

Summons and Agenda 25 February 2020

**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
e-mail:
michael.popham@reading.gov.uk

17 February 2020

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, 25 February 2020 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 previous Council Meeting.

4. PETITIONS

To receive petitions in accordance with Standing Order 8.

5. QUESTIONS FROM MEMBERS OF THE PUBLIC

Questions in accordance with Standing Order 9.

6. QUESTIONS FROM COUNCILLORS

Questions in accordance with Standing Order 10.

7. CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL'S 2020/21 BUDGET

13 - 22

Report by Executive Director of Resources

8. 2020/21 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY TO 2023

23 - 142

Report by Executive Director of Resources

9. DRAFT CAPITAL STRATEGY 2020/21

143 - 186

Report by Executive Director of Resources

10. COUNCIL TAX SETTING

187 - 194

Report by Executive Director of Resources

11. TREASURY MANAGEMENT STRATEGY STATEMENT (2020/21); MINIMUM REVENUE PROVISION POLICY (2020/21); ANNUAL INVESTMENT STRATEGY (2020/21)

195 - 230

Report by Executive Director of Resources

12. RBC ACTION SINCE DECLARATION OF A CLIMATE EMERGENCY

231 - 238

Report by Executive Director of Economic Growth & Neighbourhood Services

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COUNCIL MEETING MINUTES - 28 JANUARY 2020

Present: Councillor Woodward (Mayor);

Councillors David Absolom, Debs Absolom, Ayub, Ballsdon, Barnett-Ward, Brock, Carnell, Challenger, Davies, Duveen, Eden, Edwards, Emberson, Ennis, Grashoff, Hacker, Hoskin, James, Jones, Khan, Leng, Lovelock, Manghnani, Maskell, McEwan, McKenna, O'Connell, Page, Pearce, Robinson, Rowland, Rynn, D Singh, R Singh, Skeats, Stanford-Beale, Stevens, Terry, White, Whitham, J Williams and R Williams.

Apologies: Councillors Gittings, McGonigle and Sokale.

34. MAYOR'S ANNOUNCEMENTS

(a) Appointments to Committees

The Monitoring Officer had exercised his delegation on the recommendation of the Conservative Group Leader to make the following appointments to Committees:

- Cllr Stanford-Beale to the Policy Committee;
- Cllr Robinson to the Audit & Governance Committee;
- Cllr Rynn to the Mapledurham Playing Fields Trustees' Sub-Committee;
- Cllr Rynn would replace Cllr Carnell as a member of the Licensing Applications Committee; and Cllr Grashoff as a member of the Licensing Applications Sub-Committee 3, once she had received appropriate training on how the business of those Committees was transacted.

(b) Monitoring Officer and Assistant Director of Legal & Democratic Services

The Mayor reported that the Personnel (Appointments) Committee had appointed Mike Graham as the Monitoring Officer and Assistant Director of Legal & Democratic Services at its meeting on 22 October 2019, starting from 10 February 2020. Chris Brooks, who had been the Council's Monitoring Officer since August 2011, would be standing down from his substantive role on 3 February 2020. He would remain as the Returning Officer and Electoral Registration Officer and be responsible for various Corporate Projects on a part-time basis.

The Mayor, Councillor Brock, Leader of the Council, and Councillor Skeats, Leader of the Conservative Group, paid tribute to Chris Brooks for his service to the Council in a variety of roles over the past 28 years.

35. MINUTES

The Minutes of the meeting held on 4 November 2019 were confirmed as a correct record and signed by the Mayor.

COUNCIL MEETING MINUTES - 28 JANUARY 2020

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

	Questioner	Subject	Answer
1.	Peter Burt	Greenwich Leisure Ltd	Cllr Hoskin
2.	Roger Lightfoot	Leisure Services Contract	Cllr Hoskin
3.	Roger Lightfoot	Leisure Services Contract - 50m Pool at Rivermead	Cllr Hoskin
4.	Peter Burt	Palmer Park Pool	Cllr Hoskin
5.	Peter Burt	Leisure Facilities Contract - Performance Indicators	Cllr Hoskin
6.	Sigi Teer	Annual Diffusion Data	Cllr Page
7.	Sigi Teer	Transport Modelling Report	Cllr Page

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

37. QUESTIONS FROM COUNCILLORS IN ACCORDANCE WITH STANDING ORDER NO 10

	Questioner	Subject	Answer
1.	Cllr White	Is the Council Committed to Tackling Climate Change	Cllr Page
2.	Cllr Josh Williams	Empty Premises and Lost Business Rates in Reading	Cllr Page
3.	Cllr Whitham	Glass Recycling	Cllr James
4.	Cllr McGonigle	Styrofoam Food Containers	Cllr Page

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

38. APPROVAL OF THE LOCAL COUNCIL TAX SUPPORT SCHEME AND THE COUNCIL TAX BASE FOR 2020/21

The Executive Director of Resources submitted a report regarding the Council Tax support scheme, estimated Council Tax collection rate and Council Tax base for the 2020/21 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

COUNCIL MEETING MINUTES - 28 JANUARY 2020

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 2020/21 was a continuation of the scheme that had been agreed by Council at its meeting on 22 January 2019 (Minute 37 refers) for the 2019/20 financial year and amended for the changes proposed for consultation at Policy Committee on 18 November 2019 (Minute 49 refers). The proposed amendments would benefit local residents by:

- a) Removing the requirement to re-apply for Council Tax Support following migration from Housing Benefit to Universal Credit;
- b) Disregarding Severe Disability Transitional payments in the calculation of assessed income thresholds; and
- c) Providing greater clarity on the treatment of excess Council Tax Support.

The following motion was moved by Councillor Emberson and seconded by Councillor Brock and CARRIED:

Resolved -

- (1) That the proposed changes to the Local Council Tax Reduction Scheme, taking into account the results of the public consultation as set out in Appendix A and summarised in paragraph 4.6 of the report, be approved;
- (2) That the 2019/20 Council Tax Reduction Scheme allowances would be updated in line with regulations be noted;
- (3) That the proposed additional support offered to the Council's Care Leavers as a local discount and incorporated in the Council's draft 2020/21 Budget proposals and Medium Term Financial Strategy be noted and endorsed;
- (4) That the changes to the Empty Property Premia in 2020/21 for properties that have been empty in excess of five years from 100% to 200%, as agreed by Council in January 2019 be noted and endorsed;
- (5) That the Tax Base calculation for 2020/21 as 56,741 Band D equivalent properties be approved; and
- (6) That the estimated surplus on the Council Tax Collection Fund in 2019/20 of £277k be approved, of which the Council's share would be £237k.

(The meeting closed at 7.31pm).

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READING BOROUGH COUNCIL
REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO:	Council		
DATE:	25 th February 2020		
TITLE:	CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL'S 2020/21 BUDGET		
LEAD COUNCILLOR:	PORTFOLIO:		
SERVICE:	Directorate of Resources	LEAD OFFICER:	Jacqueline Yates
JOB TITLE:	Executive 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 (Executive Director of Resources) to report to Council on:
- The robustness of the estimates made for the purposes of the calculations of the budget; and
 - 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 2020/21 and indicative budgets for the subsequent two financial years 2021/22 and 2022/23:

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 2020/2021, any replacement for New Homes Bonus 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 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 several 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 In October 2019 the Chartered Institute of Public and Finance and Accountancy (CIPFA) launched a new Financial Management (FM) Code in response to the fact that the well documented financial difficulties faced by some authorities had revealed concerns about fundamental weaknesses in financial management, jeopardising their ability to maintain services into the future. The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The first full year of compliance with the Code will be 2021/22, with 2020/21 being a shadow year. It is not yet clear what the required reporting requirements will be, but they will be advised once they are known. A self- assessment against the Code will be reported at the end of Q1 2020/21 to the Audit and Governance Committee.
- 3.4 The Council's 2016/17 accounts were signed off by the Council's External Auditors in July 2019 and the audit of the 2017/18 accounts is in progress. The 2018/19 accounts have also been prepared and are expected to be handed over to the auditors before the end of February 2019. The issues experienced with closing the 2016/17 accounts had a direct impact on the Council's ability to prepare its 2017/18 and 2018/19 accounts in a timely way and have increased the Council's risk profile from an audit perspective. However, it is not anticipated that the delay in signing off the Council's 2017/18 and 2018/19 accounts will impact on either the 2020/21 budget or MTFS.

4. ROBUSTNESS OF THE ESTIMATES

Approach to and Assumptions within the 2020/21 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 2019 MTFS have been reviewed and amendments made where appropriate.
- 4.2 All aspects of the Council's budget, efficiency savings, additional income, service reductions and pressures have been subject to review, with Assistant Directors being required to review the plans they put forward in previous years and confirm delivery of the proposals or, put forward business cases for change where necessary. Budget proposals have subsequently been reviewed by:
- The Finance Team
 - Corporate Management Team
 - Lead Councillors
- 4.3 The Council's Housing Revenue Account 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, however, key assumptions include:

- **Council Tax increase**- 3.99% per annum for 2020/21 with 1.99% thereafter. This is below the 2020/21 referendum level of 2% and includes an additional 2% for a social care precept (assumed to be applied in the Governments core spending power calculation).
- **Finance Settlement** – The figures are as per the Government’s 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% over the period) 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 2020/21 - 2022/23 savings of £32.9m are required over the period (£8.2m to be delivered in partnership with Brighter Futures for Children and £24.7m from retained Council services). To facilitate the delivery of service efficiencies and ongoing revenue savings transformation funding of £4.5m has been provided for within the General Fund Capital Programme funded from the ‘flexible use of capital receipts. In addition, Brighter Futures for Children are in discussions with the Department for Education about the potential for them to fund further transformation.
- 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 £3.5m, £4.9m and £5.2m have been allowed for across the period of the Plan 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 £358.3m (£296.4m General Fund and £61.9m 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 £631.3 million 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.

Financial Management

- 4.9 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 Assistant Directors and Budget/Project Managers. 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 in excess of the contingency sum, reserves will reduce and subsequently need to be replenished.

- 4.10 Comprehensive budget monitoring reports are considered by the Council's Corporate Management Team on a monthly basis and quarterly performance reports are presented to the Council's Policy Committee.
- 4.11 Recognising the significant level of transformation and savings required to deliver a balanced budget and MTFS a series of Programme Boards; (each chaired by a member of the Corporate Management Team) was set up in 2018/19 to manage and track transformation delivery. A review of the Board Structure, their terms of reference and membership is currently underway to ensure they remain fit for purpose.
- 4.12 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 (as at the end of quarter 3) is similar, with ASC projecting a small underspend at year end and Children's services a similar level of overspend to 2018/19 (£1.6m).
- 4.13 As a result of containing pressures and the delivery of savings which enabled the release of contingency budgets the Council underspent against budget in both 2017/18 and 2018/19. This meant the Council only had to draw down £1.2m from reserves rather than the £4.3m budgeted for in 2017/18. In 2018/19, the overall outturn position was a £3.2m underspend, £0.5m was transferred to general reserves and £2.7m to earmarked reserves bringing them back to more sustainable levels. As at the end of quarter 3 2019/20 the Council is projecting an underspend of £3.1m.

Insurance and Risk Management

- 4.14 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 was undertaken in 2018/19 and concluded the reserve was sufficient.
- 4.15 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 The Council drew heavily on its reserves in 2016/17 (£12.5m). However, due to the delivery of £25.1m savings over the two years 2017/18 and 2018/19 and the consequent release of contingency sums, as well as the benefit of having been part of the Berkshire Business Rates Pilot in both the current and prior two years,

the Council has not had to draw on reserves to the levels previously anticipated and reserves have been resourced back to more sustainable levels.

Going forward the Council faces significant financial uncertainty in terms of Business Rates Retention, the Fair Funding Review and Brexit. There is also an ongoing need to manage the considerable demand pressures on Children's services and Adult Social Care and realise service transformation. Additionally, the unions have recently rejected the employers pay offer and are claiming 8% more than has been budgeted for. 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 £7.5 million or 5% of net revenue expenditure.

5.3 In addition to the working balance the Council holds earmarked reserves, these include:

- Ring fenced accounts funded by third parties which must be repaid if not used for the purposes specified, e.g. grants
- Reserves which have a statutory limitation as to their use, such as Schools Balances, Dedicated Schools Grant and Housing Revenue Account reserves
- Accounts it is considered prudent to set aside for specific purposes, e.g. the Insurance Fund, Schools Deficits which will crystalize on academisation
- Committed but unspent budgeted amounts carried forward at the end of the financial year to deliver specific projects

In total the Council's General Fund earmarked reserves and working balance are forecast to be in the region of £45.5 million at 31st March 2020. 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. It should be noted that the earmarked reserves figures are indicative and will change depending on how quickly associated expenditure is incurred.

5.4 CIPFA have stated that there should be no imposed limit on the level or nature of balances required to be held by an individual Council. However, in light of recent high profile failures and funding concerns being raised by authorities they have launched a financial resilience index which uses a basket of indicators to measure individual authorities financial resilience compared to their comparators. Key indicators include:

- The current level of reserves held compared to the average change over the last three years
- The level of reserves held (excluding Public Health and School reserves) as a percentage of net revenue expenditure
- The average change in reserves over the last three years excluding Public Health and School reserves
- The total cost of Adult & Children's social care as a percentage of the Council's net revenue expenditure
- The level of external interest payable by the Council compared to net revenue expenditure
- The level of external debt held by the Council
- Council Tax requirement compared to net revenue expenditure

- The level of fees and charges income as a proportion of total service expenditure
- Growth above baseline
- OFSTED rating
- Auditors value for money conclusion

5.5 Based on the latest data available, the Council's reserves position is now around the average compared to all unitary authorities, which is a significant improvement from the 2017/18 position. Whilst the risk ratings allocated by CIPFA are relative to other Unitary authorities, it does not necessarily follow that the Council is at a higher risk. Areas where the index highlights there is comparatively more risk include:

- **The level of external interest payable by the Council compared to net revenue expenditure and the level of external debt held by the Council** - These 2 index scores highlight that the Council has higher levels of external debt to fund its Capital Programme, and therefore also has higher levels of external interest payable than the average unitary authority as a proportion of its net revenue budget. However, the revenue costs of this external interest have been modelled and budgeted for in the 2020-2023 Medium Term Financial Strategy. The levels of external debt are also assessed as part of the Council's Capital Financing Requirement set out within The Treasury Management Strategy (included elsewhere on the agenda) and the Council continues to maintain an "under borrowed" position. Therefore, the potential risk suggested by these index scores is not considered to be of particular concern.
- **The total cost of Adult & Children's social care as a percentage of the Council's net revenue expenditure** - This index score is consistent with the position of other upper tier councils nationally due to ongoing pressures in respect of social care. Central Government has recognised social care as a significant cost pressure and has attempted to address this for 2020/21 by allocating new one-off social care grant funding to councils, as well as offering the facility to increase Council Tax via the Adult Social Care Precept, which have both been included in the 2020-2023 Medium Term Financial Strategy. It is hoped that the pending Fair Funding Review will attempt to address these cost pressures on a recurring and longer term basis.
- **Growth above baseline** - This index compares the total baseline funding level of the Council with retained business rates income. This index is showing as higher risk due to the Council having been part of the Berkshire business rates pilot pooling arrangement which generates a high amount of business rates income compared to other unitary authorities suggesting a high reliance on this funding source. However, the level of business rates included in the 2020-2023 Medium Term Financial Strategy makes no assumption that the pool will continue, and a prudent approach has been taken in respect of future year growth; whilst recognising that Reading is in a relatively buoyant area for continued business rates growth.

6. CONCLUSIONS

- 6.1 Considering all of the above, 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 have moved back to more sustainable levels and are 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).
 - A base budget at the end of the three year MTF period that does not expose the Council to an underlying use of 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 consider 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.

10. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications arising directly from this report.

11. BACKGROUND PAPERS:

Budget Papers
Q3 Performance Report
CIPFA's Financial Management Code
CIPFA's Financial Resilience Index

Summary of Estimated Reserve Movements 31.03.20 - 31.03.23

Appendix 1

		Balance 31.03.20 £ '000	Movement in year £ '000	Balance 31.03.21 £ '000	Movement in year £ '000	Balance 31.03.22 £ '000	Movement in year £ '000	Balance 31.03.23 £ '000
General Fund Balance	Minimum level of unallocated reserves, 5% of net revenue budget	(7,500)	0	(7,500)	0	(7,500)	0	(7,500)
Earmarked Reserves-General Fund								
Emergency Planning/Brexit Reserve	To cover for unforeseen emergencies not budgeted for and costs arising from Brexit	(715)	0	(715)	0	(715)	0	(715)
Other Reserves	A variety of small reserves held to cover future unforeseen expenditure	(108)	0	(108)	0	(108)	0	(108)
Communications Reserve	To allow for investment in communications strategies and engaging with the public	(175)	50	(125)	50	(75)	0	(75)
Housing Benefit Subsidy Loss Reserve	To provide for any potential clawback from central government of housing benefit subsidy following audit of the annual housing subsidy claim.	(300)	(150)	(450)	(150)	(600)	0	(600)
Public Health	The Public Health Grant is ring-fenced so any underspend is carried forward and spent in future years	(420)	0	(420)	0	(420)	0	(420)
Schools Deficit Liability	To fund potential deficits of schools that may become academies in the future	(850)	0	(850)	0	(850)	0	(850)
Climate Change	To allow for investment to address the climate emergency	(250)	250	0	0	0	0	0
Legal and Taxation Reserve	To meet potential one-off legal or tax liabilities	(300)	0	(300)	0	(300)	0	(300)
Organisational Change	To help meet the cost of the Council's change programmes that cannot be charged to capital	(3,095)	(392)	(3,487)	(623)	(4,110)	(623)	(4,733)
Pension Liabilities	To cover potential future Pension Fund liabilities arising from employer pension contribution rate fluctuations	(1,100)	0	(1,100)	0	(1,100)	0	(1,100)
Commercial Property Liabilities	To manage urgent liabilities associated with the Council's property	(1,700)	0	(1,700)	0	(1,700)	0	(1,700)
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	(3,214)	0	(3,214)	0	(3,214)	0	(3,214)
Self insurance	To meet estimated liabilities in connection with internally-held risks related to the Council's Insurance programme	(5,541)	0	(5,541)	0	(5,541)	0	(5,541)

Summary of Estimated Reserve Movements 31.03.20 - 31.03.23

Appendix 1

		Balance 31.03.20 £ '000	Movement in year £ '000	Balance 31.03.21 £ '000	Movement in year £ '000	Balance 31.03.22 £ '000	Movement in year £ '000	Balance 31.03.23 £ '000
Capital Financing Smoothing Reserve	To smooth funding across the period of the Medium Term Financial Strategy	(4,582)	170	(4,412)	1,821	(2,591)	546	(2,045)
IT and Digital Reserve	To replace IT and digital equipment that has passed its useful life to improve operational efficiency	(2,000)	300	(1,700)	1,000	(700)	500	(200)
Flexible Capital Receipts Reserve	To allow for potential slippage in the delivery of capital receipts to fund transformation as well as funding beyond the end of the flexible capital receipts directive in 2021/22	(8,105)	2,000	(6,105)	3,000	(3,105)	0	(3,105)
Direct Revenue Financing of Capital Reserve	To support the capital programme to bring down the associated revenue costs of capital financing such as external interest and Minimum Revenue Provision (MRP	0	(10,537)	(10,537)	0	(10,537)	0	(10,537)
Redundancy Reserve	To fund costs of redundancy	(1,000)	0	(1,000)	0	(1,000)	0	(1,000)
Demographic & Cost-Led Pressures	To provide for potential cost pressures arising from demographic or other demand led services	(2,000)	0	(2,000)	0	(2,000)	0	(2,000)
Abortive Capital Cost Reserve	To provide for the cost of feasibility studies that do not progress into capital schemes	(500)	0	(500)	0	(500)	0	(500)
Business Rates Smoothing	To provide for the potential downturn in the economy that would reduce the level of Business Rates	(2,000)	0	(2,000)	0	(2,000)	0	(2,000)
Total Earmarked Reserves		(37,954)	(8,309)	(46,263)	5,098	(41,165)	423	(40,742)
Total Revenue Reserves		(45,454)	(8,309)	(53,763)	5,098	(48,665)	423	(48,242)

Other Ringfenced Reserves

Schools Reserves

School Balances	Schools are able to carry forward any underspends on their budgets	(2,208)	0	(2,208)	0	(2,208)	0	(2,208)
Dedicated Schools Grant	This is in deficit due to overspends in high needs block. This is planned to be repaid by 31st March 2023	3,008	(142)	2,866	(1,142)	1,724	-2142	(418)
		800	(142)	658	(1,142)	(484)	(2,142)	(2,626)

Summary of Estimated Reserve Movements 31.03.20 - 31.03.23

Appendix 1

		Balance 31.03.20 £ '000	Movement in year £ '000	Balance 31.03.21 £ '000	Movement in year £ '000	Balance 31.03.22 £ '000	Movement in year £ '000	Balance 31.03.23 £ '000
Housing Revenue Account Reserves								
HRA/Major Repairs Account	Represents the balance carried forward on these accounts	(32,055)	(168)	(32,223)	(261)	(32,484)	-749	(33,233)
Balance								
North Whitley PFI	To provide a smoothing reserve for PFI payments	(9,748)	0	(9,748)	0	(9,748)	0	(9,748)
		(41,803)	(168)	(41,971)	(261)	(42,232)	(749)	(42,981)
Total Revenue Reserves (including Other Ringfenced Reserves)		(86,457)	(8,619)	(95,076)	3,695	(91,381)	(2,468)	(93,849)

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO:	COUNCIL		
DATE:	25 FEBRUARY 2020		
TITLE:	2020/21 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY TO 2023		
LEAD COUNCILLOR SERVICE:	COUNCILLOR BROCK FINANCE	PORTFOLIO:	LEADERSHIP BOROUGHWIDE
LEAD OFFICER:	MATTHEW DAVIS	TEL:	0118 937 2954
JOB TITLE:	ASSISTANT DIRECTOR OF FINANCE	EMAIL:	Matthew.davis@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. Policy Committee at its meeting on the 16th December 2019 agreed a Draft Budget for consultation and Medium Term Financial Strategy (MTFS) for the three years 2020/21 – 2022/23. This report updates members on the results of the subsequent budget consultation exercise as well as changes arising from the publication of the Provisional Local Government Finance Settlement [LGFS] and other changes that have arisen since the report to Policy Committee in December.
- 1.2. The Ministry for Housing Communities and Local Government (MHCLG) are yet to confirm the Final LGFS. It is expected that this will be announced after the publication of this report. A verbal update will be provided to members at the meeting as necessary. Additionally, updates will be provided for: Levies from the Environment Agency; and precepts from the Police and Fire authorities as we are notified of them.
- 1.3. The proposed Medium Term Financial Strategy is informed by and supports delivery of the Council's Corporate Plan priorities including its commitment to address the climate change emergency; 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 in as sustainable a way as possible.
- 1.4. The underpinning rationale of the Medium Term Financial Strategy is to deliver a balanced and affordable budget that ensures the Council's finances are sustainable over the medium term and that in the longer term the Council's finances are not reliant on the unsustainable use of one-off reserves or funding and that general and earmarked reserves are maintained and bolstered to meet future funding challenges and risk. The Strategy is 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", as well as its Corporate Plan priorities:
 - 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 (which includes addressing the *declared* climate emergency);
 - Promoting great education, leisure and cultural opportunities for people in reading; and
 - Ensuring the Council is 'fit for the future'.
- 1.5. The MTFS 2020 - 2023 provides for an overall budget position across the three years which contributes to reserves and an underlying base budget for 2023/24 which is not reliant on reserves.
- 1.6. The Strategy builds on work over the previous 2-3yrs to stabilise the Council's financial position and build reserves back to a more robust level and seeks to facilitate vital investment in core infrastructure to drive efficiency improvements, facilitate service redesign and thereby manage pressures within demand led services. This invest to save approach provides for a robust financial position going forward and enables vital and valued services to continue to be delivered. Whilst the Budget Strategy relies on significant service transformation to drive increased efficiency savings and income generation it does mean that service cuts are not required.
- 1.7. The budget assumptions include:
- a) Council Tax increases of 3.99% (including a one off 2.0% social care precept) in 2020/21 and 1.99% in both 2021/22 and 2022/23;
 - b) £32.9m of efficiencies and increased income across the period;
 - c) A contingency provision over the three years (£3.5m 2020/21; £4.9m 2021/22; and £5.2m 2022/23) to mitigate possible slippage or non-achievement of higher risk savings and/or income targets over the period;
 - d) General Fund capital investment of £365m over the period 2020/21 to 2022/23 of which £200m is for invest to save purposes;
 - e) £4.5m of transformation funding (over the period 2020/21 to 2021/22) to support delivery of efficiency savings assumed within the MTFS.
- 1.8. Readers of this report are recommended to refer to the Draft Budget Report agreed by Policy Committee in December 2019 for further background information.

2. RECOMMENDED ACTION

That Council:

- 2.1. taking due regard of the results of the budget consultation exercise (as outlined in Section 3 and set out in more detail in Appendix 10) endorse and recommend to Full Council the Draft 2020/21 General Fund and Housing Revenue Account budgets, Draft Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-9, noting the following:
- a) the Council's General Fund Budget Requirement of £150.1m for 2020/21 and an increase in the Band D Council Tax for the Council of 3.99% (1.99% general increase

and 2.00% additional adult social care precept) or £64.93 per annum representing a Band D Council Tax of £1,692.16 per annum as set out in paragraph 8.2;

- b) the proposed efficiency savings of £6.3m together with additional income of £5.3m in 2020/21 required to achieve a balanced budget for that year as set out in Appendix 2;
- c) the overall savings proposed within the MTFS of £32.9m (of which changes to income, fees and charges is £13.5m) and three-year growth changes to service budgets of £26.6m as set out in Appendix 3;
- d) the Housing Revenue Account budget for 2020/21 of £40.9m as set out in Appendix 4 and an average increase of 3.3% in social dwelling rents from April 2020 giving a revised weekly average social rent of £102.57;
- e) the General Fund and Housing Revenue Account Capital Programmes as set out in Appendices 5a and 5b;
- f) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 6;
- g) the Fees and Charges set out in Appendix 7 of the report; and
- h) the allocation of Dedicated Schools Grant (DSG) as set out in Appendix 9.

Appendix 1	Summary of General Fund Budget 2020-21 to 2022-23
Appendix 2	General Fund Revenue Budget by Service 2020-21 to 2022-23
Appendix 3	Detailed General Fund Budgets 2020-21 to 2022-23
Appendix 4	Housing Revenue Account Budget 2020-21 to 2022-23
Appendix 5	General Fund and HRA Capital Programme 2020-21 to 2022-23
Appendix 6	Flexible Capital Receipts Strategy
Appendix 7	Fees and Charges
Appendix 8	Equality Impact Assessment
Appendix 9	Dedicated Schools Grant
Appendix 10	Budget Consultation

3. Budget Consultation

- 3.1. As agreed by Policy Committee in December 2019, the Council has consulted on its draft budget proposals for 2020/21. The consultation ran from 19th December 2019 to 19th January 2020 and was promoted through the Council's main communication channels (website, email, social media, local press, partner organisations) as well as sent to the full Council Tax email database of c. 40,000 contacts.

3.2. The consultation asked four questions:

- Q1. What alternative suggestions do you have for how we could we make the savings required to balance the budget?
- Q2. We are proposing a 2% Adult Social Care precept. What alternative suggestions do you have for how we could fund the rising costs of and rising demand for adult social care services?

- Q3. We are proposing £357m of capital investment over three years. What alternative suggestions do you have for where we should invest to ensure we modernise facilities, infrastructure and services for residents and help the Council achieve its net zero-carbon target by 2030?
- Q4. What do you think we should be aware of in terms of how our proposed budget might adversely impact on people, and how could we mitigate this impact?

- 3.3. There were 619 responses to the online consultation as well as submissions from partner organisations that were emailed directly. This compares well with the average consultation response in 2019/20 which was 230.
- 3.4. The responses covered a very wide range of areas referencing upwards of 50 issues or services connected to the Council. The responses have been analysed by topic. There are ten topics that received more than 20 alternative suggestions, these are set out overleaf:

Topic/ service area	No. of responses
Transport, planning and parking	146
Reducing costs, streamlining and efficiencies	126
Climate change and the environment	115
Sport and leisure facilities	52
Funding for adult social care	51
Waste and recycling	42
Highways, roads and footpaths	38
Council Tax and Housing Benefit	32
Impact on low income groups	27
Improving the Council's use and quality of technology	21

- 3.5. The areas with the highest number of responses align with other consultation and research results carried out by the Council over the past twelve months. including the residents' survey carried out with the Council's Citizens Panel in November 2018 which identified roads and pavement repairs, the level of traffic congestion, the level of crime, clean streets and parking as areas that people felt needed improving.
- 3.6. In the main the Council's plans and key investments align with residents' priorities as expressed in these consultations:
- The revenue budget proposals include £19.5m of efficiency and invest to save proposals;
 - The Capital Programme includes £7.4m for direct investment to reduce our carbon footprint as well as significantly more proposals which will contribute to reducing greenhouse gases. Further detail on the environmental impact of the proposed budget proposals and is set out in section 13 below;
 - The Council's Capital Programme includes £35.9m for investment in two new swimming pools and leisure facilities within the Borough.

- 3.7. To mitigate against the cost of Council Tax increases and help some of our most vulnerable residents the Council has budgeted to help all its Care Leavers (on a tapering basis) pay their Council Tax. The Council's Council Tax Reduction Scheme has also been amended to help residents in receipt of Disability Living Allowance as well as those transferring from Housing Benefit to Universal Credit such that they don't lose income.
- 3.8. In some key areas such as transport and climate change / protecting the environment, the Council is in the process of developing new strategies and plans which will involve further consultation as proposals are developed and the relevant suggestions brought forward by this budget consultation will be fed into those processes.
- 3.9. Some suggestions have resulted in the Council reviewing and reconfirming priorities. For example, the high number of suggestions on transport, planning and parking has confirmed that more needs to be done to support people who want to switch to using the bus or to start cycling or walking. Suggestions for waste and recycling initiatives demonstrates the need for the Council to better promote the upcoming changes to waste and recycling services as they are rolled out in autumn 2020.
- 3.10. Some responses include suggestions to reallocate capital investment to fund day-to-day services. However, capital investment is one-off expenditure and cannot be redirected to fund day-to-day revenue costs such as running waste collection services or delivering adult social care.
- 3.11. In some areas the suggestions were varied and did not always point to a single preferred outcome, for example there are suggestions for both increasing and decreasing parking provision and charging, and both for and against charging for road use in congested areas. In this instance the Council's response has been guided by overarching strategies, such as the Council's commitment to helping make Reading a net carbon zero town by 2030.
- 3.12. A large number of the suggestions made by respondents are activities the Council is already undertaking or has plans to do. This has highlighted the need for the Council to better communicate its plans and activities with residents and partners. To do this the Council is committing to:
- A new website design with an improved 'news and updates' function;
 - A twice-yearly residents newsletter delivered to every household in the Borough;
 - Monthly e-newsletters which anyone can sign up to receive;
 - Better engagement with partners;
 - Increased promotion of consultations and opportunities to influence Council policy and decision making.
- 3.13. A detailed description of the consultation process and results is contained in Appendix 10.
4. **Changes following publication of Draft Budget for Consultation**
- General Fund**

- 4.1. At the time of publishing the Draft Budget a number of matters remained to be confirmed. In particular, the Local Government Finance Settlement had not been announced, negotiations around the 2020/21 (and subsequent years) contract sum for the activities provided by Brighter Futures for Children [BFFC] the Council's wholly owned children's company, and decisions around the award of contract for the provision of leisure centre facilities.
- 4.2. The following section details those budget and planning assumptions that have changed since the publication of the Draft Budget and which are now incorporated into the final recommended budget which is summarised later in this report.

Provisional Local Government Finance Settlement (LGFS)

- 4.3. The Provisional LGFS was announced on the 20th December and whilst broadly in line with our planning assumptions a number of assumptions have needed amending:
- New Homes Bonus [NHB] was higher than anticipated for 2020/21 due to tapering not having been applied as expected and growth in the number of additional properties being higher than assumed. However, a fundamental review of the way NHB operates was also announced and, as a consequence, the 2020/21 allocation of £3.988m is to be for one year only rather than the previous four-year payment model. This gives a one-off benefit in 2020/21 but this reduces to £1.968m by 2022/23;
 - There were minor amendments to the figures for Revenue Support Grant, NNDR Local Share and s31 Grant totalling a net £0.132m benefit;
 - Confirmation that Homelessness Prevention Grant funding will continue increases available funding by £0.212m per year.

These adjustments are set out in Table 1 below:

Table 1 - Amendments resulting from Provisional Finance Settlement and Business Rate Retention Scheme

	2020/21 (£,000's)	2021/22 (£,000's)	2022/23 (£,000's)
New Homes Bonus	(1,052)	185	1,276
Revenue Support Grant (RSG)	(32)	(32)	(32)
Section 31 Grants	(232)	-	-
NNDR Local Share	132	-	-
Homelessness Prevention Grant	(212)	(212)	(212)
	(1,396)	(59)	1,032

- 4.4. At the time of drafting, MHCLG have yet to publish the Final LGFS. Whilst we are not anticipating any further changes, officers will update members at the meeting of any changes that may subsequently arise.

Other Changes Arising

- 4.5. Refinement of the business case modelling regarding savings generated from the introduction of a new customer services model has clarified the allocation of savings

attributable between the General Fund and Housing Revenue Account. As a consequence the level of savings attributable to the General Fund have decreased by £0.558m.

- 4.6. Following discussions with Brighter Futures for Children regarding their Business and Transformation Plan a one-off injection of £1m in 2020/21 is proposed in recognition that planned transformation savings will be realised over a longer timeframe. It is further proposed that any underspends against previously allocated Delivery Funding will be allowed to be carried forward. The Council's risk contingency has been reduced from 2021/22 onwards by £300K in reflection of this.
- 4.7. It should also be noted that BFfC are seeking further transformation funding (£4m) from the Department for Education to speed up their transition from 'Needs Improvement to be Good' to Good. The outcome of these discussions is unlikely to be known for some time but will be reported back to Policy Committee as Sole Member in due course.
- 4.8. Following the Council's decision to award the Borough Leisure Facilities contract to GLL in January 2020, the assumptions around the contract have been refined.
- 4.9. Dividends from group companies are expected to be lower than previously anticipated over the first two years of the MTFS.
- 4.10. A new proposal to create a Small Community Grants Fund pot to provide grants of up to £5K to small community groups has been included £0.1m.
- 4.11. The 2019/20 Council Tax surplus identified in the Council Tax Base report which went to Policy Committee in January 2020, has been built into 2020/21 and is a one-off benefit to the budget.
- 4.12. A summary of the other changes outlined above is shown in the table overleaf:

Table 2: Other Changes to the Draft Budget Position

	2020/21	2021/22	2022/23
	(£,000's)	(£,000's)	(£,000's)
Customer Services Model	18	141	399
BFFC Contract Sum (One-Off)	1,000	-	-
Adjustment to Risk & Contingency	-	(300)	(300)
Leisure Contract	1	(4)	43
Group Dividends	150	250	-
Community Grants Fund	109	109	109
2019/20 Collection Fund Surplus	(237)	-	-
Direct Revenue Financing of Capital	237	-	-
	1,278	196	251

Table 3: Summary of all Changes to the Budget Position since December 2019

	2020/21	2021/22	2022/23
	(£,000's)	(£,000's)	(£,000's)
(Surplus) / Gap - December 2019	(712)	684	(1,737)
Subsequent Changes:			
Changes due to Provisional Finance Settlement and Business Rates Retention Scheme	(1,396)	(59)	1,032
Other Changes	1,278	196	251
(Surplus) / Gap - February 2020	(830)	821	(454)

Housing Revenue Account

- 4.13. The savings attributable to the HRA from the Customer Services Delivery Model proposal (as set out in paragraph 4.5) have been reflected within the Housing Revenue Account budget but are fully offset by a corresponding increase in the resources available to fund major repairs and improvements providing increased value for money for tenants. The budget therefore remains the same as that reported in December in overall terms. Additionally, the forecast opening 2020/21 reserve position has been updated to reflect the revised 2018/19 closing balance and 2019/20 in year forecast.

Capital Programme

- 4.14. Capital spending (and associated funding streams) have been updated to reflect latest anticipated spend in 2019/20 as well as any other changes in future profiling.

- 4.15. There is an increase in capital expenditure of £7.5m from the December budget report primarily due to movements of budget from 2019/20 into future years following on from a detailed review of the capital programme at period 9. Additionally, the figures from the chosen provider for the Leisure Procurement are now reflected within the Capital Programme as opposed to the previously estimated figure which was included previously. A detailed breakdown of the General Fund and HRA capital schemes is included in Appendix 5a and 5b attached.

5. Final Recommended Budget and MTFS

- 5.1. Taking into account the changes, outlined in Section 4 above, that have arisen since the Draft MTFS was considered by Policy Committee in December, the overall recommended MTFS budget position is as shown in the Ttable 4 below:

Table 4: Directorate and Corporate Budgets - Three Year Summary

	2020/21 (£,000's)	2021/22 (£,000's)	2022/23 (£,000's)
Adults Care & Health Services	37,307	38,189	37,927
Economic Growth & Neighbourhoods	16,422	12,407	8,354
Resources	16,226	16,213	16,561
Children, Education & Early Help	49,131	48,693	48,693
Total - Service Directorates	119,087	115,502	111,535
Capital Financing Costs	14,731	18,979	22,988
Contingency	3,522	4,903	5,188
Other Corporate Budgets	12,750	3,408	3,854
Total - Corporate Budgets	31,004	27,290	32,029
Total Net Budget Requirement	150,090	142,793	143,565
Financed By:			
Council Tax	96,014	99,239	102,350
Business Rates (Incl s31 Grant)	38,351	37,888	37,671
Revenue Support Grant	2,030	2,030	2,030
New Homes Bonus	3,988	2,815	1,968
Collection Fund Surplus - (One-Off)	10,537	-	-
	150,920	141,972	144,019
(Surplus) / Gap	(830)	821	(454)
Change from December Draft Budget	(118)	137	1,283

- 5.2. Full details of service budgets, corporate funding and proposed changes to existing budgets are set out in Appendices 1 to 3 attached.
- 5.3. As can be seen, the budget makes a small net contribution to reserves over the three year period and is not reliant on the use of reserves going beyond the MTFS planning horizon.
- 5.4. Savings required to balance the budget are comprised of efficiency savings, invest-to-save initiatives and increased income from fees and charges and are summarised in Table 5 below:

Table 5: General Fund Savings Summary 2020/21 to 2022/23

	Efficiency Savings (£,000's)	Invest to Save Schemes (£,000's)	Income, Fees & Charges (£,000's)	Total (£,000's)
Childrens Services (BFFC)	(8,190)	-	-	(8,190)
Other Council Services	(8,545)	(2,731)	(13,459)	(24,735)
Total	(16,735)	(2,731)	(13,459)	(32,925)

- 5.5. The summary table shown below sets out the Housing Revenue Account budget (which incorporates the amendment set out in paragraph 4.13). Further details of the HRA revenue budget is set out in Appendix 4

Table 6: Summary HRA Three-Year Revenue Budget

	2020/21 (£,000's)	2021/22 (£,000's)	2022/23 (£,000's)
Expenditure	40,919	42,486	43,606
Income	(41,087)	(42,747)	(44,355)
Net (Surplus) / Deficit	(168)	(261)	(749)
Opening HRA Balances	(32,055)	(32,223)	(32,484)
Net (Surplus) / Deficit	(168)	(261)	(749)
Closing HRA Balances	(32,223)	(32,484)	(33,233)

- 5.6. The proposed Housing Revenue Account budget for 2020/21 of £40.9m as set out in Appendix 4 assumes an average increase of 3.3% in social dwelling rents from April 2020 giving a revised weekly average social rent of £102.57.
- 5.7. Full details of the proposed Capital Programme are set out in Appendix 5. A summary of both the General Fund and HRA Capital Programmes are summarised in the table overleaf:

Table 7: Summary General Fund and HRA Capital Budgets

	2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	2022/23 (£,000's)
General Fund	66,507	117,794	101,312	77,310
Housing Revenue Account	15,343	30,262	20,089	11,503
	81,850	148,056	121,401	88,813
Funded By:				
Community Infrastructure Levy	(3,000)	(3,000)	(3,000)	(3,000)
Major Repairs Reserve / Revenue	(9,375)	(8,668)	(8,064)	(8,064)
Capital Receipts	(13,341)	(13,304)	(10,206)	(4,101)
	(25,716)	(24,972)	(21,270)	(15,165)
Prudential Borrowing	(56,134)	(123,084)	(100,131)	(73,648)
<i>of which - General Fund</i>	<i>(51,430)</i>	<i>(103,790)</i>	<i>(88,562)</i>	<i>(70,209)</i>
<i>Housing Revenue Account</i>	<i>(4,704)</i>	<i>(19,294)</i>	<i>(11,569)</i>	<i>(3,439)</i>

6. Flexible Use of Capital Receipts and Delivery Fund

- 6.1. The Council has made use of freedoms around the flexible use of capital receipts to fund transformation change costs - this freedom currently remains available until 2021/22. In total £13.6m has been identified as available to fund such costs over the period 2017/18 to 2021/22.
- 6.2. Details of the proposed use of this funding were set out in the December Policy Report. Since December, further work has been undertaken to verify overall bid requirements and identify where current requirements are likely to slip into future years.
- 6.3. Full details of the Flexible Capital Receipts Strategy are set out in Appendix 6, with Annexes A and B to that Appendix providing details of proposed spend on a scheme by scheme basis. Table 8 below summarises the proposed use of the Delivery Fund:

Table 8: Summary of Delivery Fund Spend

	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Budget (£,000's)	2020/21 Budget (£,000's)	2021/22 Budget (£,000's)	Total (£,000's)
June 2018						
Capital Receipts Strategy	2,095	5,661	3,734	836	-	12,326
Contingency / Unallocated	-	250	500	500	-	1,250
	2,095	5,911	4,234	1,336	-	13,576
February 2019						
Capital Receipts Strategy	1,319	6,405	6,098	615	-	14,437
Contingency / Unallocated	-	(494)	(1,864)	1,497	-	(861)
	1,319	5,911	4,234	2,112	-	13,576
December 2019						
Capital Receipts Strategy	1,319	3,182	7,070	1,012	377	12,960
Contingency / Unallocated	-	-	-	308	308	616
	1,319	3,182	7,070	1,320	685	13,576
February 2020						
Capital Receipts Strategy	1,319	3,182	4,539	3,226	467	12,733
Contingency / Unallocated	-	-	-	843	-	843
	1,319	3,182	4,539	4,069	467	13,576
<i>Bordered Figures are actuals</i>						

7. Dedicated Schools Grant [DSG]

- 7.1. Schools funding is received through DSG and is split into four blocks. Allocations for 2020/21 were published on 19th December. Details of the 2020/21 DSG allocation (together with the Deficit Recovery Plan) are included in Appendix 9 to this report but are summarised in the table below:

Table 9: Dedicated Schools Grant Allocations

	2019/20 Revised (£,000's)	2020/21 Original (£,000's)	Change	
			(£,000's)	(%)
Schools Block	89,524	95,536	6,012	6.7%
Central Schools Services Block	1,330	1,218	(112)	(8.4%)
Early Years Block	12,407	12,595	188	1.5%
High Needs Block	20,483	22,472	1,989	9.7%
Total (Gross)	123,744	131,821	8,077	6.5%
Less Recoupment - Schools	(44,853)	(49,165)	(4,312)	9.6%
Less Recoupment - High Needs	(2,448)	(4,162)	(1,714)	70.0%
Total (Net)	76,443	78,494	2,051	2.7%

8. Council Tax Levels

- 8.1. The total amount of Council Tax payable by residents will depend on both the Fire and Police authorities' precepts which have not yet been received. Members will be advised of these precepts when they become available.
- 8.2. The changes proposed to the Council's Draft Budget as set out above do not impact on the proposed Council Tax level for the Council's own purposes. The proposed Band D charge of £1,692.16 for Reading's own requirement in 2020/21 represents a weekly increase for two adults in occupation (before any reliefs or discounts) of £1.25 per week.
- 8.3. The table below is replicated from the December report and shows the implications of the proposed Council Tax increase across each band (the largest number of properties in any one band being for a Band C property).

