCIL**

**DATE: 26 FEBRUARY 2019**

**AGENDA ITEM:**

**TITLE: COUNCIL TAX SETTING**

**LEAD COUNCILLOR: COUNCILLOR LOVELOCK**

**PORTFOLIO: LEADER OF THE COUNCIL**

**SERVICE: ALL**

**WARDS: BOROUGHWIDE**

**LEAD OFFICER: MATTHEW DAVIS**

**TEL: 0118 937 3263**

**JOB TITLE: HEAD OF FINANCE**

**E-MAIL:  
Matthew.Davis@reading.gov.uk**

**1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to approve the calculations for determining the Council's Council Tax requirement for the year 2019/20 in accordance with the Local Government Finance Act 1992.
- 1.2. As the Billing Authority, the report also seeks approval to set the Council Tax amounts for each property valuation band in the Borough including precepts from the Thames Valley Police and Royal Berkshire Fire & Rescue Service.

## 2. RECOMMENDED ACTIONS -

Council is asked to agree:

2.1 The following amounts that have been calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Local Government Act 1992:

- (i) £396,276,100 being the estimated aggregate expenditure of the council in accordance with section 31A (2) of the act;
- (ii) £305,339,705 being the estimated aggregate income of the council for the items set out in section 31A (3) of the act;
- (iii) £90,936,395 being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated in accordance with Section 31A(4) of the Act, as the Council's Council Tax Requirement for the year. (Item R);
- (iv) £1,627.23 being the amount at (iii) above (Item R) divided by the Council's tax base (Item T) calculated in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year. This represents an increase of 2.99% in the Council's own tax.

2.2 The Committee are also asked to note that the net tax base of 55,884 Band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) used for setting the budget requirement for 2019/20 was agreed by Full Council on 22 January 2019 and;

- (i) that the Band D charge for Reading Borough Council as calculated in 2.1 (iv) above is allocated to Band D equivalent dwellings as shown in section 4.4 of the report; and
- (ii) that including fire and police precepts Council Tax by property valuation band is as set out in section 4.7 of the report.

## 3. POLICY CONTEXT

3.1. The Local Government Finance Act 1992 sets out the specific amounts to be calculated and approved. This report allows the Council to meet its legislative duty to set the Council Tax for each property band.

3.2. Council at their meeting on 22 January 2019 approved the Council Tax Base for 2019/20 as 55,884 for the whole Council area [Item T in the formula in Section 31B of the Local Government Finance Act 1992 as amended (the “Act”)].

**4. COUNCIL TAX CALCULATIONS**

4.1. The calculation of Council Tax involves several stages and the Local Government Finance Act 1992 requires figures to be calculated including and excluding precepts. The following tables set out the required calculations:

4.2. The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets its own Band D amount by dividing its Council Tax requirement in 2.1 (iii) above by the agreed number of Band D equivalent properties (its tax base) as shown below:

**Calculation of Reading Borough Council’s Band D Charge**

(i) Council Tax Requirement	£90,936,395
(ii) Tax Base	55,884
Basic Amount of Council Tax Band D (i) divided by (ii)	£1,627.23

4.3. Reading’s basic amount of Council Tax for a Band D property is £1,627.23 which represents a 2.99% increase on the 2018/19 figure of £1,579.99 an increase of £47.24 or 91p per week.

4.4. In accordance with Sections 30 and 36 of the Local Government Finance Act 1992, the Council’s basic amount of Council Tax by valuation band for 2019/20 is as follows:

**Reading Borough Council - Council Tax by Property Valuation Band**

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,084.82	1,265.62	1,446.43	1,627.23	1,988.84	2,350.44	2,712.05	3,254.46

- 4.5. The Thames Valley Police and Crime Panel set their precept for 2019/20 at their meeting on 13<sup>th</sup> February 2019, in accordance with Section 40 of the Local Government Finance Act 1992. It is shown by property valuation band below:

**Thames Valley Police Precept by Property Valuation Band**

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
137.52	160.44	183.36	206.28	252.12	297.96	343.80	412.56

- 4.6. The Royal Berkshire Fire & Rescue Service has notified the Council that they expect to set their precept on the 25<sup>th</sup> February 2019 in accordance with Section 40 of the Local Government Finance Act 1992. Their indicative precept is shown by property valuation band below:

**Royal Berkshire Fire & Rescue Service Precept by Property Valuation Band**

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
44.19	51.55	58.92	66.28	81.01	95.74	110.47	132.56

If there are any changes to the figures shown above an addendum to the report to Council will be provided.

- 4.7. Adding the Police and Fire authority precepts the following amounts are the amounts of Council Tax for the year 2019/20 (before any exemptions or discounts that may be applied) for each of the property valuation bands:

**Overall Council Tax Including Major Preceptors 2019/20**

Valuation Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Police	137.52	160.44	183.36	206.28	252.12	297.96	343.80	412.56
Fire	44.19	51.55	58.92	66.28	81.01	95.74	110.47	132.56
Reading	1,084.82	1,265.62	1,446.43	1,627.23	1,988.84	2,350.44	2,712.05	3,254.46
Total	1,266.53	1,477.61	1,688.71	1,899.79	2,321.97	2,744.14	3,166.32	3,799.58

- 4.8. The Council's Band D charge of £1,627.23 for 2019/20 represents a 2.99% increase on the equivalent £1,579.99 figure for 2018/19. No increase is included in 2019/20 for additional funding for adult social care as the Council has previously included 3.00% increases in both 2017/18 and 2018/19 taking the increase to the maximum allowed. The 2019/20 Band D amount includes within it prior year increases in respect of adult social care pressures as set out in the table below:

### Change in Reading Borough Council's Band D Charge

	2015/16	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£
General Tax Requirement	1,365.00	1,392.29	1,447.97	1,535.27	1,627.23
Additional ASC Pressures	0.00	27.30	42.59	44.72	0.00
<b>Total Band D Charge</b>	<b>1,365.00</b>	<b>1,419.59</b>	<b>1,490.56</b>	<b>1,579.99</b>	<b>1,627.23</b>

General Tax Change %age	N/A	1.99%	1.99%	2.99%	2.99%
ASC Pressures Change %age	N/A	2.00%	3.00%	3.00%	0.00%
<b>Total Band D Change %age</b>	<b>N/A</b>	<b>3.99%</b>	<b>4.99%</b>	<b>5.99%</b>	<b>2.99%</b>

4.9. The Council's basic amount of Council Tax for 2019/20 is not determined to be excessive in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992.

4.10. The overall Band D charge for 2019/20 (including major preceptors) of £1,899.79 represents an increase of £73.16 (4.01%) - the constituent elements comprising that overall change and charge being set out in the table below:

### Change in Overall Band D Charge

	2018/19	2019/20	Change	Percentage	Overall
	£	£	£	%	%
Police	182.28	206.28	24.00	13.17	1.31
Fire	64.36	66.28	1.92	2.98	0.11
Reading	1,579.99	1,627.23	47.24	2.99	2.59
<b>Total</b>	<b>1,826.23</b>	<b>1,899.79</b>	<b>73.16</b>	<b>4.01</b>	<b>4.01</b>

## 5. CONTRIBUTION TO STRATEGIC AIMS

5.1. Council Tax is levied to fund service delivery as laid out in the Medium Term Financial Strategy 2019-2022.

## 6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1. The majority of properties in Reading are Band C and below, with 40% of properties at Band C. The Reading element for this band for 2019/20 will be £1,446.43, an increase of 81p per week. Including Police and Fire Band C Council Tax will be £1,688.71.

6.2. The number of properties in each band is set out in the table below:

### Number and Distribution of Properties by Council Tax Banding

Band	Number of Properties in Band	Proportion	Amount Payable as a Proportion of Band D
A	6,907	9.6%	6/9
B	14,233	19.8%	7/9
C	29,123	40.5%	8/9
D	10,976	15.2%	9/9
E	5,535	7.7%	11/9
F	3,287	4.6%	13/9
G	1,844	2.5%	15/9
H	83	0.1%	18/9
<b>Total</b>	<b>71,988</b>	<b>100%</b>	

## 7. EQUALITY IMPACT ASSESSMENT

- 7.1. An equality impact assessment has been undertaken for the budget proposals set out in the Medium Term Financial Strategy report.
- 7.2. In addition to the Council's Council Tax Reduction Scheme there are statutory discounts and exemptions available to residents who may otherwise struggle to pay their Council Tax, details are available on the Council's website.

## 8. LEGAL IMPLICATIONS

- 8.1. Section 30 of the Local Government Act 1992 places a duty on this council, as the billing authority, to set the council tax for all the property bands for 2019/20. Any amount must be set before 11th March in the financial year preceding that for which it is set, but is not invalid merely because it is set on or after that date.

## 9. FINANCIAL IMPLICATIONS

- 9.1. As set out in the body of the report.

## 10. BACKGROUND PAPERS

- Approval of the Local Council Tax Support Scheme and the Council Tax Base for 2019/20 - Council Meeting, 22 January 2019;
- s52ZB(a) Local Government Finance Act 1992 - Referendums Relating to Council Tax Increases (Principles) (England) Report 2019/20; and
- 2019/20 Budget Setting and Council Tax Report - Policy Committee 18 February 2019 and this agenda.

## READING BOROUGH COUNCIL

### DIRECTOR OF RESOURCES

<b>TO:</b>	<b>COUNCIL</b>		
<b>DATE:</b>	<b>26 FEBRUARY 2019</b>	<b>AGENDA ITEM:</b>	
<b>TITLE:</b>	<b>TREASURY MANAGEMENT STRATEGY 2019/20</b>		
<b>LEAD COUNCILLOR:</b>	<b>COUNCILLOR LOVELOCK</b>	<b>PORTFOLIO:</b>	<b>LEADERSHIP</b>
<b>SERVICE:</b>	<b>FINANCE</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
<b>LEAD OFFICER:</b>	<b>MATT DAVIS</b>	<b>TEL:</b>	<b>0118 937 2954</b>
<b>JOB TITLE:</b>	<b>HEAD OF FINANCE</b>	<b>E-MAIL:</b>	<b>Matt.davis@reading.gov.uk</b>

#### 1. Introduction

- 1.1 In accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 and the CIPFA Prudential Code, the Council is required to approve a Treasury Management Strategy before the start of each financial year. This report fulfils that obligation.
- 1.2 The Council's Treasury Management Strategy Statement (TMSS), attached at Appendix A, sets out the parameters for the Council's planned Treasury activity during 2019/20 under which the Council's Treasury Team will manage day to day activity. The TMSS reflects the Council's Capital Programme 2019/20 to 2021/22.
- 1.3 The successful identification, monitoring and control of financial risk is central to the Strategy. Non-treasury investments will be reflected in the Council's Commercial Investment Strategy.

## **2. RECOMMENDATIONS**

That Council approve the:

- **Treasury Management Strategy Statement for 2019/20 as set out in Appendix A;**
- **Treasury Management Policy for 2019/20 as set out in Appendix B; and**
- **Minimum Revenue Provision (MRP) Policy for 2018/19 and 2019/20 as set out in Appendix C; and**
- **Note the existing investment and debt portfolio position as set out in Appendix D**

### **3. Appendices:**

Appendix A - Treasury Management Strategy Statement 2019/20 (including the Borrowing & Investment Strategy, Treasury Management Indicators and Prudential Indicators)

Appendix B - Treasury Management Policy 2019/20

Appendix C - Minimum Revenue Provision (MRP) Policy 2018/19 & 2019/20

Appendix D - Existing investment and debt portfolio position

### **4. Economic background**

- 4.1 The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will influence future interest rates and potentially the Council's financial position. It is impossible to predict what the impact will be but the situation will be closely monitored to determine: a) when best to borrow funds and for how long and b) to ensure that investments are as secure as possible.
- 4.2 The Bank of England's Monetary Policy Committee (MPC) voted unanimously for a rise in the Base Rate in August 2018 to 0.75%. The expectation is that there will be a slow rise in interest rates over the next few years. The Council's Treasury Advisors, Arlingclose, predict the Bank Base Rate will rise twice in 2019 to 1.25%.
- 4.3 Growth in Gross Domestic Product (GDP) recovered in Q2 2018, but the annual growth rate of 1.2% remains well below the long term average previously achieved. The implications of this are that investment returns are likely to remain relatively low during 2019/20 and beyond.

### **5. Borrowing**

- 5.1 Historically the Council has borrowed to pay for new assets including schools, roads and community facilities etc. The value of the Council's assets is circa £1bn which includes £470m Housing assets. As at 31<sup>st</sup> December 2018, the Council had £374m of loans outstanding in respect of these assets.



- 5.2 The Council has kept external borrowing at a similar level to that at the start of the year despite spending additional sums on capital. It has achieved this by reducing the level of short-term investments that were returning a lower rate of interest than that charged on new loans, thus minimising the net cost of interest.
- 5.3 Market projections indicate that long term borrowing costs will remain relatively low for some time and already take account of anticipated increases in the bank Base Rate. Consequently the Council does not intend to borrow until it needs to, thereby avoiding the “cost of carry” (the difference between the cost of borrowing and return on investing the funds until such time as the capital expenditure is incurred).
- 5.4 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.
- 5.5 Based on its proposed Capital Programme over the period 2019/20 – 2021/22 the Council has a projected increase in its CFR of £284m. The Programme (circa £500m) aims to improve the Council’s infrastructure and asset base as well as generate revenue savings and thereby improve service provision for the residents of Reading.
- 5.6 The Capital Programme, after specific grants, s106 contributions and capital receipts has a borrowing requirement of £306m, £260m General Fund and £46m Housing Revenue Account (HRA). The majority of General Fund borrowing (£249m) relates to ‘invest to save’ projects or those that generate a financial return, such as Commercial Investment and Leisure Development. The remaining £11m is to improve the Council’s infrastructure and asset base. The cost of borrowing together with any associated revenue savings is included within the Council’s Medium Term Financial Strategy 2019/20 – 2021/22. The increase in the level of borrowing compared to previous years reflects the lifting of HRA borrowing cap by Government on 30 October 2018 and the Council’s Commercial Investment Strategy.
- 5.7 The Head of Finance has delegated responsibility for borrowing decisions and fulfils this through the Treasury Management Team which takes advice from the Council’s treasury management advisors, Arlingclose. Decisions on when to borrow and for how long take into account several factors:
- The relative cost of borrowing short or long-term
  - Anticipated changes in the cost borrowing
  - The level of cash balances held under investment
  - The anticipated return on invested balances
- 5.8 The Council’s long-term borrowing (loans over 12 months in length) is from the Public Works Loans Board (PWLB) and Lender Option Borrower Option loans (LOBO loans). For short term borrowing the Council will continue to

use other sources of finance, e.g. loans from other local authorities that it can borrow from at lower rates of interest than PWLB where available. The Council has taken out new, long-term loans of £30m in 2018/19.