Table 10: Implications of Proposed Council Tax Increase 2020/21

Band / Wght		No. of Properties	Ratio	2019/20 Charge (£'s)	2020/21 Proposal (£'s)	Change (£'s)	Weekly Change (£'s)
A	6	7,151	10%	1,084.82	1,128.11	43.29	0.83
B	7	14,404	20%	1,265.62	1,316.12	50.50	0.97
C	8	29,581	40%	1,446.43	1,504.14	57.72	1.11
D	9	11,215	15%	1,627.23	1,692.16	64.93	1.25
E	11	5,679	8%	1,988.84	2,068.20	79.36	1.53
F	13	3,293	4%	2,350.44	2,444.23	93.79	1.80
G	15	1,856	3%	2,712.05	2,820.27	108.22	2.08
H	18	85	0%	3,254.46	3,384.32	129.86	2.50
		73,264	Weighted Increase - All Bands			60.66	1.17

9. Financial Implications

- 9.1. The financial implications are set out in the body of this report and associated appendices.

The Council's General Fund balance remains at £7.5m over the plan period.

10. Legal Implications

- 10.1. The Council must set its budget in accordance with the provisions of the Local Government Finance Act 1992. Approval of a balanced budget each year is a statutory responsibility of the Council.
- 10.2. 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. The report will be formally made to the Council's budget setting meeting in February.

11. Risk

- 11.1. Whilst the budget proposals include some provision for risk and contingency, risk remains for demographic, inflationary or other demand pressures to place pressures on those available provisions. In part this is able to be mitigated by the Council having bolstered reserves over the past two years.
- 11.2. The MTFS assumes £32.9m of additional savings and income to be delivered over the following three years and any delay in delivering on these also pose a potential threat to the sustainability of the Council's budget.
- 11.3. The Council has the potential to be impacted in a variety of ways, with the state of the national economy impacting on demand levels, commercial income and funding available to be distributed through central government. As upper tier authorities across the country are finding changes in social care demand can create significant cost pressures arise within adults and children's social care budgets. The Council's arms-length children's company has significant transformational change planned and its delivery also represents a risk.

12. Equalities Impact Assessment

- 12.1. 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.
- 12.2. An initial Assessment of the proposals as set out in the MTFS has been undertaken and Appendix 8 sets out the individual savings proposals where specific equality impact assessments will need to be undertaken prior to implementation.
- 12.3. 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. The consultation on the Draft Budget proposals assists with this requirement.

13. Environmental Implications

- 13.1. The Council's proposed Capital Programme for the next 3 years includes investment of over £7 million in energy saving measures in buildings and renewable energy infrastructure to contributing to the Council's net zero carbon ambitions. Of this, £1.35m is allocated for 2020/21. The Council has a long-standing programme of investment in energy efficiency, taking advantage of the SALIX Recirculation Fund, a revolving loan fund, which is available for the public sector. The Council's capital budget for this SALIX Recirculation Fund has been around £250,000 p.a. for a number of years and this has enabled a large number of projects to be taken forward. A similar provision is included in the Capital Programme for each of the next 3 years which will enable additional projects in the pipeline to go ahead.

- 13.2. The Capital Programme also includes two new budgets which specifically support the Council's climate change commitment, enabling a step change in ambition. The first will take advantage of a new SALIX Decarbonisation fund, designed to support more ambitious carbon reduction projects in the public sector. In 2020/21, £0.6m has been allocated with a further £1.2 million over the following 2 years. The second will support further investment in renewable energy. In 2020/21, £0.5m has been allocated for this purpose with a further £4 million over the following 2 years. This will enable a number of more ambitious projects to be progressed, including ground-source heat pumps, solar arrays and potentially district heating systems.
- 13.3. Other capital investments - in offices, housing, transport and waste - will also contribute to the Council's carbon reduction ambitions by improving the efficiency of our buildings and operations. Going forward, major capital projects which will contribute directly to greenhouse gas emissions reduction include:
- £18.5 million for Green Park Station (across 4 years from 2019/20)
 - £16.8 million for the South Reading MRT (across 4 years from 2019/20)
 - £4.5m for renewable energy (across 3 years from 2020/21)
 - £2.55 million for energy saving measures via the Salix Decarbonisation and Recirculation funds (across 3 years from 2020/21)
 - £1.49 million for food waste collection (in 2020/21)
 - £1.19 million for retro-fitting the bus fleet to lower emission standards (across 2 years from 2019/20)
 - £258,000 for LED streetlighting (across 2 years from 2019/20, completing a total investment of £9.8 million which began in 2016)
 - £250,000 for electric vehicle charging points (across 2 years from 2020/21)
 - £150,000 for tree planting programmes (across 3 years from 2019/20)
- 13.4. Additionally, a substantial part of the investment of £9 million over the next 3 years in highway maintenance will support low carbon, 'active travel' by improving facilities for cyclists and pedestrians as well as other road users, while the fleet replacement budget of almost £6 million over the next 3 years will enable us to increase the proportion of electric vehicles within the fleet.
- 13.5. In addition, to the above capital provision the revenue budget maintains its Sustainability budget of c.£230,000 which will enable review and implementation of the Council's Carbon Plan as referred to above.

14. BACKGROUND PAPERS

- Final Local Government Finance Settlement 2019/20 - MHCLG (29th January 2019)
- 2019/2020 to 2021/22 Budget Setting and Medium Term Financial Strategy approved by Full Council (26th February 2019);
- Spending Round 2019 - HM Treasury (4th September 2019)
- Local Government Finance Settlement - Technical Consultation (3rd October 2019)
- Provisional Local Government Finance Settlement 2020/21 - MHCLG
- Draft Budget and Medium Term Financial Plan 2020/21- 2022/23 report to 16th December Policy Committee.

Reading Borough Council Revenue Budget 2020-21 to 2022-23

Directorate/Service	Approved Budget 2019/20 £'000	Proposed Budget 2020/21 £'000	Proposed Budget 2021/22 £'000	Proposed Budget 2022/23 £'000
Adult Social Care and Health	36,053	37,307	38,189	37,927
Commissioning & Improvement	793	825	855	885
Adult Social Care Operations	33,839	34,911	35,681	35,317
Public Health Services	(292)	(506)	(506)	(506)
Preventative Services	713	722	727	733
Directorate Other	999	1,356	1,432	1,498
Economic Growth & Neighbourhood Services	18,193	16,422	12,407	8,354
Transportation	650	(171)	(596)	(2,841)
Planning & Regulatory Services	1,901	2,052	1,886	1,756
Housing and Neighbourhood Services General Fund	1,417	1,197	1,211	1,241
Cultural Services	3,392	3,971	3,569	2,988
Environmental and Commercial Services	13,681	14,275	14,229	14,689
Regeneration and Assets	(3,468)	(5,544)	(8,568)	(10,345)
DEGNS Overhead Accounts	619	643	676	867
Resources*	15,012	16,226	16,213	16,561
Customer Services	2,526	2,747	2,809	3,041
Human Resources & Organisational Development	1,622	1,800	1,755	1,827
Internal Audit	1,608	1,607	1,651	1,669
Procurement Services	338	353	368	381
Financial Services	2,630	2,517	2,476	2,483
Legal & Democratic Services	1,714	2,003	2,131	2,206
Digital Transformation	4,162	4,490	4,335	4,331
Communications	454	710	689	624
Children's Services	48,596	49,131	48,693	48,693
Brighter Futures for Children**	47,900	48,421	47,969	47,969
Retained by Council	696	710	724	724
Total Service Expenditure	117,854	119,087	115,502	111,535
Corporate Budgets	21,615	31,004	27,290	32,029
Capital Financing Costs	13,680	14,731	18,979	22,988
Contingency	4,229	3,522	4,903	5,188
Other Corporate Budgets***	3,706	12,750	3,408	3,854
Net budget Requirement	139,468	150,090	142,793	143,565
Financed By:				
Council Tax Income	(90,936)	(96,014)	(99,239)	(102,350)
NNDR Local Share	(42,420)	(34,357)	(34,156)	(33,956)
New Homes Bonus	(3,739)	(3,988)	(2,815)	(1,968)
Section 31 Grant	(2,200)	(3,994)	(3,731)	(3,715)
Revenue Support Grant	0	(2,030)	(2,030)	(2,030)
One-off Collection Fund Surplus	(173)	(10,537)	0	0
Total Funding	(139,468)	(150,920)	(141,972)	(144,019)
(Over)/Under Budget	0	(830)	821	(454)

* The 2019-20 budget for Resources includes a one-off virement of £40K to Corporate budgets

** The budget for Brighter Futures for Children includes £6.8m for service SLA charges on top of the contract cost

*** This includes Direct Revenue Contribution to Capital reserve utilising the Collection Fund surplus

Reading Borough Council Revenue Budget at Service Level 2020-21

	Approved Budget 2019/20* £'000	Virements £'000	Approved Budget 2019/20 * £'000	Contractual Inflation £'000	Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Proposed Budget 2020/21 £'000
Adult Social Care and Health Directorate	36,240	(187)	36,053	1,439	1,393	(818)	(150)	(609)	37,307
Commissioning and Improvement	823	(29)	793	31	0	0	0	0	825
Adult Social Care Operations	33,822	17	33,839	1,325	1,111	(818)	(150)	(395)	34,911
Public Health Service	(408)	116	(292)	0	0	0	0	(214)	(506)
Preventative Services	754	(41)	713	9	0	0	0	0	722
Directorate Other	1,249	(250)	999	75	282	0	0	0	1,356
Economic Growth & Neighbourhood Services Directorate	20,623	(2,430)	18,193	1,811	1,810	(827)	0	(4,565)	16,422
Transportation	813	(163)	650	217	590	(210)	0	(1,418)	(171)
Planning & Regulatory Services	1,883	18	1,901	172	60	10	0	(91)	2,052
Housing and Neighbourhood Services General Fund	1,440	(23)	1,417	86	0	(91)	0	(215)	1,197
Cultural Services	3,386	6	3,392	367	458	(220)	0	(26)	3,971
Environmental and Commercial Services	13,481	200	13,681	751	395	(123)	0	(429)	14,275
Regeneration and Assets	(1,043)	(2,425)	(3,468)	181	307	(180)	0	(2,385)	(5,544)
DEGNS Overhead Accounts	663	(45)	619	38	0	(13)	0	0	643
Resources Directorate	18,410	(3,357)	15,052	650	1,017	(404)	0	(89)	16,226
Customer Services	1,129	1,396	2,526	125	387	(206)	0	(84)	2,747
Human Resources & Organisational Development	2,112	(491)	1,622	73	200	(94)	0	0	1,800
Internal Audit	1,873	(265)	1,608	77	0	(78)	0	0	1,607
Procurement Services	446	(108)	338	15	0	0	0	0	353
Financial Services	3,299	(669)	2,630	109	0	(222)	0	0	2,517
Legal & Democratic Services	3,560	(1,846)	1,714	115	113	61	0	0	2,003
IT Services	5,476	(1,315)	4,162	119	74	135	0	0	4,490
Communications	514	(61)	454	18	243	0	0	(5)	710
Children's Services	41,834	6,762	48,596	1,251	3,412	(4,128)	0	0	49,131
Brighter Futures for Children	41,142	6,759	47,900	1,237	3,412	(4,128)			48,421
Retained by Council	693	3	696	14					710
Total Budget at Service Level	117,106	787	117,894	5,152	7,632	(6,177)	(150)	(5,263)	119,087

*Approved Budget 2019-20 includes in year budget virements

Reading Borough Council Revenue Budget at Service Level 2021-22

	Recommended Budget 2019/20 £'000	Virements £'000	Recommended Budget 2020/21 £'000	Contractual Inflation £'000	Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Proposed Budget 2021/22 £'000
Adult Social Care and Health Directorate	37,307	0	37,307	1,381	2,388	(1,713)	(1,034)	(140)	38,189

Commissioning and Improvement	825		825	31	0	0	0	0	855
Adult Social Care Operations	34,911		34,911	1,268	2,388	(1,713)	(1,034)	(140)	35,681
Public Health Service	(506)		(506)	0	0	0	0	0	(506)
Preventative Services	722		722	6	0	0	0	0	727
Directorate Other	1,356		1,356	76	0	0	0	0	1,432
Economic Growth & Neighbourhood Services	16,422	0	16,422	1,706	(615)	(1,592)	0	(3,514)	12,407
Transportation	(171)		(171)	201	0	(150)	0	(476)	(596)
Planning & Regulatory Services	2,052		2,052	162	(60)	(161)	0	(107)	1,886
Housing and Neighbourhood Services General Fund	1,197		1,197	77	0	(60)	0	(4)	1,211
Cultural Services	3,971		3,971	268	(440)	(200)	0	(30)	3,569
Environmental and Commercial Services	14,275		14,275	730	(15)	(221)	0	(540)	14,229
Regeneration and Assets	(5,544)		(5,544)	236	(100)	(800)	0	(2,359)	(8,568)
DEGNS Overhead Accounts	643		643	33	0	0	0	0	676
Resources Directorate	16,226	0	16,226	598	68	(679)	0	0	16,213
Customer Services	2,747		2,747	131	87	(156)	0	0	2,809
Human Resources & Organisational Development	1,800		1,800	79	0	(124)	0	0	1,755
Internal Audit	1,607		1,607	17	0	28	0	0	1,651
Procurement Services	353		353	15	0	0	0	0	368
Financial Services	2,517		2,517	109	0	(150)	0	0	2,476
Legal & Democratic Services	2,003		2,003	114	16	(2)	0	0	2,131
Digital Transformation	4,490		4,490	120	0	(275)	0	0	4,335
Communications	710		710	14	(35)	0	0	0	689
Children's Services	49,131	0	49,131	1,415	2,209	(4,062)	0	0	48,693
Brighter Futures for Children	48,421		48,421	1,401	2,209	(4,062)			47,969
Retained by Council	710		710	14					724
Total Budget at Service Level	119,087	0	119,087	5,100	4,050	(8,046)	(1,034)	(3,654)	115,502

Reading Borough Council Revenue Budget at Service Level 2022-23

	Recommended Budget 2020/21	Virements	Recommended Budget 2021/22	Contractual Inflation	Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Proposed Budget 2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care and Health Directorate	38,189	0	38,189	1,351	1,335	(1,261)	(1,547)	(140)	37,927
Commissioning and Improvement	855		855	29	0	0	0	0	885
Adult Social Care Operations	35,681		35,681	1,250	1,335	(1,261)	(1,547)	(140)	35,317
Public Health Service	(506)		(506)	0	0	0	0	0	(506)
Preventative Services	727		727	6	0	0	0	0	733
Directorate Other	1,432		1,432	66	0	0	0	0	1,498
Economic Growth & Neighbourhood Services	12,407	0	12,407	1,702	(459)	(894)	0	(4,402)	8,354

Transportation	(596)		(596)	158	0	(150)	0	(2,253)	(2,841)
Planning & Regulatory Services	1,886		1,886	148	0	(114)	0	(165)	1,756
Housing and Neighbourhood Services General Fund	1,211		1,211	85	0	(50)	0	(4)	1,241
Cultural Services	3,569		3,569	245	(443)	(350)	0	(33)	2,988
Environmental and Commercial Services	14,229		14,229	682	(16)	(50)	0	(155)	14,689
Regeneration and Assets	(8,568)		(8,568)	195	0	(180)	0	(1,792)	(10,345)
DEGNS Overhead Accounts	676		676	191	0	0	0	0	867
Resources Directorate	11,189	0	16,213	597	108	(357)	0	0	16,561
Customer Services	2,809		2,809	124	240	(132)	0	0	3,041
Human Resources & Organisational Development	1,755		1,755	72	0	0	0	0	1,827
Internal Audit	1,651		1,651	17	0	0	0	0	1,669
Procurement Services	368		368	13	0	0	0	0	381
Financial Services	2,476		2,476	107	0	(100)	0	0	2,483
Legal & Democratic Services	2,131		2,131	132	(57)	0	0	0	2,206
Digital Transformation	4,335		4,335	121	0	(125)	0	0	4,331
Communications	689		689	10	(75)	0	0	0	624
Children's Services	48,693	0	48,693	0	0	0	0	0	48,693
Brighter Futures for Children	47,969		47,969						47,969
Retained by Council	724		724						724
Total Budget at Service Level	110,478	0	115,502	3,650	984	(2,512)	(1,547)	(4,542)	111,535

Summary of General Fund Budget Changes 2020-2023

Directorate/Service	Contractual Inflation	Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care and Health Directorate	4,171	5,116	(3,792)	(2,731)	(889)	1,874
Commissioning and Improvement	91	0	0	0	0	91
Adult Social Care Operations	3,843	4,834	(3,792)	(2,731)	(675)	1,478
Public Health Service	0	0	0	0	(214)	(214)
Preventative Services	20	0	0	0	0	20
Directorate Other	217	282	0	0	0	499
Economic Growth & Neighbourhood Services Directorate	5,219	736	(3,313)	0	(12,481)	(9,838)
Transportation	576	590	(510)	0	(4,147)	(3,491)
Planning & Regulatory Services	482	0	(265)	0	(362)	(146)
Housing and Neighbourhood Services General Fund	248	0	(201)	0	(223)	(176)
Cultural Services	879	(425)	(770)	0	(89)	(405)
Environmental and Commercial Services	2,163	364	(394)	0	(1,125)	1,008
Regeneration and Assets	611	207	(1,160)	0	(6,535)	(6,877)
DEGNS Overhead Accounts	261	0	(13)	0	0	248
Resources Directorate	1,845	1,193	(1,440)	0	(89)	1,509
Customer Services	379	714	(494)	0	(84)	515
Human Resources & Organisational Development	224	200	(218)	0	0	206
Internal Audit	111	0	(50)	0	0	61
Procurement Services	43	0	0	0	0	43
Financial Services	325	0	(472)	0	0	(147)
Legal & Democratic Services	362	72	59	0	0	493
IT Services	360	74	(265)	0	0	169
Communications	42	133	0	0	(5)	170
Children's Services	2,666	5,621	(8,190)	0	0	97
Brighter Futures for Children	2,638	5,621	(8,190)	0	0	69
Retained by Council	28	0	0	0	0	28
Service Total	13,901	12,666	(16,735)	(2,731)	(13,459)	(6,358)

Directorate of Adult Social Care and Health Services**Summary of MTFS Position****Service**

1	Commissioning & Improvement
2	Adult Social Care Operations
3	Public Health Services
4	Preventative Services
5	Directorate Other
6	Directorate Total

Proposed Budget Changes			
2020/21	2021/22	2022/23	Total
£'000	£'000	£'000	£'000
31	31	29	91
1,073	769	(363)	1,478
(214)	0	-	(214)
9	6	6	20
356	76	66	499
1,255	882	(262)	1,874

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>Commissioning and Improvement</u>				
7		Pay inflation 2%	22	23	23	68
8	DACHS-2021-14	Increments	9	8	6	23
9		Total Contractual Inflation	31	31	29	91
10		Total	31	31	29	91

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>Adult Social Care Operations</u>				
11		Pay inflation 2%	189	195	202	586
12	DACHS-2021-14	Increments	97	90	65	252
13	DACHS-2021-01	Care Inflation	1,039	983	983	3,005
14		Total Contractual Inflation	1,325	1,268	1,250	3,843
15	DACHS-2021-02	Demographic Growth	300	295	236	831
16	DACHS-2021-03	Legacy Mental Health Placements	185	-	-	185
17	DACHS-2021-04	Transforming Care	102	-	42	144
18	DACHS-2021-05	Transitions	388	2,093	1,057	3,538
19	Capital Bids	Modernisation (e-marketplace, Reablement System and mobile working)	136	-	-	136
20		Total Pressures	1,111	2,388	1,335	4,834
21	DACHS-2021-06	Undeliverable Saving - Deputy's (prior year)	50	-	-	50
22	DACHS-2021-08	Undeliverable Saving - Reducing Adult Social Care contracts spend (Commissioning Delivery Model) (AS8)	(350)	-	-	(350)
23	DACHS01-B	Undeliverable Saving - Delivery Models for Commissioning, Prevention & Quality Services	750	-	-	750
24	DACHS-2021-25	Mitigated - Delivery Models for Commissioning, Prevention & Quality Services	(750)	-	-	(750)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>Adult Social Care Operations (Continued)</u>				
25	DACHS10-C	Mental Health and Locality Team Restructure	(145)	-	-	(145)
26	DACHS-AS9	Extension of Provider Services	(100)	-	-	(100)
27	DACHS-AS6	Additional Contract Deductions	-	(179)	-	(179)
28	DACHS-2021-11	Asset Review	-	(200)	(50)	(250)
29	DACHS-2021-17	Review of Non Staffing Expenditure Budgets	(273)	-	-	(273)
30	DACHS-2021-18	Removal of agreed 3 year Voluntary Care Service funding	-	-	(250)	(250)
31	DACHS-2021-19	Supporting young people into adulthood	-	(1,000)	(730)	(1,730)
32	DACHS-2021-20	Adult Social Care Day Service Reconfiguration	-	(150)	-	(150)
33	DACHS-2021-22	Additional DACHS Staffing Efficiencies	-	(184)	(231)	(415)
34		Total Efficiency Savings	(818)	(1,713)	(1,261)	(3,792)
35	DACHS-AS10/ DACHS-2021-10	Extension of Assistive Technology Project	(50)	(433)	(446)	(929)
36	DACHS7-C	Increased usage of Direct Payments	(100)	-	-	(100)
37	DACHS-2021-07	Development of the Personal Assistant Market	-	(209)	(209)	(418)
38	DACHS-2021-21	Outcome based delivery support	-	(317)	(317)	(634)
39	DACHS-2021-23	Enhanced Reablement for Mental Health & Learning Disability Service Users	-	-	(500)	(500)
40	DACHS-2021-24	Development of the Dementia Carers Offer	-	(75)	(75)	(150)
41		Total Invest to Save	(150)	(1,034)	(1,547)	(2,731)
42	DACHS-2021-09	Income Maximisation	(395)	(140)	(140)	(675)
43	DACHS-2021-12	£2.043m IBCF confirmed as ongoing funding stream	-	-	-	-
44	DACHS-2021-13	Winter Pressures and Social Care Grant ongoing funding	-	-	-	-
45		Total Income, Fees & Charges	(395)	(140)	(140)	(675)
46		Total	1,073	769	(363)	1,478

Directorate of Economic Growth and Neighbourhood Services**Summary of MTFS Position****Service**

1 Transportation

2 Planning & Regulatory Services

3 Housing and Neighbourhood Services General Fund

4 Cultural Services

5 Environmental and Commercial Services

6 Regeneration and Assets

7 DEGNS Overhead Accounts

8 Directorate Total

Proposed Budget Changes			
2020/21	2021/22	2022/23	Total
£'000	£'000	£'000	£'000
(822)	(424)	(2,245)	(3,491)
151	(166)	(131)	(146)
(220)	13	31	(176)
578	(402)	(581)	(405)
594	(46)	460	1,008
(2,076)	(3,023)	(1,778)	(6,877)
25	33	191	248
(1,770)	(4,015)	(4,053)	(9,838)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>Transportation</u>				
9		Pay Inflation	40	40	41	120
10		Increments	17	1	10	28
11		Contract Inflation - NSL Contract (Traffic Enforcement)	53	53	-	106
12		Contract Inflation - Intellifent Transport System maintenance (Urban Traffic Control, Traffic Signal & CCTV)	2	2	2	6
13		Contract Inflation - Business Rates (Car Parks)	70	70	70	211
14		Greenwave Fares (Reading Buses)	24	24	24	72
15		Fleet Services	11	11	11	33
16		Total Contractual Inflation	217	201	158	576
17	DEGNS-2021-21	Unachievable Capitalisation - Transport Management and Project Management	90	-	-	90
18	DEGNS-2021-23	Increased Compliance of moving Traffic Offences	500	-	-	500
19		Total Budget Pressures	590	-	-	590
20		Strategic Transportation Savings	(25)	-	-	(25)
21	DEGNS-2021-26	Fundamental Service Review - Parking	-	(150)	(150)	(300)
22	DEGNS-2021-28	Smart Cities - communications saving	(70)	-	-	(70)
23		Review of Enforcement Contracts (T&S13)	(50)	-	-	(50)
24		Car park management processes through IT improvements and staff reductions (T&S15)	(50)	-	-	(50)
25	DEGNS-2021-31	Bus Services Act - reduction in RBC requirement	(15)	-	-	(15)
26		Total Efficiency Savings	(210)	(150)	(150)	(510)

Schedule of Detailed Budget Change Proposals

Schedule of Detailed Budget Changes - Proposed

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
<u>Transportation (continued)</u>						
27	DEGNS-2021-24	Increased revenue from on-street Pay and Display (T&S4)	(390)	(150)	(150)	(690)
28	DEGNS-2021-25	Increased income from Parking Enforcement	(220)	-	-	(220)
29		Increased provision of Red Routes - DENS43-AA (T&S5)	(50)	-	-	(50)
30		Extend Residents Parking permit areas	(200)	-	-	(200)
31		Increase to park permit charges	(53)	-	-	(53)
32		Review Public Car park provision borough wide	(200)	-	-	(200)
33	DEGNS-2021-37	Increase off street parking charges (T&S12)	(300)	(300)	(300)	(900)
34	DEGNS-2021-22	Borough wide Car Parking and Air Quality Management Strategy (BCAMS) (T&S2 & 3)	-	-	(1,800)	(1,800)
35	See Capital Bid	Electric Vehicle Charging	(3)	(23)	-	(26)
36		Increase in fees and charges	(2)	(3)	(3)	(8)
37		Total Income, Fees and Charges	(1,418)	(476)	(2,253)	(4,147)
38		Total	(822)	(424)	(2,245)	(3,491)

Page

38

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>Planning & Regulatory Services</u>				
39		Pay Inflation	99	102	106	307
40		Increments	73	60	42	175
41		Total Contractual Inflation	172	162	148	482
42	DEGNS-2021-19	Tall Buildings Safety Programme	60	(60)	-	-
43		Total Budget Pressures	60	(60)	-	-
44	DEGNS-2021-18	Mandatory HMO Licensing	75	(30)	(50)	(5)
45	DEGNS-2021-20	Discretionary HMO Licensing (PDRS3)	(65)	(65)	-	(130)
46	DEGNS-2021-33	Fundamental Service Review - Planning and Regulatory Services	-	(66)	(64)	(130)
47		Total Efficiency Savings	10	(161)	(114)	(265)
48	DEGNS-2021-38	Increase in charges for pre-planning application and planning fees (PDRS10)	(25)	(25)	(110)	(160)
49	DEGNS-2021-36	Proposed Fee Income Reading Festival	(25)	(25)	(25)	(75)
50		Reforecast income Licensing income budget (PDRS6&9)	(25)	(39)	(10)	(74)
51		Increase in fees and charges	(16)	(18)	(20)	(53)
52		Total Income, Fees and Charges	(91)	(107)	(165)	(362)
53		Total	151	(166)	(131)	(146)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>Housing and Neighbourhood Services</u>				
54		Pay Inflation	65	67	69	201
55		Increments	21	10	16	47
56		Total Contractual Inflation	86	77	85	248
57	DEGNS-2021-42	Reduce expenditure on homelessness B&B and temporary accommodation (Dens39B)	(200)	-	-	(200)
58		Reducing use of nightly paid emergency accommodation including B&B (HNS8)	200	-	-	200
59	DEGNS-2021-40	Housing - Fundamental Service Review	-	-	(50)	(50)
60		Housing Property Services - income generation to General Fund (HNS9)	(60)	(60)	-	(120)
61		Housing Building Maintenance Income	(31)	-	-	(31)
62		Total Efficiency Savings	(91)	(60)	(50)	(201)
63	DEGNS-2021-39	Flexible Homelessness Support Grant to be used against existing budgets (originally assumed one-off for 2019-2020) (HNS4)	-	-	-	-
64	DEGNS-2021-43	Homelessness Prevention Grant	(212)	-	-	(212)
65		Increase in fees and charges	(3)	(4)	(4)	(11)
66		Total Income, Fees and Charges	(215)	(4)	(4)	(223)
67		Total	(220)	13	31	(176)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
68		<u>Cultural Services</u>				
69		Pay Inflation	138	117	121	375
70		Increments	95	82	55	232
71		Book stock and Business rates in Libraries	23	-	-	23
72		Contract Inflation	111	69	69	249
73		Total Contractual Inflation	367	268	245	879
74		Reduced income in Play Service for one year (dependent on reshape) (ECD1)	(80)	-	-	(80)
75	DEGNS-2021-17	Revenue impact of new contract for borough leisure facilities	538	(440)	(443)	(345)
76		Total Budget Pressures	458	(440)	(443)	(425)
77	See DACHS-2021-16	Contribution from Public Health Grant	(100)	(100)	(250)	(450)
78		Additional Fees & Charges from Schools (ECD6)	(110)	-	-	(110)
79		Theatre Fees and Charges (ECD5)	(10)	-	-	(10)
80	DEGNS-2021-16	In-house management restructuring of Cultural Services (ECD4/5)	-	(100)	(100)	(200)
81		Total Efficiency Savings	(220)	(200)	(350)	(770)
82		Increase in fees and charges	(26)	(30)	(33)	(89)
83		Total Income, Fees and Charges	(26)	(30)	(33)	(89)
84		Total	578	(402)	(581)	(405)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>Environmental and Commercial Services</u>				
85		Pay Inflation	144	149	154	447
86		Increments	105	89	61	255
87	DEGNS-2021-10	Contract Inflation - Fomento de Construcciones y Contratas (FCC) Waste Management Contract (RE3)	383	384	359	1,126
88		Business Rates - Small Mead	19	8	8	35
89		Payments to Grundon	2	2	2	6
90		Street Lighting Energy	58	58	58	174
91		Street Cleansing Materials	12	12	12	36
92		Waste Collection Materials / Tipping charges	28	28	28	84
93		Total Contractual Inflation	751	730	682	2,163
94	DEGNS-2021-06	Recycling and Enforcement Team	145	(15)	(16)	114
95	DEGNS-2021-41	Public Realm Improvements	250	-	-	250
96		Total Budget Pressures	395	(15)	(16)	364
97		Increase in Savings - Waste Operations	(31)	-	-	(31)
98	DEGNS-2021-07	Food Waste and Smaller Bins	(171)	(171)	-	(342)
99	DEGNS-2021-09	Remove unachievable Commercial income target	150	-	-	150
100	DEGNS-2021-11	New kit and vehicles for commercial services development	(21)	-	-	(21)
101	DEGNS-2021-13	Fundamental Service review of Highways	(50)	(50)	(50)	(150)
102		Total Efficiency Savings	(123)	(221)	(50)	(394)
103		Increase in trading through Reading Commercial Services	(50)	-	-	(50)
104	DEGNS-2021-12	Increase income on green waste due to additional uptake in years 1-3 and fee increase in years 2-3	(103)	(68)	(50)	(221)
105	DEGNS-2021-35	Fundamental Service Review - Parks and Street Cleansing	-	(100)	(100)	(200)
106		Commercialisation Direct Services	(253)	(290)	-	(543)
109		Gross up budget for capital cost on recycling bins	(19)	(77)	-	(96)
107		Increase in fees and charges	(4)	(5)	(5)	(15)
108		Total Income Fees and Charges	(429)	(540)	(155)	(1,125)
109		Total	594	(46)	460	1,008

Schedule of Detailed Budget Change Proposals

Schedule of Detailed Budget Changes - Proposed

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
<u>Regeneration and Assets</u>						
110		Pay Inflation	87	92	95	273
111		Increments	50	54	10	114
112		Contract Inflation	45	90	90	225
113		Total Contractual Inflation	181	236	195	611
114		Compliance works building regulations	207	-	-	207
115	DEGNS-2021-02	Cleaning Service Budget Review	100	(100)	-	-
116		Total Budget Pressures	307	(100)	-	207
117		Savings arising from the closure of Darwin Close, Hamilton Centre and more efficient use of Bennet Road (DENS66-C)	(230)	-	-	(230)
118	DEGNS-2021-05	Increase income From Commercial Property Acquisitions	50	(800)	-	(750)
119	DEGNS-2021-34	Building Cleaning - Fundamental Service Review	-	-	(180)	(180)
120		Total Efficiency Savings	(180)	(800)	(180)	(1,160)
121	DEGNS-2021-04	Review of Rents on Garages and Shops	(25)	(5)	(5)	(35)
122		Gross up budget for capital cost on commercial property	(2,340)	(2,332)	(1,763)	(6,435)
123		Increase in fees and charges	(20)	(22)	(24)	(65)
123		Total Income, Fees and Charges	(2,385)	(2,359)	(1,792)	(6,535)
124		Total	(2,076)	(3,023)	(1,778)	(6,877)
<u>DEGNS Overhead Accounts</u>						
125		Pay Inflation	16	17	17	50
126	DEGNS-2021-30	Increments	22	16	24	62
127		Business Rates on Council Properties	-	-	150	150
128		Total Contractual Inflation	38	33	191	261
129		Reductions on Training Budget	(13)	-	-	(13)
130		Total Efficiency Savings	(13)	-	-	(13)
131		Total	25	33	191	248
132		Directorate Total	(1,770)	(4,015)	(4,053)	(9,838)

Directorate of Resources**Summary of MTFS Position****Service**

Customer Services

Human Resources & Organisational Development

Internal Audit

Procurement Services

Financial Services

Legal & Democratic Services

IT Services

Communications

Portfolio Total

Proposed Budget Changes			
2020/21	2021/22	2022/23	Total
£'000	£'000	£'000	£'000
222	62	232	515
179	(45)	72	206
(1)	45	17	61
15	15	13	43
(113)	(41)	7	(147)
289	128	75	493
328	(155)	(5)	169
256	(21)	(65)	170
1,174	(13)	348	1,509

Schedule of Detailed Budget Change Proposals

			Proposed Budget Changes			
Line	Bid Reference	Service	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>Customer Services</u>				
10		Pay inflation 2%	80	83	87	250
11		Increments	35	37	27	99
12		Business Rates inflation (Crematorium and Register Office)	9	10	10	30
13		Total Contractual Inflation	125	131	124	379
14		Delivery Fund Staff (CS1)	78	87	-	165
15	DOR-2021-03	Corporate Programme and customer experience improvement plan - phase 1 *	-	-	240	240
16	DOR-2021-05	Crematoriums - shortfall of income	200	-	-	200
17	DOR-2021-19	Community Grants Fund	109	-	-	109
18		Total Budget Pressures	387	87	240	714
19		Customer Services savings (Call Centre/Hub) (CCS-17C)	(24)	(24)	-	(48)
20		Reduction of cheque payments (CSS-1C)	(50)	-	-	(50)
21	DOR-2021-06	New customer services model	(132)	(132)	(132)	(396)
22		Total Efficiency Savings	(206)	(156)	(132)	(494)
23		HRA share of contribution to Narrowing the Gap **	(84)	-	-	(84)
		Total Income, Fees and Charges	(84)	-	-	(84)
24		Total	222	62	232	515

* This assumes the improvement plan can be funded from the Delivery Fund for two years (£480k in total)

** Additional funding for social care purposes means there is a net increase in overall funding for VCS groups

Human Resources & Organisational Development

25		Pay inflation 2%	52	54	55	161
26		Increments	19	23	17	59
27		Contract Inflation (Health and Safety Team - Software licenses)	2	2	-	4
28		Total Contractual Inflation	73	79	72	224
29	DOR-2021-01	Increase budgets for training and development	200	-	-	200
30		Total Budget Pressures	200	-	-	200
31		Apprentice Levy savings	(14)	-	-	(14)
32	DOR-2021-13	Exec Recruitment	(56)	-	-	(56)
33	DOR-2021-10	Review of SLA with Schools	(24)	(24)	-	(48)
34	DOR-2021-12	Re-procurement of agency contract	-	(100)	-	(100)
35		Total Efficiency Savings	(94)	(124)	-	(218)

36

Total

179	(45)	72	206
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Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
37		<u>Internal Audit</u>				
38		Pay inflation 2%	14	14	14	42
39		Increments	3	3	3	9
40		Insurance	60	-	-	60
41		Total Contractual Inflation	77	17	17	111
42	DOR-2021-11	Flexible retirement	(28)	28	-	-
43	DOR-2021-17	Savings from reprocurring insurance	(50)	-	-	(50)
44		Total Efficiency Savings	(78)	28	-	(50)
45		Total	(1)	45	17	61
46		<u>Procurement Services</u>				
47		Pay inflation 2%	12	12	10	34
48		Increments	3	3	3	9
49		Total Contractual Inflation	15	15	13	43
50		Total	15	15	13	43
51		<u>Financial Services</u>				
52		Pay inflation 2%	77	75	73	225
53		Increments	26	24	24	74
54		Contract Inflation for Systems	6	10	10	26
55		Total Contractual Inflation	109	109	107	325
56	DOR-2021-09	Review consultancy budget and CIPFA subscription	(35)	-	-	(35)
57	DOR-2021-07	Efficiencies from procuring new finance system	-	-	(100)	(100)
58		Realignment of Revenues and Benefits Transformation Target (CSS11-C/RB1/CSS01-B)	(187)	(150)	-	(337)
59		Total Efficiency Savings	(222)	(150)	(100)	(472)
60		Total	(113)	(41)	7	(147)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>Legal & Democratic Services</u>				
		Pay inflation 2%	77	80	82	240
61		Increments	38	34	50	122
62		Total Contractual Inflation	115	114	132	362
63		Staffing pressures within the Joint Legal Team	38	-	-	38
64		Review of Ward boundaries (one off project - reversal of 2019/20 pressure)	(25)	-	-	(25)
65	DOR-2021-15	Flexible Retirement	57	-	(57)	-
66		Ward boundaries - additional two councillors	-	16	-	16
67	DOR-2021-02	Additional 1.0 FTE for Committee Services	43	-	-	43
68		Total Budget Pressures	113	16	(57)	72
69		Income generation from charging for services (CSS-L&D2)	88	(2)	-	86
70	DOR-2021-14	Legal Services Efficiencies & Income	(12)	-	-	(12)
71	DOR-2021-08	Savings within Democratic Services including greater use of IT in response to climate change	(15)	-	-	(15)
72		Total Efficiency Savings	61	(2)	-	59
73		Total	289	128	75	493

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Proposed Budget Changes			
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
		<u>IT Services</u>				
74		Pay inflation 2%	13	14	15	42
75		Increments	6	6	6	18
76	DOR-2021-18	Contract Inflation	100	100	100	300
77		Total Contractual Inflation	119	120	121	360
78		Reprofiling of IT Programme (one-off saving in 19/20)	74	-	-	74
79		Total Budget Pressures	74	-	-	74
80		Additional savings will be made across the ICT service including reducing spend on applications (CSS24-C)	(20)	-	-	(20)
81		Re-procurement of IT Contract (CSS-IT2)	215	(275)	(125)	(185)
82	DOR-2021-16	Savings arising from software applications review	(60)	-	-	(60)
83		Total Efficiency Savings	135	(275)	(125)	(265)
84		Total	328	(155)	(5)	169
		<u>Communications</u>				
85		Pay inflation 2%	10	10	10	30
86		Increments	8	4	-	12
87		Total Contractual Inflation	18	14	10	42
88	CEX-2021-01	Communications - staff survey, publications and supporting transformation	175	(35)	-	140
89	CEX-2021-02	Resident Engagement	68	-	(75)	(7)
90		Total Budget Pressures	243	(35)	(75)	133
91		Income from event sponsorship and selling advertising within event publications/e-publications/email bulletins (CSS2b-C)	(5)	-	-	(5)
92		Total Income, Fees and Charges	(5)	-	-	(5)
93		Total	256	(21)	(65)	170
94		Directorate Total	1,174	(13)	348	1,509

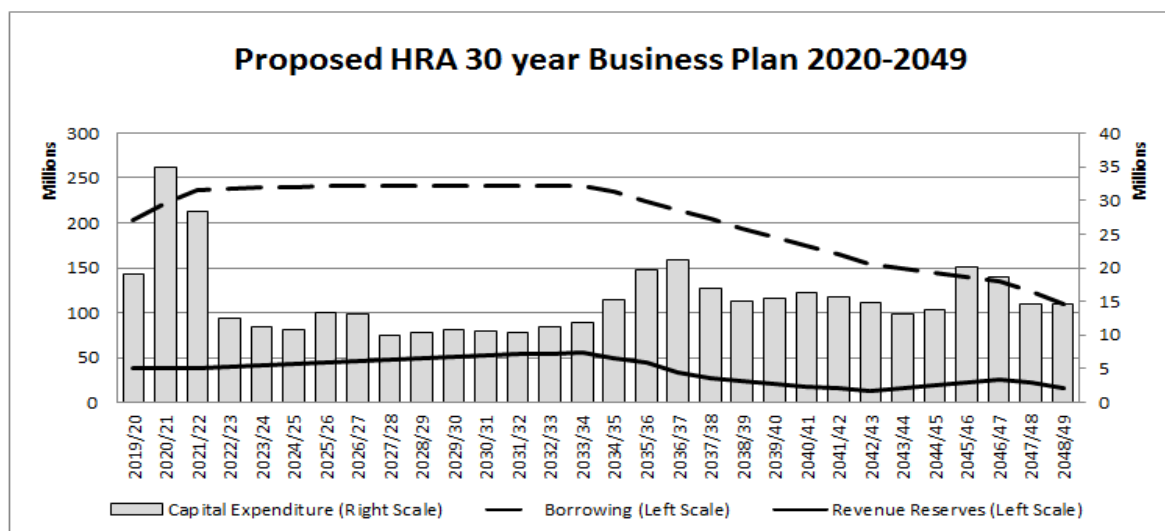
HOUSING REVENUE ACCOUNT - REVENUE BUDGET AND RESERVES

APPENDIX 4

	2020/21 (£,000's)	2021/22 (£,000's)	2022/23 (£,000's)
(1) Housing Management	8,410	8,656	8,907
Special Services	2,933	3,018	3,105
Revenue Repairs	5,355	5,564	5,504
(2) PFI costs	7,238	7,369	7,505
(3) Bad debt Provision	956	987	1,020
(4) depreciation	8,317	8,582	8,947
(5) Debt Costs	7,633	8,232	8,536
Other Expenditure	77	79	81
	40,919	42,486	43,606
(6) Dwelling Rents	(35,604)	(37,229)	(38,792)
(7) Service Charges	(1,104)	(1,135)	(1,166)
PFI Credit	(3,997)	(3,997)	(3,997)
Other Income	(181)	(186)	(191)
Interest on Balances	(201)	(200)	(209)
	(41,087)	(42,747)	(44,355)
Net (Surplus) / Deficit	(168)	(261)	(749)
Forecast Opening HRA Balances	(32,055)	(32,223)	(32,484)
Net (Surplus) / Deficit	(168)	(261)	(749)
Forecast Closing HRA Balances	(32,223)	(32,484)	(33,233)

Notes:

- (1) Housing Management Costs relate to staff and operational costs and are assumed to increase in line with RPI 2.4%
- (2) PFI costs are index linked under the contract; a smoothing reserve covers any increases over 2.5%
- (3) The bad debt provision is based on 2.5% of rental income
- (4) Depreciation is calculated annually on the Assets of the HRA and charged to revenue. The funding can be used for investment in the stock repayment of debt under statute
- (5) The debt costs are based upon the assumption that new housing is funded through a increase in borrowing at 3.5%
- (6) Dwelling rents are assumed to increase by 2.7% in line with the Rent Regulation determination
- (7) Service charges are assumed to increase in line with inflation
- (8) The HRA accounts for 2017-18 and 2018-19 are still subject to audit and therefore the HRA reserves are provisional and may be subject to further changes