- 5.9 The framework for taking borrowing decisions in the coming year is set out in the Council's Treasury Management Strategy Statement (TMSS), attached at Appendix A.
- 5.10 The Council's self-imposed limits on sustainable, affordable and prudent borrowing and investment, the Prudential Indicators that need to be approved by Council are set out in Appendix A.
- 5.11 The Council has undertaken a review of its policy on the prudent repayment of debt: it's Minimum Revenue Provision (MRP). As a result, two key changes are recommended to the policy attached at Appendix C as follows:
- 1) That no MRP is charged on short term capital loans (those with a full repayment date of five years or less), as they will generate a capital receipt on their maturity which will be utilised to repay the debt; and
  - 2) The 2% MRP charge for the HRA will be removed to provide greater flexibility within the HRA Business Plan over when to make prudent provision for the repayment of debt.

## **6. Investment**

- 6.1 The Council's Treasury Management investments seek to manage in year fluctuations in cash-flow. Treasury investments can be called on at short-notice and in the main are held in Money Market Funds. These are low-risk investments and give higher rates of interest than leaving the balance in the Council's bank account. Other investments include the CCLA property fund and loans to the Council's wholly owned companies.
- 6.2 The level of investments fluctuates throughout the year dependant on cash balances. The balance of investments was £56m at the end of December 2018 with an average weighted rate of return of 1.1%. This will earn approximately £500k for the Council that has been assumed in its Treasury Management budget.
- 6.3 The Council can legally invest in the following funds and instruments:
- Deposits (Government and public sector bodies)
  - Deposits (Banks and Building Societies)
  - Callable deposits (Banks and Building Societies)
  - Money Market Funds
  - Certificates of Deposit (tradable term deposits)
  - Governments Gilts and Treasury Bills
  - Corporate Bonds
  - Derivatives (where used for risk management)

- 6.4 The Ministry for Housing Communities & Local Government (MHCLG) published updated guidance on investments in February 2018. The previous edition covered treasury investments only, but the current edition focuses on non-treasury investments. These are commercial investments such as the purchase of investment properties, investments in subsidiaries or investments for service objectives including regeneration.
- 6.5 Provision for commercial property acquisition is included within the Council's Capital Programme. The Council's Commercial Investment Strategy rather than its Treasury Management Strategy deals with the acquisition and management of such assets. The borrowing to fund the investments is part of the Treasury Management Strategy.

## **7. Markets in Financial Instruments Directive (MiFID) II**

- 7.1 MiFID II is the EU directive regulating the provision of financial services within the European Economic Area and became effective on 3 January 2018. The objective of MFID II is to provide greater safeguards for non-professional clients who invest or trade in financial instruments.
- 7.2 Local authorities are now classified as retail clients by default, unless they exercise the option to 'opt-up' to 'elective professional client status' subject to meeting certain qualitative and quantitative tests.
- 7.3 The Council has successfully opted up to professional client status which means it has maintained its ability to maximise interest on its balances and its current range of investments is not limited. This status has to be agreed individually with each financial institution, broker and adviser and certain conditions have to be met relating to the quantity of transactions carried out and the experience and knowledge of those carrying out those transactions.
- 7.4 Under the legislation, professional status requires the Council to assume more direct responsibility for its investment decisions. Effectively this is incorporated into the due diligence the Council already undertakes before making any investment.

## **8. Approved Investments and Counterparties**

- 8.1 The counterparty criteria have been reviewed for 2019/20 and are detailed in Appendix A along with those institutions currently meeting them. The criteria set out the value and duration limits which are applied in the day to day investment of the Council's cash balances.
- 8.2 The value and duration limits as well as the minimum credit ratings required of individual institutions seek to minimise the Council's exposure to counterparty risk, i.e. limit any potential loss due to the failure of any single institution or group.
- 8.3 The credit ratings agencies' criteria are relative measures of financial strength, any changes are notified to the Council's Treasury team on the

same day. Over recent years the agencies have downgraded many financial institutions by removing the implied sovereign support. However, financial institutions have improved their capital ratios to meet new regulatory standards to enable them to withstand market shocks like that experienced in 2008. This requirement for increased resilience is designed to give higher assurance that institutions will be going concerns in the medium to long term. This has not impacted ratings as it has been universally complied with, so all institutions now meet a higher standard.

- 8.4 In addition, central banks such as the Bank of England and the European Central Bank provide financial support to financial institutions through Term Funding Schemes (TFS) that ensures that they have access to sufficient liquidity at low rates. The TFS was launched in 2016 and provides funding to banks and building societies at rates close to Base Rate. It is therefore recommended that investment duration limits for 2019/20 remain at the same levels as approved for 2018/19.

## **9. Risk Controls**

### **Investment Risk**

- 9.1 The main risk of investing with others is that the borrower or counterparty defaults on the loan and cannot repay it.
- 9.2 The main controls on investment risk are the application of counterparty criteria which limit the amount and duration of investments with both individual and groups of related counterparties. The criteria are generally based on rating agency evaluations as detailed in Appendix A, para A40.

### **Borrowing Risk**

- 9.3 The main risk when deciding to borrow is the timing of the decision. The Council receives regular interest rate forecasts which are used to inform decisions on the timing of external borrowing.

### **Other Mitigations**

- 9.4 The Treasury team are notified of credit rating changes on a daily basis by our treasury advisors. There are regular internal and external meetings for the Treasury team to keep abreast of latest topics. The monthly updates from Arlingclose include other market sources of information, such as prices of financial instruments and shares. In addition professional publications and sector specific reports are reviewed by the team.
- 9.5 The Treasury Management policies deal with risk controls, decision making and reporting processes, along with high level administration of the Treasury Management activities.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 Financial implications are contained in the body of this report

## **11. LEGAL IMPLICATIONS**

11.1 This report assists the Council in fulfilling its statutory obligation to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy for the coming year setting out the Council's policies for managing its borrowing and investments and giving priority to the security and liquidity of those investments.

## **12. BACKGROUND INFORMATION**

- CIPFA Code of Practice for Treasury Management in the Public Services 2017
- CIPFA The Prudential Code 2017
- MHCLG guidance February 2018
- CIPFA Bulletin Treasury and Capital Management Update October 2018

## **13. CONTACTS**

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## **Appendix A - Treasury Management Strategy Statement 2019/20 which includes the Borrowing & Investment Strategy, Treasury Management Indicators and Prudential Indicators**

- A.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested significant 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 financial risk are therefore central to the Council's prudent financial management.
- A.2 The Council's treasury management activity is managed in accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code and the Ministry of Housing Communities & Local Government (MHCLG) guidance.
- A.3 This Strategy Statement covers:
- a) External & Local Context
  - b) Borrowing Requirement & Strategy
  - c) Investment Strategy
  - d) Treasury Management Indicators
  - e) Prudential Indicators
  - f) Other items

### **External Context**

- A.4 **Economic background:** The UK's progress negotiating its exit from the European Union, together with its future trading arrangements will influence future interest rates and potentially the Council's financial position. It is impossible to predict what this impact will be but the situation will be closely monitored in determining when to borrow funds and for how long.
- A.5 The Bank of England's Monetary Policy Committee (MPC) voted unanimously for a rise in the Base Rate in August 2018 to 0.75%. The expectation is that there will be a slow rise in interest rates over the next few years. The Council's Treasury Advisors, Arlingclose, predict the Bank Base Rate will rise twice in 2019 to 1.25%.
- A.6 Growth in Gross Domestic Product (GDP) recovered somewhat in Q2 2018, but the annual growth rate of 1.2% remains well below the long term average previously achieved. The implications of this are that investment returns are likely to remain relatively low during 2019/20 and beyond.

- A.7 The headline rate of UK Consumer Price Inflation fell back to 2.1% year-on-year in December 2018 from 2.3% in November 2018 as cost pressures eased due to a fall in oil prices.
- A.8 While external inflationary pressures from energy costs and import prices are expected to subside, domestic pressures are projected to build over the forecast period with the balance of these effects likely to keep inflation above the Bank of England's target, meaning that strong real income growth is unlikely to materialise in the short to medium term.
- A.9 As the US economy has continued to perform well, the Federal Reserve maintained its monetary tightening stance and pushed up its target range for the Federal Funds Rate in September 2018 by 0.25% to 2% - 2.25%. One further rise is expected in 2018 and two more in 2019. The Federal Funds rate is an important bench mark, as it is the interest rate at which depository institutions (banks) lend to each other overnight.
- A.10 The fallout from the US-China trade dispute continues which, combined with tighter monetary policy risks contributing to a slowdown in global economic activity in 2019. Despite slower growth in the region, the European Central Bank has started conditioning markets for the end of quantitative easing as well as the timing of the first interest rate hike, currently expected in 2019, and the timing and magnitude of increases thereafter.
- A.11 **Credit outlook:** The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ring-fencing legislation. The ring-fenced banks\* now only conduct lower risk retail banking activities and are separate from the investment banks\*\*. Credit rating agencies have adjusted the ratings of some of these banks with the ring-fenced retail banks generally being better rated than their non-ring-fenced investment banking counterparts.
- A.12 European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks. Credit ratings will influence borrowing and lending decisions.

\*Ringfenced banks are Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank

\*\*Investment banks are Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and Natwest Markets



- A.13 **Interest rate forecast:** Following the increase in Bank Rate to 0.75% in August 2018, the Authority's treasury management adviser Arlingclose is forecasting two more 0.25% increases during 2019 to take official UK interest rates to 1.25%. The Bank of England's MPC has maintained expectations for slow and steady rate rises over the forecast period to 2021. The MPC continues to have a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider that ultra-low interest rates result in other economic problems and that a higher Bank Rate is a more effective way to manage any negative implications on the economy arising from Brexit.
- A.14 The UK economic environment remains relatively steady despite seemingly strong labour market data. Arlingclose's view is that the economy still faces a challenging outlook as it exits the European Union and Eurozone growth softens. Whilst assumptions are that a Brexit deal is struck and some agreement reached on transition and future trading arrangements before the UK leaves the EU, the possibility of a "no deal" Brexit still hangs over economic activity. As such, the risks to the interest rate forecast are considered firmly on the downside.
- A.15 Gilt yields and hence long-term borrowing rates have remained at low levels but some upward movement from current levels is expected due to the strength of the US economy and the European Central Bank's forward guidance on higher rates. 10-year and 20-year gilt yields are forecast to remain around 1.5% and 2% respectively over the interest rate forecast horizon. However volatility arising from both economic and political events is likely to continue to offer borrowing opportunities.

**Local Context**

A.16 At 31 March 2018, the Authority held £382m external borrowing\*\*. The forecast changes to external borrowing is shown in table 1 below:

Table 1: Balance sheet summary and forecast

	<b>31.3.18 Estimate £m</b>	<b>31.3.19 Estimate £m</b>	<b>31.3.20 Forecast £m</b>	<b>31.3.21 Forecast £m</b>	<b>31.3.22 Forecast £m</b>
General Fund CFR	341	458	540	632	687
HRA CFR	186	191	199	226	238
<b>Total CFR</b>	<b>527</b>	<b>649</b>	<b>739</b>	<b>858</b>	<b>925</b>
Borrowing & PFI liabilities		128	98	129	79
less MRP		(6)	(8)	(10)	(12)
CFR net movement		122	90	119	67
Less: Other debt liabilities *	(27)	(26)	(25)	(24)	(23)
Less: External borrowing **	(382)	(477)	(541)	(635)	(713)
<b>Internal Borrowing</b>	<b>118</b>	<b>146</b>	<b>173</b>	<b>198</b>	<b>189</b>
Less: Usable reserves	(80)	(90)	(90)	(90)	(90)
Less: Working capital	(25)	(25)	(25)	(25)	(25)
<b>New short term borrowing</b>	<b>13</b>	<b>31</b>	<b>58</b>	<b>83</b>	<b>74</b>

\* finance leases and PFI liabilities that form part of the Authority's total debt

A.17 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 Authority's main objective when borrowing is to strike a balance between securing low interest rates and achieving cost certainty over the period for which funds are required. This position provides short term savings with the flexibility to secure longer dated loans as and when financial forecasts indicate that external borrowing rates may increase.

A.18 The Authority has an increasing CFR due to the Capital Programme, but minimal investments and will therefore be required to borrow up to £235m over the period 2019/20 to 2021/22.

A.19 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2019/20.

## **Borrowing Strategy**

- A.20 Historically the Council has borrowed to pay for new assets including schools, roads and community facilities etc. The value of the Council's assets is circa £1bn and includes £470m housing assets. As at 31st December 2018 the Council had £374m of loans outstanding in respect of these assets (both General Fund and HRA).
- A.21 The Council has kept borrowing at a similar level to that at the start of the year despite spending additional sums on capital. It has achieved this by reducing the level of short-term investments that were returning a lower rate of interest than that charged on new loans thus minimising the net cost of interest.
- A.22 **Objectives:** The Authority's main objective when borrowing money is to strike an appropriately 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 Authority's long-term plans change is a secondary objective.
- A.23 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority'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.
- A.24 Market projections indicate that long term borrowing costs will remain relatively low for some time and already take account of anticipated increases in the bank Base Rate. Consequently the Council does not intend to borrow until it needs to thereby avoiding the "cost of carry" (the difference between the cost of borrowing and return on investing the funds until such time as the capital expenditure is incurred).
- A.25 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.
- A.26 Based on its proposed Capital Programme over the period 2019/20 – 2021/22 the Council has a projected increase in its CFR of £284m.
- A.27 The Capital Programme to 31st March 2022, after specific grants, s106 contributions and capital receipts has a borrowing requirement £306m, £260m General Fund and £46m HRA. This is shown in table 1 above (£98m + £129m + £79m).