General Fund Capital Programme

Appendix 5a

Scheme Name	2019/20 Forecast			2020/21 Forecast			2021/22 Forecast			2022/23 Forecast		
	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 (incl Equal Pay)	4,539	-	4,539	4,069	-	4,069	467	-	467	-	-	-
Corp Total	4,539	-	4,539	4,069	-	4,069	467	-	467	-	-	-
e-Marketplace & Equipment Renewal Portal Software	-	-	-	170	(93)	77	-	-	-	-	-	-
Mobile Working and Smart Device	-	-	-	150	-	150	-	-	-	-	-	-
Replacement of Community Re-ablement Software	-	-	-	85	-	85	-	-	-	-	-	-
Social Care Premises	150	-	150	1,000	-	1,000	5,000	-	5,000	1,000	-	1,000
DACHS Total	150	-	150	1,405	(93)	1,312	5,000	-	5,000	1,000	-	1,000
Additional School Places - Contingency	-	-	-	500	(500)	-	500	(500)	-	500	(500)	-
Avenue Expansion	184	(184)	-	9	(9)	-	-	-	-	-	-	-
Blessed Hugh Faringdon - Asperger Unit 30 place expansion (SEN)	316	(316)	-	-	-	-	-	-	-	-	-	-
Civitas- Synthetic Sports Pitch	10	(10)	-	319	(319)	-	-	-	-	-	-	-
Cranbury College at JMA	75	(75)	-	819	(819)	-	-	-	-	-	-	-
Crescent Road Playing Field Improvements	-	-	-	314	(314)	-	-	-	-	-	-	-
Critical Reactive Contingency: Health and safety (Schools)	300	(300)	-	727	(727)	-	536	(536)	-	585	(585)	-
Foster Carer Extensions	100	-	100	100	-	100	100	-	100	-	-	-
Green Park Primary School	2,906	(2,906)	-	-	-	-	-	-	-	-	-	-
Heating and Electrical Programme - Manor Pry Power	3	(3)	-	154	(154)	-	-	-	-	-	-	-
Heating and Electrical Renewal Programme	399	(399)	-	929	(929)	-	545	(545)	-	585	(585)	-
Initial Viability work for the Free School at Richfield Avenue	100	(100)	-	160	(160)	-	-	-	-	-	-	-
Katesgrove Primary Trooper Potts Building	10	(10)	-	6,981	(6,981)	-	736	(736)	-	-	-	-
Meadway Early Years Building Renovation	148	(148)	-	100	(100)	-	5	(5)	-	-	-	-
New ESFA funded schools - Phoenix College	500	(500)	-	6,300	(5,400)	900	1,300	(400)	900	-	-	-
New ESFA funded schools - St Michaels	2,517	(2,517)	-	101	(101)	-	-	-	-	-	-	-
Primary Schools Expansion Programme - 2013-2017	250	(250)	-	490	(490)	-	-	-	-	-	-	-
Schools - Fire Risk Assessed remedial Works	199	(199)	-	203	(203)	-	210	(210)	-	200	(200)	-
Thameside SEN Expansion	66	(66)	-	-	-	-	-	-	-	-	-	-
The Heights Permanent Site Mitigation	984	(758)	226	918	(801)	117	268	(268)	-	-	-	-
The Heights Temporary School	71	(71)	-	-	-	-	-	-	-	-	-	-
DCEEHS Total	9,138	(8,812)	326	19,124	(18,007)	1,117	4,200	(3,200)	1,000	1,870	(1,870)	-
Abbey Quarter	53	(53)	-	457	(457)	-	-	-	-	-	-	-
Accommodation Review - Henley Road Cemetery	39	-	39	-	-	-	-	-	-	-	-	-
Accommodation Review - Phase 2A & B	133	-	133	-	-	-	-	-	-	-	-	-

Accommodation Review - Phase 2C (19 Bennet Road)	4,230	-	4,230	1,824	-	1,824	98	-	98	-	-	-
Accommodation Review - Town Hall	291	-	291	-	-	-	-	-	-	-	-	-
Additional Storage Capacity at Mortuary	-	-	-	15	-	15	-	-	-	-	-	-
Air Quality Monitoring	64	(64)	-	33	(33)	-	-	-	-	-	-	-
Bridges and Carriageways	2,350	(1,623)	727	1,669	(1,259)	410	-	-	-	-	-	-
Car Park Investment Programme	226	(226)	-	226	(226)	-	-	-	-	-	-	-
Car Parking - P&D, Red Routes, Equipment	350	(100)	250	200	(100)	100	-	-	-	-	-	-
Cattle Market Car Park	20	(20)	-	503	(503)	-	-	-	-	-	-	-
CCTV	50	(50)	-	-	-	-	-	-	-	-	-	-
Cemeteries and Crematorium	96	-	96	100	-	100	-	-	-	-	-	-
Central Library - Reconfiguration/Refurbishment	50	-	50	-	-	-	-	-	-	-	-	-
Feasibility												
Central Pool Regeneration	775	(483)	292	-	-	-	-	-	-	-	-	-
Chestnut Walk Improvements	120	(38)	82	40	(25)	15	-	-	-	-	-	-
Christchurch Meadows Paddling Pool	-	-	-	35	-	35	-	-	-	-	-	-
CIL Local Funds - Community	-	-	-	52	(52)	-	-	-	-	-	-	-
CIL Local Funds - Heritage and Culture	-	-	-	115	(115)	-	-	-	-	-	-	-
CIL Local Funds - Leisure and Play	265	(265)	-	338	(338)	-	-	-	-	-	-	-
CIL Local Funds - Transport	-	-	-	435	(435)	-	-	-	-	-	-	-
CIL Local Funds -Neighbourhood Allocation	239	(239)	-	238	(238)	-	-	-	-	-	-	-
Corporate Office Essential Works	-	-	-	50	-	50	50	-	50	652	-	652
Dee Park Regeneration - Housing Infrastructure Fund (school)	-	-	-	6,000	(6,000)	-	-	-	-	-	-	-
Defra Air Quality Grant - Bus Retrofit	803	(803)	-	388	(388)	-	-	-	-	-	-	-
Defra Air Quality Grant - Go Electric Reading	1	(1)	-	54	(54)	-	-	-	-	-	-	-
Transport Demand Management Scheme - Feasibility Work	-	-	-	-	-	-	500	-	500	-	-	-
Development of facilities at Prospect Park/Play	-	-	-	550	(475)	75	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector)	1,104	(1,104)	-	1,055	(1,055)	-	1,055	(1,055)	-	1,055	(1,055)	-
Eastern Area Access Works	100	(100)	-	100	(100)	-	140	(140)	-	-	-	-
Electric Vehicle Charging Points	-	-	-	200	-	200	50	-	50	-	-	-
Food Waste and Smaller Bins	-	-	-	1,489	-	1,489	-	-	-	-	-	-
Green Park Station	6,500	(6,500)	-	11,500	(11,500)	-	777	(777)	-	-	-	-
Grounds Maintenance Workshop Equipment	-	-	-	50	-	50	-	-	-	-	-	-
Homes for Reading - Share Redemption Loan	7,000	-	7,000	-	-	-	-	-	-	-	-	-
Invest in Corporate buildings/Health & safety works	1,500	-	1,500	1,768	-	1,768	1,000	-	1,000	1,000	-	1,000
Invest to save energy savings - Street lighting	-	-	-	258	-	258	-	-	-	-	-	-
Leisure Procurement	375	-	375	5,662	(750)	4,912	26,292	(750)	25,542	3,929	-	3,929
Local Traffic Management and Road Safety Schemes	130	(130)	-	359	(359)	-	-	-	-	-	-	-
LTP Development	200	(200)	-	200	(200)	-	200	(200)	-	-	-	-

NCN Route 422	423	(423)	-	-	-	-	-	-	-	-	-	-
New Kit/Vehicles for Commercial Services Dvlpt	-	-	-	122	-	122	-	-	-	-	-	-
Oxford Rd Community Centre	181	-	181	-	-	-	-	-	-	-	-	-
Oxford Road Corridor Works	4	(4)	-	318	(318)	-	-	-	-	-	-	-
Playground equipment and Refreshment: Boroughwide	-	-	-	494	(44)	450	250	-	250	891	-	891
Private Sector Renewals	200	-	200	300	-	300	300	-	300	300	-	300
Provision of Gypsy & Traveller Accommodation	-	-	-	-	-	-	50	-	50	3,580	-	3,580
Pumping Station Upgrade Scheme (new)	-	-	-	250	-	250	-	-	-	-	-	-
re3 extending range of recyclables	8	(8)	-	86	(53)	33	-	-	-	-	-	-
Reading Football Club Social Inclusion Unit to SRLC	-	-	-	1,496	(1,496)	-	38	(38)	-	-	-	-
Reading Town Centre Design Framework	86	(86)	-	-	-	-	-	-	-	-	-	-
Reading West Station	199	(199)	-	3,400	(3,400)	-	-	-	-	-	-	-
Renewable Energy	-	-	-	500	-	500	2,000	(700)	1,300	2,000	-	2,000
Replacement Vehicles	1,399	-	1,399	176	-	176	3,231	-	3,231	2,523	-	2,523
Rogue Landlord Enforcement	75	(75)	-	-	-	-	-	-	-	-	-	-
S106 individual schemes list	50	(50)	-	284	(284)	-	-	-	-	-	-	-
Salix Decarbonisation Fund	-	-	-	600	-	600	600	-	600	600	-	600
Small Leisure Schemes	175	(175)	-	237	(237)	-	150	(50)	100	300	(50)	250
Smart City Cluster project and C-ITS	1,650	(1,650)	-	227	(227)	-	-	-	-	-	-	-
South Reading MRT (Phases 1 & 2)	362	(362)	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 3 & 4)	6,947	(6,947)	-	2,536	(2,536)	-	-	-	-	-	-	-
South Reading MRT (Phases 5 & 6)	-	-	-	1,000	(1,000)	-	1,000	(1,000)	-	5,000	(5,000)	-
St George's Church Affordable Housing scheme	317	(317)	-	-	-	-	-	-	-	-	-	-
The Keep	94	-	94	-	-	-	-	-	-	94	(94)	-
Town Centre Improvements	-	-	-	450	-	450	-	-	-	-	-	-
Town Centre Street Trading Infrastructure	-	-	-	40	-	40	-	-	-	-	-	-
Town Hall Equipment	-	-	-	205	-	205	-	-	-	-	-	-
Traffic Management Schools	95	(95)	-	295	(295)	-	100	(100)	-	-	-	-
Tree Planting	3	-	3	50	-	50	50	-	50	50	-	50
Waste Operations - In Cab Waste Management System	70	-	70	-	-	-	-	-	-	-	-	-
West Reading Transport Study - Southcote/Coley Improvements	35	-	35	-	-	-	-	-	-	-	-	-
Western Area Access Works	128	(128)	-	-	-	-	-	-	-	-	-	-
Highway Infrastructure Works	-	-	-	3,000	-	3,000	3,000	-	3,000	3,000	-	3,000
Harden Public Open Spaces to Prevent Incursion	44	-	44	35	-	35	25	-	25	25	-	25
Salix Re-Circulation Fund	73	-	73	588	-	588	250	-	250	250	-	250
Sun Street - Final Phase	589	(454)	135	145	-	145	-	-	-	-	-	-
DEGNS Total	40,271	(22,972)	17,299	52,797	(34,552)	18,245	41,206	(4,810)	36,396	25,249	(6,199)	19,050
Customer Digital Experience	-	-	-	750	-	750	1,000	-	1,000	750	-	750

Future ICT Operating Model	100	-	100	5,429	-	5,429	839	-	839	-	-	-
ICT Infrastructure (Invest to save)	1,000	-	1,000	667	-	667	500	-	500	500	-	500
Loan To RTL (Bus replacement programme)	1,500	-	1,500	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000
Loan To RTL (Project Voyager)	5,200	-	5,200	-	-	-	-	-	-	-	-	-
Oracle Capital Works - financed through reduced rental	247	-	247	100	-	100	100	-	100	100	-	100
Purchase of Commercial Property	35,205	-	35,205	80,000	-	80,000	50,000	-	50,000	50,000	-	50,000
Re-Procurement / Reimplementation of Finance System	-	-	-	100	-	100	100	-	100	-	-	-
Universal Digital Systems	941	-	941	1,005	-	1,005	910	-	910	910	-	910
DoR Total	44,193	-	44,193	93,051	-	93,051	58,449	-	58,449	57,260	-	57,260
Grand Total	98,291	(31,784)	66,507	170,446	(52,652)	117,794	109,322	(8,010)	101,312	85,379	(8,069)	77,310

Funded By												
Capital Receipts			(12,077)			(11,004)			(9,750)			(4,101)
Community Infrastructure Levy Receipts (80%)			(3,000)			(3,000)			(3,000)			(3,000)
			(15,077)			(14,004)			(12,750)			(7,101)
Prudential Borrowing			(51,430)			(103,790)			(88,562)			(70,209)

HRA Capital Programme

Appendix 5b

Scheme Name	2019/20 Forecast			2020/21 Forecast			2021/22 Forecast			2022/23 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Major Repairs	7,866	(437)	7,429	11,066		11,066	9,500		9,500	9,618		9,618
Hexham Road	1,400		1,400	950		950			-			-
Disabled Facilities Grants	670		670	500		500	500		500	500		500
Fire Safety Works	1,128		1,128	977		977	1,250		1,250	1,385		1,385
New Build & Acquisitions - Phase 1	1,174		1,174	214		214			-			-
New Build & Acquisitions - Phase 2	2,729		2,729	12,205	(1,111)	11,094	5,892	(1,112)	4,780			-
New Build & Acquisitions - Phase 3	569		569	8,381	(3,601)	4,780	7,680	(3,621)	4,059			-
New Build & Acquisitions - (Ex General Fund)	133		133	77		77			-			-
Housing Mngt System	111		111	604		604			-			-
Grand Total	15,780	(437)	15,343	34,974	(4,712)	30,262	24,822	(4,733)	20,089	11,503	-	11,503
Funded By												
Capital Receipts			(1,264)			(2,300)			(456)			-
Revenue Funding (Major Repairs Reserve)			(9,264)			(8,064)			(8,064)			(8,064)
Direct Revenue Financing			(111)			(604)			-			-
			(10,639)			(10,968)			(8,520)			(8,064)
Prudential Borrowing			(4,704)			(19,294)			(11,569)			(3,439)

1. Background

- 1.1 Local authorities are limited in their ability to utilise capital receipts (the disposal proceeds from the sale of fixed assets or repayment of loans for capital purposes). Statutory guidance issued under s15(1) of the Local Government Act 2003 by the Ministry of Housing, Communities and Local Government (as amended) generally precludes capital receipts being used to fund revenue expenditure and requires them to be applied to either fund capital expenditure or repay debt. The Act also requires local authorities to have regard to other guidance as directed by the Secretary of State – this currently includes the following guidance issued by the Chartered Institute of Public Finance and Accountancy [CIPFA]:
- The Prudential Code for Capital Finance in Local Authorities; and
 - The Code of Practice on Local Authority Accounting.
- 1.2 The Spending Review 2015 included a relaxation to the above regulations allowing the use of capital receipts for a limited period; between 2016/17 and 2018/19, to fund revenue expenditure “*that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or improve the quality of service delivery in future years*”. This announcement was implemented by the issuing of regulations in March 2016. The period over which these amended regulations applied was extended to 2021/22 in the 2018/19 Local Government Finance Settlement.
- 1.3 In order for revenue expenditure to be funded from the flexible use of capital receipts, a strategy is required for each financial year that:
- Lists each project that plans to make use of the capital receipts flexibility, listing any element of funding towards the project that is funded from other sources;
 - Contains details on projects approved in previous years, including commentary on whether the planned savings or service transformation have been /are being realised in line with the initial cost-benefit analysis;
 - Be approved by Full Council prior to the start of the relevant financial year; and
 - Identify any subsequent changes during the year subject to approval by Full Council.
- 1.4 This document sets out the Council’s Flexible Capital Receipts Strategy, updating the plan since last considered by Council in February 2019 and details the individual projects which have and are planned to be funded from the flexible use of capital receipts in accordance with the above requirements.

2. Savings

- 2.1. The draft budget for consultation (to which this Strategy is attached as an appendix) contains details of the £33.1m of savings proposed to be delivered over the forthcoming three years and readers should refer to that document for full details of these.
- 2.2. This strategy and investment proposals support the delivery of those savings or mitigate future additional spending pressures that would otherwise materialise. The cost of investing in making these savings is included within the General Fund Capital Programme set out in Appendix 5 of the main report and is, under regulations, fully funded from the use of capital receipts.

3. Delivery Fund

- 3.1 A report to Council on 26 June 2018 set out in detail how the £13.6m Delivery Fund would be invested. It included:
 - Capacity to set up and deliver the Council's programme of change and transformation; and
 - Resources to deliver specific savings.
- 3.2 A further report to Council on 26 February 2019 described how the Delivery Fund had been invested to date, and provided a summary of Delivery Fund allocation for the period 2017/18 - 2021/22.
- 3.3 At the time of approving the 2019/20 budget and MTFS, potential calls on the Delivery Fund exceeded the approved budget - £14.4m against an approved allocation of £13.6m. However, projected underspends and savings on some projects were included within the contingency/unallocated line which balanced the overall spend back to the funding envelope.
- 3.4 Slippage in calls on the Delivery Fund saw an outturn for 2018/19 of £3.2m compared to the budgeted spend of £5.9m. This report updates latest projected project budgets to include that slippage together with further proposals being brought forward as well as changes in estimated future costs. Annexe A sets out the latest proposals for 2019/20 to 2021/22 (the final year the current capital receipts flexibility can be applied), whilst Annexe B shows the budgets agreed in February 2019 and the changes proposed since that date that lead to the current proposals.
- 3.5 The table below summarises the forecast budgets and historic actual spend by the Delivery Fund from positions previously presented to members in June 2018 and February 2019.

Table 1: Summary of Delivery Fund Spend-to-Date / future spend

	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	Actual	Actual	Budget	Budget	Budget	
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
<u>June 2018</u>						
Capital Receipts Strategy	2,095	5,661	3,734	836	-	12,326
Contingency / Unallocated	-	250	500	500	-	1,250
	2,095	5,911	4,234	1,336	-	13,576
<u>February 2019</u>						
Capital Receipts Strategy	1,319	6,405	6,098	615	-	14,437
Contingency / Unallocated	-	(494)	(1,864)	1,497	-	(861)
	1,319	5,911	4,234	2,112	-	13,576
<u>February 2020</u>						
Capital Receipts Strategy	1,319	3,182	4,539	3,226	467	12,733
Contingency / Unallocated	-	-	-	843	-	843
	1,319	3,182	4,539	4,069	467	13,576
Bordered Figures are Actuals						

- 3.6 The change in forecast spend between February 2019 and February 2020 includes the roll forward of underspends from 2018/19, and further re-phasing of 2019/20 budgets together with new spend proposals being approved and others being identified as no longer required. Annexe B shows changes against all projects between February 2019 and February 2020 and colour-coding highlights those budgets where funding requirements are proposed to be completely removed or added.
- 3.7 A number of bids against the Delivery Fund contingency have already been agreed since February 2019. These bids and further bids subject to more detailed business case yet to be formally agreed by the Council's S151 Officer are included in Annexe A and B.

Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests

Actual (17/18 & 18/19) and Future Forecast Delivery Fund Spend

Saving Description	Saving (£,000's)	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2017-22 Total	2019/20 Spend to date
			Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)		
Housing Benefit Overpayment Recovery	345	Housing Benefit Overpayment Recovery Officer	12	39	13	43	-	107	13
Service restructure and reconfiguration	Transformation	Recruitment Costs	42	19	-	-	-	61	-
Supporting delivery of directorate savings and improving Accounts Payable processes	Transformation	Accounts Payable Assistant. Improving efficiency of AP process to deliver ongoing efficiency and savings	27	27	-	-	-	54	-
Process improvements and more efficient accounts production	Transformation	CIPFA Big Red Button	16	-	-	-	-	16	-
Improve Corporate Debt Collection - centralisation of invoices and transformation of service delivery	Transformation	Improve Corporate Debt Collection - centralisation of invoices	-	-	-	-	-	-	-
Digitisation - cross cutting savings and redesign of Council-wide services	306	Firmstep Developer x2	-	-	92	-	-	92	-
Service restructure and reconfiguration	Transformation	SOLACE Recruitment Fees For Future Finance Function	17	28	-	-	-	45	-
Engagement of transformation partner to drive process efficiency and cost reduction in parallel with market testing of service	855	External Support to undertake Market Testing (outsourcing) of the Revenue and Benefits Services	-	102	-	-	-	102	-
		Additional legal and TUPE advice	-	81	43	-	-	124	43
		Associated project costs, supplies and services	-	2	8	-	-	10	8
Revenues and Benefits market testing									
Charging Financial Analysts to transformation pot to support commercialisation work	Transformation	One Finance Analyst (plus one interim for 4 months in 18/19)	-	63	47	-	-	110	20
Corporate Approach to Reducing Fraud	Transformation	IT Costs	-	8	-	-	-	8	-
Management and Staffing Review	592	Change Management	-	-	31	-	-	31	-
Management and Staffing Review	Transformation	Organisational Development (OD) Consultant	-	-	19	-	-	19	-
Single Person Discount Council Tax Recovery	170	Specialist Officer and provision for data matching	-	-	14	-	-	14	14
Capacity and leadership to deliver change and savings across programme	Transformation	Corporate Programme Manager	130	62	77	-	-	269	58

Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests

Actual (17/18 & 18/19) and Future Forecast Delivery Fund Spend

Saving Description	Saving (£,000's)	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2017-22 Total	2019/20 Spend to date
			Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)		
Working across Corporate Programme. Capacity and leadership to deliver change and savings across programme	Transformation	NMT - Corporate Support	18	34	35	-	-	87	26
HR support to deliver Corporate Programme and associated savings. Supporting recruitment and retention of social workers as part of improvement and to deliver savings	Transformation	HR Support 1	14	-	-	-	-	14	-
Contract Management Savings	875	V4S Procurement Consultancy Support. Payments due as percentage of savings delivered	88	200	-	-	-	288	-
Improvements to Electronic Social Care Record and Reporting (MOSAIC) and provision for improvement of other IT systems over term of Programme	Transformation	Reporting and Performance	76	-	-	-	-	76	-
		Senior Consultant to act as System Owner	91	-	-	-	-	91	-
		Process review and MOSAIC improvement for Children's Services	23	-	-	-	-	23	-
		Interim reporting post in Children's Services	43	-	-	-	-	43	-
		Corporate Systems Owner	84	44	-	-	-	128	-
		Finance Specialist	74	87	-	-	-	161	-
		Project Manager on Business Objects Implementation	-	31	-	-	-	31	-
		Adult's Business Objects Implementation	-	-	-	-	-	-	-
		MOSAIC & FUSION Commitments Interface - implementation costs	-	-	-	-	-	-	-
		Business Objects Developer	-	30	-	-	-	30	-
		Provision for application management improvements in other systems (includes. 18/19 i-trent review)	-	24	129	115	-	268	86

Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests

Actual (17/18 & 18/19) and Future Forecast Delivery Fund Spend

Saving Description	Saving (£,000's)	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2017-22 Total	2019/20 Spend to date
			Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)		
Capacity to support delivery of change and savings across programme	Transformation	Programme Officer x1	-	27	49	46	-	122	37
Capacity to manage and support HR and workforce change associated with Corporate Programme	Transformation	HR Capacity	-	-	-	-	-	-	-
Total: Directorate of Resources (DOR)			755	908	557	204	-	2,424	305
Working across workstream of Corporate Programme to deliver savings and transformation	Transformation	Programme Manager	52	266	-	-	-	318	-
Workstream A: Improving Practice Standards	Transformation	Practice Improvement leadership. 18/19 start up	-	127	-	-	-	127	-
Work stream B: Developing Workforce Excellence	50	Achieve a stable workforce by recruiting more permanent staff in Social Care	-	8	10	-	-	18	34
	Transformation	Training for Safety Standards Model. 18/9 project start up training	-	105	-	-	-	105	-
Work stream C: Building Community Capacity	Transformation	Pre Birth Support Team. 18/19 start up	-	4	-	-	-	4	-
	Transformation	Family Reunification Team. 18/19 start up	-	-	-	-	-	-	-
	Transformation	Edge of Care Team, Adolescents. 18/19 start up	-	37	-	-	-	37	-
	300	Revised under 5 offer to make best use of Early Years and Children's Centre provision	-	-	10	-	-	10	10
	Transformation	Re-imaging Foster Care. 18/19 start up	-	77	-	-	-	77	-
	Transformation	Placement Solutions Team. 19/20 start up	-	10	-	-	-	10	-

Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests

Actual (17/18 & 18/19) and Future Forecast Delivery Fund Spend

Saving Description	Saving (£,000's)	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2017-22 Total	2019/20 Spend to date
			Actual	Actual	Budget	Budget	Budget		
			(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
work stream D: Stronger Stability for Children	1,500	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	-	-	-	255	-	255	-
Work stream E: Consolidating Corporate Resilience	376	Strengthen Commissioning Function (provide senior Commissioning and Contract Management capacity) 18/19 start up. Savings linked to Improved Contract Management	-	-	189	50	-	239	122
	195	Design & implementation of supported lodgings for 16+	-	-	5	45	-	50	6
	100	Review of Continued Health Contribution (CHC). 18/19 start up	-	-	40	20	-	60	20
	250	Enhanced utilisation of capacity at Pinecroft & Cressingham Children's Homes. 18/19 capital equipment	-	-	50	-	-	50	86
	Transformation	Potential use of RBC property for additional childrens home or respite care. Funding for feasibility study if required	-	6	150	-	-	156	-
	100	SEND Commissioner. 18/19 start up	-	64	50	50	-	164	14
	Transformation	Development of traded services	-	213	280	70	-	563	226
	Transformation	Transformation Programme Team	-	177	460	90	-	727	274
	Transformation	Contingency for restructure if required	-	-	-	-	-	-	-
	Transformation	Funds to be allocated to projects in	-	-	300	392	-	692	45
			52	1,094	1,544	972	-	3,662	837
Total: Childrens (BFFC)									
Resources used for the facilitation of the delivery of the Programme wide savings	Transformation	Strategic Lead for Transformation	32	102	121	-	-	255	91
	Transformation	Project Support	16	-	-	-	-	16	-
	Transformation	Programme Officer	19	39	45	-	-	103	33

Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests

Actual (17/18 & 18/19) and Future Forecast Delivery Fund Spend

Saving Description	Saving (£,000's)	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2017-22 Total	2019/20 Spend to date
			Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)		
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	482	Transformation Project Manager 1	63	68	66	-	-	197	50
Transformation of wellbeing; ASC Restructure	1,101	Transformation Project Manager 2	-	55	57	-	-	112	43
Effective Utilisation of Extra Care; Learning 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	837	Transformation Project Manager 3	27	58	59	-	-	144	45
Deputies - Review the charging policy; FAB Team Fees & Charges & Stretch Target; Increased usage of Assistive Technology and Equipment; Increased usage of Direct Payments	1,370	Transformation Project Manager 4	20	47	41	-	-	108	31
Review and Right Sizing Care Packages & Stretch Targets Investment to secure ongoing savings	1,624	Social Workers X6 (S117, LDX2, MH, OP, PD)	236	239	334	-	-	809	160
Reducing Adult Social Care contracts spend	1,500	Commissioning Capacity at Senior Level	49	139	2	82	-	272	2
Delivery Models for Commissioning, Prevention & Quality Services	750	Consultancy advice - accommodation pathway	-	-	72	-	-	72	72
Delivery Models for Commissioning, Prevention & Quality Services		Consultancy advice for service shaping	-	2	28	-	-	30	21
Delivery Models for Commissioning, Prevention & Quality Services		Senior Transformation Manager	-	-	53	36	-	89	37

Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests

Actual (17/18 & 18/19) and Future Forecast Delivery Fund Spend

Saving Description	Saving (£,000's)	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2017-22 Total	2019/20 Spend to date
			Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)		
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	Transformation	Workforce consultancy & Training Programmes (Partners for change)	-	52	32	-	-	84	32
Total: Directorate of Adults Social Care and Health (DACHS)			462	801	910	118	-	2,291	617
Working across workstream of Corporate Change Programme to deliver savings and transformation	Transformation	Project Officer 1	8	21	22	-	-	51	16
Review of waste collection delivery models. Also connected to Waste Operations-optimising collection routes; Increase Trade Waste Collection and Disposal service turn over by 100% (£650,000pa to £1.3m)	500	Specialist advice and support, administration resource, Contract manager costs, Procurement of IT systems, Introduction of revised collection schedule	22	54	124	-	-	200	100
Review option of trust model for Arts	Transformation	Consultancy costs	-	29	-	-	-	29	-
Maximising Income from the Town Hall & Museum	97	Consultancy support to provide commercial advice on business plan and associated staffing structures	-	26	-	-	-	26	-
Review existing parking permits	309	Comms support, IT support	-	-	11	-	-	11	11
Extend residents parking permit areas	300	Consultant support	-	18	262	-	-	280	46
Introduce Bus Lane Enforcement on Kings Road and Forbury Road bus lanes	100	DLO support to introduce new parking schemes	-	1	-	-	-	1	-
Close half of public conveniences - costs related to carrying out a review of the provision	80	Consultancy costs and costs to improve remaining facilities	-	9	16	-	-	25	-
Undertake a review of existing provision to inform the closure of a number of public conveniences			-	-	25	-	-	25	-
Develop and implement a new borough		Project Manager	-	37	16	-	-	53	12
		Communications Officer	-	-	10	-	-	10	-

Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests

Actual (17/18 & 18/19) and Future Forecast Delivery Fund Spend

Saving Description	Saving (£,000's)	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2017-22 Total	2019/20 Spend to date
			Actual	Actual	Budget	Budget	Budget		
			(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Develop and implement a new borough-wide Car Parking Strategy and associated action plan	1,800	Consultant Support	-	-	11	-	-	11	1
		Consultant Support (Car park surveys / database set-up)	-	20	87	-	-	107	87
		Project Delivery	-	127	-	-	-	127	-
Make theatres break even through working with other operators	50	Independent consultants to market	-	-	25	-	-	25	-
		Project management (consultant) of procurement process (if it goes ahead based on 1st stage)	-	-	50	-	-	50	-
Alternative delivery models - identify and prioritise those services that are most likely to yield a significant saving with the 3-year MTFS period	551	Project Manager	-	37	-	-	-	37	-
		Cost Consultant	-	-	75	59	-	134	57
		Consultancy - report writing	20	-	-	-	-	20	-
The project will focus on delivery of the former Civic Site and other key sites achieving capital receipts	3,053	Strategic Project Manager	-	-	68	75	-	143	46
Car Park management processes through IT improvements and staff reductions	644	Car parking equipment and capital	-	-	381	19	-	400	326
Review Enforcement Contracts	75	Consultancy support	-	-	-	50	-	50	-
Maximising Income from the Town Hall & Museum	98	One-off investment - equipment, marketing, consultancy	-	-	41	-	-	41	-
Total: Directorate of Economic Growth and Neighbourhoods (DEGNS)			50	379	1,224	203	-	1,856	702
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	-	-	-	843	-	843	-
Total: Unallocated / Contingency			-	-	-	843	-	843	-
Maximise contributions through NNDR (business rates)	124	Consultancy support	-	-	19	-	-	19	15
New Customer Service Model		Senior Project Manager x2, Business Analyst and Project Support	-	-	120	245	125	490	

Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests

Actual (17/18 & 18/19) and Future Forecast Delivery Fund Spend

Saving Description	Saving (£,000's)	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2017-22 Total	2019/20 Spend to date
			Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)		
New Customer Service Model	795	Pilot Thoughtonomy - Robotic Process Automation. Training, Virtual workers and Develop role	-	-	55	108	102	265	
Food Waste	342	Project Manager, Project Admin, consultancy, marketing and communications	-	-	110	260	-	370	
<i>*Making the Customer Service and Corporate Improvement more efficient</i>	Transformation	<i>Staff and implementation costs</i>	-	-	-	390	240	630	
<i>*Executive Recruitment Search Fees</i>	56	<i>Psychometric Assessment Training</i>	-	-	-	20	-	20	
<i>*Direct Payments</i>	718	<i>2 x PA Officers</i>	-	-	-	94	-	94	
<i>*Investment in Technology Enabled Care at home</i>	1,129	<i>Funding for TECH Team</i>	-	-	-	139	-	139	
<i>*Outcome-based Service Delivery</i>	634	<i>Locum worker and OT</i>	-	-	-	148	-	148	
<i>*Enhanced reablement for mental health and learning disability service users</i>	500	<i>Transformation Partner MH/LD</i>	-	-	-	300	-	300	
<i>*Development of a Dementia Carers Offer</i>	150	<i>One off Voluntary Sector Dementia support</i>	-	-	-	25	-	25	
Total: New Projects			-	-	304	1,729	467	2,500	15
Total: All Projects			1,319	3,182	4,539	4,069	467	13,576	2,476

* Note: Subject to approval of Business Case / Delivery Fund Request Form

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2019

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Budget (£,000's)	2018/19 Change (£,000's)	2019/20 Budget (£,000's)	2019/20 Change (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2017-22 Revised Total (£,000's)
Housing Benefit Overpayment Recovery	Housing Benefit Overpayment Recovery Officer	12	54	(15)	56	(43)	-	43	-	-	107
Service restructure and reconfiguration	Recruitment Costs	42	-	19	-	-	-	-	-	-	61
Supporting delivery of directorate savings and improving Accounts Payable processes	Accounts Payable Assistant. Improving efficiency of AP process to deliver ongoing efficiency and savings	27	27	-	-	-	-	-	-	-	54
Process improvements and more efficient accounts production	CIPFA Big Red Button	16	3	(3)	-	-	-	-	-	-	16
Improve Corporate Debt Collection - centralisation of invoices and transformation of service delivery	Improve Corporate Debt Collection - centralisation of invoices	-	64	(64)	32	(32)	-	-	-	-	-
Digitisation - cross cutting savings and redesign of Council-wide services	Firmstep Developer x2	-	92	(92)	-	92	-	-	-	-	92
Service restructure and reconfiguration	SOLACE Recruitment Fees For Future Finance Function	17	15	13	-	-	-	-	-	-	45
Engagement of transformation partner to drive process efficiency and cost reduction in parallel with market testing of service	External Support to undertake Market Testing (outsourcing) of the Revenue and Benefits Services	-	116	(14)	64	(64)	-	-	-	-	102
	Additional legal and TUPE advice	-	90	(9)	109	(66)	-	-	-	-	124
	Associated project costs, supplies and services	-	10	(8)	-	8	-	-	-	-	10
Revenues and Benefits market testing											
Charging Financial Analysts to transformation pot to support commercialisation work	One Finance Analyst (plus one interim for 4 months in 18/19)	-	69	(6)	47	-	48	(48)	-	-	110
Corporate Approach to Reducing Fraud	IT Costs	-	25	(17)	-	-	-	-	-	-	8
	Contingency	-	20	(20)	-	-	-	-	-	-	-
Management and Staffing Review	Change Management	-	50	(50)	-	31	-	-	-	-	31
Management and Staffing Review	Organisational Development (OD) Consultant	-		-	-	19		-	-	-	19
Single Person Discount Council Tax Recovery	Specialist Officer and provision for data matching	-		-	61	(47)		-	-	-	14
Capacity and leadership to deliver change and savings across programme	Corporate Programme Manager	130	72	(10)	73	4	-	-	-	-	269

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2019

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Budget (£,000's)	2018/19 Change (£,000's)	2019/20 Budget (£,000's)	2019/20 Change (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2017-22 Revised Total (£,000's)
Working across Corporate Programme. Capacity and leadership to deliver change and savings across programme	NMT - Corporate Support	18	34	-	35	-	-	-	-	-	87
Legal support to deliver Corporate Programme and associated savings	Contracts Solicitor		28	(28)	27	(27)	-	-	-	-	-
	Employment Solicitor		13	(13)	13	(13)	-	-	-	-	-
	Conveyancing/Contracts Solicitor		23	(23)	24	(24)	-	-	-	-	-
HR support to deliver Corporate Programme and associated savings. Supporting recruitment and retention of social workers as part of improvement and to deliver savings	HR Support 1	14	6	(6)	-	-	-	-	-	-	14
Contract Management Savings	V4S Procurement Consultancy Support. Payments due as percentage of savings delivered	88	162	38	150	(150)	-	-	-	-	288
Improvements to Electronic Social Care Record and Reporting (MOSAIC) and provision for improvement of other IT systems over term of Programme	Reporting and Performance	76	149	(149)	-	-	-	-	-	-	76
	Senior Consultant to act as System Owner	91	-	-	-	-	-	-	-	-	91
	Process review and MOSAIC improvement for Children's Services	23	-	-	-	-	-	-	-	-	23
	Programme Management funding to complete current phase (16/17 Programme)		20	(20)	-	-	-	-	-	-	-
	Early Help Implementation		5	(5)	-	-	-	-	-	-	-
	Interim reporting post in Children's Services	43	-	-	-	-	-	-	-	-	43
	Corporate Systems Owner	84	23	21	-	-	-	-	-	-	128
	Finance Specialist	74	82	5	-	-	-	-	-	-	161
	Project Manager on Business Objects Implementation	-	16	15	-	-	-	-	-	-	31
	Adult's Business Objects Implementation	-	34	(34)	-	-	-	-	-	-	-
	MOSAIC & FUSION Commitments Interface - implementation costs	-	11	(11)	-	-	-	-	-	-	-
	Business Objects Developer	-	35	(5)	-	-	-	-	-	-	30

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2019

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Budget (£,000's)	2018/19 Change (£,000's)	2019/20 Budget (£,000's)	2019/20 Change (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2017-22 Revised Total (£,000's)
	Provision for application management improvements in other systems (includes. 18/19 i-trent review)	-	122	(98)	244	(115)	-	115	-	-	268
Capacity to support delivery of change and savings across programme	Programme Officer x1	-	92	(65)	92	(43)	92	(46)	-	-	122
Capacity to manage and support HR and workforce change associated with Corporate Programme	HR Capacity	-	150	(150)	150	(150)	150	(150)	-	-	-
Total: Directorate of Resources (DOR)		755	1,712	(804)	1,177	(620)	290	(86)	-	-	2,424
Working across workstream of Corporate Programme to deliver savings and transformation	Programme Manager	52	-	266	-	-	-	-	-	-	318
Workstream A: Improving Practice Standards	Practice Improvement leadership. 18/19 start up	-	80	47	-	-	-	-	-	-	127
Work stream B: Developing Workforce Excellence	Achieve a stable workforce by recruiting more permanent staff in Social Care	-	85	(77)	10	-	-	-	-	-	18
	Training for Safety Standards Model. 18/9 project start up training	-	10	95	-	-	-	-	-	-	105
Work stream C: Building Community Capacity	Pre Birth Support Team. 18/19 start up	-	40	(36)	-	-	-	-	-	-	4
	Family Reunification Team. 18/19 start up	-	40	(40)	-	-	-	-	-	-	-
	Edge of Care Team, Adolescents. 18/19 start up	-	40	(3)	-	-	-	-	-	-	37
	Revised under 5 offer to make best use of Early Years and Children's Centre provision	-	-	-	10	-	-	-	-	-	10
Work stream D: Stronger Stability for	Re-imaging Foster Care. 18/19 start up	-	20	57	-	-	-	-	-	-	77
	Placement Solutions Team. 19/20 start up	-	50	(40)	-	-	-	-	-	-	10

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2019

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Budget (£,000's)	2018/19 Change (£,000's)	2019/20 Budget (£,000's)	2019/20 Change (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2017-22 Revised Total (£,000's)
Work stream D: Stronger stability for Children	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	-	30	(30)	255	(255)	-	255	-	-	255
Work stream E: Consolidating Corporate Resilience	Strengthen Commissioning Function (provide senior Commissioning and Contract Management capacity) 18/19 start up. Savings linked to Improved Contract Management	-	55	(55)	239	(50)	-	50	-	-	239
	Design & implementation of supported lodgings for 16+	-	50	(50)	50	(45)	-	45	-	-	50
	Review of Continued Health Contribution (CHC). 18/19 start up	-	15	(15)	60	(20)	-	20	-	-	60
	Enhanced utilisation of capacity at Pinecroft & Cressingham Children's Homes. 18/19 capital equipment	-	175	(175)	50	-	-	-	-	-	50
	Potential use of RBC property for additional childrens home or respite care. Funding for feasibility study if required	-	40	(34)	150	-	-	-	-	-	156
	SEND Commissioner. 18/19 start up	-	25	39	100	(50)	-	50	-	-	164
	Development of traded services	-	145	68	350	(70)	-	70	-	-	563
	Transformation Programme Team	-	300	(123)	550	(90)	-	90	-	-	727
	Contingency for restructure if required	-	400	(400)	-	-	-	-	-	-	-
	Funds to be allocated to projects in April 2019 post further diagnostics and completion of detailed business planning process	-		-	692	(392)	-	392	-	-	692
Total: Childrens (BFFC)		52	1,600	(506)	2,516	(972)	-	972	-	-	3,662
Resources used for the facilitation of the delivery of the Programme wide savings	Strategic Lead for Transformation	32	115	(13)	98	23	-	-	-	-	255
	Project Support	16	1	(1)	-	-	-	-	-	-	16
	Programme Officer	19	26	13	30	15	-	-	-	-	103

Changes to Delivery Fund Projects Since February 2019

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Budget (£,000's)	2018/19 Change (£,000's)	2019/20 Budget (£,000's)	2019/20 Change (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2017-22 Revised Total (£,000's)
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	Transformation Project Manager 1	63	64	4	65	1	-	-	-	-	197
Transformation of wellbeing; ASC Restructure	Transformation Project Manager 2	-	105	(50)	54	3	-	-	-	-	112
Effective Utilisation of Extra Care; Learning 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	Transformation Project Manager 3	27	88	(30)	54	5	-	-	-	-	144
Deputies - Review the charging policy; FAB Team Fees & Charges & Stretch Target; Increased usage of Assistive Technology and Equipment; Increased usage of Direct Payments	Transformation Project Manager 4	20	88	(41)	54	(13)	-	-	-	-	108
Review and Right Sizing Care Packages & Stretch Targets Investment to secure ongoing savings	Social Workers X6 (S117, LDX2, MH, OP, PD)	236	582	(343)	0	334	-	-	-	-	809
Reducing Adult Social Care contracts spend	Commissioning Capacity at Senior Level	49	174	(35)	84	(82)	-	82	-	-	272
ASC Mobile Working	Adult Social Care mobile working (Underpins the ability to achieve process efficiency and staffing restructures)		80	(80)	-	-	-	-	-	-	-
Review of alternative delivery models for Public Health	Public Health Specialist		30	(30)	-	-	-	-	-	-	-
Delivery Models for Commissioning, Prevention & Quality Services	Consultancy advice		-	-	-	-	-	-	-	-	-
Delivery Models for Commissioning, Prevention & Quality Services	Consultancy advice - accommodation pathway	-		-	-	72	-	-	-	-	72
Delivery Models for Commissioning, Prevention & Quality Services	Consultancy advice for service shaping	-	100	(98)	50	(22)	50	(50)	-	-	30

Changes to Delivery Fund Projects Since February 2019

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Budget (£,000's)	2018/19 Change (£,000's)	2019/20 Budget (£,000's)	2019/20 Change (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2017-22 Revised Total (£,000's)
Delivery Models for Commissioning, Prevention & Quality Services	Senior Transformation Manager	-	-	-	-	53	-	36	-	-	89
Informs all commissioning projects to ensure demand is understood and markets are shaped accordingly	Specialist Needs Analysis		30	(30)	-	-	-	-	-	-	-
The resource supports restructures, wider remodelling of the workforce, and learning & development.	Workforce consultancy & Training Programmes		-	-	-	-	-	-	-	-	-
Associated savings: Commissioning Team Realignment; Implementation of Business Support restructure; Locality Team Realignment	Workforce consultancy & Training Programmes (Partners for change)	-	300	(248)	100	(68)	100	(100)	-	-	84
Various projects	Market shaping consultancy, Project Management staff (Investment to secure ongoing savings)		75	(75)	100	(100)	100	(100)	-	-	-
Total: Directorate of Adults Social Care and Health (DACHS)		462	1,858	(1,057)	689	221	250	(132)	-	-	2,291
Working across workstream of Corporate Change Programme to deliver savings and transformation	Project Officer 1	8	21	-	22	-	-	-	-	-	51
Review of waste collection delivery models. Also connected to Waste Operations-optimising collection routes; Increase Trade Waste Collection and Disposal service turn over by 100% (£650,000pa to £1.3m)	Specialist advice and support, administration resource, Contract manager costs, Procurement of IT systems, Introduction of revised collection schedule	22	127	(73)	51	73	-	-	-	-	200
Review option of trust model for Arts	Consultancy costs	-	150	(121)	150	(150)	-	-	-	-	29
Maximising Income from the Town Hall & Museum	Consultancy support to provide commercial advice on business plan and associated staffing structures	-	30	(4)	-	-	-	-	-	-	26
Review existing Parking Permit Charges	Comms Support, IT Support			-	50	(39)	-	-			11
Extend residents parking permit areas	Consultant support	-	150	(132)	150	112	-	-	-	-	280
Introduce Bus Lane Enforcement on Kings Road and Forbury Road bus lanes	DLO support to introduce new parking schemes	-	70	(69)	-	-	-	-	-	-	1
Close half of public conveniences - costs related to carrying out a review of the provision	Consultancy costs and costs to	-	25	(16)	-	16	-	-	-	-	25

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2019

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Budget (£,000's)	2018/19 Change (£,000's)	2019/20 Budget (£,000's)	2019/20 Change (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2017-22 Revised Total (£,000's)
Undertake a review of existing provision to inform the closure of a number of public conveniences	improve remaining facilities	-	25	(25)	-	25	-	-	-	-	25
Develop and implement a new borough-wide Car Parking Strategy and associated action plan	Project Manager	-	68	(31)	56	(40)	-	-	-	-	53
	Communications Officer	-	11	(11)	10	-	-	-	-	-	10
	Consultant Support	-	37	(37)	33	(22)	-	-	-	-	11
	Consultant Support (Car park surveys / database set-up)	-	52	(32)	56	31	-	-	-	-	107
	Technical Support Officers x5	-	-	-	175	(175)	-	-	-	-	-
	Project Delivery	-	120	7	750	(750)	-	-	-	-	127
Make theatres break even through working with other operators	Independent consultants to market test (establish feasibility / business case)	-	25	(25)	-	25	-	-	-	-	25
	Project management (consultant) of procurement process (if it goes ahead based on 1st stage)	-	-	-	50	-	-	-	-	-	50
Alternative delivery models - identify and prioritise those services that are most likely to yield a significant saving with the 3-year MTFS period	General resource	-	-	-	-	-	-	-	-	-	-
	Project Manager	-	180	(143)	50	(50)	-	-	-	-	37
	Cost Consultant	-	-	-	90	(15)	44	15	-	-	134
	Consultancy - report writing	20	-	-	-	-	-	-	-	-	20
Introduction of discretionary HMO Licensing	New IT system (£25k), required if discretionary regime needs to be introduced (£50k) & on going software maintenance (£20k)	-	75	(75)	-	-	-	-	-	-	-
The project will focus on delivery of the former Civic Site and other key sites achieving capital receipts	Strategic Project Manager	-	19	(19)	75	(7)	75	-	-	-	143
Introduction of discretionary HMO Licensing	Resource to support the delivery of additional discretionary houses in multiple occupancy(HMO) scheme as detailed in the draft Corporate Plan	-	-	-	50	(50)	-	-	-	-	-
Car Park management processes through IT improvements and staff reductions	Car parking equipment and capital reductions	-	-	-	400	(19)	-	19	-	-	400
Increase Public Parking Charges		-	-	-	50	(50)	-	-	-	-	-
Review Enforcement Contracts	Consultancy support	-	-	-	50	(50)	-	50	-	-	50
Maximising Income from the Town Hall & Museum	One-off investment - equipment, marketing, consultancy	-	-	-	41	-	-	-	-	-	41

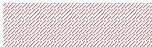

Changes to Delivery Fund Projects Since February 2019

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Budget (£,000's)	2018/19 Change (£,000's)	2019/20 Budget (£,000's)	2019/20 Change (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2017-22 Revised Total (£,000's)
Total: Directorate of Economic Growth and Neighbourhoods (DEGNS)		50	1,185	(806)	2,359	(1,135)	119	84	-	-	1,856
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	Managing Change - unallocated funding	-	(494)	494	(1,864)	1,864	1,497	(654)	-	-	843
Total: Unallocated / Contingency		-	(494)	494	(1,864)	1,864	1,497	(654)	-	-	843
Maximise contributions through NNDR (business rates)	Consultancy support	-	-	-	-	19	-	-	-	-	19
New Customer Service Model	Senior Project Manager x2, Business Analyst and Project Support	-	-	-	-	120	-	245	-	125	490
New Customer Service Model	Pilot Thoughtonomy - Robotic Process Automation. Training, Virtual workers and Develop role	-	-	-	-	55	-	108	-	102	265
Food Waste	Project Manager, Project Admin, consultancy, marketing and communications	-	-	-	-	110	-	260	-	-	370
<i>*Making the Customer Service and Corporate Improvement more efficient</i>	<i>Staff and implementation costs</i>	-	-	-	-	-	-	390	-	240	630
<i>*Executive Recruitment Search Fees</i>	<i>Psychometric Assessment Training</i>	-	-	-	-	-	-	20	-	-	20
<i>*Direct Payments</i>	<i>2 x PA Officers</i>	-	-	-	-	-	-	94	-	-	94
<i>*Investment in Technology Enabled Care at home</i>	<i>Funding for TECH Team</i>	-	-	-	-	-	-	139	-	-	139
<i>*Outcome-based Service Delivery</i>	<i>Locum worker and OT</i>	-	-	-	-	-	-	148	-	-	148
<i>*Enhanced reablement for mental health and learning disability service users</i>	<i>Transformation Partner MH/LD</i>	-	-	-	-	-	-	300	-	-	300
<i>*Development of a Dementia Carers Offer</i>	<i>One off Voluntary Sector Dementia support</i>	-	-	-	-	-	-	25	-	-	25
Total: New Projects		-	-	-	-	304	-	1,729	-	467	2,500
Total: All Projects		1,319	5,861	(2,679)	4,877	(338)	2,156	1,913	-	467	13,576
Adjusted Budget after Change		1,319		3,182		4,539		4,069		467	

Changes to Delivery Fund Projects Since February 2019

Saving Description	Resource Required	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22	2017-22
		Actual	Budget	Change	Budget	Change	Budget	Change	Budget	Change	Revised
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	Total (£,000's)

* Note: Subject to approval of Business Case / Delivery Fund Request Form

Key:  2019/20 Onwards Proposal Fully Removed
 2019/20 Onwards New Proposals

Proposed Fees and Charges from 1st April 2020 - Directorate of Adults Care and Health Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
LEARNING DISABILITY SERVICES						
Whitley Wood Hostel - Respite (External)	Weekday - 1:1 Bed	Night	£543.60		£10.65	2.0%
	Weekday - 1:4 Bed	Night	£246.10		£4.85	2.0%
	Weekend - 1:1 Bed	Night	£658.00		£12.85	2.0%
	Weekend - 1:4 Bed	Night	£297.60		£5.85	2.0%
Whitley Wood Hostel - Respite (Internal)	Weekday - 1:1 Bed	Night	£446.25		£8.75	2.0%
	Weekday - 1:4 Bed	Night	£196.00		£3.80	2.0%
	Weekend - 1:1 Bed	Night	£543.70		£10.65	2.0%
	Weekend - 1:4 Bed	Night	£340.20		£6.65	2.0%
Day Services (External)	1:6 Service	Day	£63.00		£1.25	2.0%
	1:4 Service	Day	£80.10		£1.55	2.0%
	1:2 Service	Day	£125.90		£2.45	2.0%
	1:1 Service	Day	£217.50		£4.30	2.0%
Day Services (Internal)	1:4 Service	Day	£57.95		£1.15	2.0%
	1:2 Service	Day	£95.30		£1.85	2.0%
	1:1 Service	Day	£170.10		£3.35	2.0%
OLDER PEOPLE SERVICES						
Non-Reading Borough Council Resident		Day	£44.78		£0.88	2.0%
Day Centre Meals		Meal	£4.58	£5.50	£0.10	1.9%
Home Care Services	Use of Reading Borough Council services after reablement period	Hour	£18.78		£0.37	2.0%
	Use of Reading Borough Council services after reablement period Rate 2	Hour	£38.30		£0.75	2.0%
OTHER CHARGES						
Self Funder	Set up charge	Once	£300.00		£0.00	0.0%
	Annual Fee	Year	£250.00		£0.00	0.0%
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	0.0%
	Admin set up Fee (Other administrative set-up costs)	Once	£151.70		£0.00	0.0%
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		£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %	
CONCESSIONARY FARES							
Concessionary Fares Replacement Pass	Market Rate	Each	£10.21	£12.25	£0.25	2.1%	
Car Park Charge at MereOak Park & Ride Site	Concession Rate	Each	£0.83	£1.00	£0.00	0.0%	
Greenwave Park & Ride Bus Ticket - Return	Concession Rate	Each	£4.50		£0.00	0.0%	
Access Fee for the Reading Transport Model	Market Rate	Each	£425.00	£510.00	£10.00	2.0%	
PARKS							
Mooring	Standard	24 hrs	£7.92	£9.50	£0.00	0.0%	
	Standard	up to 4hrs	£3.33	£4.00	£0.00	0.0%	
Allotments	Site Category A Standard	Per year Per 25 sqm	£7.60		£0.24	3.3%	
	Site Category A Concession	Per year Per 25 sqm	£6.85		£0.22	3.3%	
	Site Category B Standard	Per year Per 25 sqm	£5.70		£0.19	3.4%	
	Site Category B Concession	Per year Per 25 sqm	£5.20		£0.16	3.2%	
	Site Category C Standard	Per year Per 25 sqm	£3.80		£0.12	3.3%	
	Site Category C Concession	Per year Per 25 sqm	£3.45		£0.10	3.0%	
	Start Up Fees Standard	Each	£34.90		£1.00	2.9%	
	Start Up Fees Your Reading Passport General	Each	£27.10		£0.80	3.0%	
	Start Up Fees Your Reading Passport Concession	Each	£8.75		£0.25	2.9%	
	Shed Rental	Each	£14.10		£0.40	2.9%	
	Chickens	Per year Per 25 sqm	£14.10		£0.40	2.9%	
HIGHWAYS							
Drainage Works	Rodding - Daytime	Each	Price on Application				
	Rodding - Out of Hours	Each					
	Jetting - Daytime	Each					
	Jetting - Out of Hours	Each					
	Cesspools & Septic Tanks	per 1000 gallons					
	CCTV Surveys	Each					
	Recovery of property from gullies	Each					
	Out of Hours Call Out	Fixed fee for standby and vehicle costs					Per call out
	Accident Reclaims	Administration Fee					Each
		Inspectors Visit					Each
	Administration Charges	Reproduction of Agreements					Each
		Reproduction of plan					Each
	Footway Crossings	Application Fee					Each
		Inspectors Visit And Measure Up					Each
		Site supervision and quality control (min 2 visits)					Each
HIGHWAYS							
Solicitor Enquiries	Map Reproduction	first plan	£52.08	£62.50	£1.30	2.1%	
	Map Reproduction	Each additional plan	£23.50	£28.20	£0.60	2.2%	
	Supervision Of Works (Project <£250k)	cost of works					

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
	Design Check & Admin (Project <£250k)	cost of works	Price on Application			
	Supervision Of Works (Project >£250k)	cost of works				
	Design Check & Admin (Project >£250k)	cost of works				
A-Boards	Application fee	Each	£110.00	£132.00	£58.80	80.3%
	Annual Licence fee	Each	£80.00	£96.00	£34.80	56.9%
	Recovery of A board from store	Each	£57.50	£69.00	£1.80	2.7%
Miscellaneous Income	Scaffold / Hoarding Licence Fee	Up to 4 weeks	£196.00	£235.20	£4.80	2.1%
		Further period of up to 4 weeks.	£130.50	£156.60	£6.12	4.1%
	Stopping up of the public highway	Each	£800.00	£960.00	£22.20	2.4%
	S171 Licence (e.g. works on highway or store building material on the highway)	Up to 4 weeks	£415.00	£498.00	£10.80	2.2%
		each additional week or part week	£26.00	£31.20	£0.60	2.0%
	S142 Licence to plant on highway	Each	£196.00	£235.20	£4.80	2.1%
	Consenting on ordinary waterCourse	Each	£52.00	£62.40	£1.20	2.0%
	Swapouts	Each	£389.00	£466.80	£9.60	2.1%
	Application fee for access protection markings to existing footway crossings	Each	Price on Application			
	Provision of new access protection marking up to 5m long	Each				
	Provision of new access protection marking each additional metre over 5m	Metre				
	Refreshing access protection marking up to 5m long	Each				
	Refreshing access protection marking each additional metre	Metre				
	Access control/Key for lockable bollard fee	Each				
STREETCARE						
Special Collections	Collection of 3 Items	Each	£50.00		£1.50	3.1%
	Your Reading Passport Concession	Each	£37.50		£1.20	3.3%
	Each additional item	Each	£8.00		New Fee - April 2020	
	Fridge freezers - Domestic fridge/freezer (tall)	Each	£48.00		£1.60	3.4%
	Your Reading Passport Concession	Each	£36.00		£1.20	3.4%
	Cancellation charge (less than 3 days before collection)	Each	£11.20		£0.20	1.8%
	- Half load	1/2 load	Price on Application			
	- Full load	1 Load				
Trade Waste	Trade General sack in multiples of 25	Per 25	Price on Application			
	Trade General sack in multiples of 100	Per 100				
	Trade recycling sack	Each				
Wheeled Bin	240 litre new (plastic) - Domestic residual	Each	£48.50		£1.00	2.1%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
		240 litre replacement - recycling (new developments)	Each	£48.50		£1.00	2.1%
		240 litre replacement - recycling (Resident)	Each	£0.00		New Fee - April 2020	
		360 litre new (plastic) - Domestic	Each	£71.40		£1.40	2.0%
		1100 litre (steel) - Trade Waste	Each	Price on Application			
		1100 litre (Plastic) - Trade Waste	Each				
		Bin delivery charge - per bin	Each	£15.30		£0.30	2.0%
	Green Waste	Green Waste Service Bin	Per annum	£60.00		£0.00	0.0%
		Green Waste Service Bin (Concession)	Per annum	£45.00		£0.00	0.0%
		Green Waste Service Bag	Per annum	£20.00		£0.00	0.0%
		Green Waste Service Bag (Concession)	Per annum	£15.00		£0.00	0.0%
		New/Replacement Green Waste Bin	Each	£38.00		£0.00	0.0%
		New/Replacement Green Waste Bag	Each	£12.00		£0.00	0.0%
		Bin delivery charge - per bin	Each	£15.00		£0.00	0.0%
		Skip Licences	Skip permit application and first 2 weeks	Each	£80.00		New Fee - April 2020
	Skip permit fee for each additional week		Each	£36.00		£1.00	2.9%
	Labour cost (clean up team) per hour		Each	Price on Application			
	Tipping waste (transportation and disposal cost) per tonne		Each				
	Hazardous Clinical Waste Collections - per property per collection		Each	£7.65		£0.15	2.0%
	Exterior Cleansing and Graffiti Removal	Graffiti removal - call out and first sqm	Each	£76.50	£91.80	£13.80	17.7%
		Each additional hour of graffiti removal	Each	£76.50	£91.80	New Fee - April 2020	
		Emergency biohazard clearance	minimum per job	Price on Application			
		Machine sweeping	minimum per job + tipping				
		Fly tip removal	minimum per job + tipping				
		+ additional labour	minimum per job				
HOUSING							
Temporary Accomodation Charges - B&B	One Room	Each	Increased by CPI (Sep 2019) plus 1%				
	Two Room	Each	Increased by CPI (Sep 2019) plus 1%				
Temporary Accomodation charges Base Rent - non B&B	One Room/One Bedroom	Each	Increased by CPI (Sep 2019)				
	Two Bedrooms	Each	Increased by CPI (Sep 2019)				
	Three Bedrooms	Each	Increased by CPI (Sep 2019)				
Temporary Accomodation charges Service Charge - non B&B	One Room/One Bedroom	Each	Increased by CPI (Sep 2019)				
	Two Bedrooms	Each	Increased by CPI (Sep 2019)				
	Three Bedrooms	Each	Increased by CPI (Sep 2019)				
Garage Rentals	Various	Each	Increased by CPI (Sep 2019) plus 1%				
LIBRARIES							
Overdue Charges	Adult Book - daily (to a maximum of £10.00)	Item	£0.28		£0.01	3.7%	
	Children's Book - Daily (to a maximum of £3.00)	Item	£0.11		£0.00	0.0%	
	Children's CD - Story/Teen (to a maximum of £4.00)	Item	£0.10		£0.00	0.0%	
	CD - SINGLE (to a maximum of £12.00)	Item	£0.50		-£0.05	-9.1%	
	CD - Set (to a maximum of £15.00)	Item	£0.60		£0.05	9.1%	
	DVD (to a maximum of £15.00)	Item	£1.20		£0.00	0.0%	
Hire Charges	Children's CD - Story/Teen	21 Days	£0.00		£0.00	0.0%	

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
		CD - Single	21 Days	£0.50		£0.00	0.0%
		CD Set 2-6	21 Days	£2.00		£0.00	0.0%
		CD Set 7+	21 Days	£3.00		£0.00	0.0%
		DVD - 1-2	7 Days	£2.50		£0.00	0.0%
		DVD Set 3-6	7 Days	£4.00		£0.00	0.0%
		DVD Set 7+	7 Days	£4.00		£0.00	0.0%
		Children's DVDS	7 Days	£1.00		£0.00	0.0%
		Audio Visual Subscription (unlimited)	per year	£50.00		£0.00	0.0%
Children's activity Sessions		Cost recovery fee	Per child	£1.00		£0.00	0.0%
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	0.0%
		In stock	Item	£0.60		£0.00	0.0%
		From the British Library	Item	£9.00		£1.00	12.5%
		Periodical Articles (+ photocopying charge per sheet)	Item	£9.00		£4.00	80.0%
Photocopies		A4	per sheet	£0.15		£0.00	0.0%
		A3	per sheet	£0.30		£0.00	0.0%
Printing from Public Computers		A4 - Black & White	per sheet	£0.15		£0.00	0.0%
		A4 - Colour	per sheet	£0.30		£0.00	0.0%
Replacement Cards		Library Card Replacement or Provision of pin for Library Card	Item	£3.00		£0.00	0.0%
Reading Groups		Membership fee	per year	£20.00		£0.00	0.0%
Local Studies Camera Licence			per day	£5.00		£0.00	0.0%
Local Studies High Res Scanning			per image	£2.00		£0.00	0.0%
Fee for postal item lost notice			per letter	£1.00		£0.00	0.0%
Admin fee for lost/damaged stock			per item	£5.00		£0.00	0.0%
LIBRARIES							
Overdue Charges		Toy - Small - Daily (To a max of 6.00)	Item	£0.15		£0.00	0.0%
		Toy - Large - Daily (To a max of 15.00)	Item	£0.40		£0.00	0.0%
Vocal Sets Service (RBC Residents)		Borrowing from Reading stock	Set	£5.00		£0.00	0.0%
		Overdue charges	Set	£5.00		£0.00	0.0%
Vocal Sets Service (Non-RBC Residents)		Borrowing from Reading stock	Set	£10.00		£0.00	0.0%
Orchestral Set Service		Booking fee	Set	£7.00		£0.00	0.0%
		Overdue charges	Set	£7.00		£0.00	0.0%
Drama Sets Service (Non-RBC Residents)		Borrowing from Reading stock	Set	£5.00		£0.00	0.0%
		Overdue charges	Set	As per Adult Book			
Book Club Service (RBC Residents)		Annual subscription for group	Group	£20.00		£20.00	0.0%
		Borrowing from Reading stock	Set	£0.00		£0.00	0.0%
		Overdue charges	Set	As per Adult Book			
Book Club Service (Non-RBC Residents)		Annual subscription for group	Group	£30.00		£30.00	0.0%
		Borrowing from Reading stock	Set	£7.50		£0.00	0.0%
		Overdue charges	Set	As per Adult Book			
Lost (in print items)		Full cost of replacement + £5 admin fee	Item	Full cost of replacement + £5 admin fee			
Lost (out of print items)		£15 + £5 Admin fee	Item	£20.00		£0.00	0.0%
Damaged Items		Varies by item	Item	Varies by item			
Withdrawn Stock		Varies by item	Item	Varies by item			
Photocopying (serviced)		A4 black and white	Sheet	£0.50		£0.00	0.0%
Photocopying (serviced)		A4 colour	Sheet	£0.50		£0.00	0.0%
		A3 black and white	Sheet	£0.50		£0.00	0.0%
		Service charge (does not include postage)	Transaction	£6.00		£1.00	20.0%
Printing from microform		A4 print	Sheet	£1.00		£0.50	100.0%
		A3 print	Sheet	£1.00		£0.50	100.0%
Printing from microform (serviced)		A4 print	Sheet	£1.00		£0.00	0.0%
		A3 print	Sheet	£1.00		£0.00	0.0%
		Service charge (does not include postage)	Film	£5.00		£0.00	0.0%
Copies of Local Studies Images		Email	Image	£3.00		£0.00	0.0%
		Printed - glossy paper	Image	£5.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
	Postage	Transaction				
Charges for publication of images						
Research for local history (more than 30 mins)						
Study Carrels	10:00-13:00	Session	£2.00		£0.00	0.0%
	13:00-closing time (17:00/19:00)	Session	£2.00		£0.00	0.0%
Library Display Panels		Booking	£6.00		£0.00	0.0%
Toy Library	Membership childminders/playgroups	Annual	£15.00		£0.00	0.0%
	Membership parents	Annual	£5.00		£0.00	0.0%
	Membership schools/nurseries/providers	Annual	£75.00		£0.00	0.0%
Hire Charges	Toy Small item	Item	£0.50		£0.00	0.0%
	Toy Large item	Item	£1.50		£0.00	0.0%
	Toy Large/Very large item	Item	£3.00		£0.00	0.0%
Libraries - gallery fee	Libraries	fortnight	£50.00		£0.00	0.0%
Libraries - room hire	Hire of a library space	Per Hour	£25.00		£5.00	25.0%
PRIVATE SECTOR HOUSING						
Licence for house in multiple occupancy	Band A Licence Fee (Accredited Landlord)	per application	£690.00		£0.00	0.0%
	Band B Licence Fee (New HMOs only - proof required)	per application	£770.00		£0.00	0.0%
	Band C Licence Fee (All other applications)	per application	£1,485.00		£0.00	0.0%
	Charge per additional sleeping room over 5	per application	£25.00		£0.00	0.0%
	Band A Renewal Fee	per application	£395.00		£0.00	0.0%
	Band B Renewal Fee	per application	£475.00		£0.00	0.0%
	Band C Renewal Fee	per application	£815.00		£0.00	0.0%
Non Statutory Inspection Charge	Fee HMO inspection, report, drawing up plans and assisting with the completion of the licence application form	up to 6 hours	£456.00	£547.20	£0.00	0.0%
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	up to 2 hours	£152.00	£182.40	£0.00	0.0%
Administration Charges	Fee for bounced cheque, copy of notices, copy of HMO licence, landlord information pack , HMO licence register	per transaction	£28.33	£34.00	£0.00	0.0%
Provision of Factual Statement	Factual Statement	per statement	£313.33	£376.00	£0.00	0.0%
Reading Rent with Confidence Scheme	inspection of each dwelling	per application	£180.00	£216.00	£0.00	0.0%
Non Statutory Inspection Charge	Inspection and schedule of works for empty homes	up to 4 hours	£304.00	£364.80	£0.00	0.0%
LICENSING						
PREMISES LICENCES						
Gambling - Adult Gaming Centre Premises Licence	new	per licence	£1,391.00		£0.00	0.0%
	annual fee	per licence	£1,391.00		£0.00	0.0%
	variation	per licence	£988.00		£0.00	0.0%
	transfer	per licence	£1,200.00		£0.00	0.0%
	re-instatement	per licence	£1,000.00		£0.00	0.0%
	provisional statement	per statement	£1,350.00		£0.00	0.0%
	provisional statement - holder	per licence	£1,000.00		£0.00	0.0%
	copy of licence	per licence	£22.00		£0.00	0.0%
	notification of change	per licence	£22.00		£0.00	0.0%
Gambling - Betting Premises licence	new	per licence	£1,236.00		£0.00	0.0%
	annual fee	per licence	£494.00		£0.00	0.0%
	variation	per licence	£824.00		£0.00	0.0%
	transfer	per licence	£876.00		£0.00	0.0%
	re-instatement	per licence	£876.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
Gambling - Bingo Premises licence	provisional statement	per statement	£1,236.00		£0.00	0.0%
	provisional statement - holder	per licence	£824.00		£0.00	0.0%
	copy of licence	per licence	£22.00		£0.00	0.0%
	notification of change	per licence	£22.00		£0.00	0.0%
	new	per licence	£2,287.00		£0.00	0.0%
	annual fee	per licence	£876.00		£0.00	0.0%
	variation	per licence	£1,133.00		£0.00	0.0%
	transfer	per licence	£1,236.00		£0.00	0.0%
	re-instatement	per licence	£1,236.00		£0.00	0.0%
	provisional statement	per statement	£2,266.00		£0.00	0.0%
	provisional statement - holder	per licence	£1,133.00		£0.00	0.0%
	copy of licence	per licence	£22.00		£0.00	0.0%
	notification of change	per licence	£22.00		£0.00	0.0%
	new	per licence	£1,183.00		£0.00	0.0%
	annual fee	per licence	£1,442.00		£0.00	0.0%
	variation	per licence	£1,545.00		£0.00	0.0%
	transfer	per licence	£1,350.00		£0.00	0.0%
	re-instatement	per licence	£1,300.00		£0.00	0.0%
	copy of licence	per licence	£22.00		£0.00	0.0%
	notification of change	per licence	£22.00		£0.00	0.0%
	new	per licence	£1,751.00		£0.00	0.0%
	annual fee	per licence	£773.00		£0.00	0.0%
	variation	per licence	£876.00		£0.00	0.0%
	transfer	per licence	£876.00		£0.00	0.0%
	re-instatement	per licence	£876.00		£0.00	0.0%
	provisional statement	per statement	£1,854.00		£0.00	0.0%
	provisional statement - holder	per licence	£824.00		£0.00	0.0%
	copy of licence	per statement	£22.00		£0.00	0.0%
	notification of change	per statement	£22.00		£0.00	0.0%
LICENSING						
Gambling - Track premises licence	new	per statement	£1,751.00		£0.00	0.0%
	annual fee	per statement	£1,030.00		£0.00	0.0%
	variation	per statement	£876.00		£0.00	0.0%
	transfer	per licence	£876.00		£0.00	0.0%
	re-instatement	per licence	£876.00		£0.00	0.0%
	provisional statement	per statement	£1,854.00		£0.00	0.0%
	provisional statement - holder	per licence	£824.00		£0.00	0.0%
	copy of licence	per licence	£22.00		£0.00	0.0%
	notification of change	per licence	£22.00		£0.00	0.0%
Sex Shop Licence	Grant/Renewal of Licence	per licence	£1,082.00		£0.00	0.0%
Sex Entertainment Licence (SEV)	Grant of Licence	per licence	£2,575.00		£0.00	0.0%
	Renewal of Licence	per licence	£1,947.00		£0.00	0.0%
	Variation	per licence	£1,011.00		£0.00	0.0%
	Transfer	per licence	£124.00		£0.00	0.0%
Film Classification	Film Classification (local film festivals)	per 15 mins or part thereof (of the film)	£15.00		£0.00	0.0%
Street Trading Outside Town Centre	OUT OF TOWN - Grant/ Renewal (Fast Food)	per stall/per application	£2,421.00		£0.00	0.0%
	OUT OF TOWN - Grant/Renewal (sandwich/Ice cream/retail food)	per stall/per application	£901.00		£0.00	0.0%
	OUT OF TOWN - Grant/Renewal (Non Food)	per stall/per application	£464.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
		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	0.0%
		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	0.0%
		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	0.0%
		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	0.0%
		OUT OF TOWN - Occasional (9-14 days per year) (Trading dates listed on licence)	Single trader	£26.00		£0.00	0.0%
		OUT OF TOWN - Occasional (15-45 days per year) (Trading dates listed on licence)	Single trader	£15.00		£0.00	0.0%
		OUT OF TOWN - Occasional (46-60 days per year) (Trading dates listed on licence)	Single trader	£8.00		£0.00	0.0%
LICENSING							
Street Trading Town Centre	Town Centre - Grant/ Renewal (Broad Street)	per stall	£6,129.00		£0.00	0.0%	
	Town Centre - Grant/ Renewal (Bridge Street)	per stall	£6,129.00		£0.00	0.0%	
	Town Centre - Grant/ Renewal (Reading Station)	per stall	£6,129.00		£0.00	0.0%	
	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	0.0%	
	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	0.0%	
	Town Centre - Market not under charter 1-14 days per yr	>over3x3m single trader stall per day	£15.00		£0.00	0.0%	
	Town Centre - Market not under charter 15-60 days per yr	>over3x3m single trader stall per day	£6.00		£0.00	0.0%	
	All Street Traders - Variation	per stall	£247.00		£0.00	0.0%	
	All Street Traders - Additional Street Trading Assistant	per assistant	£15.00		£0.00	0.0%	
	All Street Traders - fee for paying by direct debit - no other instalment system allowed	per application	£52.00		£0.00	0.0%	
Scrap Metal	Site Licence - new/renewal	per 3 year licence	£876.00		£0.00	0.0%	
	Collectors Licence -new/renewal	per 3 year licence	£577.00		£0.00	0.0%	
	Variation of Site Licence /Collectors Licence	per licence	£260.00		£0.00	0.0%	
	Simple Variation (ie. admin changes) for site Licence or Collector	per licence	£76.00		£0.00	0.0%	
	Replacement Licence or badge for collector	per licence	£15.00		£0.00	0.0%	
Pavement Café	Town Centre/Out of Town - Initial Charge	per annum	£268.00		£0.00	0.0%	
	Town Centre - Plus payment per table	per annum	£77.00		£0.00	0.0%	
	Out of Town - Plus payment per table	per annum	£39.00		£0.00	0.0%	
Caravan Site Licence	Grant	per site	£714.00		£0.00	0.0%	
	Transfer	per site	£328.00		£0.00	0.0%	
	Variation	per site	£489.00		£0.00	0.0%	
	Annual Fee (less than 10 units)	per site	£258.00		£0.00	0.0%	
	Annual fee (less than 30 units)	per site	£288.00		£0.00	0.0%	
	Annual fee (more than 30 Units)	per site	£1,298.00		£980.00	308.2%	
	copies of site licence	per site	£15.00		£0.00	0.0%	
Other Fees	Check & Submit Service	Each	£98.00		£0.00	0.0%	
	Pre-application advice and site visit	Each	£157.00		£0.00	0.0%	
	DBS Standard	per person	£32.00		£0.00	0.0%	
	Door Safe log Book	per book	£15.00		£0.00	0.0%	
LICENSING							
TRANSPORT LICENCES							
Hackney Carriage	Hackney carriage Vehicle grant or renewal	per operator	£400.00		£0.00	0.0%	

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
	3 Year Hackney carriage driver new/ renewal (not including disclosure fee)	per operator	£328.00		£0.00	0.0%
Private Hire Operators - 1 Year Grant	Each additional applicant	per operator	£245.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£806.00		£0.00	0.0%
	4-10 Vehicles	per operator	£1,292.00		£0.00	0.0%
	11-40 Vehicles	per operator	£2,572.00		£0.00	0.0%
	41-100 Vehicles	per operator	£4,314.00		£0.00	0.0%
	101+ Vehicles	per operator	£5,181.00		£0.00	0.0%
	Private Hire Operators - 1 Year Renewal	Each additional applicant	per operator	£185.00		£0.00
1 -3 Vehicles		per operator	£561.00		£0.00	0.0%
4-10 Vehicles		per operator	£892.00		£0.00	0.0%
11-40 Vehicles		per operator	£1,977.00		£0.00	0.0%
41-100 Vehicles		per operator	£3,583.00		£0.00	0.0%
101+ Vehicles		per operator	£4,333.00		£0.00	0.0%
Private Hire Operators - 5 Year Grant	Each additional applicant	per operator	£245.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£2,125.00		£0.00	0.0%
	4-10 Vehicles	per operator	£3,150.00		£0.00	0.0%
	11-40 Vehicles	per operator	£8,020.00		£0.00	0.0%
	41-100 Vehicles	per operator	£15,241.00		£0.00	0.0%
	101+ Vehicles	per operator	£18,851.00		£0.00	0.0%
Private Hire Operators - 5 Year Renewal	Each additional applicant	per operator	£185.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£2,065.00		£0.00	0.0%
	4-10 Vehicles	per operator	£3,092.00		£0.00	0.0%
	11-40 Vehicles	per operator	£7,917.00		£0.00	0.0%
	41-100 Vehicles	per operator	£15,191.00		£0.00	0.0%
	101+ Vehicles	per operator	£18,730.00		£0.00	0.0%
Private Hire Vehicle and Driver	Private Hire Vehicle grant or renewal	per application	£315.00		£8.00	2.6%
	Executive vehicle grant or renewal	per application	£352.00		£9.00	2.6%
	3 Year driver new/renewal (not including disclosure fee)	per application	£319.00		£0.00	0.0%
School Transport	School Transport vehicle (Class IV) vehicle	per application	£100.00		£2.00	2.0%
	3 year ST driver grant/renewal (not incl disclosure fee)	per application	£240.00		£0.00	0.0%
School Transport - 1 Year Grant	Each additional applicant	per operator	£245.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£445.00		£0.00	0.0%
	4-10 Vehicles	per operator	£836.00		£0.00	0.0%
	11-40 Vehicles	per operator	£1,727.00		£0.00	0.0%
	41-100 Vehicles	per operator	£2,251.00		£0.00	0.0%
	101+ Vehicles	per operator	£3,141.00		£0.00	0.0%
School Transport - 1 Year Renewal	Each additional applicant	per operator	£145.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£345.00		£0.00	0.0%
	4-10 Vehicles	per operator	£570.00		£0.00	0.0%
	11-40 Vehicles	per operator	£1,132.00		£0.00	0.0%
	41-100 Vehicles	per operator	£1,513.00		£0.00	0.0%
	101+ Vehicles	per operator	£2,290.00		£0.00	0.0%
School Transport - 5 Year Grant	Each additional applicant	per operator	£245.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£1,245.00		£0.00	0.0%
	4-10 Vehicles	per operator	£2,324.00		£0.00	0.0%
	11-40 Vehicles	per operator	£4,955.00		£0.00	0.0%
	41-100 Vehicles	per operator	£6,763.00		£0.00	0.0%
	101+ Vehicles	per operator	£10,351.00		£0.00	0.0%
LICENSING						
TRANSPORT LICENCES						
School Transport - 5 Year Renewal	Each additional applicant	per operator	£145.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£1,145.00		£0.00	0.0%
	4-10 Vehicles	per operator	£2,058.00		£0.00	0.0%
	11-40 Vehicles	per operator	£4,620.00		£0.00	0.0%
	41-100 Vehicles	per operator	£6,333.00		£0.00	0.0%
	101+ Vehicles	per operator	£9,890.00		£0.00	0.0%
Other Charges - Vehicle	Vehicle Transfer of ownership -(admin only + issue licence)	per application	£48.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
	Replace vehicle plate (4 new tags+plate+30 mins)	per vehicle	£58.00		£0.00	0.0%
	temporary replacement Hackney Carriage or Private Hire Vehicle Plate	per application	£47.00		£0.00	0.0%
	HC Taxi livery design + 1 vehicle	per application	£136.00		£0.00	0.0%
	HC Livery - Additional vehicle check	per vehicle	£38.00		£0.00	0.0%
	HC Taxi livery renewal +1 vehicle	per application	£89.00		£0.00	0.0%
	<3 YEAR COMPLIANCE TEST - PH, EXEC, HC OR ST	per application	£35.00		£0.00	0.0%
	AGED VEHICLE CHECK - PH, ST or Executive Vehicles over age 10 years +	per vehicle	£35.00		£0.00	0.0%
	ULEV VEHICLE	per vehicle	25% of Standard fee for a HC, PH, EXEC, ST vehicle as appropriate			
	100% ELECTRIC VEHICLE	per vehicle	50% of Standard fee for a HC, PH, EXEC, ST vehicle as appropriate			
Other Charges - Driver	Driver knowledge test	per driver	£43.00		£0.00	0.0%
	Rescheduled new driver interview/ (no shows)	per driver	£15.00		£0.00	0.0%
	Change of Application HC to PH or PH to HC	per application	£33.00		£0.00	0.0%
	Replacement badge or licence (incl change of address)	per driver	£15.00		£0.00	0.0%
	Basic DBS (PHO, STO)	per	£34.40		New Fee - April 2020	
	DBS Enhanced (HC, PH, ST driver)	per driver	£52.40		£2.40	4.8%
	Driver - Visa Expiry (2 Badges, 1 cert+admin fee)	per driver	£77.00		£0.00	0.0%
Other Charges - Operator	Operator logbook	Per logbook	£3.50		£0.00	0.0%
	Admin charge + copy of the licence	per operator	£48.00		£0.00	0.0%
	Copy of the licence	Per Operator	£15.00		£0.00	0.0%
Other Charges - General	Bounced Cheque	Each	£33.00		£0.00	0.0%
	Admin Charge	Each	£33.00		£0.00	0.0%
	Factual Statement	Each	£140.00		£0.00	0.0%
	Check and submit taxi application form	Each	£98.00		£0.00	0.0%
FOOD & SAFETY						
Courses	Level 2 Food Safety & Hygiene Course (One day)	per candidate	£72.00		£0.00	0.0%
	Level 2 Food Safety in Catering Exam- re-sit fee	per candidate	£41.00		£0.00	0.0%
	Level 2 Food Safety - replacement certificate	Each	£84.00		£0.00	0.0%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£803.00		£0.00	0.0%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£1,044.00		£0.00	0.0%
	Additional candidates for level 2 Course on clients premises	Each	£80.00		£0.00	0.0%
	Level 3 Supervising food hygiene & safety (min 6 candidates)	Each	£324.00		£0.00	0.0%
	Level 3 Supervising food hygiene & safety (2 or more candidates)	Each	£292.00		£0.00	0.0%
	Level 3 Supervising food hygiene & safety (up to 10 candidates)	Each	£2,575.00		£0.00	0.0%
	Preparation & delivery of bespoke Training	Each	£148.00		£0.00	0.0%
Food Hygiene Visits	Fee for missed Food Hygiene premises inspection visit where appointment made	Each	£37.00	£44.40	£0.00	0.0%
	Food Hygiene Rating Scheme re-inspection	Each	£170.00	£204.00	£0.00	0.0%
Food Hygiene Miscellaneous	Fishery Product Inspections per tonne (set by statute) - 1 Euro/ £0.90	Each	£0.90		£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
	Approved Cold Store inspection per hour per Officer	Each	£78.00		£0.00	0.0%
	Export Food Certificate + additional fee based on hourly rate for food inspection	Each	£165.00		£0.00	0.0%
	Fridge/Freezer thermometer	Each	£3.00		£0.00	0.0%
	Condemned Food Certificate	Each	£138.00		£0.00	0.0%
	Administration Fee/Cancellation Fee	Each	£33.00		£0.00	0.0%
	Factual Statement to solicitors & others	Each	£157.00		£0.00	0.0%
	Additional documents	Each	£103.00		£0.00	0.0%
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	0.0%
	Single treatment Operator (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	per operator - One Off payment	£46.00		£0.00	0.0%
	Special Treatment Operator/premises Replacement Certificate (no changes)	per certificate	£31.00		£0.00	0.0%
Safety at Sports Ground	Issue of Safety of Sports Grounds Safety Certificate/amendment to safety certificate/issue of Special Safety Certificate + newspaper advert cost + additional fee for risk based system checks. Fee invoiced quarterly.	certificate	£206.00	£247.20	£0.00	0.0%
PRIMARY AUTHORITY AND BUSINESS ADVICE						
Primary Authority Business Advice	Commercial property search		£74.00		£0.00	0.0%
	Mini Primary Authority fee / minimum annual PA fee	less than 3 hours advice per year	£500.00		£0.00	0.0%
	Medi Primary Authority Fee	less than 25 hours advice per year	£1,700.00		£0.00	0.0%
	Pay as You Go standing charge (PAYG)	per profession	£1,500.00		£0.00	0.0%
	Primary Authority Advice (Admin Officer)	per hour	£64.00		£0.00	0.0%
	Primary Authority Partnership advice (EHO, TSO, Lice Officer)	per hour	£72.00		£0.00	0.0%
	Primary Authority Set up fee	per business	£250.00		£0.00	0.0%
	Additional Services outside RBC (ie Wales, Fire)	per service	£145.00		£0.00	0.0%
	Emergency Primary Authority Advice	per hour	£120.00		£0.00	0.0%
Business Advice - Regulation Services	Start Up advisory /Reg Services Health Check (Option 2)	per premises	£152.00		£0.00	0.0%
	Bespoke Service (Option 3) then hourly rate	per business	£800.00		£0.00	0.0%
Business Advice	Outside a Primary Authority Partnership	per hour	£76.00		£0.00	0.0%
TRADING STANDARDS & Coroners						
Petroleum Spirits (set by statute)	Up to 2500 litres	per licence	£44.00		£0.00	0.0%
	2500-50,000 litres	per licence	£60.00		£0.00	0.0%
	Over 50,000 litres	per licence	£125.00		£0.00	0.0%
	Transfer of Licence	per licence	£8.00		£0.00	0.0%
	Petroleum Search	per search	£74.00		£0.00	0.0%
Weights and Measures Verification Fees	Technical Officer Hourly Rate	Per Hour	£36.74		£0.00	0.0%
	Weights and Measures Inspector Hourly Rate	Per Hour	£61.32		£0.00	0.0%
Explosives (Set by statute)	Licence to store explosives no min separation					
	1 year	per Licence	£109.00		£0.00	0.0%
	2 year	per Licence	£141.00		£0.00	0.0%
	3 Year	per Licence	£173.00		£0.00	0.0%
	4 Year	per Licence	£206.00		£0.00	0.0%
	5 Year	per Licence	£238.00		£0.00	0.0%
	Renewal to store explosives no minimum separation					
	1 Year	per Licence	£54.00		£0.00	0.0%
	2 Year	per Licence	£86.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
	3 Year	per Licence	£120.00		£0.00	0.0%
	4 Year	per Licence	£152.00		£0.00	0.0%
	5 Year	per Licence	£185.00		£0.00	0.0%
	Licence to store explosives with min separation					
	1 Year	per Licence	£185.00		£0.00	0.0%
	2 Year	per Licence	£243.00		£0.00	0.0%
	3 Year	per Licence	£304.00		£0.00	0.0%
	4 Year	per Licence	£374.00		£0.00	0.0%
	5 Year	per Licence	£423.00		£0.00	0.0%
	Renewal to store explosives with minimum separation					
	1 Year	per Licence	£86.00		£0.00	0.0%
	2 Year	per Licence	£147.00		£0.00	0.0%
	3 Year	per Licence	£206.00		£0.00	0.0%
	4 Year	per Licence	£266.00		£0.00	0.0%
	5 Year	per Licence	£326.00		£0.00	0.0%
	Variation/Transfer/Replacement	per Licence	£36.00		£0.00	0.0%
	Year round to sell fireworks	per Licence	£500.00		£0.00	0.0%
	Courses British Institute of Inn keeping Awarding Body Courses	per person	£75.00		£0.00	0.0%
TRADING STANDARDS & Coroners						
Coroner (Set by Statute)	Paper copy of document under 10 pages	First 10	£5.00		£0.00	0.0%
	Additional pages	Each	£0.50		£0.00	0.0%
	Document other than email or paper	Each	£5.00		£0.00	0.0%
	Inquest transcript of not more than 360 words	Each	£6.20		£0.00	0.0%
	for a copy of 361 to 1440 words	Each	£13.10		£0.00	0.0%
	for a of the first 1440 of a document exceeding 1440 words	Each	£13.10		£0.00	0.0%
	for each 72 words after the first 1440 words or part thereof	Each	£0.70		£0.00	0.0%
ENVIRONMENTAL PROTECTION						
Environmental Protection & Nuisance Team	Contaminated Land/Environmental Information Request (Residents)	per hour	£42.92	£51.50	£0.00	0.0%
	Contaminated Land/Environmental Information Request (Commercial)	per hour	£61.83	£74.20	£0.00	0.0%
	Sound check consultancy	per hour	£61.83	£74.20	£0.00	0.0%
	Officer charge	per hour	£61.83	£74.20	£0.00	0.0%
Dog Warden	Statutory Stray Fee	Each	£25.00		£0.00	0.0%
	Dog picked up but not kennelled	Each	£62.00		£10.50	20.4%
	Up to One day in Kennels	Period	£153.00		£39.67	35.0%
	Up to two days in kennels	Period	£176.00		£43.50	32.8%
	Up to three days in kennels	Period	£199.00		£48.00	31.8%
	Up to four days in kennels	Period	£222.00		£52.00	30.6%
	Up to five days in kennels	Period	£245.00		£56.17	29.7%
	Up to six days in kennels	Period	£268.00		£60.25	29.0%
	Up to seven days in kennels	Period	£291.00		£64.33	28.4%
	Up to eight days in kennels	Period	£314.00		£68.50	27.9%
	Additional days over 8	Each	£18.92	£22.70	£0.00	0.0%
	Veterinary fees will be charged on a cost basis	Fee	At cost			
Animal Establishments	Animal Boarding annual licence (exclusive of vets' fees) Catteries and Kennels	Per Licence	£350.00	£420.00	£0.00	0.0%
	Pet Shop small annual licence (exclusive of vets' fees)	Per Licence	£168.33	£202.00	£0.00	0.0%
	Pet Shop large (exclusive of vets' fees) - more than 75m2	Per Licence	£473.00	£567.60	£0.00	0.0%
	Pet shop/boarding/breeding licence amendment	Per Licence	£99.75	£119.70	£0.00	0.0%
	small home boarder (annual fee)	Per Licence	£91.50	£109.80	£0.00	0.0%
	medium home boarder (annual fee)	Per Licence	£121.92	£146.30	£0.00	0.0%
	larger home boarder (annual fee)	Per Licence	£195.67	£234.80	£0.00	0.0%
	small home boarder (min fee)	Per Licence	£51.92	£62.30	£0.00	0.0%
	medium home boarder (min fee)	Per Licence	£69.25	£83.10	£0.00	0.0%
	larger home boarder (min fee)	Per Licence	£109.58	£131.50	£0.00	0.0%
	small home boarder (Pro rata fee)	Per Licence	£7.42	£8.90	£0.00	0.0%
	medium home boarder (pro rata fee)	Per Licence	£9.92	£11.90	£0.00	0.0%
	larger home boarder (pro rata fee)	Per Licence	£15.67	£18.80	£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
	small home boarder (late payment fee)	Per Licence	£105.50	£126.60	£0.00	0.0%
	medium home boarder (late payment fee)	Per Licence	£139.25	£167.10	£0.00	0.0%
	larger home boarder (late payment fee)	Per Licence	£205.17	£246.20	£0.00	0.0%
	Animal Breeding Establishments (exclusive of vets' fees)	Per Licence	£288.42	£346.10	£0.00	0.0%
	Horse Riding Establishment Licence	Per Licence	£335.42	£402.50	£0.00	0.0%
	Dangerous Wild Animals Licence or Zoo Licence	Per Licence	£370.83	£445.00	£0.00	0.0%
	Performing Animals Registration	Per Licence	£463.50	£556.20	£0.00	0.0%
	Performing Animals Licence	Per Animal Licence	£41.17	£49.40	£0.00	0.0%
LOCAL AIR POLLUTION PREVENTION AND CONTROL (LAPPC)						
Annual Subsistence Charge	Standard process Low	per Licence	£772.00		£0.00	0.0%
	Standard process Medium	per Licence	£1,161.00		£0.00	0.0%
	Standard process High	per Licence	£1,747.00		£0.00	0.0%
	Permit for Vapour Recovery Part I and Dry Cleaners L	per Licence	£79.00		£0.00	0.0%
	Permit for Vapour Recovery Part I and Dry Cleaners M	per Licence	£158.00		£0.00	0.0%
	Permit for Vapour Recovery Part I and Dry Cleaners H	per Licence	£237.00		£0.00	0.0%
	Permit for Vapour Recovery Part I & II combined L	per Licence	£113.00		£0.00	0.0%
	Permit for Vapour Recovery Part I & II combined M	per Licence	£226.00		£0.00	0.0%
	Permit for Vapour Recovery Part I & II combined H	per Licence	£341.00		£0.00	0.0%
	Vapour Recovery and other Reduced Fees L	per Licence	£228.00		£0.00	0.0%
	Vapour Recovery and other Reduced Fees M	per Licence	£365.00		£0.00	0.0%
	Vapour Recovery and other Reduced Fees H	per Licence	£548.00		£0.00	0.0%
PLANNING						
PLANNING - PRE APPLICATION FEES						
Level 1	Householders advice on house extensions	Each	157.30	£188.76	£0.00	0.0%
	Follow up Meetings	Each	90.75	£108.90	£0.00	0.0%
	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	0.0%
	Follow up Meetings	Each	£85.00	£102.00	£0.00	0.0%
	Proposals for community uses - (Free of charge for up to 200sqm)	Each	£145.00	£174.00	£0.00	0.0%
	Follow up Meetings	Each	£85.00	£102.00	£0.00	0.0%
	Advertisements	Each	£250.00	£300.00	£0.00	0.0%
	Follow up Meetings	Each	£90.00	£108.00	£6.00	5.9%
	Telecommunication installations	Each	£150.00	£180.00	£6.00	3.4%
	Follow up Meetings	Each	£90.00	£108.00	£6.00	5.9%
	Listed Building consent /conservation area consent.	Each	£145.00	£174.00	£0.00	0.0%
	Follow up Meetings	Each	£90.00	£108.00	£6.00	5.9%
	Trees and Landscaping	Each	£145.00	£174.00	£0.00	0.0%
	Follow up Meetings	Each	£90.00	£108.00	£6.00	5.9%
	Works to trees covered by tree preservation orders.	Each	£145.00	£174.00	£0.00	0.0%
	Follow up Meetings	Each	£90.00	£108.00	£6.00	5.9%
Level 2	201 - 499sqm	Each	£360.00	£432.00	£12.00	2.9%
	500 - 1000sqm	Each	£670.00	£804.00	£12.00	1.5%
	1 - 3 dwellings	Each	£360.00	£432.00	£12.00	2.9%
	4 - 9 dwellings	Each	£510.00	£612.00	£12.00	2.0%
	10 - 15 dwellings	Each	£835.00	£1,002.00	£12.00	1.2%
	15 - 19 dwellings	Each	£1,100.00	£1,320.00	£120.00	10.0%
	One Meeting included in above fee, additional Meetings charged by hour.	Each	£115.00	£138.00	£6.00	4.5%
Level 3	Introductory Meeting fee	Each	£230.00	£276.00	£12.00	4.5%
Development > 1,001 sqm or 20+ dwellings or other proposals	Additional Meetings and advice thereafter by negotiation.	Each	By Negotiation			