- A.28 The majority of General Fund borrowing (£249m) relates to invest to save projects or those that generate a financial return, such as Commercial Investment and Leisure Development. The cost of borrowing together with any associated revenue savings is included within the Council's Medium Term Financial Strategy 2019/20 – 2021/22. The increase in the level of borrowing compared to previous years reflects the lifting of HRA borrowing cap by Government on 30 October 2018 and the Council's Commercial Investment Strategy.
- A.29 **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
  - any other UK public sector body
  - UK public and private sector pension funds (except Berkshire Pension Fund)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- A.30 **Other sources of debt finance:** capital finance may also be raised by the following methods classed as other debt liabilities:
- Leasing
  - hire purchase
  - Private Finance Initiative
  - sale and leaseback
- A.31 The Authority has previously raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans that may be available at more favourable rates.
- A.32 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: 1) borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and 2) there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to the Council.
- A.33 **LOBOs:** The Authority 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 Authority has the option to either accept the new rate or to repay the loan at no additional cost. Although the Authority understands that lenders are unlikely to exercise

their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

**A.34 Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

**A.35 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. In the last quarter up to 31 December 2018 the Authority held on average £374m borrowing at an average rate 3.2%. It 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.

### **Investment Strategy**

**A.36** The level of investments fluctuates throughout the year dependant on cash balances. The balance of investments was £56m at the end of December 2018 with an average weighted rate of return of 1.1%. This will earn approximately £500k for the Council that has been assumed in its Treasury Management budget.

**A.37 Objectives:** The CIPFA Code requires the Council to invest its funds prudently and have regard to the security and liquidity of its investments rather than 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 Authority 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.

**A.38 Negative interest rates:** If the UK enters a recession in 2019/20, 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. A situation that already exists in many other European countries. In this event, the security on existing investments will be measured as receiving the contractually agreed amount at maturity.

**A.39 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 into Money Market Funds in 2015/16. We will consider options to further diversify into more secure and/or higher yielding asset classes in 2019/20.

**A.40 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)

**A.41 Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in Table 2 below, subject to the cash limits 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.

**A.42 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.

**A.43 Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority'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.

**A.44** 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") 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.

Table 3: Counterparties

<b>Counterparty</b>	<b>Description</b>
<b>Banks unsecured</b>	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 below for arrangements relating to operational bank accounts.
<b>Banks secured</b>	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.
<b>Government:</b>	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.

<b>Corporates</b>	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 either 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.
<b>Registered providers</b>	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.
<b>Pooled funds:</b>	<p>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.</p> <p>Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority 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 Authority's investment objectives will be monitored regularly. At the current time the Council has not used such funds.</p>
<b>Operational bank accounts</b>	The Authority may incur operational exposures, for example through 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 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 Authority maintaining operational continuity.
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- A.45 Other information on the security of investments:** The Authority understands that credit ratings are 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, reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality regardless of whether it meets the credit rating criteria.
- A.46** 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 Authority 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 Authority's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office, invested in Government Treasury Bills or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.
- A.47 Investment limits:** To avoid putting funds at risk the maximum amount that will be lent to any one organisation (other than the UK Government) will be £20m. 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

	<b>Cash limit (as last year)</b>
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

**A.48 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 Authority being forced to borrow on unfavourable terms to meet its financial commitments.

## **Treasury Management Indicators**

A.49 The Council measures and manages its exposures to treasury management risks using the following indicators.

A.50 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average 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.

<b>Credit risk indicator</b>	<b>Target</b>
Portfolio average credit score	6.0

A.51 **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 set at £15m

<b>Liquidity risk indicator</b>	<b>Target</b>
Total cash available within 3 months (above estimated cash flow requirements)	£15m

A.52 **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The 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).

	<b>Actual 31.12.2018</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Upper limit on fixed interest rate exposure	93%	110%	110%	110%
Upper limit on variable interest rate exposure	31%	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.

A.53 **Maturity structure of borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

<b>Refinancing rate risk indicator</b>	<b>Upper limit</b>	<b>Lower limit</b>
Under 12 months	25%	0%
12 months and within 24 months	25%	0%

2 to 5 years	25%	0%
5 to 10 years	25%	0%
10 to 20 years	100%	40%
20 to 30 years	100%	
30 to 40 years	100%	
40 to 50 years	100%	
over 50 years	100%	

This indicator applies to variable rate borrowing, but the Council has minimal variable rate borrowing.

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**A.54 Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits will be:

Price risk indicator	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£25m	£15m	£15m

## Other Items

### **Policy on the use of financial derivatives**

A.55 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).

A.56 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 risk 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.

A.57 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.

## **Policy on apportioning interest to the HRA**

A.58 Reform of the Housing Revenue Account Subsidy system was completed at the end of 2011/12, when we were required to pay MHCLG £147.8m. The Council has adopted a policy to continue to manage its debt as a single pool using a similar regime to that which applied prior to self-financing.

A.59 During 2016/17 and 2017/18 the methodology was adjusted to recognise that the £147.8m of loans the Council borrowed at the time of self-financing were taken for HRA debt and therefore the operation of the single pool should not lead to the average interest rate charged to the HRA being less than the average rate on the remaining part of those loans.

A.60 Any adjustment of debt outstanding that is required to balance the appropriation in the accounts and above the normal officer delegation will be included in either the mid-year or annual report for approval.

A.61 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 portfolio of treasury investments (excluding the CCLA Property Fund) and short-term borrowing.

## **Investment training**

A.62 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. Staff are also encouraged to study professional qualifications from CIPFA, or other appropriate organisations.

## **Investment advisers**

A.63 The Council has appointed Arlingclose Limited as its treasury management advisers and receives specific advice on investment, debt and capital finance issues. Officers have at least two meetings per annum with Arlingclose and make contact whenever advice is needed on treasury or related matters.

## **Investment of money borrowed in advance of need**

A.64 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.

A.65 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.

### Prudential Indicators 2019/20

A.66 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.

A.67 The Prudential Code supports local strategic planning, asset management planning and proper option appraisal.

A.68 To demonstrate that the Council has fulfilled the requirements of the Prudential Code the following indicators must be set and monitored each year.

A.69 **Estimates of Capital Expenditure:** The Council's planned capital expenditure and financing is the key driver of its treasury management activity. A summary for the planned expenditure and financing is shown below. Further detail of the Capital Programme can be found in Appendix 5 of the Medium Term Financial Strategy report which appears elsewhere on the agenda. The revenue consequences associated with borrowing are accommodated within the Council's revenue budgets.