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
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	By Negotiation				
PLANNING ADMINISTRATION CHARGES							
Planning History Search	Where more complicated or several addresses	per application	£25.00		£2.08	9.1%	
Copies of Section 106 Agreements	per agreement	per application	£25.00		£2.08	9.1%	
Copies of Planning Decision Notices	A list given of decision notices required	per application	£12.50		£1.67	15.4%	
	One decision notice from Microfiche slide	per application	£12.50		£1.67	15.4%	
	One decision notice from Microfiche slide plus plans (all on One slide)	per application	£25.00		£2.08	9.1%	
	Scanning more than One slide	per application	£25.00		£2.08	9.1%	
	Plans and documents for an application that need redacting	per application	£12.50		£1.67	15.4%	
Enquiries for evidence that conditions have been discharged (statutory Fee)	Householders	per application	£34.00		-£3.40	-9.1%	
	All others	per application	£116.00		-£11.60	-9.1%	
S106 and Community Infrastructure Levy obligation enquiries		per application	£25.00		£2.10	9.2%	
Returning Invalid	Refunds processed and advice given	per application	10% - 20%				
Tree Preservation Order Documents		per application	£25.00		£2.08	9.1%	
PUBLIC CONVENIENCES							
	charge for entry to automated toilets	Each	£0.40		£0.00	0.0%	
COMMUNITY SAFETY							
Town Safe Radio Membership daytime		Annual membership	£450.00	£540.00	£0.00	0.0%	
Town Safe Associate member		Annual membership	£225.00	£270.00	£0.00	0.0%	
Town Safe External member		Annual membership	£250.00	£300.00	£0.00	0.0%	
Town Safe Night-time full membership		Annual membership	£400.00	£480.00	£0.00	0.0%	
Internal partners		Annual membership	£250.00		£0.00	0.0%	
Leisure							
Swimming							
Pool	Adult (Peak / Off Peak)	Session	£4.17	£5.00	£0.00	0.0%	
	Adult Your Reading Passport General	Session	£3.67	£4.40	£0.00	0.0%	
	Adult Your Reading Passport Concession	Session	£2.71	£3.25	£0.00	0.0%	
	Adult Your Reading Passport Concession Off Peak	Session	£0.00	£0.00	£0.00	0.0%	
	Junior / Student	Session	£2.50	£3.00	£0.00	0.0%	
	Junior / Student Your Reading Passport General	Session	£2.17	£2.60	£0.00	0.0%	
	Junior / Student Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%	
	Under 3 all pools	Session	£0.00	£0.00	£0.00	0.0%	
	Holiday Swim Activity	Session	£0.83	£1.00	£0.00	0.0%	
	Family Swim Activity	Session	£9.92	£11.90	£0.00	0.0%	
Pool Hire - Sports/community use	Meadway Pool	Per Hour	£70.38	£84.45	£0.00	0.0%	
	South Reading Leisure Centre (Whole Pool)	Per Hour	£70.42	£84.50	£0.00	0.0%	
	South Reading Leisure Centre (Per lane)	Per Hour	£12.50	£15.00	£0.00	0.0%	
Membership Charges	Bronze Gym	per person	£14.17	£17.00	£0.00	0.0%	
	Bronze Gym Your Reading Passport	per person	£13.33	£16.00	£0.00	0.0%	
	Bronze Gym Pathway	per person	£13.33	£16.00	£0.00	0.0%	
	Silver Swim & Gym	per person	£18.75	£22.50	£0.00	0.0%	
	Silver Swim & Gym Your Reading Passport	per person	£17.08	£20.50	£0.00	0.0%	

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
	Silver Swim & Gym Pathway	per person	£17.08	£20.50	£0.00	0.0%
	Silver Swim & Class	per person	£18.75	£22.50	£0.00	0.0%
	Silver Swim & Class Your Reading Passport	per person	£17.08	£20.50	£0.00	0.0%
	Silver Swim & Class Pathway	per person	£17.08	£20.50	£0.00	0.0%
	Silver Gym & Class	per person	£18.75	£22.50	£0.00	0.0%
	Silver Gym & Class Your Reading Passport	per person	£17.08	£20.50	£0.00	0.0%
	Silver Gym & Class Pathway	per person	£17.08	£20.50	£0.00	0.0%
	Gold Swim, Gym & Class	per person	£24.17	£29.00	£0.00	0.0%
	Gold Swim, Gym & Class Your Reading Passport	per person	£22.08	£26.50	£0.00	0.0%
	Gold Swim, Gym & Class Pathway	per person	£22.08	£26.50	£0.00	0.0%
	Plat All facilities	per person	£29.17	£35.00	£0.00	0.0%
	Plat All facilities Your Reading Passport	per person	£26.67	£32.00	£0.00	0.0%
	Plat All facilities Pathway	per person	£26.67	£32.00	£0.00	0.0%
Replacement	Single fee	per person	£4.17	£5.00	£0.00	0.0%
Badminton	Adult	Session	£10.33	£12.40	£0.00	0.0%
	Adult Your Reading Passport General	Session	£8.83	£10.60	£0.00	0.0%
	Adult Your Reading Passport Concession	Session	£6.13	£7.35	£0.00	0.0%
	Adult/Junior weekdays 9.00am - 5.00pm Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%
	Junior	Session	£5.13	£6.15	£0.00	0.0%
	Junior Your Reading Passport General	Session	£4.46	£5.35	£0.00	0.0%
	Junior Your Reading Passport Concession	Session	£3.13	£3.75	£0.00	0.0%
Table Tennis	Adult	Session	£9.33	£11.20	£0.00	0.0%
	Adult Your Reading Passport General	Session	£7.17	£8.60	£0.00	0.0%
	Adult Your Reading Passport Concession	Session	£5.13	£6.15	£0.00	0.0%
	Adult/Junior weekdays 9.00am - 5.00pm Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%
	Junior	Session	£4.17	£5.00	£0.00	0.0%
	Junior Your Reading Passport General	Session	£3.58	£4.30	£0.00	0.0%
	Junior Your Reading Passport Concession	Session	£2.50	£3.00	£0.00	0.0%
Squash 40 minutes	Adult	Session	£9.33	£11.20	£0.00	0.0%
	Adult Your Reading Passport General	Session	£7.17	£8.60	£0.00	0.0%
	Adult Your Reading Passport Concession	Session	£5.13	£6.15	£0.00	0.0%
	Adult/Junior weekdays 9.00am - 5.00pm Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%
	Junior	Session	£4.17	£5.00	£0.00	0.0%
	Junior Your Reading Passport General	Session	£3.58	£4.30	£0.00	0.0%
	Junior Your Reading Passport Concession	Session	£2.50	£3.00	£0.00	0.0%
Leisure						
Area Hire - Sports community use	Meadway Hall Hire - Sporting booking	Per Hour	£48.08	£57.70	£0.00	0.0%
	Meadway / South Reading Leisure Centre Hall Hire - Non - Sporting Events	Per Hour	£81.83	£98.20	£0.00	0.0%
	Meadway Sports 1/2 Hall	Per Hour	£19.21	£23.05	£0.00	0.0%
	South Reading Leisure Centre Hall Hire	Per Hour	£40.00	£48.00	£0.00	0.0%
	South Reading Leisure Centre 1/2 Hall	Per Hour	£20.00	£24.00	£0.00	0.0%
	Meadway Studio Hire	Per Hour	£12.83	£15.40	£0.00	0.0%
	South Reading Leisure Centre Studio Hire	Per Hour	£29.58	£35.50	£0.00	0.0%
	Palmer Studio Hire	Per Hour	£29.75	£35.70	£0.00	0.0%
	Palmer Track/Cycle Hire	Per Hour	£39.17	£47.00	£0.00	0.0%
	Palmer Stadium Pitch Lights	Per Hour	£259.00	£310.80	£0.00	0.0%
	Palmer Stadium pitch without lights	Per Match	£171.25	£205.50	£0.00	0.0%
	Palmer event cycling / Athletics per additional out of hours	Per Match	£76.75	£92.10	£0.00	0.0%
	Palmer Adult RBC Athletics Meet	Per Hour	£60.08	£72.10	£0.00	0.0%
	Palmer Junior RBC Athletics Meet	Per Hour	£30.63	£36.75	£0.00	0.0%
	Palmer Adult Athletics Meet	Per Hour	£65.96	£79.15	£0.00	0.0%
	Palmer Junior Athletics Meet	Per Hour	£34.17	£41.00	£0.00	0.0%
Cycling / Athletics	Adult Cycling	Session	£4.92	£5.90	£0.00	0.0%
	Adult Athletics	Session	£4.92	£5.90	£0.00	0.0%
	Adult Your Reading Passport General	Session	£4.08	£4.90	£0.00	0.0%
	Adult Your Reading Passport Concession	Session	£2.71	£3.25	£0.00	0.0%
	Junior Athletic	Session	£2.25	£2.70	£0.00	0.0%
	Junior Cycling	Session	£3.08	£3.70	£0.00	0.0%
	Junior Your Reading Passport General	Session	£2.00	£2.40	£0.00	0.0%
	Junior Your Reading Passport Concession	Session	£1.46	£1.75	£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %	
		Adult Tuesday & Thursday Cycling	Session	£5.00	£6.00	£0.00	0.0%	
		Junior Tuesday & Thursday Cycling	Session	£2.38	£2.85	£0.00	0.0%	
		Cycle Racing	Session	£3.33	£4.00	£0.00	0.0%	
		Wheelie Fun	Session	£2.58	£3.10	£0.00	0.0%	
		Everybody Active Cycling	Session	£2.92	£3.50	£0.00	0.0%	
		Cycling for health	Session	£2.50	£3.00	£0.00	0.0%	
	Cricket - Weekend	Adult One Off Game	Session	£131.08	£157.30	£0.00	0.0%	
		Adult Block 10+ Games	Session	£111.75	£134.10	£0.00	0.0%	
		Junior One Off Game	Session	£65.67	£78.80	£0.00	0.0%	
		Junior Block 10+ Games	Session	£56.08	£67.30	£0.00	0.0%	
	Tennis	Adult Standard	Session	£5.13	£6.15	£0.00	0.0%	
		Adult Your Reading Passport General	Session	£4.08	£4.90	£0.00	0.0%	
		Adult Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%	
		Junior Standard	Session	£2.58	£3.10	£0.00	0.0%	
		Junior Your Reading Passport General	Session	£2.17	£2.60	£0.00	0.0%	
		Junior Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%	
	Tennis (Artificial-turf)	Adult Standard	Session	£7.33	£8.80	£0.00	0.0%	
		Adult Your Reading Passport General	Session	£5.83	£7.00	£0.00	0.0%	
		Adult Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%	
		Junior Standard	Session	£3.67	£4.40	£0.00	0.0%	
		Junior Your Reading Passport General	Session	£2.92	£3.50	£0.00	0.0%	
		Junior Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%	
	Bowls	Adult Standard	Session	£3.92	£4.70	£0.00	0.0%	
		Adult Your Reading Passport General	Session	£2.67	£3.20	£0.00	0.0%	
		Adult Your Reading Passport Concession	Session	£1.96	£2.35	£0.00	0.0%	
		Junior Standard	Session	£1.96	£2.35	£0.00	0.0%	
		Junior Your Reading Passport General	Session	£1.38	£1.65	£0.00	0.0%	
		Junior Your Reading Passport Concession	Session	£1.13	£1.35	£0.00	0.0%	
		Hire of woods and mats	Session	£3.17	£3.80	£0.00	0.0%	
	Leisure							
	Football	Adult One Off Game Standard	Match	£98.42	£118.10	£0.00	0.0%	
		Adult Block 10+ Games Standard	Match	£83.83	£100.60	£0.00	0.0%	
		Adult Block 5+ Teams Standard	Match	£75.13	£90.15	£0.00	0.0%	
	Senior League discounts	Match	£20.46	£24.55	£0.00	0.0%		
	Senior League discounts	Match	£15.38	£18.45	£0.00	0.0%		
	Senior League discounts	Match	£10.25	£12.30	£0.00	0.0%		
	Junior One Off Game Standard	Match	£53.63	£64.35	£0.00	0.0%		
	Junior Block 10+ Games Standard	Match	£38.96	£46.75	£0.00	0.0%		
	Junior Block 5+ Teams standard	Match	£34.04	£40.85	£0.00	0.0%		
	Mini Soccer per Game	Match	£16.04	£19.25	£0.00	0.0%		
	Mini Soccer 10+ Games	Match	£13.67	£16.40	£0.00	0.0%		
	Mini Soccer 5+ Teams	Match	£12.21	£14.65	£0.00	0.0%		
Australian Rules & Gaelic	One Off	Match	£88.00	£105.60	£0.00	0.0%		
	Block 10+ Games	Match	£73.33	£88.00	£0.00	0.0%		
5-a-side football	Adult Peak - single	Per Hour	£45.17	£54.20	£0.00	0.0%		
	Adult Peak - Block	Per Hour	£37.64	£45.17	£0.00	0.0%		
	Junior Peak - single	Per Hour	£23.79	£28.55	£0.00	0.0%		
	Junior Peak - Block	Per Hour	£19.83	£23.79	£0.00	0.0%		
Casual Fitness	Adult - Peak Training	Session	£6.67	£8.00	£0.00	0.0%		
	Adult - Peak Training Your Reading Passport General	Session	£5.83	£7.00	£0.00	0.0%		
	Adult - Peak Training Your Reading Passport Concession	Session	£4.33	£5.20	£0.00	0.0%		
	Junior/Student - Peak Training	Session	£3.33	£4.00	£0.00	0.0%		
	Junior/Student - Peak Training Your Reading Passport General	Session	£2.92	£3.50	£0.00	0.0%		
	Junior/Student - Peak Training Your Reading Passport Concession	Session	£2.17	£2.60	£0.00	0.0%		
	Junior/Student Fitness Session	Session	£3.33	£4.00	£0.00	0.0%		
Courses	Junior Swimming 30 mins	Per Lesson	£5.38	£6.45	£0.00	0.0%		
	Junior Swimming 30 mins Your Reading Passport General	Per Lesson	£5.17	£6.20	£0.00	0.0%		
	Adult Swimming 30 mins	Per Lesson	£6.25	£7.50	£0.00	0.0%		
	Adult Swimming 30 mins Your Reading Passport General	Per Lesson	£6.00	£7.20	£0.00	0.0%		
	Trampolining 1hr	Per Lesson	£5.96	£7.15	£0.00	0.0%		

Page 102

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
		Trampolining 1hr Your Reading Passport General	Per Lesson	£5.54	£6.65	£0.00	0.0%
		Gymnastics 1hr	Per Lesson	£5.96	£7.15	£0.00	0.0%
		Gymnastics 1hr Your Reading Passport General	Per Lesson	£5.54	£6.65	£0.00	0.0%
		Gymnastics (Pre School) 45mins	Per Lesson	£5.00	£6.00	£0.00	0.0%
		Badminton	Per Lesson	£5.63	£6.75	£0.00	0.0%
		Badminton Your Reading Passport General	Per Session	£5.29	£6.35	£0.00	0.0%
		Cardio Care 1hr General	Per Session	£3.75	£4.50	£0.00	0.0%
		Cardio Care 1hr Your Reading Passport	Per Session	£3.50	£4.20	£0.00	0.0%
		Cardio Care Course 6wk	Per Session	£21.08	£25.30	£0.00	0.0%
		Cardio Care Course 6 wk Your Reading Passport	Per Session	£20.75	£24.90	£0.00	0.0%
		Cardio Care Course 5wk	Per Session	£17.58	£21.10	£0.00	0.0%
		Cardio Care Course 5 wk Your Reading Passport	Per Session	£17.29	£20.75	£0.00	0.0%
		Administration charge for registration on to Courses Direct Debit	One Off	£3.58	£4.29	£0.00	0.0%
		Group Training Sessions	Class A	Session	£6.25	£7.50	£0.00
	Class B		Session	£5.46	£6.55	£0.00	0.0%
	Class C		Session	£4.71	£5.65	£0.00	0.0%
	Class D		Session	£4.46	£5.35	£0.00	0.0%
	Class E		Session	£3.75	£4.50	£0.00	0.0%
	Class F		Session	£3.13	£3.75	£0.00	0.0%
	Pool Party		Session	£71.67	£86.00	£0.00	0.0%
	Tots		Session	£55.00	£66.00	£0.00	0.0%
	Disco		Session	£59.58	£71.50	£0.00	0.0%
	Cycling	Session	£91.67	£110.00	£0.00	0.0%	
Leisure							
	3G Hire	South Reading Leisure Centre 3G pitch (full)	Per Hour	£140.00	£168.00	£0.00	0.0%
		South Reading Leisure Centre 3G pitch (half)	Per Hour	£70.00	£84.00	£0.00	0.0%
		South Reading Leisure Centre 3G Pitch (quarter)	Per Hour	£35.00	£42.00	£0.00	0.0%
	Tennis	South Reading Leisure Centre	Per Hour	£5.00	£6.00	£0.00	0.0%
	Parties	Soft Play	Session	£66.67	£80.00	£0.00	0.0%
		Bouncy Castle (Half Hall)	Session	£66.67	£80.00	£0.00	0.0%
		Sporty	Session	£100.00	£120.00	£0.00	0.0%
		Pool Inflatable	Session	£108.33	£130.00	£0.00	0.0%
		Traditional Pool	Session	£66.67	£80.00	£0.00	0.0%
	Club Charges	Reading Athletics Club	Session	£35.00	£42.00	£0.00	0.0%
		Reading Road Runners Friday	Session	£27.79	£33.35	£0.00	0.0%
		Reading Road Runners Wednesday	Session	£47.58	£57.10	£0.00	0.0%
		Reading Track Cycle	Session	£32.33	£38.80	£0.00	0.0%
		Palmer Park Velo Club Use	Session	£17.00	£20.40	£0.00	0.0%
		Palmer Park Velo Club Event	Session	£23.33	£28.00	£0.00	0.0%
		Aikido	Session	£18.88	£22.65	£0.00	0.0%
MUSEUM							
School Sessions	(Session, loan, membership, talk etc)	per event	£149.00	£178.80	£0.00	0.0%	
Welcome and wow talks	(Session, loan, membership, talk etc)	per event	£35.00	£42.00	£0.00	0.0%	
Membership 5 boxes RBC non academy		membership	£385.00	£462.00	£0.00	0.0%	
Membership 3 boxes RBC non academy		membership	£330.00	£396.00	£0.00	0.0%	
Membership 5 boxes academy schools		membership	£412.00	£494.40	£0.00	0.0%	
Membership 3 boxes RBC academy		membership	£357.00	£428.40	£0.00	0.0%	
Membership 5 boxes non RBC schools		membership	£459.00	£550.80	£0.00	0.0%	
Membership 3 boxes non rbc schools		membership	£409.00	£490.80	£0.00	0.0%	
Individual box loan		per box	£45.00	£54.00	£0.00	0.0%	
Curious curator packs and welcome and wow talks		per occasion	£35.00	£42.00	£0.00	0.0%	
Reminiscence		membership	£90.00	£108.00	£6.00	5.9%	
Museum introduction		per occasion	£45.00	£54.00	£0.00	0.0%	
Talks - Booked privately		per talk	£75.00	£90.00	£0.00	0.0%	
Long talks - booked privately		per talk	£150.00	£180.00	£0.00	0.0%	
photography/filming		per image/hour	From £17.50				
Archaeology		per deposit	From £110	From £132	£0.00	0.0%	
Corporate loans		membership	£1,000.00	£1,200.00	£0.00	0.0%	

Page 103

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
Family activities			per event	From 50p		£0.00	0.0%
	Talks - Public		per event	£5.00		£0.00	0.0%
BERKSHIRE ARCHEOLOGY							
Charges for provision of Historic Environment Record data to commercial users		Berkshire Archaeology, DENS	Per Hour	£44.00	£52.80	£0.00	0.0%
ARTS VENUES							
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	0.0%
Reading Arts - Membership scheme for The Hexagon		Charged at the discretion of customers, and along the booking pathway.	Per Transaction	£28.00	£33.60	£3.60	12.0%
BUSINESS DEVELOPMENT							
Lamp Column Banner Advertising (Broad Street West)	Single (3 months)		each	£750.00	£900.00	£0.00	0.0%
	Renewal (additional 3 months)		each	£650.00	£780.00	£0.00	0.0%
	Pair (3 Months)		each	£1,300.00	£1,560.00	£0.00	0.0%
	Renewal (additional 3 months)		each	£1,000.00	£1,200.00	£0.00	0.0%
	Single (6 months)		each	£1,300.00	£1,560.00	£0.00	0.0%
	Renewal (additional 6 months)		each	£1,000.00	£1,200.00	£0.00	0.0%
	Pair (6 months)		each	£2,300.00	£2,760.00	£0.00	0.0%
	Renewal (additional 6 months)		each	£2,000.00	£2,400.00	£0.00	0.0%
Roundabout Advertising	Imperial Way - A33		each	£6,000.00	£7,200.00	£0.00	0.0%
	Castle Street - IDR		each	£6,000.00	£7,200.00	£0.00	0.0%
	Caversham Road - Richfield Ave		each	£5,200.00	£6,240.00	£0.00	0.0%
	Chatham Street - IDR		each	£8,000.00	£9,600.00	£0.00	0.0%
	Forbury Reservation		each	£2,000.00	£2,400.00	£0.00	0.0%
	Forbury / Kenavon Drive		each	£4,500.00	£5,400.00	£0.00	0.0%
	Hartland / Northumberland		each	£4,000.00	£4,800.00	£0.00	0.0%
	Honiton / Northumberland		each	£2,000.00	£2,400.00	£0.00	0.0%
	Norcot / Oxford Road		each	£8,000.00	£9,600.00	£0.00	0.0%
	Liebenrood / Tilehurst Rd		each	£3,600.00	£4,320.00	£0.00	0.0%
	Queens Road reservation		each	£2,000.00	£2,400.00	£0.00	0.0%
	Vastern / Caversham road		each	£3,600.00	£4,320.00	£0.00	0.0%
	Vastern / Forbury Road		each	£4,500.00	£5,400.00	£0.00	0.0%
	Vastern / George Street		each	£8,000.00	£9,600.00	£0.00	0.0%
	Whitley / Christchurch		each	£4,000.00	£4,800.00	£0.00	0.0%
	Whitley Wood Lane/Road		each	£4,000.00	£4,800.00	£0.00	0.0%
	Circuit / Southcote Lane		each	£2,000.00	£2,400.00	£0.00	0.0%
	Southcote Lane / Virginia Way		each	£3,000.00	£3,600.00	£0.00	0.0%
	Gillette Way / Rosekiln		each	£4,000.00	£4,800.00	£0.00	0.0%
	Discretionary discount <25%						
Welcome to Reading Signage	Single 12 months		each	£1,200.00	£1,440.00	£0.00	0.0%
	Single 6 months		each	£800.00	£960.00	£0.00	0.0%
	All 6 months		each	£3,600.00	£4,320.00	£0.00	0.0%
	All 12 months		each	£6,000.00	£7,200.00	£0.00	0.0%
TOWN HALL							
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	£1.75	0.0%
Reading Arts - Membership scheme for The Hexagon		Charged at the discretion of customers, and along the booking pathway.	Per Transaction	£28.00	£33.60	£33.60	0.0%
Concert Hall Room Hire		Room Hire	Day	From £2,245	From £2,694	£204.00	8.2%
Concert Hall plus Tech package		Room Hire & Equipment	Day	£3,475.00	£4,170.00	£270.00	6.9%
Victoria Hall Room Hire		Room Hire	Half Day/Day	From £510	From £612	£48.00	8.5%
Waterhouse Chamber Hire		Room Hire	Half Day/Day	From £215	From £258	£18.00	7.5%
Soane Space		Room Hire	Half Day/Day	From £185	From £222	£12.00	5.7%
Jane Austen/Oscar Wilde		Room Hire	Half Day/Day	From £90	From £108	£12.00	12.5%
Marcus Adams		Room Hire	Day	From £85	From £102	£12.00	13.3%
Concert Hall Daily Delegate Rate		Catering & room Hire	Day	From £45	From £54	£4.80	9.8%
TOWN HALL							
Victoria Hall Daily Delegate Rate		Catering & room Hire	Half Day/Day	From £25	From £30	£4.80	19.0%
Waterhouse Daily Delegate Rate		Catering & room Hire	Half Day/Day	From £30	From £36	£3.60	11.1%
Jane Austen/Oscar Wilde Daily Delegate Rate		Catering & room Hire	Half Day/Day	From £30	From £36	£6.00	20.0%
Soane Space Daily Delegate Rate		Catering & room Hire	Half Day/Day	From £24	From £28.20	£0.00	0.0%
Lectern PA Hire		Equipment	Day	£85.00	£102.00	£6.00	6.3%
PA Hire		Equipment	Day	£60.00	£72.00	£6.00	9.1%
Microphone Hire		Equipment	Day	£65.00	£78.00	£3.60	4.8%

Proposed Fees and Charges from 1st April 2020 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
Tech time	Equipment	Per hour	£30.00	£36.00	£4.80	15.4%
Monitor Hire	Equipment	Day	£40.00	£48.00	£6.00	14.3%
Additional Projector Screen	Equipment	Day	£18.00	£21.60	£3.60	20.0%
LCD Projector	Equipment	Day	£60.00	£72.00	£6.00	9.1%
Laptop Hire	Equipment	Day	£60.00	£72.00	£6.00	9.1%
Piano Hire	Equipment	Day	£60.00	£72.00	£6.00	9.1%
Piano Tuned	Equipment	Day	£100.00	£120.00	£24.00	25.0%
Lectern Hire	Equipment	Day	£15.50	£18.60	£0.60	3.3%
Flip Chart	Equipment	Each	£16.67	£20.00	£0.80	4.2%
Speaker phone	Equipment	Day	£33.00	£39.60	£1.80	4.8%
Display Board	Equipment	Day	£30.00	£36.00	£0.00	0.0%
Dance Floor	Equipment	Day	£75.00	£90.00	£24.00	36.4%
Pads & Pens	Equipment	Per person	£3.50	£4.20	£0.30	7.7%
Photocopies	Equipment	Each	£0.13	£0.15	£0.01	7.1%
Late Bar	Equipment	Event	£125.00	£150.00	£24.00	19.0%
Serving Staff	Equipment	Per hour	£19.00	£22.80	£1.20	5.6%
Security Staff	Equipment	Per hour	£20.83	£25.00	£1.00	4.2%
DJ	Equipment	Per event	£425.00	£510.00	£0.00	0.0%
Stage - Victoria Hall	Equipment	Day	From £85	From £102	£6.00	6.3%
BERKSHIRE RECORDS OFFICE						
Copy certificates (baptism, burial, pre 1837 marriage)		Each	£11.67	£14.00	£0.00	0.0%
Copy certificates (post 1837 marriage)		Each	£9.17	£11.00	£1.00	10.0%
Reprographics		Each	£1.67	£2.00	£0.00	0.2%
Self Service Photos		Each	£0.83	£1.00	-£1.00	-50.2%
Self-Service Printouts		Each	£0.83	£1.00	£0.00	-0.4%
Digital Photos		Each	£8.33	£10.00	£0.00	0.0%
Restoration Service		Half Hour	£13.33	£16.00	£0.00	0.0%
Research		Half Hour	£13.33	£16.00	£0.00	0.0%
Research		Per Hour	£26.67	£32.00	£0.00	0.0%
MODERN RECORDS						
Records Storage	Storage of records by box	Per Box	£9.00	£10.80	£0.00	0.0%
PLAY SERVICES						
School Support	1:1 Support Session	Per hour	£31.52		£0.62	2.0%
	Lunchtime Support Session	Per hour	£23.11		£0.45	2.0%
	STEPS - Travel Project	Per hour	£52.53		£1.03	2.0%
Hire	Equipment Hire - Large	per Session	£105.06		£2.06	2.0%
	Equipment Hire - Medium	per Session	£84.05		£1.65	2.0%
	Equipment Hire - Small	per Session	£52.53		£1.03	2.0%
Staff Support	0-5 Staff Support	Per hour	£16.18		£0.32	2.0%
Events	Play in the Park	per Session	£3.15		£0.06	1.9%
	Mini Kickers	Per hour	£2.10		£0.04	1.9%
	Walking Football	Per hour	£4.20		£0.08	1.9%
	Holiday Events	per Session	£6.30		£0.12	1.9%
Discretionary	Archery for over 50's	per Session	£6.83		£0.14	2.0%
	Team building	per Session	£68.29		£1.34	2.0%
Holiday Clubs Age range 4- 12	8:30am to 1pm	per Session	£9.17	£11.00	£0.00	0.0%
	1pm to 5:30pm	per Session	£9.17	£11.00	£0.00	0.0%
	9am to 3:30pm	per Session	£14.17	£17.00	£0.00	0.0%
	8:30am to 5:30pm	per Session	£18.33	£22.00	£0.00	0.0%
After School Club	Regular Session (single)	per child	£9.17	£11.00	£0.00	0.0%
	Regular Session (siblings)	per child	£7.33	£8.80	£0.00	0.0%
	Short Session (single)	per child	£6.67	£8.00	£0.00	0.0%
	Short Session (siblings)	per child	£5.33	£6.40	£0.00	0.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease) %
BEREAVEMENT SERVICES					
Reading Crematorium					
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)	Each	£0.00		0.0%
	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	£830.00		2.5%
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	£630.00		2.4%
	Cremation Fee without service including environmental levy (DIRECT Crem)	Each	£300.00		-40.6%
	Memorial service or service of double length in addition to usual cremation or interment fee	Each	£410.00		34.9%
	Witness Direct Cremation	Each	£420.00		New Fee -
	Saturday Surcharge	Each	£415.00		23.9%
	Sunday/ Bank Holiday Surcharge	Each	£600.00		New Fee -
	Public Health Cremation Fee including environmental levy	Each	£600.00		3.4%
BEREAVEMENT SERVICES					
Reading Crematorium					
Strewing of cremated remains	Remains received from another Crematorium	Each	£92.50		4.5%
	Retention of remains on temporary deposit per month after the first month for a maximum of three months	Each	£85.00		3.0%
	To witness the strewing of remains	Each	£43.50		3.6%
	Unwitnessed strewing of remains	Each	£43.50		3.6%
Certified extract from register		Each	£38.50		4.1%
Book of remembrance	Two-line entry	Each	£65.83	£79.00	3.9%
	Five-line entry	Each	£109.58	£131.50	4.4%
	Five-line entry with illuminated capital	Each	£165.83	£199.00	3.6%
	Five-line entry with floral motif, service badge etc.	Each	£185.83	£223.00	3.8%
	Eight-line entry	Each	£148.33	£178.00	3.8%
	Eight-line entry with illuminated capital	Each	£207.08	£248.50	3.8%
	Eight-line entry with floral motif, service badge etc.	Each	£268.33	£322.00	3.2%
	Full coat of arms 5-8 lines	Each	£342.50	£411.00	3.1%
	Extra Lines upto a maximum of 11	Each	£24.58	£29.50	4.2%
Remembrance card	Copy of a two-line entry	Each	£40.42	£48.50	3.2%

Proposed Fees and Charges from 1st April 2020 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease) %
	Copy of a five-line entry	Each	£68.33	£82.00	3.1%
	Copy of a five-line entry with any type of motif	Each	£133.33	£160.00	3.2%
	Copy of an eight-line entry	Each	£95.83	£115.00	3.6%
	Copy of an eight-line entry with any type of motif	Each	£149.00	£178.80	2.8%
	Memorial vase and tablet	Purchase of vase and tablet	£227.50	£273.00	2.9%
		Renewal for period of 10 years	£294.00		3.2%
	Memorial plaques	Replacement single plaque	£82.92	£99.50	3.3%
		Replacement single plaque with motif	£99.17	£119.00	3.0%
		Lease of single plaque space for 10 years *Fees are doubled in the case of a 12" x 4" double plaque	£191.00		3.2%
		Renewal of lease for baby plaque	£23.00		3.6%
		Photo Cameo on Plaque additional cost (added to normal plaque cost)	£80.83	£97.00	2.7%
BEREAVEMENT SERVICES					
Reading Crematorium					
Hall of Memory Tree Leaf	Lease for 5 years renewal	Each	£70.50		3.7%
	Replacement leaf	Each	£58.75	£70.50	3.7%
Memorial Tree	Provision of Tree, Surround and stem plaque	Each	£404.17	£485.00	3.6%
	Lease for 10 years	Each	£608.00		3.1%
Memorial bench	Replacement Bench	Each	£591.67	£710.00	2.9%
	Lease for a 10 years	Each	£685.00		2.9%
	Replacement plaque for tree or bench	Each	£125.83	£151.00	3.1%
Wall Plaque	Purchase of memorial granite wall plaque	Each	£139.58	£167.50	6.5%
	Lease of space for memorial granite wall plaque	Each	£294.00		3.2%
	Moving of Memorial Plaque to new location	Each	£51.67	£62.00	3.3%
Administrative	Administration Fee	Each	£51.67	£62.00	3.3%
Memorial Bed Garden	Replacement plaque and surround	Each	£404.17	£485.00	3.6%
	Lease fee for 10 years	Each	£608.00		3.1%
Birdbath Memorial Plaques	Replacement Plaque (row 1)	Each	£92.50	£111.00	2.8%
	Replacement Plaque (row 2)	Each	£132.92	£159.50	3.0%
	Replacement Plaque (row 3)	Each	£185.42	£222.50	3.0%
	Replacement Plaque (row 4)	Each	£253.33	£304.00	3.0%
	Replacement Plaque (row 5)	Each	£319.17	£383.00	3.0%
	Renewal of Lease (10 years)	Each	£294.00		3.2%
Sanctums	Granite Tablet (no motif)	Each	£360.00	£432.00	0.0%
	Lease for further 25 years	Each	£670.00		0.0%
Baby Grave Galvanised Sculpture	Plaque for baby grave	Each	£112.08	£134.50	0.0%
	Replacement plaque	Each	£67.08	£80.50	0.0%
Reading Cemetery					
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	£2,340.00		3.1%
	Section D	Each	£1,870.00		3.1%
	Section G & Mayfield Traditional	Each	£1,445.00		3.2%
	* 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	£1,045.00		3.5%

Proposed Fees and Charges from 1st April 2020 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease) %
	d) Desk Vase Tablet cremated remains plot for 2 set of ashes	Each	£553.00		3.2%
	e) Grave purchased/ reserved for future use	Each	£525.00		4.0%
	* 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				
BEREAVEMENT SERVICES					
Reading Cemetery					
Henley Road, Reading Cemetery, Caversham Cemetery - Exclusive rights of burial in earth graves (including certificates of grant)	*Extension to lease for exclusive rights of burial for 10yrs period on lawn graves	Each	£210.00		New Fee - April 2020
	*Extension to lease for exclusive rights of burial for 15 yrs period on lawn graves	Each	£270.00		New Fee - April 2020
	*Extension to lease for exclusive rights of burial for 25yrs period on lawn graves	Each	£410.00		9.3%
	*Extension to lease for exclusive rights of burial for 10 yrs period on traditioanl graves	Each	£280.00		New Fee - April 2020
	*Extension to lease for exclusive rights of burial for 15 yrs period on traditional graves	Each	£350.00		New Fee - April 2020
	*Extension to lease for exclusive rights of burial for 25yrs period on traditioanl graves	Each	£575.00		11.7%
Vaulted or walled graves	Charges to be individually agreed with the Cemeteries Manager according to size and depth of graves where an exclusive right of burial has been purchased for 75 years				
Burials	Dig Fee to be claimed from Children's Funeral Fund (CFF) for interment of Stillborn to <5 years old.	Each	120.00		New Fee - April 2020
	Dig Fee to be claimed from CFF for interment of a child aged 5-17yrs old	Each	260.00		New Fee - April 2020
	c) If the body is that of a person aged 18 years or over	Each	£815.00		3.2%
	d) Cremated remains in an existing grave or a cremated remains plot	Each	£140.00		3.7%
	Dig Fee to be claimed from CFF for interment of cremated remains stillborn to <5 years old	Each	£15.00		New Fee - April 2020
	Dig Fee to be claimed from CFF for interment of cremated remains of a child aged 5-17yrs old	Each	£32.00		3.2%
	f) Cremated Remains returned from elsewhere for Burial	Each	£49.00		4.3%
	g) For any burial below 6 feet in depth an additional charge will be made per burial	Each	£288.00		2.9%
	Additional depth for child under 18	Each	£182.00		3.4%
BEREAVEMENT SERVICES					
Reading Cemetery					
Common grave	In a grave where an exclusive right of burial has not been granted:				

Proposed Fees and Charges from 1st April 2020 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease) %
	a) If the body is that of a stillborn child or under 5 years old	Each	£0.00		0.0%
	b) If the body is that of a person over 5 years old	Each	£140.00		3.7%
	c) If the body is that of a person aged 18 years or over (Public Health)	Each	£815.00		4.5%
	* The charge payable for burials in any grave where no exclusive right of burial has been granted will be doubled in the case of any person who was not an inhabitant of the Borough				
Monuments, Gravestones, Tablets and Stone kerbs	For the right to erect any gravestone or monument on a grave space:				
	a) Traditional	Each	£282.00		3.3%
	b) Lawn, Park and Mayfield Cemetery	Each	£196.00		3.2%
	c) Park cremated remains section flat stone & DVT's	Each	£72.50		3.6%
	f) Cremated Remains Headstone Section	Each	£72.50		3.6%
Other fees and charges	Transfer of grant of exclusive right of burial	Each	£75.00	£90.00	12.5%
	Search Fee - up to 4 records per enquiry	Each	£13.33	£16.00	6.6%
	Search Fee - for 1 record		£3.96	£4.75	5.6%
	Exhumation of Cremated Remains	Each	£258.00		3.2%
	Use of chapel prior to burial for stillborn child or a child under 18 years old	Each	£65.00		4.8%
	Chapel Fee Prior to a Burial for person over 18 years old	Each	£420.00		38.2%
	Administration Fee for Public Health Funeral	Each	£225.00	£270.00	0.0%
	Charge for provision of a Quran grave	Each	£815.00		3.2%
	Bench Maintenance (Powerwash and treatment with teak oil)	Each	£68.75	£82.50	3.1%
	Removal of trees from plots	Each	£68.75	£82.50	3.1%
	Grave Maintenance	Each	£68.75	£82.50	3.1%
Webcast Services	Live Webcast (upto 20 viewers)	Each	£29.17	£35.00	6.1%
	Live+On-Demand Webcast for up to 28 days and downloadable	Each	£40.83	£49.00	3.2%
	Physical copy of Webcast recording on DVD, blu-ray or USB memory stick and audio cd	Each	£45.42	£54.50	3.8%
	Additional Physical copy CD, DVD, Blu-ray or USB	Each	£21.67	£26.00	4.0%
BEREAVEMENT SERVICES					
Reading Cemetery					
Visual Tributes	Single Photo	Each	£11.25	£13.50	3.9%
	Slideshow (up to 25)	Each	£34.58	£41.50	3.8%
	Photo Tribute (up to 25)	Each	£62.08	£74.50	3.5%
	Additional 25 photos	Each	£20.83	£25.00	0.0%
	Photos & Video Tribute (up to 2 minutes)	Each	£80.83	£97.00	3.2%
	Self Build Checking	Each	£18.33	£22.00	10.0%
	Additional Time for tributes etc:				
	DVD of Pro Photo tribute only	Each	£21.67	£26.00	4.0%

Proposed Fees and Charges from 1st April 2020 - Directorate of Resources

Service		Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease) %
		Physical Copy of Webcast recording including the Pro Photo Tribute on DVD, Memory Stick, Blu-ray	Each	£65.00	£78.00	0.7%
		Downloadable copy of Pro Photo tribute	Each	£10.83	£13.00	0.0%
		Extra Work required on tributes	Each	£21.67	£26.00	4.0%
	Reading Cemetery	*NO NEW GRAVE SPACE AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley Road Cemetery.				
Caversham Cemetery	*NO NEW GRAVE SPACES AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley Road Cemetery.					
REGISTRATION SERVICE						
	Registration Service	Notice of marriage or partnership	Per Person	£35.00		0.0%
	Registration Service (Twice monthly - Tuesday Am only)	Registrar’s attendance at Register Office marriage or civil partnership	Per couple	£46.00		0.0%
	Registration Service	Registrar’s attendance at outside church	Per couple	£90.00		0.0%
	Registration Service	Attendance at place of detention or house for notice of marriage or partnership	Per couple	£300.00		0.0%
	Certificates	Registration Certificate at first time of registering the event	Per Certificate	£11.00		0.0%
		Express Service Replacement Certificate	Per Certificate	£35.00		0.0%
		Replacement certificate Closed Register -Postal/Telephone/web Incl. admin fee	Per Certificate	£11.00		0.0%
	REGISTRATION SERVICE					
	Correction Fee	Correction completed by Register office	Per correction	£75.00		Fee - April 2
		Correction referred to GRO		£90.00		Fee - April 2
		Amendment to birth record with 12 months of registration		£40.00		Fee - April 2
Foreign Divorce admin fee	The administration of foreign divorces when giving notice of marriage or CP.	Per Person	£75.00		Fee - April 2	
Citizenship Ceremonies	Individual Citizenship Ceremony at Yeomanry House (up to max of 30 people)	Per Person	£95.83	£115.00	2.7%	
	Friday & Saturday Individual Citizenship Ceremony at Yeomanry House (up to max of 30 people)	Per Person	£132.50	£159.00	2.6%	
Approved Premises Marriages - (9am to 5pm)	Monday to Thursday (9am to 5pm)	Per Couple	£325.00	£390.00	0.8%	
	Friday & Saturday (9am to 5pm)	Per Couple	£375.00	£450.00	0.0%	
	Sunday & Bank Hols (9am to 5pm)	Per Couple	£404.17	£485.00	0.0%	
Approved Premises Marriages - After 5pm	Venue: Monday to Thursday	Per Couple	£325.00	£390.00	0.0%	
	Venue: Friday & Saturday	Per Couple	£380.00	£456.00	0.0%	
	Venue: Sunday & Bank Hols	Per couple	£412.50	£495.00	0.0%	
New Ceremony Room: Reading Museum & Town Hall	Monday to Thursday	Per Couple	£133.33	£160.00	3.9%	
	Friday & Saturday	Per Couple	£222.50	£267.00	2.7%	
	Sunday & Bank Hols	Per Couple	£404.17	£485.00	0.0%	
Renewal of Vows & Baby Naming	Monday to Thursday	Per Ceremony	£130.00	£156.00	1.3%	
	Friday & Saturday	Per Ceremony	£157.50	£189.00	1.6%	
	Sunday & Bank Hols	Per Ceremony	£183.33	£220.00	1.9%	

Proposed Fees and Charges from 1st April 2020 - Directorate of Resources

Service	Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease) %
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	0.0%
Administrative fee	For services offered on a Saturday such as Notices of Marriage	Per Person	£18.75	£22.50	2.3%
	Changes to booking	Per Person	£18.75	£22.50	2.3%
GIS - MAPPING					
Street Naming & Numbering	New addresses	Each	£46.00	£55.20	0.0%
	New streets	Each	£264.00	£316.80	0.0%
LEGAL SERVICES					
Right to Buy	Engrossment Fee (Freehold)	Per Transfer	£65.00	£78.00	0.0%
	Engrossment Fee (Leasehold)	Per Lease	£75.00	£90.00	0.0%
Requisition (LLC1) Postal	Search using LLC1 form only	per search	£30.00	£36.00	0.0%
***Standard Enquiries (CON29) Postal	Search using CON29 form only	per search	£83.00	£99.60	0.0%
Full Search LLC1 and CON29	Search using LLC1 and CON29 form	per search	£113.00	£135.60	0.0%
Copy documents	Copy document	per request	£25.00	£30.00	0.0%
INCOME & RECOVERY					
Council Tax Summons Cost		Per summons issued	£114.00		0.0%
Business Rates Summons Cost		Per summons issued	£160.00		0.0%
Civil Penalties Housing Benefits		per case identified	£50.00		0.0%
Civil Penalties Council Tax		per case identified	£70.00		0.0%
DEMOCRATIC SERVICES					
Admission Appeals - Charge per appeal		per admission appeal heard	£200.00	£240.00	0.0%
School Exclusion Review Hearing		per review heard	£650.00	£780.00	0.0%
CUSTOMER SERVICES					
Blue Badges (New & Renewals)	Disabled Parking Badge	Each	£10.00		0.0%
COMMUNICATIONS					
Event pitch fee	Charity	Per event	£20.00	£24.00	0.0%
Event pitch fee	Charity with 10% early bird discount	Per event	£18.00	£21.60	0.0%
Event pitch fee	RBC affiliated charity	Per event	£10.00	£12.00	0.0%
Event pitch fee	RBC affiliated charity with 10% early bird discount	Per event	£9.00	£10.80	0.0%
Event pitch fee	Community	Per event	£30.00	£36.00	0.0%
Event pitch fee	Community with 10% early bird discount	Per event	£27.00	£32.40	0.0%
Event pitch fee	Commercial	Per event	£100.00	£120.00	0.0%
Event pitch fee	Commercial with 10% early bird discount	Per event	£90.00	£108.00	0.0%
Event pitch fee	Food trader	Per event	£150.00	£180.00	0.0%
KENNET DAY NURSERY					
Over 2 yrs - RBC		Daily rate (2 sessions)	£48.03		2.0%
Under 2yrs - RBC		Daily rate (2 sessions)	£50.30		2.0%
Over 2 yrs - Non RBC		Daily rate (2 sessions)	£51.66		2.0%
Under 2yrs - Non RBC		Daily rate (2 sessions)	£53.89		2.0%
* AM or PM sessions are charged at half the daily rate. * Siblings are entitled to a £2 per day reduction * Grant Funding available for children a term after their 3rd birthday					
LEARNING AND WORKFORCE DEVELOPMENT					

Proposed Fees and Charges from 1st April 2020 - Directorate of Resources

Service		Category	Charge Unit	New Fee Proposed from April 2020	New Fee including VAT	Increase/ (decrease) %
Training		Places on training for school staff (1 day)	per place	£66.00		0.0%
		Places on training for PVI sector	per place	£33.00		0.0%

Equality Impact Assessment

Name of proposal/activity/policy to be assessed

2020/21 Provisional Budget and Three-Year Medium Term Financial Strategy

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: 20th November 2019

What is the aim of your policy or new service?

Full Council approved a revenue budget for 2019/20 including a three-year Medium Term Financial Strategy [MTFS] in February 2019. That budget was balanced over the three years and did not rely on the use of reserves.

In building an updated detailed budget for 2020/21 and MTFS for 2020/21 to 22/23 the need to re-validate the assumptions around the next two years and look to changes required by incorporating a further new year is required.

In monitoring and reporting on progress to deliver the existing planned three year savings through the savings tracker process, a number of individual proposals have been identified as being undeliverable in the manner in which they had originally been proposed. As a consequence, a number of savings are proposed to be removed (or deferred to later years) which sees £3,025k of savings removed over the existing three-year MTFS period.

In addition to the above requested removal or re-profiling of existing agreed savings, a further £1,850k have been re-profiled into the fourth year 2022/23 which was not previously included in currently agreed MTFS but becomes part of the new planning horizon when setting the next MTFS.

Who will benefit from this proposal and how?

Residents and service users will benefit from the Council setting a balanced and affordable budget that ensures the Council's finances are sustainable. The budget is 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

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 77 new business cases for change set out in (Appendices 1-3). The Equality duty has been considered for each of these proposed savings. For 58 of these the Equality Duty is not relevant to the changes proposed or no negative impact is identified under the Equality Duty.

For 19 of the proposed changes an Equality Impact Assessment will be required as the proposals are developed. These are:

Ref	Change Proposal	Reason for Equality Impact Assessment
DOR-2021-03 & 06	New Customer Services Strategy Making the Customer Service and Corp Improvement function more efficient	Improvements to Complaints and Information Governance will lead to enhanced service offering to customers. This proposal is likely to affect around 120 staff. The proposals for the changes in the operating model will be consulted on as per the organisations staff consultation process.
DEGNS-2021-04	Review of Rents on Garages and Shops	Increased costs for some tenants/leaseholders. May impact on accessibility and sustainability of local shops and may negatively impact some equality groups.
DEGNS-2021-07	Food waste and smaller bins	Possible that some (racial, disability, age and religious belief) groups may be affected differently than others
DEGNS-2021-13	Fundamental Service review of Highways	The review aims to identify potential positive outcomes that can be implemented for external and internal stakeholders. But these have yet to be determined as the FSR has only just commenced.
DEGNS-2021-16	Cultural Services - internal reconfiguration and transformation	A review of service delivery is underway to be implemented for 2021/22.
DEGNS-2021-22	Borough wide Car Parking and Air Quality Management Strategy (BCAMS)	Aims to ensure the potential schemes are delivered and the aspirations of the Council's declared Climate Emergency and LTP are addressed. Statutory consultation will take place in December 2020.
DEGNS-2021-26	Fundamental Service Review - Parking	The review aims to identify potential positive outcomes that can be implemented for external and internal stakeholders. But these have yet to be

Ref	Change Proposal	Reason for Equality Impact Assessment
		determined as the FSR has only just commenced.
DEGNS-2021-33	Fundamental Service Review - Business Support (Planning, Building Control & Regulatory Services)	A reduction in business support staff across the three service areas of 4 FTE as a result of improved service delivery mechanisms such as automation.
DEGNS-2021-34	FM/Building Cleaning Fundamental Service Review (FSR)	The review aims to identify potential positive outcomes that can be implemented. But these have yet to be determined as the FSR has not yet commenced.
DEGNS-2021-35	Parks and Cleansing Fundamental Service Review	The review aims to realise efficiency savings and improved outcomes for service users but these have yet to be determined as the FSR has not yet commenced.
DEGNS-2021-40	Fundamental Service Review - Housing	The review aims to identify potential positive outcomes that can be implemented but these have yet to be determined as the FSR has not yet commenced.
DACHS-2021-11	Asset Review	Service users and carers will be impacted as the new models may result in a move of service whilst more improved accommodation is sought. Providers may be impacted depending on the model of service chosen (e.g. increase or decrease of services purchased externally). Staff may be impacted depending on the chosen service delivery models.
DACHS-2021-16	Review of Public Health Expenditure	Public health investment in leisure services is being made to ensure all residents benefit from the improvement to health increasing physical activity levels can bring. Mitigation plans will be developed to avoid potential impacts on other

Ref	Change Proposal	Reason for Equality Impact Assessment
		<p>areas, however, some residents may potentially experience a reduction in the availability of other services, in particular: access to residential alcohol rehabilitation placements (from 3 per annum to 1), capacity to treat opioid/non-opioid users (a 5% reduction) and access to contraceptive services.</p>
DACHS-2021-19	Supporting young people into adulthood	<p>The proposed change would ideally have only positive impacts on service users and their families, although the shift away from a long-term care to short-term intensive work focused on maximising independence could represent a culture shift in some cases that would require considered care planning and careful communication.</p> <p>The proposed change would impact on current staff in Adult Social Care and Brighter Futures for Children who currently support transitions clients. Consideration would also need to be given to how the proposed new service could be best situated to ensure that it receives a strategic direction from Education and Health as well as BFFC and ASC, and whether it would be disadvantageous for the team to form part of the Locality Team Workforce Review.</p>
DACHS-2021-20	Adult Social Care Day Service Reconfiguration	<p>Any changes to the way day services are configured would impact on service users who use the services, their families / carers who may be reliant on it for respite and the day service providers themselves who may already be struggling in the current economic climate. As such the project will need to include intensive</p>

Ref	Change Proposal	Reason for Equality Impact Assessment
		<p>consultation with stakeholders to ensure that any proposals are co-produced.</p> <p>Depending on the option approved there may be implications for internal teams, for example Direct Payments or internal day services having more (or less) placements.</p>
DACHS-2021-21	Outcomes-Based Service Delivery	<p>Service users and their families could experience a shift from a "cared for" environment to a "supported to" environment; the rationale for and benefits of this approach will need to be discussed and agreed in the course of care planning sessions, progressing only if all parties agree that this is in the service user's best interest.</p> <p>Locality Team staff may (if the pilot is successful) face a culture change in moving away from the current "cared for" style of care planning to a more "supported to" style of care planning. This will require preparatory communications and case studies to demonstrate the value of this change (gathered from the Pilot phase).</p> <p>Workforce and Finance Teams will need to be consulted in the event that a decision is made to implement this approach to care planning across the directorate, as the shift will likely require additional wide scale training.</p>
DACHS-2021-22	Additional DACHS Staffing Efficiencies	<p>Whilst the intention remains to ensure that external customers receive a streamlined service depending on the changes required there may be impacts in how people access the DACHS services.</p> <p>Staff within the Directorate will be impacted by these changes and therefore formal consultation will be</p>

Ref	Change Proposal	Reason for Equality Impact Assessment
		undertaken.
DACHS-2021-23	Enhanced Reablement for Mental Health & Learning Disability Service Users	Depending on the model chosen the way service users receive services may change for people with Mental Health issues or a Learning Disability. Staff will be required to work differently and will need to be trained accordingly.

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

The consultation on the Budget specifically asked what adverse impact the proposals might have. Both in response to this question and in response to the consultation in general, a number of respondents commented that an increase in Council Tax would have an impact on vulnerable groups most likely to experience low income particularly elderly people, people with a disability and families with young children.

Respondents suggested the impacts could be mitigated by communicating changes clearly and introducing more support for vulnerable groups. To improve communication with residents the Council is committing to:

- A new website design with an improved 'news and updates' function;
- A twice-yearly residents newsletter delivered to every household in the Borough;
- Monthly e-newsletters which anyone can sign up to receive;
- Better engagement with partners;
- Increased promotion of consultations and opportunities to influence Council policy and decision making.

The Council's budget makes provision to help its care leavers with their Council Tax bills on a tapering basis. It should also be noted that other vulnerable groups are eligible for support with their Council Tax bills. The Government's prescribed default scheme for older people can provide Council Tax Support of up to 100% dependent on circumstances. Those of working age can apply for support of up to 65% of their Council Tax Liability, through the Council's Local Council Tax Support Scheme.

The Council recently consulted on three changes to our current Council Tax Support scheme, which would benefit those eligible for Council Tax support. The changes remove the need to re-apply for Council Tax Support when migrating from Housing Benefit to Universal Credit; disregard Severe Disability Transitional payments from the income calculation; and provides greater clarity on the treatment of excess

Appendix 8

Council Tax Support. The consultation saw nearly 1,600 responses with over 80% in favour of the recommended changes, which will be implemented from the 1st April 2020.

The Council is also looking to adopt the Citizens Advice Council Tax Protocol to improve partnership working with the advice sector and better support those residents that are struggling financially. The process will result in better communication, with targeted campaigns to ensure residents are receiving all the support to which they are entitled.

1. Background

- 1.1 School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local authority, and with specific regulations on what each block of funding can be spent on:
- Schools Block – funds primary and secondary schools through the school formula, and growth funding for new and growing schools/bulge classes.
 - Central Schools Services Block – funds services provided by the local authority centrally for all schools (including academies), such as the admissions service.
 - Early Years Block – funds the free entitlement for 2, 3, & 4-year olds in all early year's settings in the private, voluntary and independent (PVI) sector as well as maintained nursery schools, and nursery classes in mainstream schools.
 - High Needs Block – funds places in special schools, resource units and alternative provision, and top up funding for pupils with Education, Health & Care Plans (EHCPs) in all settings including non-maintained special schools, independent special schools, and further education colleges.
- 1.2 The allocations for 2020/21 were published by the Government on 19th December 2019. Most are now fixed for the year; part of the high needs block will be confirmed later in the year (July 2020), and the early years block will be based on future census data (January 2020 and January 2021).
- 1.3 The DSG must be deployed in accordance with the conditions of grant and the latest School and Early Years Finance (England) Regulations. Detailed guidance is contained within various operational guidance documents issued by the Education Funding & Skills Agency (EFSA).
- 1.4 The DSG is a ring-fenced grant, though some funding can be transferred between blocks. Up to 0.5% of the school's block allocation can be transferred to other funding blocks, but only with the agreement of Schools' Forum. The Schools' Forum at its meeting in December 2019, agreed to transfer £350k from the 2020/21 school's block allocation to the high needs block, in order to continue to financially support those schools with a higher than average percentage of pupils with EHCPs.
- 1.5 Schools' Forum is consulted on all aspects of the DSG and has five meetings a year with officers. All reports and minutes can be found on the following web page:

<https://www.reading.gov.uk/schools-forum-meeting-papers>

2. DSG Allocation and Budgets for 2020/21

- 2.1 Table 1 sets out the DSG allocations for 2020/21 as published by the Government on 19th December 2019 and compares to the final 2019/20 allocations. Overall, the DSG will increase by just over £8m (6.5%) to £132m. The Council receives its allocation gross and determines how the gross amount is allocated to schools and services. The Government then recoup the amounts for academy schools to pay them direct, leaving the Council with a net allocation

for maintained schools and central services. High needs recoupment has increased in 2020/21 due to Phoenix College and Cranbury College transferring to an academy trust.

Table 1: DSG allocations per block

BLOCK	2019/20 REVISED (£'000)	2020/21 ORIGINAL (£'000)	Change (£'000)
Schools Block	89,524	95,536	6,012
Central Schools Services Block	1,330	1,218	-112
Early Years Block	12,407	12,595	188
High Needs Block	20,483	22,472	1,989
TOTAL (Gross)	123,744	131,821	8,077
Less Recoupment - schools	-44,853	-49,165	-4,312
Less Recoupment – High Needs	-2,448	-4,162	-1,714
TOTAL (Net)	76,443	78,494	2,051

Schools Block

- 2.2 The schools block will increase by over £6m (6.7%) to £95.5m. Of this increase, approximately £2m is due to changes in pupil numbers - an additional £2.9m in secondary for an additional 541 pupils, and a reduction of £0.9m in primary as numbers in this sector have gone down by 222. The rest of the increase is additional funding, allocated through an increase to the per pupil funding values – an increase of £201 per primary pupil and an increase of £281 per secondary pupil. Over £1.3m of the total is allocated as growth funding, which has gone down from £1.6m allocated in 2019/20.
- 2.3. The schools block allocation is based on Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs). These units are calculated for each local authority by adding together the total formula allocations for each school in each phase using the National Funding Formula (NFF) but using the previous year's data and dividing by the previous year's pupil numbers for each phase. These units are then fixed and are multiplied by the October 2019 census pupil numbers to give the final funding allocation for the following year.
- 2.4 The schools block budget has been set based on the recommendations and decisions made at the December 2019 meeting of the Schools' Forum.
- 2.5 £1.345m has been set aside for growth funding. Part of the growth funding allocation is used in the school formula for new/expanding schools (Civitas is still growing and the new primary school at Green Park is due to open in September 2020), the remainder (£973k) is being ring-fenced and set aside for bulge classes and other expansions/a new secondary school in 2020/21 and 2021/22.
- 2.6 The approach to setting the school formula for 2020/21 has been to mirror as far as possible the National Funding Formula (NFF) because it is still the Government's intention to move to the NFF as soon as is practically possible, and it would make no sense to now move away from it. The following has therefore been applied:

- As Reading is already mirroring the NFF in terms of factors being used, there will be no change to the factors.
- The factor values are currently all, as a minimum, at the national NFF level *excluding* the Area Cost Adjustment (ACA), and this will continue, which is a 4% increase to the relevant factor values.
- Set a minimum funding guarantee of the maximum allowed of 1.84% which allows for inflation.
- Set the mandatory minimum per pupil funding levels.
- Don't apply a gains cap so all schools receive all gains due to them (none was applied in the previous 2 years).
- Make the changes to the mobility factor to mirror the NFF.
- Business rates to continue to be funded at actual cost, and the budget has assumed a 1.78% increase to the multiplier.

- 2.7 It was originally assumed that it would not be affordable to increase all factors up to the NFF value *including* the ACA, so a consultation was carried out with all schools during the Autumn on which factor(s) to increase, whereby 4 options were provided. This was discussed at the December 2019 Schools' Forum, where most members agreed with the local authority proposal to allocate the available ACA funding through the additional needs' factors.
- 2.8 The actual DSG allocation has enabled the local authority to mirror the NFF values *including* the ACA for *all* factors except the lump sum, so they have all been increased to this level. This has resulted in an increase of approximately 7% for most factors. The lump sum has been increased by 1.9%, being the balancing figure to utilise all available funding. As the primary AWPU was previously already at the NFF including the ACA, the increase to this factor is 4%. This value is still lower than the 2017/18 value (pre NFF). Annex 1 shows all the formula factors and their final values compared to the previous three years.
- 2.9 Annex 2 shows the final formula allocations for each individual school and compares this to the 2019/20 allocations. On average, primary schools have gained by 4.16% per pupil and secondary by 6.38% per pupil. 7 schools are receiving the Government's minimum per pupil funding level of £3,750 primary (4 schools) and £5,000 secondary (3 schools). Only 3 schools are on the minimum funding guarantee (Alfred Sutton, Katesgrove, and Micklands totalling £44k) which means that these schools are still receiving protection funding (minimum increase of 1.84% per pupil) due to being disadvantaged from the NFF compared to the previous local formula.
- 2.10 14 primary schools will have an overall reduction in funding, due to reductions in pupil numbers. Where these are significant (around 30), these are due to bulge classes finishing, so are planned reductions, whereby the costs associated with the extra class should have also ceased and should not impact on the school's financial position.
- 2.11 Reading has moved a big step towards the NFF, virtually mirroring it and with just three schools still receiving protection. This is because of the significant increase in funding for 2020/21. Note that the Government has promised further similar increases for the following two years.

- 2.12 The teachers' pay grant and teachers' pension grant will both continue as separate funding streams outside the formula. The funding rates for 2020/21 academic year will be announced in due course. No announcements have been made yet on other grants, such as pupil premium.

Central School Services Block

- 2.13 The central school services block has gone down by £0.112m to £1.218m, due to the phasing out of funding for historical commitments. There has been no inflationary increase for the other services it funds.
- 2.14 In order to balance the budget in this block, the historical commitment budgets have been reduced in order to reflect this funding reduction; these budgets are contributions towards service costs, so will result in these services either having to fund the reduction from elsewhere or reduce the level of service.

Early Years Block

- 2.15 Nationally there has been an additional £66m allocation for early years. This translates to an hourly funding rate increase in the early years block for 2, 3, & 4-year olds of 8 pence. There will be no change to the early year's pupil premium rate or disabled access fund rate. Based on January 2019 census recorded hours, this is an overall increase of just £0.188m (1.52%). The actual allocation will be based on January 2020 hours (5/12) and January 2021 hours (7/12). The maintained nursery school lump sum (transitional funding) will continue for the entire financial year (it had previously been announced it was to continue just to the end of the 2019/20 academic year).
- 2.16 The percentage increase to the early year's block is relatively small compared to the schools and high needs blocks. The full increase will be passed on to all providers by increasing the provider funding rates by at least 8p. It is likely that the deprivation funding rate will also be increased for 2020/21.
- 2.17 The budgets for provider payments to be made from the early years block cannot be determined until the draft January 2020 census data is available in late February. Details on these budgets will be reported to the Schools' Forum in March.
- 2.18 Central budgets funded by this block will remain virtually the same as in 2019/20. Central budgets can be no greater than 5% of the total early years block allocation. The decision on these budgets will be taken at the March Schools' Forum.

High Needs Block

- 2.19 There is no change to the High Needs funding formula, and the national £700m of additional funding in 2020/21 for high needs has been allocated through this formula. Under this formula, Reading currently loses funding, and is therefore on the funding floor, however every local authority is receiving a minimum increase of at least 8% per head of the age 2 to 18 population based on their 2019/20 allocation. On this basis, the allocation for the high

needs block is increasing by £1.989m (9.7%) to £22.5m. Most of this is already confirmed funding; the import/export adjustment of -£1.9m will be confirmed at a later date.

- 2.19. There is the expectation from the Government that most, if not all of the increase, will go towards offsetting high needs deficits, particularly in those authorities where their deficit recovery plans do not recover the debt in the short term. Reading's original deficit recovery plan repaid the deficit in three years, but numbers of EHCPs and costs are increasing at a higher rate than the forecast, and the deficit is currently estimated to be £3.3m at the end of 2019/20.
- 2.20. The top up bandings for all our high needs settings and in mainstream schools are being reviewed, and some of the increase will go towards implementing any changes to the banding system. These changes will be implemented **from September 2020**, and this will include increasing the funding rates for inflation (1.8%) as a minimum. This should result in increases in funding for these settings.
- 2.21. In addition to place and top up funding for pupils with EHCPs, there are some central budgets funded from the high needs DSG, and the majority of these are not expected to increase.

3. Deficit Recovery Plan

- 3.1. The high needs block has been in deficit for several years. Over 75% of the high needs block is payments for statutory top up fees for pupils/students with Education Health and Care Plans (EHCPs). This is the area of highest risk due to the unpredictability of the number and level (cost) of plans. It is the continued growth (see Table 2) in both the number and cost of these plans that has led to the DSG deficit.

Table 2: Numbers of EHCPs

Date	Actual Total Number	Annual Year on Year Increase
14/15: January 2015	959	
15/16: January 2016	1,002	43
16/17: January 2017	1,066	64
17/18: January 2018	1,175	109
18/19: January 2019	1,276	101
19/20: December 2019	1,394	118

- 3.2 In 2018/19, the high needs block balanced in-year and part of the deficit was repaid, despite the continuing pressure of increasing numbers of EHCPs. Transfers of funding between blocks including using underspend from other blocks helped bring the deficit in the high needs block down, from its peak of £3.4m overspend at the end of 2016/17. The 2019/20

plan assumed a closing deficit of £1.8m in 2019/20, and the recovery to have been achieved by the end of 2022/23.

3.3 The main elements of the recovery plan are as follows:

- The largest individual top up costs are in specialist placements out of county, particularly non maintained and independent providers. Part of the strategy is to invest in more local provision which will be at a reduced cost, though the financial benefit will take a number of years to materialise. A reduction in cost of £390k per year was built into the plan from 2020/21 onwards. New resource unit places are being developed locally, and the bid process for running a new special school is currently underway, with the successful provider likely to be appointed in 2020.
- Inclusion of high needs pupils in mainstream schools to avoid being placed in more expensive specialist provision. As part of this, additional funding for schools with a higher than average percentage of pupils with EHCPs was introduced in September 2018 for a year's trial. This has been reviewed and will continue for 2020/21. In 2020/21 this cost will be met by a top slice from the schools' block DSG (this was not in the plan and will benefit the deficit recovery).
- Some funds have been invested to improve the SEND commissioning element that review SEND placements/contracts.
- It was assumed and built into the plan that high needs funding would increase by just over £0.5m from 2020/21 onwards, whereas it is increasing by approximately £2.0m in 2020/21 and should be a similar amount in the following two years.

3.4 As a local authority with a deficit greater than 1%, the recovery plan had to be submitted to the ESFA in June. The ESFA review each plan to determine its robustness and viability and also establish areas where they can support local authorities to bring their deficits into balance. Feedback was received from them at the end of October and was brief. They were generally satisfied with the plan – because the required detail to back up the plan had been provided and the deficit was recovered in four years. However, a support meeting has been arranged with ESFA advisors in late March 2020 to review the refreshed plan.

3.5 The current plan now looks very different to the one submitted, with the deficit forecast to go up to £3.3m by the end of this financial year compared to the original £1.8m. As well as the top up forecast increasing, the early year's contingency is no longer being shown as offsetting the deficit as it will remain with the early years block.

3.6 The impact of the current budget monitoring forecast on the recovery plan is shown in Table 3. This now takes the current spending on top ups and assumes this will rise by £0.7m in 2020/21 net of savings, against a high needs block allocation increase of £2m, and for the following two years expenditure will continue to rise by £0.5m per annum against an allocation increase of £1.5m per annum. It is assumed that all other blocks will balance in year with any under/over spends *not* offsetting the deficit – this includes *not* using the contingency in the early years block. On this basis, recovery will still happen in 2022/23, but this is taking a simplistic view on expenditure and income and is very much dependent on the future high needs DSG allocations continuing to rise as promised by the Government.

The original plan assumed expenditure of £17.1m in 2022/23, and this plan now expects expenditure to be £21.2m by then – an additional £4m.

Table 3: Current DSG Recovery Plan

	2019/20 Original Budget £m	2019/20 Current Forecast £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
High Needs Expenditure	18.281	19.543	20.243	20.743	21.243
High Needs Income	-18.428	-18.482	-20.385	-21.885	-23.385
High Needs In Year Deficit/(surplus)	-0.147	1.061	-0.142	-1.142	-2.142
Add B/F Deficit	2.245	2.245	3.306	3.164	2.022
Less Net Underspends in other blocks	-0.306	0	0	0	0
Current Year End Position	1.792	3.306	3.164	2.022	-0.120
Original Year End Position		1.792	1.612	0.952	-0.189

- 3.7 A more detailed refresh of the plan is currently being worked on using latest EHCP data and forecasts. It is likely that a significant part of the additional £2m will offset increases in both numbers of top ups and inflationary increases to top up fees. It is unlikely that there will be a decrease to the deficit in 2020/21. The draft refresh of the plan will be discussed with the ESFA advisors at the meeting in late March and will then be finalised and submitted in June.
- 3.8 There is no information yet on how the increases in funding announced for schools and high needs for 2021/22 and 2022/23 will be allocated but receiving similar increases to 2020/21 in the high needs block will be critical in order to recover the debt. The ESFA has recently consulted with local authorities on ring-fencing the DSG and for the deficit to be totally separate from local authority funding and reserves. This means that the deficit must not be funded by the local authority's general reserves and that DSG deficits will over time be recovered from DSG income. The carry forward of a deficit will no longer require the consent of Schools' Forum. This will provide certainty to local authority finances.

4. Annexes

Annex 1 – Final Formula Factors and Values 2017/18 to 2020/21

Annex 2 - Final 2020/21 School Formula Allocations for Primary and Secondary Schools

Annex 1

Final Formula Factors and Values: 2017/18 to 2020/21

Formula Values	2017/18	2018/19			2019/20			2020/21			Notes to 2020/21 actual values (Reading ACA is 1.03406)
	Reading Actual (Pre NFF)	NFF	Reading NFF with ACA	Reading Actual	NFF	Reading NFF with ACA	Reading Actual	NFF	Reading NFF with ACA	Reading Actual	
Basic Entitlement:											
Primary	£3,131	£2,746.99	£2,840.55	£2,950.00	£2,747.00	£2,841.00	£2,841.00	£2,857.00	£2,954.31	£2,954.00	as per NFF with ACA
Secondary - KS3	£3,833	£3,862.65	£3,994.21	£3,863.00	£3,863.00	£3,995.00	£3,863.00	£4,018.00	£4,154.85	£4,154.00	as per NFF with ACA
Secondary - KS4	£4,370	£4,385.81	£4,535.19	£4,386.00	£4,386.00	£4,536.00	£4,386.00	£4,561.00	£4,716.35	£4,716.00	as per NFF with ACA
Deprivation:											
Free School Meals - Primary	£1,356	£440	£455	£440	£440	£455	£440	£450.00	£465.33	£465.00	as per NFF with ACA
Free School Meals - Secondary	£2,791	£440	£455	£440	£440	£455	£440	£450.00	£465.33	£465.00	as per NFF with ACA
Free School Meals Ever 6 - Primary	£0	£540	£558	£540	£540	£558	£540	£560.00	£579.07	£579.00	as per NFF with ACA
Free School Meals Ever 6 - Secondary	£0	£785	£812	£785	£785	£812	£785	£815.00	£842.76	£842.00	as per NFF with ACA
IDACI Band F (0.2 - 0.25) - Primary	£0	£200	£207	£200	£200	£207	£200	£210.00	£217.15	£217.00	as per NFF with ACA
IDACI Band F (0.2 - 0.25) - Secondary	£0	£290	£300	£290	£290	£300	£290	£300.00	£310.22	£310.00	as per NFF with ACA
IDACI Band E (0.25 - 0.3) - Primary	£0	£240	£248	£240	£240	£248	£240	£250.00	£258.52	£258.00	as per NFF with ACA
IDACI Band E (0.25 - 0.3) - Secondary	£0	£390	£403	£390	£390	£403	£390	£405.00	£418.79	£418.00	as per NFF with ACA
IDACI Band D (0.3 - 0.4) - Primary	£0	£360	£372	£360	£360	£372	£360	£375.00	£387.77	£387.00	as per NFF with ACA
IDACI Band D (0.3 - 0.4) - Secondary	£0	£515	£533	£515	£515	£533	£515	£535.00	£553.22	£553.00	as per NFF with ACA
IDACI Band C (0.4 - 0.5) - Primary	£0	£390	£403	£390	£390	£403	£390	£405.00	£418.79	£418.00	as per NFF with ACA
IDACI Band C (0.4 - 0.5) - Secondary	£0	£560	£579	£560	£560	£579	£560	£580.00	£599.75	£599.00	as per NFF with ACA
IDACI Band B (0.5 - 0.6) - Primary	£0	£420	£434	£420	£420	£434	£420	£435.00	£449.82	£449.00	as per NFF with ACA
IDACI Band B (0.5 - 0.6) - Secondary	£0	£600	£620	£600	£600	£620	£600	£625.00	£646.29	£646.00	as per NFF with ACA
IDACI Band A (over 0.6) - Primary	£0	£575	£595	£575	£575	£595	£575	£600.00	£620.44	£620.00	as per NFF with ACA
IDACI Band A (over 0.6) - Secondary	£0	£810	£838	£810	£810	£838	£810	£840.00	£868.61	£868.00	as per NFF with ACA
Prior Attainment:											
Primary	£649	£1,050	£1,086	£950	£1,022	£1,057	£1,022	£1,065.00	£1,101.27	£1,101.00	as per NFF with ACA
Secondary	£912	£1,550	£1,603	£1,300	£1,550	£1,603	£1,550	£1,610.00	£1,664.84	£1,664.00	as per NFF with ACA
English as an Additional Language:											
Primary	£679	£515	£533	£600	£515	£532	£515	£535.00	£553.22	£553.00	as per NFF with ACA
Secondary	£1,367	£1,385	£1,432	£1,385	£1,385	£1,432	£1,385	£1,440.00	£1,489.05	£1,489.00	as per NFF with ACA
Mobility	£745	n.a.	n.a.	£1,000	n.a.	n.a.	£1,000				
Primary								£875	£904.80	£904.00	as per NFF with ACA
Secondary								£1,250	£1,292.58	£1,292.00	as per NFF with ACA
Lump Sum	£48,480	£110,000	£113,747	£85,000	£110,000	£113,747	£112,455	£114,400.00	£118,296.46	£114,600.00	minimum as per NFF (but with no ACA)
Business Rates (Actual - locally set)	£1,147,157			£1,185,732	£1,185,732		£1,206,397	£1,206,397		£1,322,787	Actual estimate
Exceptional Circumstances (locally set):											
Rents	£74,895			£74,895	£74,895		£59,826	£59,826		£59,046	Actual
Split Site	£17,149			£17,149	£17,149		£17,149	£17,149		£17,149	Local
Minimum Per Pupil Level											
Primary	n.a.	£3,300	£3,300	£3,300	£3,500	£3,500	£3,500	£3,750	£3,750	£3,750	as per actual NFF
Secondary	n.a.	£4,600	£4,600	£4,600	£4,800	£4,800	£4,800	£5,000	£5,000	£5,000	as per actual NFF
(KS3 only school)					£4,600						
(KS4 only school)					£5,100		£5,100			£5,300	as per actual NFF
Minimum Funding Guarantee	-1.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	1.84%	1.84%	1.84%	as per actual NFF

Annex 2

Final 2020/21 School Formula Allocations for Primary and Secondary Schools

LAESTA B	SCHOOL	2019/20 ACTUAL ALLOCATION			2020/21 FINAL ALLOCATION			Overall Change between 2019/20 and 2020/21			
		Formula Allocation	Pupil No's (Oct 2018)	Per Pupil Funding	Formula Allocation	Pupil No's (Oct 2019)	Per Pupil Funding	Total	%	Per Pupil	%
8702000	Alfred Sutton Primary School	2,363,268	610	3,874.21	2,415,589	613	3,940.60	52,321	2.21%	66.39	1.71%
8702003	Caversham Primary School	1,606,427	452	3,554.04	1,596,075	419	3,809.25	-10,352	-0.64%	255.21	7.18%
8702005	Coley Primary School	1,023,908	234	4,375.67	991,174	216	4,588.77	-32,733	-3.20%	213.10	4.87%
8702006	E P Collier Primary School	1,356,118	328	4,134.50	1,445,534	336	4,302.19	89,417	6.59%	167.68	4.06%
8702007	Geoffrey Field Junior School	1,539,253	358	4,299.59	1,570,433	353	4,448.82	31,181	2.03%	149.23	3.47%
8702008	Geoffrey Field Infant School	1,192,072	269	4,431.49	1,243,006	267	4,655.45	50,934	4.27%	223.96	5.05%
8702016	Oxford Road Community School	1,029,222	236	4,361.11	947,231	205	4,620.64	-81,990	-7.97%	259.53	5.95%
8702018	Redlands Primary School	941,902	230	4,095.23	873,488	202	4,324.20	-68,415	-7.26%	228.97	5.59%
8702019	The Hill Primary School	1,603,725	447	3,587.75	1,718,402	447	3,844.30	114,677	7.15%	256.55	7.15%
8702020	The Ridgeway Primary School	1,710,515	386	4,431.39	1,905,681	409	4,659.37	195,166	11.41%	227.98	5.14%
8702021	Park Lane Primary School	1,542,011	413	3,733.68	1,600,693	411	3,894.63	58,682	3.81%	160.95	4.31%
8702024	Wilson Primary School	1,643,342	413	3,979.04	1,703,409	417	4,084.91	60,067	3.66%	105.88	2.66%
8702026	Emmer Green Primary School	1,622,488	451	3,597.53	1,588,416	416	3,818.31	-34,072	-2.10%	220.77	6.14%
8702027	Southcote Primary School	2,194,353	581	3,776.85	2,405,016	617	3,897.92	210,663	9.60%	121.06	3.21%
8702029	St Michael's Primary School	1,639,622	410	3,999.08	1,695,697	409	4,145.96	56,075	3.42%	146.88	3.67%
8702034	Moorlands Primary School	1,723,897	415	4,153.97	1,660,509	381	4,358.29	-63,389	-3.68%	204.32	4.92%
8702036	Thameside Primary School	1,592,088	408	3,902.18	1,582,144	392	4,036.08	-9,944	-0.62%	133.90	3.43%
8702226	Katesgrove Primary School	2,499,602	602	4,152.16	2,535,690	601	4,219.12	36,088	1.44%	66.96	1.61%
8702233	Caversham Park Primary School	787,638	204	3,860.97	801,735	198	4,049.16	14,096	1.79%	188.19	4.87%
8702234	Micklands Primary School	1,550,795	399	3,886.70	1,516,757	382	3,970.57	-34,037	-2.19%	83.87	2.16%
8702253	Manor Primary School	1,247,888	286	4,363.24	1,270,097	278	4,568.70	22,210	1.78%	205.45	4.71%
8703000	All Saints Church of England Aided Infant School	319,234	60	5,320.57	342,836	62	5,529.62	23,602	7.39%	209.05	3.93%
8703302	St Anne's Catholic Primary School	808,189	193	4,187.51	779,966	181	4,309.20	-28,223	-3.49%	121.70	2.91%
8703304	English Martyrs' Catholic Primary School	1,690,523	427	3,959.07	1,701,946	414	4,110.98	11,424	0.68%	151.91	3.84%
8703305	Christ The King Catholic Primary School	1,513,010	348	4,347.73	1,430,113	318	4,497.21	-82,897	-5.48%	149.48	3.44%
8703360	St Martin's Catholic Primary School	590,904	145	4,075.20	655,755	155	4,230.68	64,851	10.97%	155.48	3.82%
8703361	Whitley Park Primary and Nursery School	2,508,394	569	4,408.43	2,375,406	516	4,603.50	-132,989	-5.30%	195.07	4.43%
8705411	Blessed Hugh Faringdon Catholic School	3,915,798	762	5,138.84	4,400,920	800	5,501.15	485,122	12.39%	362.31	7.05%
8702002	All Saints Junior School	430,690	95	4,533.57	440,179	95	4,633.46	9,489	2.20%	99.88	2.20%
8702004	Meadow Park Academy	1,390,974	332	4,189.68	1,440,997	325	4,433.84	50,023	3.60%	244.16	5.83%
8702011	Battle Primary Academy	1,595,638	390	4,091.38	1,630,958	389	4,192.70	35,321	2.21%	101.32	2.48%
8702012	The Palmer Primary Academy	1,682,886	389	4,326.18	1,668,808	376	4,438.32	-14,078	-0.84%	112.13	2.59%
8702015	Civitas Academy	1,019,835	235	4,339.72	1,196,886	274	4,368.20	177,051	17.36%	28.47	0.66%
8702017	The Heights Primary School	1,077,565	307	3,508.04	1,236,166	328	3,768.80	158,602	14.72%	260.76	7.43%
8702025	Ranikhet Academy	966,392	213	4,537.05	953,625	198	4,816.29	-12,766	-1.32%	279.24	6.15%
8702028	New Town Primary School	1,071,397	248	4,320.15	1,071,912	241	4,447.77	515	0.05%	127.62	2.95%
8702031	Churchend Primary Academy	1,483,893	378	3,925.64	1,641,505	403	4,073.21	157,611	10.62%	147.57	3.76%
8702254	New Christ Church Church of England (VA) Primary School	811,732	183	4,435.69	871,309	190	4,585.84	59,577	7.34%	150.14	3.38%
8703300	St John's Church of England Primary School	1,571,075	416	3,776.62	1,591,163	407	3,909.49	20,089	1.28%	132.87	3.52%
8702035	St Mary and All Saints Church of England Voluntary Aided	1,341,079	322	4,164.84	1,307,309	292	4,477.09	-33,769	-2.52%	312.25	7.50%
NEW	Green Park	0	0	0.00	235,751	35	6,735.75	235,751			
8704000	UTC Reading	1,171,975	214	5,476.52	1,392,703	236	5,901.28	220,728	18.83%	424.76	7.76%
8704001	Maiden Erlegh School in Reading	4,192,125	822	5,099.91	4,930,528	897	5,496.69	738,403	17.61%	396.78	7.78%
8704002	The WREN School	3,631,655	683	5,317.21	4,445,025	769	5,780.27	813,370	22.40%	463.06	8.71%
8704003	Reading Girls' School	2,307,869	402	5,740.97	2,767,140	461	6,002.47	459,271	19.90%	261.50	4.56%
8704020	Highdown School and Sixth Form Centre	5,512,584	1,141	4,831.36	6,060,398	1,193	5,079.96	547,814	9.94%	248.60	5.15%
8705401	Reading School	3,380,124	697	4,849.53	3,645,883	722	5,049.70	265,759	7.86%	200.17	4.13%
8705410	Prospect School	5,197,234	937	5,546.67	5,335,623	899	5,935.06	138,389	2.66%	388.39	7.00%
8705413	Kendrick School	2,316,941	479	4,837.04	2,440,664	484	5,042.69	123,723	5.34%	205.66	4.25%
8706905	John Madejski Academy	2,862,441	479	5,975.87	3,145,158	493	6,379.63	282,718	9.88%	403.76	6.76%
PRIMARY TOTAL		54,283,539	13,382	4,056.41	55,639,368	13,168	4,225.35	1,355,830	2.50%	168.94	4.16%
SECONDARY TOTAL		34,488,747	6,616	5,212.93	38,564,043	6,954	5,545.59	4,075,297	11.82%	332.66	6.38%
TOTAL ALL SCHOOLS		88,772,285	19,998	4,439.02	94,203,411	20,122	4,681.61	5,431,126	6.12%	242.59	5.46%
Schools Block DSG		89,524,500			95,536,486			6,011,986			
Adjustments:											
Growth funding budget (outside formula)		-663,665			-1,257,049			-593,384			
Recoupment adjustment for growth funding academies		162,775			284,202			121,427			
Transfer to HNB		-447,000			-350,000			97,000			
Carry forward from previous year		195,680			-10,228			-205,908			
Total Funding Available to Allocate		88,772,290			94,203,411			5,431,121			
Under / (Over) Allocated		5			-0			-5			

APPENDIX 10

Investing in Reading: budget consultation 2020/21 - Results Report

1. The budget consultation

Reading Borough Council has a net budget of almost £150 million a year to run day-to-day services for more than 160,000 residents, businesses and visitors. These services include parks, playgrounds, libraries, waste and recycling, planning, transport, highways, street cleaning, environmental health, children's services and adult social care. The money available for this is called the revenue budget. The Council also spends millions of pounds a year investing in the town to maintain and improve assets such as buildings and leisure facilities. This is funded from the capital budget.