<b>Capital Expenditure and Financing</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>	<b>2021/22 Estimate £m</b>
General Fund	158	154	135	78
HRA	19	24	49	25
<b>Total Expenditure</b>	<b>177</b>	<b>178</b>	<b>184</b>	<b>103</b>
Grants & Contributions	20	50	35	10
Major Repairs Reserve	10	13	9	10
S106 & CIL	4	3	3	3
Capital Receipts	13	14	7	2
Borrowing	130	98	130	78
<b>Total Financing</b>	<b>177</b>	<b>178</b>	<b>184</b>	<b>103</b>

**A.70 Estimates of Capital Financing Requirement:** The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

<b>Capital Financing Requirement</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>	<b>2021/22 Estimate £m</b>
General Fund	458	540	632	687
HRA	191	199	226	238
<b>Total CFR</b>	<b>649</b>	<b>739</b>	<b>858</b>	<b>925</b>
Year on year movement	122	90	119	67

The CFR is forecast to rise by £284.3m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment. The amount set aside for Minimum Revenue Provision for debt repayment is assumed to be £21m between 2019/20 and 2021/22.

**A.71 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. Gross debt includes external and internal borrowing.

<b>Debt</b>	<b>31.03.19 Revised £m</b>	<b>31.03.20 Estimate £m</b>	<b>31.03.21 Estimate £m</b>	<b>31.03.22 Estimate £m</b>
Borrowing	477	541	635	713
Finance leases	<1	<1	<1	<1
PFI liabilities	26	25	24	23
<b>Gross Debt</b>	<b>504</b>	<b>567</b>	<b>660</b>	<b>737</b>
<b>Total CFR</b>	<b>649</b>	<b>739</b>	<b>858</b>	<b>923</b>

As can be seen above, gross debt will remain below the CFR during the forecast period.

**A.72 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) level of external debt it will have to incur during the course of the year. 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. The Operational Boundary is not a limit and actual debt can vary around the boundary on a short term basis.

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.

<b>Operational Boundary</b>	<b>2018/19 Revised £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>	<b>2021/22 Estimate £m</b>
Borrowing	550	615	710	790
Other long-term liabilities	28	27	26	25
<b>Gross Debt</b>	<b>578</b>	<b>642</b>	<b>736</b>	<b>815</b>

**A.73 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,

<b>Authorised Limit</b>	<b>2018/19 Limit £m</b>	<b>2019/20 Limit £m</b>	<b>2020/21 Limit £m</b>	<b>2021/22 Limit £m</b>
Borrowing	620	695	800	890
Other long-term liabilities	40	30	30	30
<b>Gross Debt</b>	<b>660</b>	<b>725</b>	<b>830</b>	<b>920</b>

**A.74 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 income,

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2018/19 Revised %</b>	<b>2019/20 Estimate %</b>	<b>2020/21 Estimate %</b>	<b>2021/22 Estimate %</b>
General Fund	5.0%	8.0%	9.7%	10.7%
HRA	14.8%	13.0%	13.1%	14.5%



## **Appendix B - Treasury Management Policy 2019/20**

### **B.1 Definition**

The Council adopts the CIPFA definition of Treasury management as: “The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

### **B.2 Overview and Regulations**

The Council adopts the CIPFA Code of Practice on Treasury Management in the Public Services (the Code). The key recommendations as described in section 1 of the Code are:

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy and should ensure that priority is given to security and liquidity when investing funds.
- They should acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

The Council adopts the following four clauses as recommended by the Code:

1. The Treasury Management team (TM team) will create and maintain
  - a treasury management policy statement setting out the policies, objectives and approach to risk management of its treasury management activities.
  - suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those objectives and prescribing how it will manage and control those activities

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code.

2. The Council will receive an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close in the form prescribed in its TMPs.
3. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Audit & Governance Committee and for the execution and administration of treasury management decisions to the Director of Resources who will act in accordance with the organisation’s policy statement and TMPs.
4. The Audit & Governance Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies.

### **B.3 Treasury Management Policies**

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Detailed below are the Council's Treasury Management Policies (TMPs), which fully comply with the requirements of the CIPFA TM Code.

TMP1 - Risk management

TMP2 - Performance Measurement

TMP3 - Decision Making and Analysis

TMP4 - Approved Instruments, Methods and Techniques

TMP5 - Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

TMP6 - Reporting Requirements and Management Information Arrangements

TMP7 - Budgeting, Accounting and Audit Arrangements

TMP8 - Cash and Cash Flow Management

TMP9 - Money Laundering

TMP10 - Training and Qualifications

TMP11 - Use of External Service Providers

TMP12 - Corporate Governance

### **B3.1 TMP1 RISK MANAGEMENT**

The Corporate Management Team implements and oversees the Council's Corporate Risk Management Policy for Financial Management. The Treasury Management Policy for risk management is an important part to the Financial Management approach. The Director of Resources, Head of Finance, the Chief Accountant, Capital Accountant and Technical Accountant have responsibility for identifying and managing significant strategic and operational risks in Treasury Management activities. The Head of Finance will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in TMP6 below. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in this document.

#### **Credit and counterparty risk management**

The Treasury Management team (TM team) will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its treasury management investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in Appendix A. It also recognises the need to have, and will therefore maintain, a formal

counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

The counterparty list and assessment criteria are included at appendix A, approved by the Council.

### **Liquidity risk management**

The TM team will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The TM team with agreement from Director of Resources or Head of Finance, will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

Liquidity risk is controlled by the use of cash flow records and projections, allowing investment maturities to be planned to meet cash flow requirements.

### **Interest rate risk management**

The TM team, in conjunction with the Council's Treasury Advisors, will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

The accepted exposure to interest rate risk is implicit in the Fixed and Variable Rate Exposure Prudential Indicators (appendix A) as set by the Council.

### **Exchange rate risk management**

It will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

The Council undertakes a minimal number of foreign currency transactions for operational purposes only (not for investment purposes). This minimises the impact of any rate movements.

### **Inflation risk management**

The TM team will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures, in conjunction with the Council's Treasury Advisors.

### **Refinancing risk management**

The TM team will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised is managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

The Council will hold short term cash available to repay any maturities within the next year.

#### **Legal and regulatory risk management**

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

This Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

The training of officers and Members is a key part of managing this risk.

#### **Fraud, error and corruption, and contingency management**

The organisation will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council uses annual audit reports, risk registers, internal controls and clear treasury procedures to manage this risk.

### **B3.2 TMP2 PERFORMANCE MEASUREMENT**

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the Treasury Management team will be the subject of ongoing analysis of the value it adds in support of the organisation's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the actuals against budgets and compliance with controls, as part of budget monitoring as reported to Committee.

### **B3.3 TMP3 DECISION MAKING AND ANALYSIS**

The Treasury Management team maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

### **B3.4 TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

The Treasury Management team will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the Treasury Management Statement at Appendix A. It provides details of approved instruments for investments and provides a listing of current institutions that meet the criteria, and within the limits and parameters defined in TMP1 Risk management.

### **B3.5 TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the Treasury Management team.

If and when the organisation intends, as a result of lack of resources or other circumstances, to depart from these principles, the Head of Finance ensures that the reasons are properly reported in accordance with TMP6 and the implications properly considered and evaluated.

The Head of Finance and Chief Accountant ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Chief Accountant, the Technical Accountant, Treasury & Technical Accountant, Capital Accountant or the Technical Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The Treasury Management team will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the Treasury Management Manual

The Director of Resources will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and, as a CIPFA member, the Standard of Professional Practice on Treasury Management.