Each year, the Council sets its budget for the coming year. The elected councillors vote on this budget in February.

The proposed budget for 2020/21 consists of:

- General Fund net revenue budget of £148.8m for 2020/21
- General Fund capital investment of £357m over three years 2020/21 to 2022/23
- Efficiency savings and increased income totalling £11.4 million in 2020/21 (£33.1m over three years 2020/21 to 2022/23)
- Council Tax increase of 3.99% in 2020/21 comprised of a 1.99% rise in Council Tax and a one-off social care precept of 2.0%

The Council consulted on the draft proposals between Thursday 19 December 2019 and Sunday 19 January 2020. The content is available online at <https://consult.reading.gov.uk/css/reading-borough-council-budget-consultation>

2. Communication

The Council invited input from people who live and work in Reading, partners, local businesses, and people who come into Reading to use services. The consultation was promoted:

- In local media
- On the Council's website and social media channels
- At key Council locations including:
 - On the digital screens in the civic office reception
 - Copies in libraries and hubs
- Emailed to in the monthly residents e-newsletter (6,000 people)
- Emailed to the citizens panel (1500 people)
- Emailed to the Council Tax base (40,000 people)
- Emailed to local businesses through Reading UK's monthly email
- Shared with key partners and forums
- Face to face briefing with business partners and stakeholders

620 individuals/organisations responded. The majority of responses were received online through the Consultation Hub. One email was received.

3. Respondents

A broad range of people took part, generally comparing well with the 2011 Census population profile for Reading on age and ethnicity. More men than women participated.

<i>Characteristic</i>	<i>Budget consultation responses</i>		<i>2011 Census</i>
	<i>No</i>	<i>%age</i>	<i>%age</i>
<i>Age</i>			
Under 16	2	0.32%	19.34%
16-25	11	1.78%	16.49%
26-35	144	23.26%	19.21%
36-45	134	21.65%	14.64%
46-55	107	17.29%	11.30%
56-65	94	15.19%	8.21%
66+	11	1.78%	10.79%
<i>Gender</i>			
Male	325	52.50%	50.2%
Female	207	33.44%	49.8%
<i>Ethnicity</i>			
White	441	71.24%	74.8%
Mixed	7	1.12%	3.9%
Asian	30	4.85%	12.6%
Black	10	2.27%	7.7%

The majority of respondents (92%) were residents.

Responding as	Total	Percent
Resident	567	91.60%
Service user	10	1.62%
Family or friend of service user	5	0.81%
Voluntary organisation	3	0.48%
Business	4	0.65%
Public Sector	1	0.16%
Employee of Reading Borough Council	4	0.65%
Other	9	1.45%
Not Answered	16	2.58%

4. Responses

The consultation asked four questions:

Q1. What alternative suggestions do you have for how we could we make the savings required to balance the budget?

Q2. We are proposing a 2% Adult Social Care precept. What alternative suggestions do you have for how we could fund the rising costs of and rising demand for adult social care services?

Q3. We are proposing £357m of capital investment over three years. What alternative suggestions do you have for where we should invest to ensure we

modernise facilities, infrastructure and services for residents and help the Council achieve its net zero-carbon target by 2030?

Q4. What do you think we should be aware of in terms of how our proposed budget might adversely impact on people, and how could we mitigate this impact?

Respondents were able to comment against each question and could include as many or as few points as they chose. There were 620 responses and a total of 1,546 comments across the four questions. One comment often covered multiple topics. Some comments did not include an alternative suggestion.

The analysis of the comments made is by identification of key themes emerging for the alternative suggestions. The frequencies included should be considered indicative rather than absolute.

5. Consultation response - headline issues and the Council's response

To analyse the results officers have grouped responses by topic across the four questions. There are ten topics that received more than 20 alternative suggestions.

<i>Topic/ service area</i>	<i>No. of responses</i>
Transport, planning and parking	146
Reducing costs, streamlining and efficiencies	126
Climate change and the environment	115
Sport and leisure facilities	52
Funding for adult social care	51
Waste and recycling	42
Highways, roads and footpaths	38
Council Tax and Housing Benefit	32
Impact on low income groups	27
Improving the Council's use and quality of technology	21

Transport, planning and parking (146 responses)

It is clear from the number of responses that the management of transport, planning and parking is a topic of high interest. The suggestions were varied and did not always point to a single preferred outcome, for example there are suggestions for both increasing and decreasing parking provision and charging, and both for and against charging for road use in congested areas. In terms of sustainable transport options, the results confirm that more needs to be done to support people who want to switch to using the bus or to start cycling or walking.

In the main, the responses to the budget consultation reflect the findings from the transport consultation conducted in the summer of 2019 and support proposals that deliver sustainable transport outcomes. The Council's proposed capital programme allocates funds to support that agenda including the completion of the £20m Green Park Station, upgrades to Reading West Station, and bus and cycle lane improvements.

The findings will be considered as the Council develops its new transport strategy, the Local Transport Plan, which is due for publication later this year. The Local Transport Plan will set the framework for all aspects of travel for Reading and responds to the development ambitions set out in the recently adopted Local Plan.¹ It recognises that there are difficult choices to be made to tackle challenges such as the need to reduce carbon emissions from transport and improve air quality.

The responses to the budget consultation also focus on the need for the Council to better manage its approach to parking and parking enforcement. The Council will review its civil enforcement contract in order to secure a new contract by October 2021 and ensure that the approach taken maximises on digitalisation and technology to deliver a more efficient and effective offer. The Council will continue to lobby central government for a change in the law to allow local authorities to carry out Civil Enforcement which is currently only enforceable by the Police. An annual report to show the level of enforcement on a street-by-street basis is published by the Council and is available on the Council's website. Residents can also use the website to report illegally parked vehicles.

Reducing costs, streamlining and efficiencies (126 responses)

Many respondents referred to the need for the Council to streamline the organisation and its activities, to reduce costs and to increase efficiency. Delivering services that are efficient, customer focussed and offer value for money is at the heart of the Council's philosophy.

In early 2018 the Council established an ambitious transformation programme to drive out £40m of savings and efficiencies from Council spending, and to transform and modernise services. Over £34m of savings and efficiencies have been achieved to date, with a further £33m to be delivered over the next three years. The change programme is also designed to transform service delivery by investing in staff and harnessing new technology to continue to improve services for Reading residents. The programme is supported by a £13.5m investment fund, that has provided additional resource and expertise to deliver the programme at pace.

Climate change/ environmental schemes (115 responses)

The number of responses on this subject illustrate the continuing high level of public interest and concern which led to the Council's declaration of a climate emergency in 2019. To date the Council has reduced its own carbon footprint by 18.5% in 2018/19 and by 62.5% since 2008/09, avoiding costs of £11 million in the process.

Respondents made a range of specific suggestions for actions the Council could take to tackle climate change, become more energy efficient and reduce carbon emissions. Suggestions included supporting infrastructure for drivers of electric vehicles, planting trees, creating better recycling facilities and introducing penalties for not recycling, installing solar panels, having better sustainable transport options (e.g. Park and Ride, cycle lanes), and introducing a low emission zone.

¹ https://www.reading.gov.uk/media/10410/Reading-Borough-Council-Local-Plan/pdf/Local_Plan_Adopted_November_2019.pdf

Many of the specific suggestions made have been undertaken or are planned for the future, for example the Council has:

- Installed solar panels on 46 buildings and 457 houses;
- Replaced 13,000 streetlights with low energy LEDs, achieving a 54% cut in energy use from this source;
- Pledged to go 'single-use plastic free' to reduce waste and cut emissions;
- Set pioneering net zero carbon standards for new development in the Reading Local Plan which was adopted in November 2019.

The proposed budget includes a significant investment of £7.5 million in energy efficiency and renewable energy measures over the next three years. This represents a step change in the Council's investment in this area and will enable us to work towards net zero carbon emissions from our own estate by 2030. We also have plans to:

- Refurbish more of our own buildings to improve energy efficiency and install renewable energy.
- Expand our fleet of electric vehicles and install new charging points.
- Continue to upgrade our housing to improve insulation and reduce energy bills.
- Purchase our energy from a 'green' tariff under a new contract which comes into force in April.
- Take forward further plans to 'de-carbonise' our Bennet Road depot, on which solar panels have recently been installed.

Other major capital investments - for example in Green Park Station, the South Reading Mass Rapid Transit project and our tree planting programme - will also contribute to achieving our 'net zero' carbon ambitions.

The Council will ensure that all the relevant suggestions made in response to the budget consultation are considered in the development of the Reading Climate Change Strategy (being drawn up by the Reading Climate Change Partnership) and, where suggestions relate specifically to our own operations, into the development of the Council's own Carbon Plan, which is being reviewed in parallel.

Sport and leisure facilities (52 responses)

Many respondents commented on the proposal to invest in improved leisure facilities across the Borough. Some welcomed the proposals and said the investment would benefit residents. Others expressed concern that £40m sounded like a lot compared to other investments, or that leisure seemed a luxury compared to basic needs such as adult social care.

The Council's investment in new and improved leisure facilities is a cross-cutting project that includes sport and leisure for fun, and for the goal of improving the health and well-being of residents. As well as modern, fit-for-purpose facilities, the programme of improvements has a strong public health component and includes £450,000 of investment from the Council's public health budget.

The Council's partner, Greenwich Leisure Limited (GLL), will work to a series of targets that include public health goals, for example increasing participation in physical activity among target groups including young people (under 16), older people (over 60), people with mental

health problems, physical disabilities or learning disabilities, and providing support to people referred by GPs to use exercise to help manage long-term medical conditions.

The programme takes into account the needs of lower income and vulnerable groups. There will be support to encourage wide participation in sport and leisure activities, such as free taster sessions and discounts on classes and memberships for key groups.

The money for the investment comes from the Council's capital programme. This is one-off expenditure to improve the Council's facilities and infrastructure and is funded from proceeds from capital receipts or prudential borrowing. This money cannot be redirected to fund day-to-day costs such as running waste collection services or delivering adult social care. These services are funded by the revenue budget using income such as Council Tax and business rates.

The Council's investment of £40m will deliver improved sports, leisure and fitness services across the Borough over a period of 25 years in partnership with GLL. Over the life of the contract, the partnership will provide a positive revenue position for the Council.

Increasing charges to pay for adult social care (51 responses)

A high number of respondents commented on the costs of adult social care, and the proposed 2% adult social care precept. Some respondents were supportive, stating a commitment to supporting adult social care funding. Others expressed concern at the lack of a long-term solution to the challenges of social care funding, and suggested the government should play more of a role in funding services or that the Council should actively lobby the government for more funding. Some respondents suggested that people should be charged for the care and support they receive, and that these charges should be increased. Others suggested that the level of adult care services provided by the Council should be reduced in order to reduce costs.

The Council charges people for their care and support in line with a Charging and Financial Assessment Framework and associated policies which aligns with the legislative framework for adult social care (the Care Act 2014). The Council uses a financial assessment as a way of looking at a person's financial situation to decide how much that person can afford to pay towards the care and support. If the person has capital assets above a certain limit (called the "upper capital limit" which is currently £23,250 set by Government), the person is expected to pay the full cost of their care and support.

As eligibility for care and support is set nationally as assessed under the Care Act, Reading Borough Council cannot make local adjustments for example to change the level at which people are liable for the costs of their care.

The Charging and Financial Assessment Framework has been developed to meet national principles to:

- Ensure that people are not charged more than it is reasonably practicable for them to pay for care and support;
- Be comprehensive - to reduce variation in the way people are assessed and charged;
- Be clear and transparent - so people know what they will be charged;

- Apply the charging rules consistently – so those with similar needs or services are treated the same and minimise anomalies between different care settings

Once assessed a person receives a care and support package that promotes independence not dependence. We ensure that the level of care and support is fair and equitable and meets the person's eligible needs. Once the package of care and support is in place, it is regularly reviewed to ensure it continues to meet the person's needs.

The Council's Adult Social Care teams continue to seek more efficient ways of providing services to meet people's needs in line with our statutory responsibilities. In the last three years the department has saved over £8.5million. Future initiatives to further promote independence and reduce care costs include increased usage of technology, 'outcome based' delivery support and enhanced reablement for mental health and learning disability service users.

There is continued uncertainty across Health and Social Care departments as to how the services we deliver can continue to be increased and improved without sufficient funding. A number of national bodies continue to lobby the Government for additional funds to support the health and social care system manage the increasing demands, not least because of the fact people are living longer.

Waste and recycling (42 responses)

A number of responses concerned waste and recycling in Reading. Respondents were supportive of initiatives to increase recycling rates for environmental and cost reasons. Some respondents suggested introducing charging or penalties for people who throw away more rubbish or recycling less of their waste. There were a number of suggestions to increase penalties for offences such as fly tipping. There were multiple suggestions about the upcoming changes to waste and recycling services that will be made in autumn 2020, with the introduction of weekly food waste collections broadly welcomed and some suggestions about how to make implementation work in flats.

The Council is committed to improving the recycling rate achieved in Reading to over 50%. A weekly food waste collection service will start and 240l grey refuse bins will be swapped for 140l for residential households in autumn 2020. For green and bulky waste services, the Council's charges are comparable to neighbouring authorities and offer value for money for local residents. As part of the re3 waste disposal partnership, the Council is continuing to promote waste reduction, recycling and reuse. As a result there have been significant reductions in waste sent to landfill.

The Council has invested in a dedicated Recycling and Enforcement team that will promote recycling for residents and businesses in the Borough, and that will enforce penalties for environmental crime such as fly tipping and littering. The outcome of such penalties will be widely publicised to reassure residents that the Council takes this issue seriously, and as a deterrent to others.

Highways (38 responses)

A number of respondents commented on the condition of roads and pavements in Reading, with many saying they are in poor condition and that this posed a health safety risk, or that is discouraged sustainable transport such as walking and cycling.

The condition of Reading's classified (main arterial) roads compares favourably with other Local Highway Authorities and are being maintained to a reasonable standard. However, due to the pressure on Council budgets, local unclassified residential roads have not received the same level of investment in recent years. This has led to a deterioration in their condition which has resulted in a perception of poor-quality roads.

To address this issue, the budget proposals included an investment of £9 million over the next three years to improve the condition of the local residential roads and footways across the Borough. This investment is over and above the Government's annual road maintenance award. This investment will significantly improve the road and footway condition and help make the public highway safer.

The Council repaired over 3,680 potholes last year and is introducing measures to improve efficiencies of the operation. This will enable the service to reduce the current intervention level, i.e. to tackle potholes earlier (when they are less severe).

The Council has also completed a comprehensive LED lighting upgrade scheme across the Borough, reducing energy consumption by over 55%. Smart control systems allow the Council to reduce lighting levels where appropriate and safe to do so, which saves energy. This system also reports streetlighting faults directly and speeds up the repair process.

Council Tax and Housing Benefit (32 responses)

There were a number of responses in relation to Council Tax, Housing Benefit and business rates. Some respondents suggested that higher earners and those in higher bands contribute more towards Council Tax. Many also suggested that Council Tax should not be raised and that the Council should fund services in other ways, such as making cuts in other areas or reducing investments.

The majority of the investments in the Council's budget will be made from the capital programme. This budget is funded by borrowing and this money cannot be redirected to fund day-to-day costs that are underpinned by Council Tax, such as running waste collection services or delivering adult social care.

Council Tax bands are determined by Central Government, ranging from A to H. Every year, the amount of Council Tax charged is set by Reading Borough's Full Council of elected members, who decide how much the Council Tax will be for a Band D property as prescribed by legislation. The amounts charged for the other bands (A-H) are then calculated out using a proportion of 'ninths', which is fixed by legislation. Reading Borough Council cannot make local increases to this.

Some vulnerable groups are eligible for support. For older people, the Government prescribed default scheme can provide Council Tax Support of up to 100%. Those of working age continue to have support available up to 65% of their Council Tax Liability, and there are no plans to reduce this support.

The Council recently consulted on three changes to our current Council Tax Support scheme, which would benefit those eligible for Council Tax support. The main change eases the administrative burden when migrating from Housing Benefit to Universal Credit by removing the need to reclaim Council Tax Support. The consultation saw nearly 1,600 responses with over 80% in favour of the recommended changes, which will now be implemented.

The Council is also looking to adopt the Citizens Advice Council Tax Protocol to improve partnership working with the advice sector and better support those residents that are struggling financially. The process will result in better communication, with targeted campaigns to ensure residents are receiving all the support to which they are entitled.

Impact on low income groups (27 responses)

The consultation specifically asked what adverse impact the proposals might have. Both in response to this question and in response to the consultation in general, a number of respondents commented that an increase in Council Tax would have an impact on vulnerable groups most likely to experience low income particularly elderly people, people with a disability and families with young children.

Respondents suggested the impacts could be mitigated by communicating changes clearly, and introducing more support for vulnerable groups. To improve communication with residents the Council is committing to:

- A new website design with an improved 'news and updates' function;
- A twice-yearly residents newsletter delivered to every household in the Borough;
- Monthly e-newsletters which anyone can sign up to receive;
- Better engagement with partners;
- Increased promotion of consultations and opportunities to influence Council policy and decision making.

The section above outlines the support available to vulnerable people in paying their Council Tax.

Improving use and quality of technology (21 responses)

Respondents commented on advances in digital technology and suggested ways the Council could make use of this, such as better access to services online.

The use of digital technologies is a fundamental pillar of our recently published Customer Experience Strategy.² This sets out how, over the next three years, we will transform the quality, accessibility and ease of use of our services through culture and process change, as well as through the use of digital. Projects already in train range from a refresh of our website to the scoping of a pilot of Robotic Process Automation (a technology that automates administrative processes to improve speed and efficiency and which was mentioned in some responses).

² <https://democracy.reading.gov.uk/documents/s9963/Customer%20Experience%20Strategy.pdf>

Of equal importance - as some respondents observed - is the need for our people to have the information technology they need to work effectively and efficiently. We are currently upgrading the office software (Microsoft Windows and Office) across the organisation to the most recent versions, and replacing hardware that can no longer perform to the level needed. In parallel, with our current IT outsourcing contract expiring in March 2021, we are putting in place a future operating model for digital and information technologies that is in line with the most up-to-date best practice. That model will be designed to allow the Council readily to make best use of new technologies and digital services for the benefit of the residents and businesses of Reading.

6. Consultation response - detailed analysis by question

Q1. What alternative suggestions do you have for how we could we make the savings required to balance the budget?

There were 413 responses to this question. Alternative suggestions fell into 7 key themes.

i	Reduce costs/increase efficiency
ii	Enforcement to increase income/reduce costs
ii	Increase/find extra opportunities for charging
iv	Incentives to encourage use/change behaviour
v	Reduce services
vi	Income generation
vii	Development

i Reduce costs/increase efficiency

The highest number of comments related to the Council being more efficient by rationalising management and staff and having more effective processes for operating services

"Are you streamlining your services to ensure that you don't carry overheads not needed ie to many managers /staff ratio etc."

This was followed by suggestions for the Council to spend less or not at all on projects such as Green Park Station, swimming pools and leisure facilities, council vehicles, council property, line painting, bus lanes, new houses, housing, buying Reading Gaol, buying the police station, a flood defence scheme. There were also suggestions for the Council to review and reduce contractor costs and improve the use and quality of technology, including more digitisation of services, web chat and self-service options.

"Can the council use email more and go paperless?"

"Please try improve the website access."

ii Increase/find extra opportunities for charging

There were more than 50 suggestions relating to increasing or finding extra opportunities for charging. These ranged from congestion/pollution charging; increasing Council tax or

introducing progressive taxation; charging for additional waste services and increasing or extending parking charges.

iii Enforcement to increase income/reduce costs

Alternative suggestions relating to enforcement were predominantly around fining for littering and fly-tipping and enforcing parking and traffic restrictions e.g. parking fines, bus lane, speeding, pavement cycling fines.

"Increase the fines on fly tipping and littering especially when it comes to shops and restaurants on Oxford Road."

"I also think fines need to be imposed for parking on paths and other unlawful places in residential streets."

iv Incentives to encourage use/change behaviour

Suggestions related to incentives to encourage use or change behaviour such as not to increase parking charges, or to have free or longer parking to encourage more people visiting the town and shopping and eating out, leading to more business tax collections, or to promote walking, cycling and public transport initiatives.

"Instead of parking charges, can free parking be introduced at least once a month? With more people visiting the town and shopping and eating out, this will lead to more business tax collections."

"Don't increase parking charges but make bus fares cheaper to encourage more use."

v Reduce services

Some suggestions related to reducing services and ranged across services including streetlights, grass cutting, planting on roundabouts, adult social care, Housing Benefit, Council Tax benefit and libraries.

"Switch off some of the traffic lights when there's no traffic - or put roundabouts back in."

"Stop maintaining verges in residential areas, residents can do this."

"Close libraries (reluctantly)"

vi Income

Alternative suggestions relating to generating income included making the most of organic waste, investing in renewable energy to generate income and increasing income from cultural and leisure activities.

"Create a passive income stream! Invest in wind, hydro and solar farms to generate power that you sell to the grid or local business."

vii Development

Suggestions included spending on social housing or placing more obligations on developers.

"Do not build swimming pools and leisure facilities ... Build more housing on local authority land - ie the car park behind the station and use the proceeds to build social housing."

"Force plc builders to create more schools/community spaces/buildings and gp practices/walk in centres."

Q2. We are proposing a 2% Adult Social Care precept. What alternative suggestions do you have for how we could fund the rising costs of and rising demand for adult social care services?

There were 351 responses to this question. The main alternative suggestions were to reduce costs/improve efficiency and increase charges for Adult Care or other services. Further suggestions, to a lesser degree, were to place more financial responsibility on business/developers, to lobby government, to make more use of the voluntary sector and volunteers, to make more use of prevention activities and to reduce Adult Social Care services.

"Reduce management and councillors pay, reduce amounts of contractors."

"Revise eligibility criteria so that those who can afford to contribute to the costs of their own care do so, and plan ahead for this eventuality properly."

"Make people pay for services or add value to services that people don't mind paying for such as cafes or parking."

"I would suggest focusing on more efficient services and asking for people to volunteer more. I would gladly volunteer to help for example clean and maintain our local park and tennis courts which are a mess."

Q3. We are proposing £357m of capital investment over three years. What alternative suggestions do you have for where we should invest to ensure we modernise facilities, infrastructure and services for residents and help the Council achieve its net zero-carbon target by 2030?

There were 421 responses to this question. The highest number of alternative suggestions were for schemes to protect the environment and tackle climate change.

"Incentives for those who use electric cars, more investment in individuals who wants to install solar panels or other green alternative, for exam. a reduction on planning fees if they do an extension that is environmental friendly. More recycling facilities and heavy penalties for those who use the recycling bin for general rubbish."

This was followed by transport, highways and leisure investment

"The roads are in dire need of repair in some areas, but it is very difficult to know if £9m is enough."

"Delighted you are going to improve leisure facilities."

Q4. What do you think we should be aware of in terms of how our proposed budget might adversely impact on people, and how could we mitigate this impact?

This question was asked to understand what the impacts might be on those protected under the Equality Act 2010. There were 361 responses.

The main equality impacts raised were those in relation to the impact of an increase in Council Tax on people with low income and those equality groups that are more likely to experience low income particularly elderly, disabled people and families with young children.

"As ever it is the low income families and a number of the elderly and infirm who are most impacted by council tax rises, as each rise is not met with any relevant increase to the benefits they receive to be able to offset any rise in council tax."

"The additional stress and pressure being applied to these groups of individuals is incredibly dangerous and is placing families at risk, not only of mental health issues but even potential homelessness!"

"My family are totally reliant on state benefits to boost earned income to literally survive from salary to salary, each time our council tax bill has risen, it has taken further money away from what little we already survive on, yet the penalties for non payment are so severe, even when we simply can't afford to pay it, it has to be paid."

"Families of disabled children often lose out with cuts - it can take 2 years to get an assessment of possible ASC and ADHD and there are long waits for counselling for young people."

Suggestions made on how impacts could be mitigated were that the changes should be communicated clearly and managed to make a smooth transition.

"Please be aware of those on low income and in particular single people on benefits so that they receive a fair consultation and are clearly made aware of any changes and need to apply for CT support. It is not sufficient to just send a letter through the post as some people do not open their post, do not realise the implications of not responding, cannot read or understand the contents. A text message or phone call might be helpful."

"a sustained educational campaign with clear explanations and examples of benefits on medium and long term"

READING BOROUGH COUNCIL

REPORT BY THE EXECUTIVE DIRECTOR OF RESOURCES

TO:	COUNCIL		
DATE:	25 FEBRUARY 2020		
TITLE:	DRAFT CAPITAL STRATEGY 2020/21		
LEAD OFFICER:	MATTHEW DAVIS	TEL:	0118 937 2954
LEAD COUNCILLOR	COUNCILLOR BROCK	AREA COVERED:	ALL
SERVICE:	FINANCE	WARDS:	ALL
JOB TITLE:	ASSISTANT DIRECTOR OF FINANCE	E-MAIL:	Matthew.davis@reading.gov.uk

1. PURPOSE OF REPORT

- 1.1. The Chartered Institute of Public Finance and Accountancy' (CIPFA) revised Prudential Code for Capital Finance in Local Authorities 2017 requires local authorities to produce a Capital Strategy on an annual basis which must be approved by Council.

2. RECOMMENDATIONS

- 2.1 That Council approves the Capital Strategy attached at Appendix 1; and
- 2.2 That the updated Action Plan that forms Appendix D of the Capital Strategy (Appendix 1) is noted together with the associated financial implications.

Appendices:

Appendix 1 – Draft Capital Strategy 2020/21

3. INTRODUCTION

- 3.1. The Chartered Institute of Public Finance and Accountancy (CIPFA) 2017 Prudential and Treasury Management Code requires the Council to prepare a Capital Strategy report which sets out the Council's capital requirements arising from policy objectives, as well as the associated governance procedures and risk appetite.
- 3.2. The Capital Strategy provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services; along with an overview of how associated risk is managed and the implications for future financial sustainability. It shows how revenue, capital and balance sheet planning are integrated.

- 3.3. The Strategy is informed by the Council's priorities and links to other key strategy documents notably the Corporate Plan, Medium Term Financial Plan, Treasury Management Strategy, Asset Management Strategy and Property Investment Strategy.
- 3.4. The Strategy sets out among other things; the Council's approach to asset management planning including its policy on the acquisition of investment properties, development and monitoring of the Capital Programme and the reasons for the Council departing guidance from the Ministry of Housing Communities (MHCLG) and Local Government and CIPFA on investment in commercial properties and lending to housing associations.
- 3.5. The Capital Strategy sets out terms of reference and attendee lists for officer working groups including the Asset Programme Board. The Board directs and is supported by a number of project groups including Land and Property Working Group.
- 3.6. Appendix B to the Strategy sets out a prioritisation matrix for new capital schemes.
- 3.7. The proposed Action Plan at Appendix D of the Strategy identifies four areas where work is required for the Council to continue its journey to become fully compliant with the CIPFA code requirements. These are:
 - Developing our knowledge of the existing asset base
 - Identifying what assets we need in the future
 - Developing and implementing new systems and processes, which enable the transition to become fully compliant with the code requirements
 - Reviewing current capacity within the organisation

4. POLICY CONTEXT

- 4.1. The aim of the Capital Strategy is to support the delivery of the Corporate Plan, which sets out the Council's Corporate Plan priorities.

5. FINANCIAL IMPLICATIONS

- 5.1. The proposed Action Plan includes undertaking an up-to-date condition survey of the Council's assets. Any additional cost of undertaking the survey and provision for any works arising will need to be factored into future refresh of the Council's Medium Term Financial Strategy.
- 5.2. Outcomes of actions from the proposed Action Plan may lead to identification of further unplanned maintenance costs. These should where possible be absorbed within existing revenue maintenance budgets but if these are substantial may create a budget pressure and additional resource requirements.

6. LEGAL IMPLICATIONS

- 6.1. This report assists the Council in fulfilling its statutory obligation to prepare a Capital Strategy report which sets out the Council's capital requirements arising from policy objectives along with associated governance procedures and the Council's risk appetite.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1. There are no environmental implication arising directly from this report.

8. BACKGROUND INFORMATION

- CIPFA Code of Practice for Treasury Management in the Public Services 2017
- CIPFA The Prudential Code 2017
- MHCLG guidance February 2018

Reading Borough Council Capital Strategy

2020/21

February 2020

Content

1. Introduction
2. Asset Management Planning
3. Capital Strategy Link to Other Policies/Strategies
4. Capital Programme (2019/20 – 2022/23)
5. Commercial Investment Portfolio
6. Prioritisation and Affordability
7. Risk Management
8. Treasury Management
9. Current Guidance
10. Governance
11. Action Plan

Appendix A – Asset Management Structure

Appendix B – Prioritisation Matrix

Appendix C – Flowchart of the Capital Programme Process

Appendix D – Action Plan

Appendix E – Capital Programme (2019/20 – 2022/23)

1. Introduction

- 1.1. The Council's Capital Strategy provides an overview of where and how the Council intends to deploy its capital resources to support delivery of some of the strategic aims set out in the Council's [Corporate Plan \(2018-21\)](#). The Capital Strategy will help shape Reading's future and facilitate the delivery of the Council's agreed Corporate Plan priorities:
 - Securing the economic success of Reading
 - Improving access to decent housing to meet local needs
 - Protecting and enhancing the lives of vulnerable adults and children
 - Keeping Reading's environment clean, green and safe
 - Promoting health, education, culture and wellbeing
 - Ensuring the Council is fit for the future
- 1.2. The Capital Strategy should be read in conjunction with other strategic documents such as the Council's Asset Management Plan, Treasury Management Strategy Statement (TMS) and the Commercial Investment Strategy.
- 1.3. The Capital Programme details the Council's capital expenditure which facilitates the delivery of corporate priorities by:
 - Providing investment to improve access to decent housing to meet local needs and help combat homelessness, as well as maintaining existing council dwellings
 - Supporting delivery of sustainable, local social care services through investment to enable independent and supported living in the local community for both children and adults
 - Working in partnership with Reading Transport, Network Rail, the Local Enterprise Partnership (LEP) and others in seeking funding and delivering an improved transport network, whilst being mindful of environmental factors
 - Building schools to meet the future needs of the population and ensuring access to education
 - Providing investment to deliver low carbon living, reduce pollution and increase recycling
 - Providing investment in community and leisure provision to meet Reading's needs
 - Enabling the purchase of investment properties to support the future economic success of Reading and provide an income stream to help support vital services
 - Facilitating transformation schemes, ensuring that the Council is fit for the future
- 1.4. The Council has an ambitious Capital Programme. A key aspect of the Programme is the Council's commitment to investing in the acquisition of

commercial property in Reading and neighbouring Local Enterprise Partnership (LEP) areas to support its strategic objectives. The extent of the Council's investment in commercial properties and the criteria for investment are set out in section 5.

- 1.5. The Council has limited capital resources. Therefore, to help in determining how they are utilised, capital bids are assessed against a prioritisation matrix. This process helps to highlight risks and opportunities on a case by case basis and is used to rank projects against a set of agreed criteria.
- 1.6. The Capital Strategy has regard to prevailing Ministry of Housing, Communities and Local Government (MHCLG) Guidance and the Prudential Code. Compliance with government guidance is considered on a case by case basis and where permissible may be ignored if not in line with the Council's Corporate Plan. The Council has decided not to have full regard to CIPFA guidance or the Prudential Code as it relates to commercial property investment and lending to housing associations. In line with the requirements of the Guidance, the Council's Capital Strategy sets out the Council's justification for not fully complying with the MHCLG guidance.

2. ASSET MANAGEMENT PLANNING

2.1. The Council has a typical local authority property portfolio. This consists of operational property, investment property and property held for specific community or regeneration purposes as set out below:

- Operational – supporting core business and service delivery
- Investment – to provide a financial return to the Council
- Community – to support specific local community projects
- Regeneration – enabling strategic place shaping and economic growth

INVESTMENT PROPERTY ACQUISITION POLICY

2.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as "...used solely to earn rentals or for capital appreciation or both...". Returns from property ownership can be both income driven and capital growth of the underlying asset. The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

2.3. In July 2016, the Council adopted its Investment Property Acquisition Policy. This sets out a formal approach to investing in property. The key considerations when investing in commercial property are that: the tenant needs to be of good financial standing; the property and lease must meet certain standards including being in a commercially popular location; have several years left on the lease providing contractually secure rental income into the future.

2.4. The Council currently funds commercial property investments from borrowing. Therefore, the annual rental income from the tenant must exceed the cost of financing the borrowing, so that the annual surplus generated can be used to support the Council's revenue budget and help the Council to continue to provide vital services.

2.5. Property has proven to be one of, if not the best, investment in terms of capital growth over the last 50 years. If the Council owns Investment property, and it is managed and maintained appropriately, the Council can expect to see an increase in the value of the property as well as a net annual revenue surplus.

2.6. Below are highlights of the Council's Investment Property Acquisition Policy which:

- Sets out what the Council wants to achieve when acquiring commercial properties for investment purposes.
- Identifies the issues of the economy, the general property market and the possible risks for the Council in acquiring investment property.
- Identifies criteria for acquiring and owning property assets for investment purposes to ensure risks are minimised.
- Includes an outline of the process involved in acquiring investment properties for investment purposes.
- Is part of a wider policy framework supporting what the Council does and why.

- 2.7. The reasons for investing in commercial properties are primarily to:
- Generate surpluses above the costs of financing and owning such properties that can be used to fund vital Council services
 - Facilitate economic development, growth and regeneration activity in Reading
 - Opportunities arising due to market and economic environment

OPERATING IN THE PROPERTY INVESTMENT MARKET

- 2.8. The UK commercial property investment market is very well established, attracts global investors and is defined as a 'mature asset class'. It has a wide range of new and established investors including institutions, pension funds, specialist property companies, charities, family trusts and individuals.
- 2.9. Property prices and returns are a function of the property type, condition, use and location, together with the lease structure and covenant strength of the tenant (in the case of a let property). Lease contracts will reflect all liability and outgoings being the responsibility of the tenant, so presenting minimal risk to the Council.
- 2.10. Investment property will usually have a commercial occupier, paying a rent to the landlord. The better the covenant of the occupier, the more secure the rental income, the better the investment value and the yield obtainable in the open market. A tenant with a strong covenant and a long lease (10 years plus) with no break clause and with responsibility for repairing and maintaining the property, is the best type of investment.
- 2.11. The Investment Property Acquisition Policy makes clear that the Council should seek property investment which produce the best returns possible, whilst carrying an acceptable level of risk.

PRIORITIES & RISK IN PROPERTY INVESTMENT

- 2.12. The Priorities for the Council when acquiring property interests for investment purposes are:
- **Covenant Strength** – relates to the quality of a tenant in terms of their ability to pay rent in full when due. Although, the Council's chief reason for investing in commercial properties is to generate surpluses to support the revenue budget and deliver the objectives of its Corporate plan, the Council may opt not to invest in a property if it deems the tenant occupying the premises are conducting business which is contrary to its corporate values.
 - **Lease Length** – relates to the unexpired length of the term of the lease or a tenant's break clause which determines whether the revenue stream from a property will flow uninterrupted. The Council will take into consideration the risks associated with a tenant vacating and the potential to attract good quality replacement tenants with strong covenant at acceptable rental levels as part of the due diligence process.

- **Rate of Return** – relates to level of surpluses accruing to the Council after adjusting for risk, cost of ownership and financing costs from the annual rental income. The surplus will need to be equivalent or better to the returns that could be earned from alternate investments, such as bank/money market fund deposits.
- **Lease Terms** – relates to contract terms under which the property is let out to a tenant. The Council will work to secure leases with full repairing and insuring obligations on the tenant and a full service charge recovery to include any management fees where applicable. This will ensure that the revenue budget is not impacted by unexpected expenditure relating to routine maintenance.
- **Growth** - property has the potential for both revenue and capital growth. The Council will consider that potential when assessing the strength of the investment opportunity. Property values can fall as well as rise and mechanisms to minimise revenue reductions where possible will be identified. The Council will work to secure lease terms that ensure rent review clauses are upward only which protects from any downward pressure on rental income.
- **Location** – relates to the desirability of the location of a potential investment property. The location of a property is a major contributing factor to the likelihood of a property being successfully re-let. Location is also important when considering future redevelopment or regeneration opportunities. Preference should be given to properties located within Reading, the local or neighbouring LEPs.
- **Sector** – relates to the type of business that is being conducted from the property. In order to minimise the risk of tenant concentration from one industry sector, the Council will work to secure tenancy agreements with a mix of tenants in its property portfolio.

2.13. In summary, the strategy for acquiring investment property assets is therefore to:

- Seek properties with strong covenant bearing tenants and sound financial standing and with several years remaining on a full repairing and insurance lease.
- Maximise rental income and minimise management costs to ensure the best return is generated.
- Identify opportunities for future growth, redevelopment or regeneration through property in commercially popular or development areas.
- Prioritise acquisitions within Reading, the Thames Valley and Berkshire LEP and other neighbouring LEPs and,
- Pursue opportunities to increase returns and improve the investment value of commercial assets.

2.14. The Council has invested in four investment property assets so far. A fair value assessment was conducted on purchase to ensure that a fair price was being paid and that the property would provide enough security against the capital invested. These assets will be revalued per the Council's revaluation programme and appropriate provision will be made if there is a fall in the value of the assets.

Building Asset Maintenance Programme

- 2.15. The Council has historical data on its property portfolio to assess building condition and backlog maintenance. The Council retains an annual building maintenance programme funded from revenue. This is primarily a response repairs and specific statutory compliance budget.
- 2.16. The Council's proposed annual expenditure on maintenance and improvement to corporate buildings is £1m (£2.3m in 2019/20). It is primarily directed at operational buildings (non-Housing) and excludes ring fenced funding.

Property Disposal Capital Receipts

- 2.17. Under the Council's Asset Management Strategy, any surplus properties are prioritised to be used to generate revenue which can be done in a number of ways. For example, rather than a freehold disposal, the Council may choose to offer a leasehold or leaseback option when marketing a property for sale. This means the Council will retain ownership of the property once the lease expires and will benefit in the longer term. Below is the latest projection on capital receipts.

Table 1 – Capital Receipts Projection (2019/20 – 2023/24)

	2019/20 (£,000's)	2020/21 (£,000's)	2021/22 (£,000's)	2022/23 (£,000's)	2023/24 (£,000's)
Prior Year (Brought Forward)	2,000	1,884	2,177	1,812	1,806
Receipts in Year:					
Home for Reading Share Redemption	7,000	-	-	-	-
Property Disposals	2,978	9,080	7,095	2,040	-
Vehicle Disposals	15	50	50	50	50
HRA Non One for One Receipts	250	250	250	250	250
RTL Loan Repayments	1,718	1,917	1,991	1,755	733
Balance Available to be Applied	13,961	13,181	11,562	5,907	2,839
Applied to Fund Delivery Fund	(7,748)	(788)	(559)	-	-
Applied to Fund Other	(4,329)	(10,216)	(9,191)	(4,101)	(2,499)
Balance c/f	1,884	2,177	1,812	1,806	340

- 2.18. All such decisions are ultimately taken by Policy Committee in line with the Constitution.

3. Capital Strategy Link to other Policies/Strategies

- 3.1. The Council has several related strategies and documents that sit alongside the Capital Strategy providing further detail relating to capital investment, debt management, asset management and the inherent risks involved in the Council's capital expenditure activities. These include:
- Medium Term Financial Strategy (MTFS)
 - The Treasury Management Strategy Statement (TMSS)
 - The Commercial Investment Strategy
 - Corporate Asset Management Plan
 - Homelessness Strategy
- 3.2. Below is an overview of some of the strategies that feed into the Capital Strategy.
- 3.3. **Medium Term Financial Strategy** – provides a high level view of the Council's financial plans including its funding requirement over the next three years.
- 3.4. [Treasury Management Strategy Statement](#) – the Treasury Management Strategy Statement gives an overview of the purpose and scope of the treasury management function, as well as identifying and setting criteria to limit risk. It includes how the Council will fund the Capital Programme and treasury management investment activity which arises from the organisation's cash flows and debt management activity, and ultimately represent balances which need to be invested until the surplus cash is required. Plans to fund the net capital borrowing requirement are considered as part of the overall Treasury Management Strategy.
- 3.5. The Treasury Management Strategy considers security and liquidity risk as part of the Investment Strategy and potential capital cost risks are reflected in the capital bidding process.
- 3.6. [Commercial Investment Strategy](#) gives an overview of the Council's approach to investing in commercial property, including why this approach has been taken and the risks involved. The Commercial Investment Strategy fully takes account of the specific risks that may arise on individual proposed acquisitions as part of the due diligence process which is also set out in the approved strategy.
- 3.7. [Corporate Asset Management Plan](#) details how the Council uses property as a corporate resource to support and shape the delivery of appropriately located core services whilst driving efficiencies to help close the budget gap.
- 3.8. [Homelessness Strategy](#) sets out the Council's priorities to prevent homelessness and stresses the importance of working in partnership to address the wide range of issues that can be linked to homelessness. The Strategy aims:
- To prevent homelessness;
 - To secure sufficient affordable accommodation for people in Reading who are or may become homeless; and
 - To secure the satisfactory provision of support for people in Reading who are or may become homeless, or who have been homeless and need support to prevent them becoming homeless again.