The Director of Resources has delegated powers through this Policy to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments (set out in Appendix A), and to restructure such investment and borrowing as appropriate.

The Director of Resources may delegate her power to borrow and invest to members of her staff. All dealing transactions must be conducted by the Chief Accountant, the Technical Accountant, Treasury & Technical Accountant, Capital Accountant or the Technical Officer. Designated staff are authorised by the Chief Accountant to act as temporary cover for leave/sickness. All transactions must be authorised by at least two of the named officers above.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Director of Resources to be satisfied, by reference to the Monitoring Officer, the Authority's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Authority's

Financial Regulations. It is also the responsibility of the Director of Resources to ensure that the Authority complies with the requirements of The London Code of Conduct for principals and broking firms in the wholesale markets.

### **B3.6 TMP6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, the Council will receive:

- an annual report on the strategy and plan to be pursued in the coming year
- a mid-year review

The Audit & Governance Committee will receive regular monitoring reports on treasury management activities and risks. The Committee will also have responsibility for the scrutiny of treasury management policies and practices.

### **B3.7 TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

The Director of Resources will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques.

The Director of Resources will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

### **B3.8 TMP8 CASH AND CASH FLOW MANAGEMENT**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this organisation will be under the control of the Director of Resources, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Director of Resources will ensure that these are adequate for the purposes of monitoring compliance with TMP1 liquidity risk management. The present arrangements for preparing cash flow projections, and their form, are set out in the Treasury Management Manual.

### **B3.9 TMP9 MONEY LAUNDERING**

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the Chief Auditor as the named officer to whom reports should be made, are detailed in the Council's Anti-Money Laundering Policy which is held on the Intranet.

### **B3.10 TMP10 TRAINING AND QUALIFICATIONS**

The organisation recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Director of Resources will recommend and implement the necessary arrangements.

The Director of Resources will ensure that board/council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in Appendix A, Treasury Management Strategy.

### **B3.11 TMP11 USE OF EXTERNAL SERVICE PROVIDERS**

The organisation recognises that responsibility for treasury management decisions remains with the organisation at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Director of Resources, and details of the current arrangements are set out in the Treasury Management Strategy Statement at Appendix A

### **B3.12 TMP12 CORPORATE GOVERNANCE**

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the Treasury Management team and its treasury management activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in this document, is considered vital to the achievement of proper corporate governance in treasury management.





## Appendix C – Minimum Revenue Provision Policy

- C.1 The Council is under a duty to annually set aside revenue funds for the prudential repayment of outstanding capital borrowing in accordance with provisions set out in CIPFA’s Prudential Code and Ministry of Housing, Communities and Local Government’s (MHCLG) Statutory Guidance on Minimum Revenue Provision. The setting aside of revenue funds for the future repayment of outstanding borrowing is referred to as a Minimum Revenue Provision (MRP) charge. As part of the regulatory framework, Full Council is required to approve a Minimum Revenue Provision (MRP) Policy.
- C.2 The MRP policy, in accordance with proper practice, considers outstanding capital borrowing to be the Council’s Capital Financing Requirement (CFR) rather than to external loans taken out to finance capital expenditure. Accordingly, any reference in this policy to the repayment of capital borrowing relates to the setting aside of resources to reflect movements within the Council’s CFR rather than to the physical repayment of external debt.

### General

- C.3 Provision for the repayment of outstanding capital borrowing will generally be made in accordance with the guidance and regulations to reflect the estimated life over which the capital assets acquired are anticipated to provide useful economic benefit. A schedule setting out expected lives of standard categories of assets is provided below. However, this may be adjusted on an individual asset by asset basis depending on the specific circumstances. The Council’s statutory s151 officer will, as necessary determine individual asset lives for MRP purposes (in accordance with the overriding requirement to allow for the prudent provision for repayment of debt).

#### Standard Expected Asset Lives

• Major New Builds	40-50 Years
• Freehold Land	50 Years
• Major Extensions	20-40 Years
• Major Refurbishments	20 Years
• Major Transport Infrastructure / Regeneration	30 Years
• Other Transport Schemes	20 Years
• Other Small Capital Schemes	10 Years
• Large Vehicles (Refuse Freighters / Buses Etc)	7-8 Years
• Other Vehicles	5 Years
• Software Licenses	Life of License
• Share Capital	20 Years
• Capital Grants / Loans to Others	Expected Life of asset Held by third party

- C.4 Of the four standardised methods set out as examples in the statutory regulations for the calculation of MRP, the Council has adopted the “Asset Life Method - Annuity” as the one which best allows for the prudent repayment of capital borrowing over the life of individual capital assets. MRP is the principal element for the repayment of borrowing. The annuity is the repayment profile determined by the useful life of the asset and an appropriate interest rate.
- C.5 Assets acquired and with notional outstanding capital borrowing will continue to have an annual MRP charge levied at 2% of the identified capital debt balance at 31 March 2011.
- C.6 Assets under construction which have yet to fully deliver their expected benefits will not be subject to MRP charges to the Revenue Account until such time as they have been operational for a full accounting year. Accordingly, on becoming operational, the charge for MRP will not commence until the following financial year.
- C.7 Any prior error or change in assumption as to expected future asset life may be adjusted for in the current (or future) financial year, subject to any constraints on such adjustment as set out in the Prudential Code or Statutory Regulations.
- C.8 Whilst the above sets out the Council’s general MRP principles and policy, a number of specific instances and circumstances require separate treatment with regard to MRP in order to ensure the charge to revenue is both prudent for the repayment of debt and accurately reflects the economic benefits being realised. These are set out below:

### **Specific MRP Cases**

- C.9 Capital expenditure financed by finance lease or other service concessions (including Private Finance Initiative schemes) include within their annual payments both an interest and principal repayment element. The principal element included within these payments will be used to represent the MRP charge in accordance with the contractual agreement rather than separately calculating an MRP charge under the usual annuity method.
- C.10 Capital loans to third parties with terms that include annual principal repayment (either equal instalment or annuity-based) will not be charged a separately calculated MRP charge as the annual principal repayments will be used to reduce the CFR and accordingly reduce the overall capital borrowing.
- C.11 Short term loans for capital purposes (those with a full repayment date of five years or less) will generate a receipt on their maturity which for capital accounting purposes counts as a capital receipt. On the basis that such capital receipts will be applied to reduce the Capital Financing Requirement

– and as such deemed to repay the capital borrowing – no MRP charge will be made on such loans.

- C.12 Capital loans to wholly-owned subsidiaries will not be subject to MRP charges in circumstances where the net worth of the subsidiary is (or is reasonably expected to be in the short to medium term) in excess of the loan and as such a disposal of those assets would provide sufficient funds to fully repaying the outstanding capital borrowing of the Council.
- C.13 Charges for the provision to repay capital debt relating to share capital for group holdings will not be applied in circumstances where any proposed debt restructuring and re-gearing is expected to lead to the redemption of called up share capital over the short to medium term.
- C.14 Where the Council has outstanding borrowing relating to individual and specific investment property assets, the Council reserves the right in exceptional circumstances (where a substantial void period in lettings is encountered) to take a temporary “holiday” in MRP payments for that asset until the property is let or a strategy determined to change the asset use or dispose of the asset and thus generate a capital receipt. Any MRP holiday arising from such a situation will be reversed by correspondingly adjusting future MRP charges over the estimated remaining life of the asset or a capital receipt realised.
- C.15 Individual assets being subject to an MRP charge will cease to be subject to MRP charges at the point they are identified as surplus and have a likely expectation of generating a capital receipt in the short to medium term.
- C.16 The Housing Revenue Account (HRA) is not subject to the same statutory annual requirement to make an MRP charge as the General Fund. It is however required to make provision for the repayment of capital debt over the longer term (broadly over the thirty year life of the HRA Business Plan). In prior years, the HRA has set aside 2% per annum of its CFR to meet this obligation. This Policy proposes that this blanket 2% per annum policy is dis-continued and that the HRA is given greater flexibility to make provision for the repayment of debt over the life of its Business Plan. The HRA Business Plan provides for significant investment in modernising its existing holdings as well as new housing stock, the application of a more flexible and long term strategy for debt repayment will ease pressure on HRA balances and enable greater provision of decent homes whilst still allowing the overall level of debt to be repaid over the long term. The Council’s s151 officer will continue to ensure that the HRA Business Plan provides for the prudent repayment of debt over the longer term.
- C.17 Subject to affordability and the sustainability of the budget and Medium Term Financial Strategy, the Council’s S151 Officer will continue to explore opportunities for the earlier reduction of outstanding debt for both the General Fund and HRA, and where appropriate and subject to available resources, reserve the power to make supplementary MRP contributions

over and above the minimum previously determined as prudent, where longer term financial benefits may be derived.

### **Capital Receipts**

- C.18 Capital Receipts may ordinarily be applied to fund capital expenditure or be set aside for the repayment of debt. An exemption currently applies which allows receipts to be used to fund revenue expenditure which generates future and ongoing savings and service transformation – referred to as the Flexible Use of Capital Receipts.
- C.19 The Council's S151 Officer will apply General Fund capital receipts to optimise the benefit to the revenue account whilst being mindful of the long term need to prudently repay capital debt.
- C.20 To the above end, all capital receipts (unless statutorily or contractually ring-fenced to specific purposes) will be applied to their most beneficial purpose. Where capital receipts are applied to repay debt (and thus reduce the CFR) such repayments will be applied against the remaining borrowing identified on an asset by asset basis and the MRP liability (both for current and future years) adjusted accordingly.

**Appendix D – Existing Investment & Debt Portfolio Position**

	<b>31 Dec 18 Actual portfolio £m</b>	<b>31 Dec 18 Weighted Average Rate</b>
<b>External borrowing:</b>		
Public Works Loan Board	304	3.47%
Long term commercial loan	30	4.18%
Local authorities loans	40	0.76%
<b>Total external borrowing</b>	<b>374</b>	
<b>Treasury investments:</b>		
Money Market Funds	35	0.65%
Council's wholly-owned company	20	3.28%
Call account	1	0.52%
<b>Total treasury investments</b>	<b>56</b>	
<b>Net debt</b>	<b>318</b>	

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## READING BOROUGH COUNCIL

COUNCIL MEETING

26 FEBRUARY 2019

### ITEM NO 11 - CLIMATE EMERGENCY - TOWARDS A ZERO CARBON READING - ALTERED

Reading Borough Council (RBC) believes the world is now clearly in the midst of a climate emergency and that more concerted and urgent action is needed at local, national and international level to protect our planet for future generations. As such, this Council commits to playing as full a role as possible - leading by example as well as by exhortation - in achieving a carbon neutral Reading by 2030.

RBC has a long standing commitment to action on climate change. A signatory of the Nottingham Declaration on Climate Change in 2006, the Council was one of the first authorities to produce a detailed Climate Action Plan.

We note that CO<sub>2</sub> emissions in the Borough have fallen by 41% since 2005, which is greater than all but 19 of the 405 authorities in Great Britain, and that Reading Borough Council has reduced its own emissions by 53% since 2008.

Reading is urban in nature and the majority of emissions are from the use of fossil fuels and energy to run buildings and transport. Methane is also harmful to the climate. In Reading, these emissions are primarily from food, human waste and landfill. Gases from the latter two are captured and used to generate energy.

Despite good progress at local level, new evidence continues to emerge about the scale of the likely impacts of climate change. We are now aware through the launch of the Special Report of the Intergovernmental Panel on Climate Change in October 2018 that, in order to reduce the risks of severe climate change, all countries must act much more quickly.

This Council was proud to host the Model Climate Conference in December 2018 in this Chamber attended by students from local secondary schools, which coincided with the Katowice Climate Conference (COP24), and resulted in all the participating students stressing the urgency of climate action and pressing the Council, Government and others to act quickly.

RBC notes that we have already set out a number of ambitious policies and actions which will help to pave the way for the delivery of a Zero Carbon future such as:

- 'Zero Carbon Standards' within its draft Local Plan,
- The RBC Carbon Plan
- The forthcoming consultation on options, such as a Clean Air Zone, for improving local air quality and reducing congestion prior to publishing our draft Fourth Local Transport Plan
- The Reading Climate Change Partnership and Strategy - Reading Means Business on Climate Change
- The Launch of Reading Community Energy Society

This Council therefore instructs officers to report to the SEPT and Policy Committees on further potential measures that could accelerate the timescale for reducing carbon

dioxide emissions to zero by 2030, but recognises that this date can only be achieved with substantial policy changes from national government.

Council also requests officers to ensure that forthcoming revisions to the Local Transport Plan and Climate Change Strategy (and any other relevant policy statements) reflect the urgency of this resolution.

The Council also calls on the Government to follow the recommendations of the Committee on Climate Change and radically improve the policy framework including, for example:

- detailed and practical proposals for retrofitting private and public housing stock, where the Green Deal failed.
- upgrade social housing energy efficiency to higher standards
- more support for renewable electricity and heat (and not taxing them unfairly)
- more support for establishing renewably powered heat networks
- more support for the smart technologies and storage and connecting to local power grids.
- more support for electric vehicle infrastructure and ownership, whilst incentivising the scrappage of older polluting vehicles
- more national investment in cycling and walking policies, and the expansion of public transport and car clubs using the latest zero carbon technology
- working with local businesses to improve their energy efficiency
- putting solar arrays on most of the suitable roof space and erecting more large wind turbines
- developing local energy storage facilities
- establishing national recycling standards on industry and supermarkets whilst supporting the roll-out of food waste collection and its use for the generation of clean local energy
- building a town centre district energy system which harnesses heat from local rivers or watercourses
- establishing the widespread use of ground-source heat pumps and potentially air source heat pumps
- amending local authority procurement powers to require the delivery of carbon neutral environmental strategies by private sector suppliers

The Council calls on the Government to accept its moral and ethical responsibilities and give Reading as soon as possible the additional powers and funding needed to ensure that Reading is carbon neutral by 2030.

The Council therefore instructs the Chief Executive to write to our local MPs, and to the Prime Minister and to relevant Government departments (DEFRA, MHCLG, DfT, and Treasury) setting out the above requirements and the need for new legislation and financial support to deliver this radical agenda.

I move this

I second this

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Councillor Page

Councillor Eden