4. Capital Programme (2019/20 – 2022/23)

- 4.1. The [Capital Programme](#) attached at appendix E is the authority's plan of capital expenditure for future years, including details on the funding of the schemes. The Capital Programme 2020/21 – 2022/23 was considered by Policy Committee as part of the Council's Medium Term Financial Strategy (MTFS). It commits £436m to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading. The Programme has a borrowing requirement of £297m after external contributions such as grants, section 106 contributions and Community Infrastructure Levy funding have been applied.
- 4.2. The Programme is broken down into two sections, The General Fund and the Housing Revenue Account. Each scheme in the Programme details the total cost, external funding contributions from for example government and developers and the net cost to the Council to be funded from borrowing or capital receipts.

Table 2 - Summary of Capital Expenditure Plans (2018/19 – 2022/23)

Capital expenditure	2018/19	2019/20	2020/21	2021/22	2022/23
£m	Actual	Estimate	Estimate	Estimate	Estimate
DACHS - Adults Services	1.108	0.150	1.405	5.000	1.000
DCEECHS - Children's Service	4.822	9.138	19.124	4.200	1.870
DEGNS - Environment & Neighbourhoods	43.364	40.271	52.797	41.206	25.249
DORS - Resources	1.451	44.193	93.051	58.449	57.260
Other - Corporate	12.016	4.539	4.069	0.467	0.000
Non-HRA	62.761	98.291	170.446	109.322	85.379
HRA	15.481	15.780	34.974	24.822	11.503
Total	78.242	114.071	205.420	134.144	96.882

- 4.3. Highlights of the Capital Programme are:
- Investment in commercial properties (up to £256m) to support the Council's role as place maker, to support regeneration and generate a revenue income stream to support the Council's strategic objective of "*securing the economic success of Reading*"; among other Corporate Plan objectives.
 - £36m to build new leisure centres and re-development of existing centres to provide modern facilities for residents;
 - £9m investment in highways maintenance to improve the condition of roads;
 - £7m investment in the Council's social care premises;
 - £16m investment in maintenance of existing schools and the construction of new school buildings;
 - Investment in environmental services including waste, parks and parking services; and
 - Upgrading the Council's ICT provision to ensure it is fit for purpose.

- 4.4. As set out above, appropriate due diligence will be undertaken prior to the acquisition of any investment with the extent and depth reflecting the level of additional risk being considered. Due diligence process and procedures will include:
- Effective scrutiny of proposed investments;
 - Identification of the risk to both the capital sums invested and the returns;
 - Understanding the extent and nature of any external underwriting of those risks;
 - The potential impact on the financial sustainability of the Council if those risks come to fruition;
 - Identification of the assets being held for security against debt and any prior charges on those assets; and
 - Where necessary independent and expert advice will be sought.
- 4.5. Capital funding can be broken down into three categories as follows:
- External Sources (Government/Non-Governmental/Private Sector)
 - Government (Capital) Grants
 - Developer Contributions
 - Section 106 Contribution
 - Community Infrastructure Levy (CIL)
 - Internal Sources (Council Resources)
 - Revenue budget
 - Capital Receipts
 - Reserves
 - Prudential Borrowing
 - Borrowing from the Public Work Loans Board (PWLb)
 - Borrowing from private sector
- 4.6. **Capital Grants** – can be in the form of grants from an outside body including central government.
- 4.7. **Developer Contribution (Section 106)** – A mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable – they mitigate the impact of the development on the locality and are used to improve existing or build new infrastructure in the local area.
- 4.8. **Developer Contribution (CIL)** – is a levy on new developments the proceeds of which are used to support development in the local area by funding infrastructure or refurbishment of existing provision to alleviate the additional burden a new development places on both local and strategic infrastructure.
- 4.9. The Council has agreed a protocol for using CIL as follows:
- 80% of CIL receipts will be used to support the Capital Programme;

- 15% will be allocated to areas in which CIL liable development is taking place; and
 - 5% will be allocated to cover administrative costs.
- 4.10. **Revenue Contribution** – The Council can choose to use its revenue budgets to fund capital expenditure. Given significant decreases in government funding and continuing pressure on provision of critical demand led services, this type of funding is anticipated to be minimal relative to other capital funding sources in the short to medium term. Members will continue to weigh the relative priorities of capital and revenue projects in allocating revenue resources.
- 4.11. **Capital Receipts** – money exceeding £10,000, which is received from the sale of an asset. The Council's general policy is that capital receipts are pooled and used to finance future capital expenditure and investment according to priorities, although they may be used to repay outstanding debt on assets financed from loans, as permitted by regulations.
- 4.12. Although, capital receipts would not usually be spent on revenue, under the current [Flexible use of Capital Receipts](#) direction, it is permissible to treat certain costs as capital expenditure provided these costs are funded from capital receipts received by the Council during the period (2016/17 – 2021/22) specified within the direction. These costs must also meet the definition as laid out in the direction i.e. costs must relate to a scheme to deliver service efficiencies and transformation and have been agreed by Council in advance.
- 4.13. The Council's approved Flexible Capital Receipts Strategy has been refreshed as part of the proposed 2020/21 – 2022/23 MTFS. The MTFS includes an allocation of capital receipts to support transformation and savings delivery (the Delivery Fund). Regular monitoring and administration of the Delivery Fund takes place through the Council's Corporate Programme governance arrangements.
- 4.14. **Prudential Borrowing** – relates to borrowing from the PWLB or private sector lenders to fund capital expenditure. This has historically been the main source of financing capital expenditure. The Council is guided by the CIPFA Prudential Code when determining the level of borrowing that is sustainable.
- 4.15. Prudential borrowing to fund capital projects brings with it the need to make a charge to revenue to reflect the cost of borrowing. The basis for this charge, known as Minimum Revenue Provision (MRP) is set out within the Council's Treasury Management Strategy and MRP policy statement.
- 4.16. A summary of how the Capital Programme is to be financed is detailed below.

Table 3 – Summary of Capital Programme Funding

Financing of capital expenditure £m	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Capital receipts	20.081	13.341	13.304	10.206	4.101
Capital grants	18.995	35.221	60.364	15.743	11.069
Capital reserves	7.403	9.264	8.064	8.064	8.064
Revenue	0.097	0.111	0.604	0.000	0.000
Net financing need for the year	31.666	56.134	123.084	100.131	73.648

5. Commercial Investment Portfolio

- 5.1. The Council has a well established process for undertaking due diligence on commercial investments. All the Council's commercial investments have individual business cases that are subject to thorough risk assessment and stress testing.
- 5.2. The Council's Property Acquisition Strategy that was approved in July 2016, which was also adopted as the basis for the Investment Property Acquisition Strategy, set out its strategic objectives for facilitating regeneration, economic growth and housing delivery, as well as remaining financially sustainable. In 2019, the Council also approved its Commercial Investment Strategy. Together, these strategies provide a framework within which potential investment acquisitions are objectively assessed.
- 5.3. The current portfolio of commercial investments is within the boundaries or on the border of the Borough, but where an investment meets relevant criteria, the Council will consider investing within a wider area in order to spread risk. The Commercial Investment Strategy specifically identifies the Thames Valley Berkshire Local Enterprise Partnership (LEP) and adjoining LEP areas as potential areas for investment along with other locations where the investment would support the Council's overall strategic aims.
- 5.4. In addition to the Council's own priorities, external influence may impact on capital decisions; for example, central government, LEP priorities and funding requirements, demographic and legislative changes.
- 5.5. Internal processes and officer working groups such as the Assets Programme Board and the Land and Property Working Group inform the documents mentioned above. Further details about the roles of these groups are detailed in appendix A.
- 5.6. The current commercial investment portfolio held by the Council is set out in table 4 below. This does not include several historic investment properties that are owned by the Council.

Table 4 – Commercial Investment Portfolio

	Annual Rental Yield	Capital Value	Purchase Price	Net Annual Income after Financing Cost (£m)
	(£m)	(£m)	(£m)	
Kennet Wharf, Queens Road	1.295	20.100	20.091	0.453
Adelphi House, Friar Street	0.744	12.327	11.432	0.222
160 -163 Friar Street Office	0.729	12.650	11.230	0.259
Four 10 TVP	1.660	36.170	32.914	0.160
Total	4.428	81.247	75.667	1.094

- 5.7. Details of the Council's future planned expenditure on commercial properties including assumed financing cost for these assets are set out in the below table.

Table 5 – Estimated External Debt relating to Commercial Investment

	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
External Debt for Non-Financial Investments				
Actual Debt at 31 March £m	80.667	155.667	205.667	255.667
percentage of Total External Debt %	20%	31%	37%	43%

PROPORTIONALITY

- 5.8. The Council's budget includes a net income target of £0.75m (after provision of repayment of debt) for rental income across the portfolio of commercial investments – representing 0.6% of the overall net budget for the Council. Non-achievement of this income stream does not pose a significant financial risk to the overall finance budget and any shortfall in annual income target can be mitigated by existing contingency resources.
- 5.9. A full assessment of the risks and opportunities of commercial income schemes is incorporated into business cases when the schemes are approved. The risks are also assessed on an on-going basis via the Council's risk management framework.

6. Prioritisation & Affordability

- 6.1. Due to competing demands for limited resources, the Council prioritises capital investment based on its overall objectives and a number of different factors including:
- Essential Health and Safety works;
 - Availability of external funding, full or match funding;
 - Invest to save opportunities;
 - Maintenance of the essential infrastructure of the organisation, such as buildings and IT;
 - The outcome of feasibility studies; and
 - The ability to Generate surplus revenue to support vital service provision.
- 6.2. Capital bids for new or amended schemes are submitted as part of the Council's annual budget review process. Business cases are quality assured by Finance and the Asset Programme Board (APB) prior to being recommended to Members for inclusion in the draft Capital Programme.
- 6.3. The overall affordability of the Draft Capital Programme is reported on by the Council's section 151 officer as part of the Council's budget setting process. The final Programme is agreed by Council when setting its budget in February.
- 6.4. A prioritisation matrix for assessing and scoring capital projects is attached at Appendix B. The matrix sets out a process for scoring projects based on their contribution to securing the Council's Corporate Plan priorities, meeting statutory requirements and recognising that finite capital funding resources need to be rationalised.
- 6.5. The matrix also recognises the importance of investment in capital schemes that are necessary to deliver revenue savings. It does this by allocating a score to ensure any 'Invest to Save' schemes are prioritised for approval.

7. Risk Management

- 7.1. The Council needs to ensure that it has clear ways of mitigating the risks that are inherent in acquiring property. Furthermore, the Council must show that it has the right decision-making processes in place with robust checks and balances to ensure that exposure to potential loss of capital is minimised as part of the process of agreeing to the acquiring commercial properties.

Risks

- 7.2. In general the Council seeks to minimise its exposure to risks that are unwanted and unrewarded. Capital is managed centrally on an ongoing basis to ensure that there is enough liquidity in the short and medium term to meet costs and support front line services, as well as meeting long-term solvency and funding requirements.
- 7.3. The Council is exposed to a range of broad areas of risks when undertaking capital investment:
- **Financial risks** relate to risk arising from the investment of the Council's assets and cash flow, market volatility, currency etc.
 - **Macroeconomic risks** relate to risk around the growth or decline of the local economy, interest rates, inflation and to a lesser degree, the wider national and global economy amongst others.
 - **Credit and counterparty risks** relate to risk arising from investments, loans to institutions and individuals and counterparties in business transactions.
 - **Operational risks** relate to operational exposures within its organisation, its counterparties, partners and commercial interests.
 - **Strategic risks** relate to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its goals.
 - **Reputational risks** relate to risks around the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.
 - **Environmental and social risks** relate to the environmental and social impact of the Council's strategy and interests.
 - **Governance risks** relate to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks and balances that balance oversight and efficiency.
- 7.4. Managing the Council's risks is an area of significant focus for senior management and Members, and the Council adopts an integrated view to the management and qualitative assessment of risk.

- 7.5. The Council aims to minimise its exposure to unwanted risks that are not actively sought and which carry no commensurate reward for the Council through a range of mitigation strategies to the extent that it is cost-effective to do so. Specifically, the Council has no appetite for reputational risk, governance risk and currency risk and where possible would avoid these risks.
- 7.6. The Council's appetite for these risks are set out below.

Table 6 – Council's Risk Appetite

Risk	Appetite
Financial	Moderate appetite for a range of asset classes, property and longer-term investments, subject to careful due diligence and an emphasis on security as well as matching with the Council's required liquidity profile. Low appetite for capital growth oriented investments versus income generating investments. No appetite for currency risk, emerging markets and high volatility investments.
Macroeconomic	Moderate appetite for exposure to national and global growth. High appetite for exposure to local economic growth. Low appetite for interest rate risk, and inflation risk.
Credit and counterparty	High appetite for investment grade or secured credit risk, as well as exposure to highly rated counterparties and financial institutions with strong balance sheets. Low appetite for unsecured non-investment grade debt. All subject to careful due diligence and an assessment of the transaction versus the Council's resources, capacity, funding needs, broader goals and cash flow requirements.
Operational	Low appetite for 'business as usual' operational risks such as pricing errors, errors in administration, IT, cybersecurity etc. No appetite for fraud, regulatory breaches and exceeding risk tolerances.
Strategic	High appetite for strategic initiatives, where there is a direct gain to the Council's revenues; deliver strategic objectives in its corporate plan; or the ability to deliver its statutory duties more effectively and efficiently.
Environmental and Social	No appetite for environmentally negative risks. Low appetite for social risks, especially in the local region and always subject to full due diligence

Relationship with other processes

- 7.7. Risk management is not a stand-alone discipline. In order to maximise risk management benefits and opportunities, it is integrated with existing business processes.
- 7.8. Some of the key business processes with which risk alignment exists are:
- Capital Strategy
 - Corporate Plan
 - Medium Term Financial Strategy
 - Internal Audit Plan
 - Business Planning
 - Performance Management
 - Treasury Management
 - External Audit Review
- 7.9. From a risk management perspective, and in order to ensure the Council's investments are as safe as possible, officers employ a range of due diligence techniques, including: evaluation of tenants by external property advisers; and modelling the impact of tenant failure and where necessary securing guarantees.
- 7.10. In any commercial property portfolio, it is important to achieve a level of diversification. Portfolios can be diversified by property type (e.g. office, residential, industrial or retail), sector (e.g. Telecoms, IT, Media, etc) and geography (e.g. local Borough or LEP as detailed above).
- 7.11. A key focus of our approach to commercial investment is to ensure that we understand the full range of risks relating to an investment – including the financial robustness of tenants and guarantors, legal risks, and physical and locational risks so that appropriate risk mitigation measures can be put in place to reduce/eliminate these risks.
- 7.12. Under the Council's constitution, risk management is overseen by the Audit and Governance Committee, which reviews the Corporate Risk Register at its meetings. Risk management is an integral aspect of the Council's project methodology, with projects required at initiation to identify risks and how they mitigate them. The approach to risk management includes planning and identification, monitoring and review for all risks and projects throughout their lifecycle.
- 7.13. Risk will always exist in some measure and cannot be removed in its entirety. Additionally, in order to realise investment and commercial gains, the Council recognises it must accept some measure of risk. Therefore, risks need to be considered both in terms of threats to the Council as well as opportunities.
- 7.14. The Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well exist within the organisation or can be brought to bear. As well as having the requisite skills and knowledge to manage its capital

programme, the Council can access any shortfall in expertise from partners and external advisers when required.

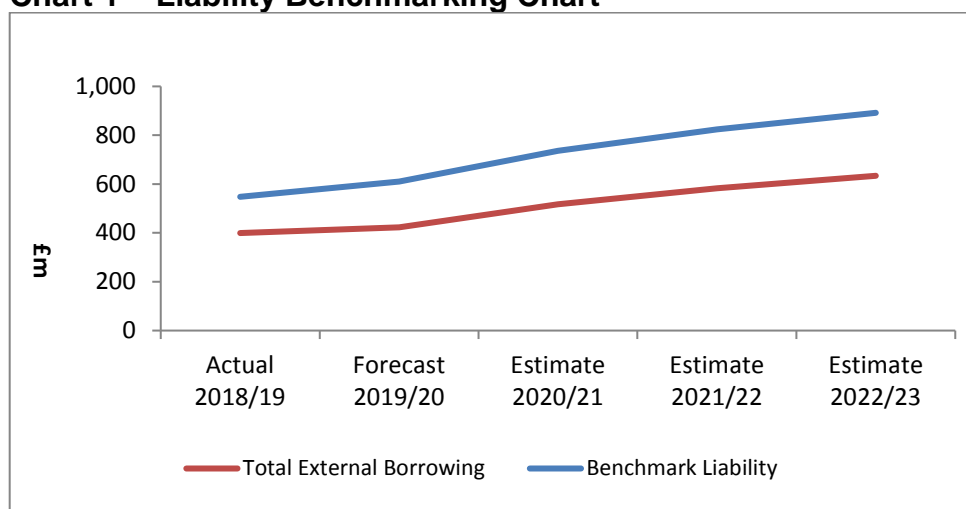
Knowledge and Skills

- 7.15. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions (including treasury management).
- 7.16. The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive local government finance experience. They all follow a Continuous Professional Development (CPD) Plan and attend courses on an ongoing basis to keep abreast of new developments in their field. The council's section 151 Officer is the officer with overall responsibility for capital and treasury activities.
- 7.17. The Council's Commercial Investment Strategy is supported by a team of professionally qualified Royal Institution of Chartered Surveyors (RICS) staff who also have extensive local government experience. This team also follows a CPD plan in accordance with their RICS membership.
- 7.18. The Council will ensure that the property team continues to have the resources required to manage the size of its commercial investment portfolio. Where necessary knowledge and skills are not available internally, the Council will use external advisers and consultants that are specialists in their field such as legal, asset management/valuation, treasury management, credit quality assessment, etc.

8. Treasury Management

- 8.1. The Council's Treasury Management Strategy Statement (TMSS) is approved by Full Council annually as part of the budget setting process.
- 8.2. There are close links between the Capital Strategy and TMSS. Treasury management sets out the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses.
- 8.3. Currently, it is forecast that the Council's external debt will be £592.2m at the end of 2022/23. The Council's proposed Operational Boundary debt forecast for 2020/21 is £726.6m. This represents the limit beyond which external debt is not normally expected to exceed. The Council's proposed Authorised Borrowing Limit for 2020/21 is £766.6m and represents a limit beyond which external debt is prohibited.
- 8.4. The Council makes provision for the repayment of debt over the life of the asset that the borrowing is funding. The proposed provision for the repayment of debt over the period 2020/21 – 2022/23 is forecast to be £42m. Most of the borrowing undertaking by the Council is linked to the invest to save programme, which generates a financial return to the Council above the borrowing cost. The Council's Minimum Revenue Provision Policy is published as part of the Council's Treasury Management Strategy.
- 8.5. The Prudential Code requires the production of a liability benchmark which is shown in the chart below. The liability benchmark is the level of expected debt given current projections for capital expenditure up to year 2022/23. The projected debt levels show what the Council expects its debt level to be. Where the debt level is below the benchmark, the Council will be in an under-borrowed position, and when it is above it will be over-borrowed. This makes assumptions regarding repayment dates and this can be used as a tool for scheduling future borrowing requirements.

Chart 1 – Liability Benchmarking Chart



9. Current Guidance

- 9.1. Under this Strategy and others, the Council have due regard to prevailing Guidance and the Prudential Code. In certain instances, notably in lending to housing associations and investment in commercial properties, the Council has decided not to have full regard to the CIPFA Guidance or the Prudential Code. This consideration is undertaken on a case by case basis following detailed due diligence, risk assessment and legal advice.
- 9.2. Paragraph 42 of Guidance allows local authorities to depart from the guidelines provided the reasons for doing so are stated in the authority's Capital Strategy. Reading's reason for departing from the Guidance are as follows:
- The guidance from CIPFA and Ministry of Housing, Communities and Local Government (MHCLG). Paragraph 41 of the Guidance states: "Where a local authority borrows to invest in yield bearing opportunities the strategy should explain...". The Guidance therefore seems to acknowledge that local authorities do and can borrow in advance of need, and that what is required is not prohibition but rather greater transparency. Therefore, this document along with additional information provided in the TMSS clearly set out the Council's commercial investment activities including information on assets purchased and how these assets contribute to the Council's overall strategic objective.
 - Borrowing in advance of need is not the same concept as borrowing in order to invest. There is a need to invest in order to make a return. Where both the financial pressure and the investment opportunity currently exist, borrowing to address these issues cannot be deemed as borrowing in advance of need.
 - All commercial property investments are fully secured against assets of at least equivalent value and given these are long term investments and that properties tend to increase in value over time – in this context commercial investments can be considered low risk if retained and treated as long term investments.
 - The investment power, under Section 12 of LGA 2003, applies irrespective of the location of the investment. It applies equally inside or outside borough boundaries. Although, the Council has only invested in asset in or on its boundary, the Council's Commercial Investment Strategy allows acquisitions beyond the Borough's boundaries.
 - The investment return earned on these investments is invested in the Council's capital/revenue budgets and lead to support and provision of vital services.
 - A thorough due diligence process is followed in line with the Council's approved Investment Property Acquisition Policy.
 - Borrowing in advance of need is only applicable to the Council's investment power and not its expenditure powers – commercial investment is considered to be capital 'expenditure'.

10. Governance

- 10.1. In line with Reading Borough Council's (RBC) Constitution, capital schemes require both scheme and spend approval prior to expenditure being incurred.
- 10.2. Capital scheme approval is achieved via inclusion of the project within the Capital Programme approved by Council in February each year. A flowchart of the process of approving capital schemes is attached at appendix C.
- 10.3. Schemes or projects also require spend approval from the appropriate committee or in accordance with the Scheme of Delegation, with the submission of a detailed business case for review where appropriate. In addition, a gateway review process is deployed for all major schemes to more closely monitor progress and delivery of projects and their agreed objectives.
- 10.4. Schemes that arise during the year will be added to the agreed Programme once the relevant approvals have been obtained.
- 10.5. The Asset Programme Board provides strategic oversight and direction in relation to the Council's corporate asset management activity. The Board will have responsibility for delivery of the Capital Programme, consider service bids for capital resources and make recommendations to members as part of the annual budget setting process and provide strategic direction as to the development and use of assets.
- 10.6. The Land and Property Working Group sits below APB and is an operational group responsible for producing the annual corporate compliance action plan and reporting on the gateway and monitoring position to APB.

Treasury Management Governance

- 10.7. The Council follows the requirements of The Local Government Act 2003 (the Act) and supporting regulations in managing its Treasury Management activities.
- 10.8. The Audit & Governance Committee is the body responsible for the governance of treasury management within the Council. The Act recommend an annual Treasury Management Strategy to Council for approval as part of the annual approval of the budget. Members also receive a mid-year review report and an outturn report.
- 10.9. The Council also employ Link Asset Services as its treasury management advisors. Other specialist advice is taken on an ad/hoc basis driven by using organisations with the best experience linked to a particular project. Treasury Management is also subject to regular Audit Review.

Performance Monitoring and Evaluation

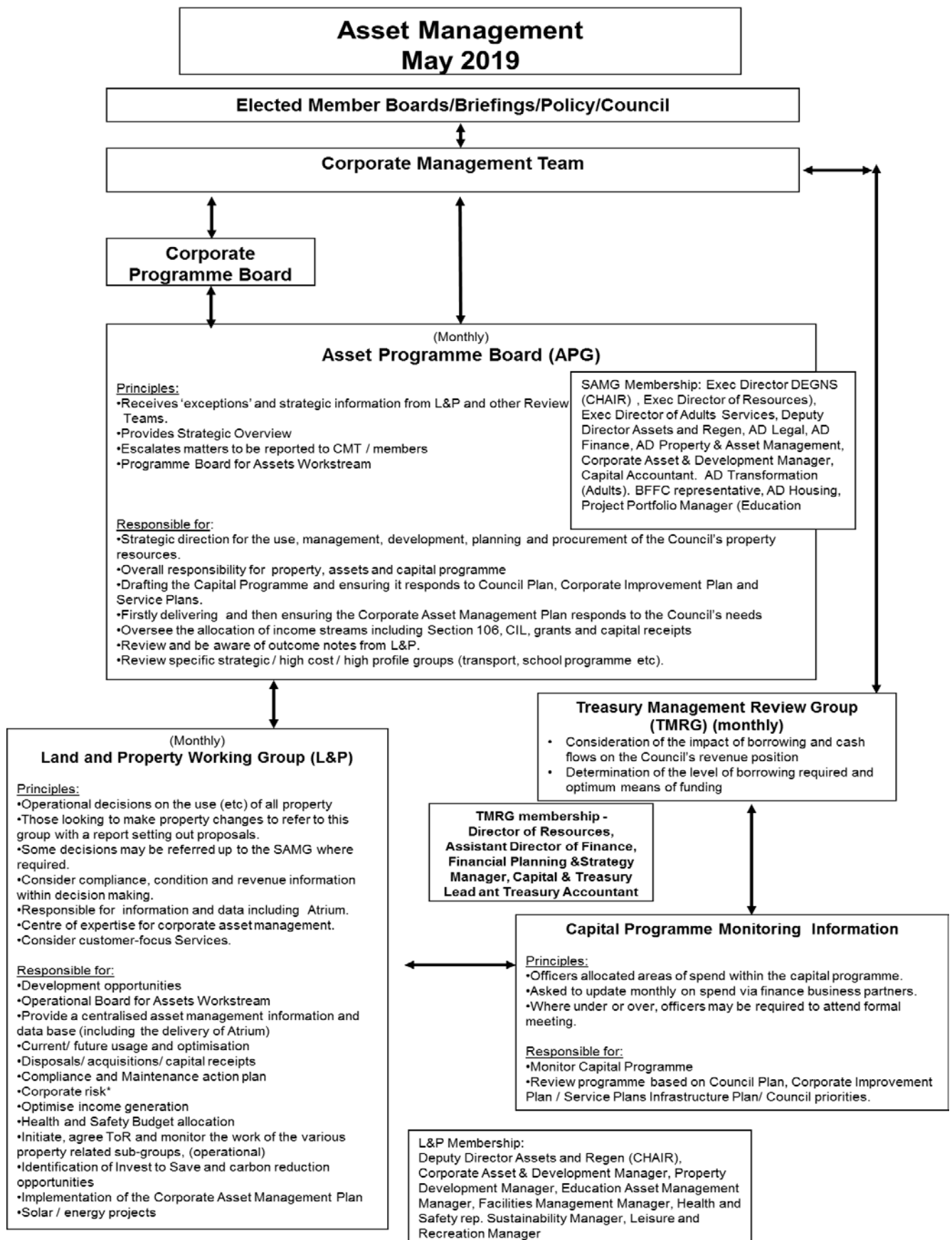
- 10.10. Monitoring of the Capital Programme sits alongside the Council's revenue monitoring process with the submission of monthly reports to both the Asset Programme Board and the Corporate Management Team for review.
- 10.11. Member oversight is achieved through lead Councillor briefings and quarterly reporting to Policy Committee.

- 10.12. All schemes within the Programme have a named project manager. It is the responsibility of individual project managers with support from their finance business partner to review and update spend and project delivery forecasts each month.
- 10.13. The Land and Property Working Group monthly meetings are used to provide challenge to capital scheme delivery on an exception basis, with the group able to call project officers to attend as necessary. LPWG report the monitoring position to APB for them to consider the overall performance of the Capital Programme and any impacts resulting from delays to schemes, etc.
- 10.14. A gateway process is being developed to be used for all major capital schemes to allow stakeholders to assess the on-going case for the scheme prior to progress to further stages in the cycle. This will involve project officers reporting to APB at stages of the project and requiring sign off before the next stage can commence. This gateway review process allows early identification of areas that may require corrective action and provides validation that a project is ready to progress successfully to the next stage. Proposed stages are as follows:
- Initial proposal
 - Feasibility
 - Business Case
 - Project initiation
 - Final design/Procurement
 - Contract Award
 - Project Review
- 10.15. As part of the annual monitoring process a draft outturn report on the previous financial year results will be submitted to Policy Committee for review. In addition, this report will seek formal approval for any scheme slippage not previously agreed to be carried forward.

11. Action Plan

- 11.1. The Council continues to review its processes to ensure compliance with the CIPFA code requirements except where it has decided, based on legal advice, to disregard Guidance. To this end an Action Plan is maintained (attached at appendix D) that outlines further actions, owners of those actions and timeline for delivery.

Appendix A



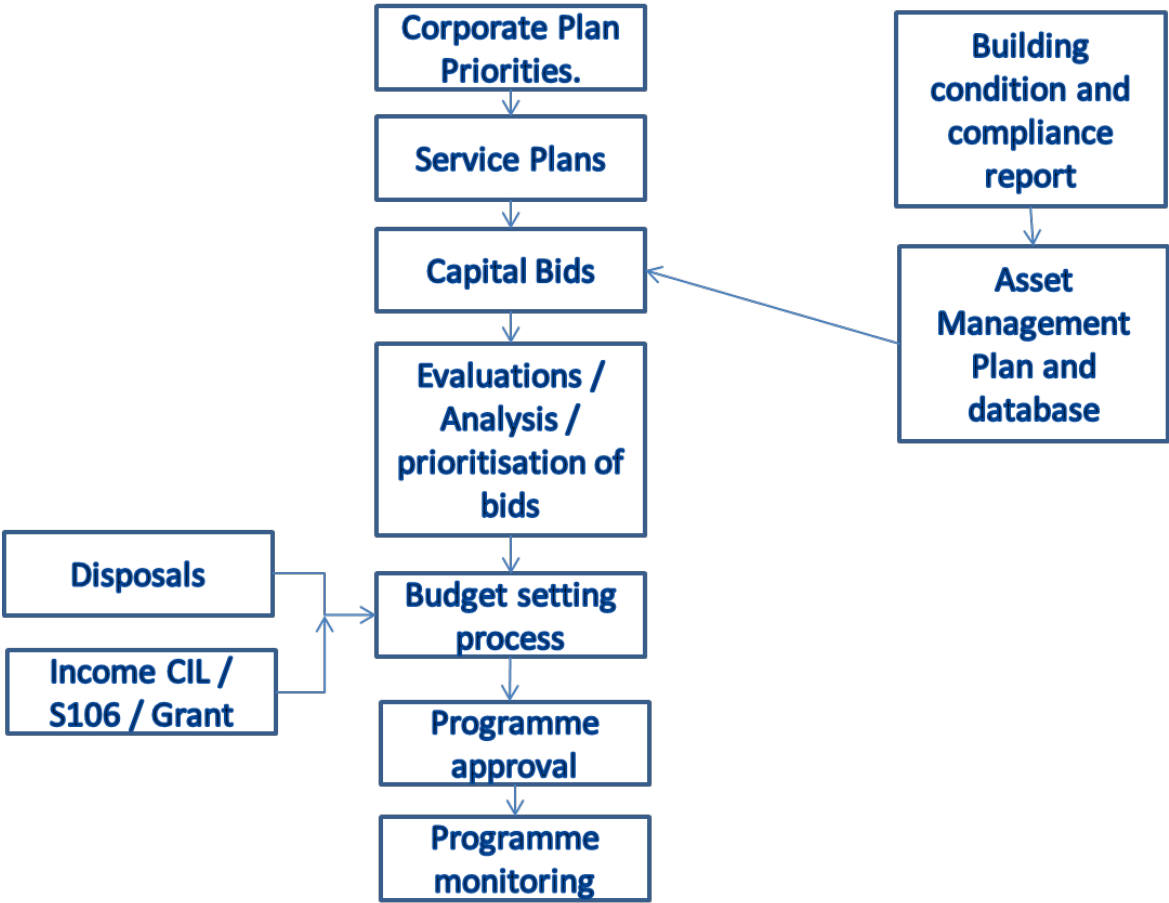
Appendix B

Prioritisation Matrix

Budget Prioritisation – Scoring Guidance for Capital Bids		
Criteria	Scoring Method	
Contribution to Corporate Priorities including ICT related priorities	Score each one out of 10 based on the contribution made to each of the Council's corporate objectives, where:	
	10 =	Very High (Major contribution to 2 or more key outcomes)
	8 =	Medium to High (Major contribution to 1 key outcome)
	6 =	Medium (Some contribution to 2 or more key outcomes)
	4 =	Low to Medium (Some contribution to 1 key outcome)
	2 =	Low (Indirectly supports at least 1 key outcome)
	0 =	None (No contribution to key outcomes)
Maintenance of existing infrastructure in terms of security and functionality	10 =	Essential to council's core business - council can't function without it
	5 =	Loss of efficiencies/revenue or increased costs
	0 =	Doesn't effect existing infrastructure of council
Statutory / Non-Statutory/ Health and Safety	This score adds a weighting to services/bids which have a statutory element:	
	10 =	Project has a statutory requirement
	5 =	Services that are based on statutory/health and safety duties but where there is some degree of discretion about how the function is carried out
	0 =	Services where the Council can exercise complete discretion
Small Scheme Weighting	This score adds weighting to lower value bids:	
	4 =	for schemes under £50,000
	2 =	for schemes between £50,000 - £99,000
	0 =	for schemes in excess of £100,000
Funding Available	This score adds a weighting for schemes that have earmarked funding available and/or have an ability to attract external funding e.g. grant aid or generate capital receipts:	
	10 =	100% external funding is available
	4 =	51% - 99% external funding is available
	2 =	Up to 50% external funding is available
	0 =	No funding has been identified
Revenue Implications	This score assesses the Capital Bids in regard to whether there are any resulting revenue implications:	
	50 =	The bid is part of an approved Invest to Save scheme to deliver revenue savings
	10 =	Income is generated or revenue savings achieved
	4 =	There are no additional revenue implications
	2 =	There are revenue costs but funding is already in place
	0 =	There are revenue costs with no funding identified
Risk Factor	This score adds a weighting to Capital Bids based on a risk assessment of not undertaking the capital project	
	10 =	Very High Risk (Complete loss of statutory service)
	8 =	High Risk (Partial loss of statutory service, complete loss of discretionary service)
	6 =	Medium Risk (Partial loss of discretionary service, worsening statutory service)
	2 =	Low Risk (Deterioration in services, more complaints)
	4 =	Very Low Risk (No improvement in customer satisfaction levels)
	0 =	No Risk (No discernible impact foreseen, low levels of complaint continue)
Environmental Factors	This score assesses the Capital Bids in regard to whether the investment will support delivery of environmental goals	
	10 =	Investment has a positive impact on environmental factors such as carbon waste and pollution
	0 =	Investment has no impact on environmental factors
Priority Level	This is the total score across all criteria	

Appendix C

CAPITAL PROGRAMME PROCESS



Appendix D

ACTION PLAN

1. **Objective** - To develop a Corporate Asset Management Plan that clearly explains how we move from the existing asset base to the assets we will need across the short, medium and long term in order to achieve the Corporate Vision.

There are four areas where work is required

- Developing our knowledge of the existing asset base
- Identifying what assets we need in the future
- Develop and implement new systems and processes to enable the transition
- Review current capacity within the organisation

2. **Developing our knowledge of the existing asset base.**

Action	Lead	Progress update	Deadline
Up-to-date condition surveys are needed covering the current condition of the asset base, the cost and timescales of maintaining the assets over the remaining useful life and the cost of replacing the asset at the end of its life. Whilst rolling work programmes are currently maintained these do not cover every asset, mainly focusing on property assets, and do not cover the remaining useful life.	AD Property & Asset Management supported by DD Planning, Transport & Regulatory Services/AD Housing & Communities /Chief Digital & Information Officer	Condition surveys for the corporate buildings are due to be completed by the end of January 2020 and will be analysed during February. Further work will continue during 2020 to finalise the asset register information.	31/10/2020

3. **Identifying what assets we need in the future**

Action	Lead	Progress update	Deadline
<p>Service Plans play an important role in identifying our future asset base for the short, medium term and long term. It is therefore vital that service plans are developed with clear identified need reflected over these periods. To achieve this aim we need to identify a clear process to prioritise the identified need and how to translate these priorities into asset development to enable delivery of the Corporate Plan.</p> <p>Examples of things to be considered in achieving this are</p> <ul style="list-style-type: none"> • Growing elderly population with complex needs and the potential need for greater residential and nursing places within the borough. • Changes in the school age demographics impacting on the need for school places across the borough. • General demographic changes impacting on the need for affordable housing in the future • The need for economic regeneration to support the economy • The need for the future transport infrastructure to support demographic changes and economic regeneration. • The need for cultural and leisure facilities across the borough • The need for IT infrastructure 	<p>All service managers working with the appropriate asset teams/ AD Property & Asset Management/DD Planning, Transport & Regulatory Services/AD Housing & Communities /Chief Digital & Information Officer</p>	<p>Education, Housing & Transport Services already have existing long-term and regularly updated plans in place that identify the future asset needs.</p> <p>The Asset management teams have been working with other services in a phased process, to assist them in identifying their long-term future assets needs.</p> <p>As a result, Adult Social Care Services have recently completed phase 1 of their review. Work with Cultural Services & BFFC (to consider non-Education asset requirements such as Children's Centres). will commence shortly.</p> <p>A review of the Leisure Service asset needs has also taken place as part of the wider Leisure Service Procurement process.</p> <p>The Corporate Asset Management team have been involved in a property rationalisation programme for a number of years. This has covered office accommodation at the Civic, Avenue Centre, Town Hall, Bennet Road/Darwin Close and a number of satellite sites.</p>	<p>On-going as part of the annual budget build process.</p>

Action	Lead	Progress update	Deadline
For this to be implemented service managers will require support. This is considered under section four below.			
The identification of future asset needs will assist in identifying any surplus assets that can be disposed of to generate a capital receipt. The current programme of disposals will need to be reviewed and updated alongside the work to identify future asset needs.	AD Property & Asset Management /Principal Valuer	<p>The Valuations team continue to maintain a schedule of surplus assets to support the MTFs and are in the process of making changes to how the information is presented to better enable decision making.</p> <p>Work to identify future asset needs has enabled improved information sharing between the Valuations team and other Services.</p>	On-going as part of the annual budget build process.

4. Develop and implement new systems and processes to enable the transition

Four areas have been identified where work is required.

- Skills and knowledge

Action	Lead	Progress update	Deadline
Ensure service and finance staff receive appropriate training to carry out their roles. This will include training on the capital investment process itself, project management, capital fundamentals, financial regs and the procurement framework	AD HR & Organisational Development/ AD Finance/AD Procurement &	A number of staff have now undertaken existing training courses on project management & procurement framework.	On-going

Action	Lead	Progress update	Deadline
	Contracts/Chief Auditor	The Finance team are in discussion re how to deliver a wider training programme.	
Further develop and implement a post project review process for all major capital schemes that covers the achievement of intended outcomes and comparison of actual spend and timescales vs original budget and planned implementation. Reports to be submitted to APB for reflection and communication of lessons learnt	AD Property & Asset Management supported by DD Planning, Transport & Regulatory Services/AD Housing & Communities /Chief Digital & Information Officer/AD Finance	Individual teams continue to carry out reviews including the production of KPIs. Further work to develop this process will commence in 2020 (linking in with the Gateway approach mentioned below)	31/12/2020

- Availability of good quality and up-to-date information

Action	Lead	Progress update	Deadline
Ensure appropriate systems are in place to enable effective capital scheme monitoring	AD Finance	Oracle have recently completed a review of the Fusion finance system. Further work to be carried out during 2020	31/12/2020
Develop a standard template to accompany service plans, to assist service managers in identifying future asset needs	AD Property & Asset Management supported by DD Planning, Transport & Regulatory Services/AD Housing & Communities /Chief Digital & Information Officer/AD Finance	Asset Management teams are considering what this might look like as part of their work with the services mentioned above in section three.	31/08/2020

Action	Lead	Progress update	Deadline
Update the Corporate Asset Management Plan to reflect the identified and agreed future asset needs and the steps required to achieve the desired outcomes.	AD Property & Asset Management supported by DD Planning, Transport & Regulatory Services/AD Housing & Communities /Chief Digital & Information Officer/AD Finance		31/12/2020
Secure an asset management database	AD Property & Asset Management	Valuations & Corporate Maintenance teams have identified a suitable system and are currently reviewing finances.	31/12/2020

- The decision-making process

Action	Lead	Progress update	Deadline
Develop a standard business case template to ensure appropriate information is captured, including full life cost of the asset, revenue implications and available funding sources. The capital bid template should be a summarised version of this template.	AD Property & Asset Management supported by DD Planning, Transport & Regulatory Services/AD Housing & Communities /Chief Digital & Information Officer/AD Finance	The capital bid template was updated for the 20/21 MTFS process. Further work is required to develop this into a full business case template.	31/10/2020
Develop a clear and transparent scheme evaluation process to aid decision making taking into account the agreed corporate priorities and being mindful of available funding sources and staff capacity to deliver projects and achieve the desired outcomes	AD Property & Asset Management supported by DD Planning, Transport & Regulatory Services/AD Housing &	The prioritisation matrix was used as part of the capital bid template for the 20/21 MTFS. Work to evaluate the success of this process to commence	31/12/2020

Action	Lead	Progress update	Deadline
	Communities /Chief Digital & Information Officer/AD Finance	later in 2020 following approval of the MTFS.	

- Governance

Action	Lead	Progress update	Deadline
Review and change the Terms of Reference for existing officer groups to ensure these groups are fit for purpose and carry out the required roles and responsibilities	AD Property & Asset Management	Terms of reference for both the APB/L&P group have been updated.	31/03/2020
Update the Constitution and related documents to provide clarity around the capital investment process (approval monitoring, virements, slippage)	AD Finance		31/12/2020
To review existing arrangements and develop a consistent gateway management approach ensuring appropriate controls are included within the approval process with clear milestones.	AD Property & Asset Management supported by DD Planning, Transport & Regulatory Services/AD Housing & Communities /Chief Digital & Information Officer/AD Finance	The development of the capital bid template included the identification of project milestones.	31/12/2020
To ensure the financial implications of capital investment decisions are understood and are integrated into revenue budgets	AD Finance	To assist this all capital bids submitted as part of the 2020 MTFS process included a 'revenue implications' section and required sign off by Strategic Business Partner, Assistant/Deputy	On-going

Action	Lead	Progress update	Deadline
		Director & Director. A similar process was implemented for revenue bids to ensure a joined-up approach.	

5. Review capacity within the organisation

Action	Lead	Progress update	Deadline
Review current capacity to deliver capital schemes and achieve the desired outcomes.	AD Property & Asset Management /DD Planning, Transport & Regulatory Services/AD Housing & Communities /Chief Digital & Information Officer		On-going
Consider staffing requirements to project management the change detailed in this action plan.	CMT		31/03/2020

6. On-going work

- a. In addition there are areas where on-going work will also be required. This includes
 - i. Implement a rolling-programme of asset surveys across the entire asset base.
 - ii. On-going training to ensure new staff have the skills and knowledge to carry out their roles.
 - iii. Regular review of service plans, corporate asset management plan etc to ensure any changes are captured.

Appendix E

General Fund Capital Programme

	2019/20 Forecast			2020/21 Forecast			2021/22 Forecast			2022/23 Forecast	
Scheme Name	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	
Delivery Fund (incl Equal Pay)	4,539	4,069	-	4,069	467	-	467	-	-	-	
Corp Total	4,539	4,069	-	4,069	467	-	467	-	-	-	
e-Marketplace & Equipment Renewal Portal Software	-	170	(93)	77	-	-	-	-	-	-	
Mobile Working and Smart Device	-	150	-	150	-	-	-	-	-	-	
Replacement of Community Re-ablement Software	-	85	-	85	-	-	-	-	-	-	
Social Care Premises	150	1,000	-	1,000	5,000	-	5,000	1,000	-	1,000	
DACHS Total	150	1,405	(93)	1,312	5,000	-	5,000	1,000	-	1,000	
Additional School Places - Contingency	-	500	(500)	-	500	(500)	-	500	(500)	-	
Avenue Expansion	-	9	(9)	-	-	-	-	-	-	-	
Blessed Hugh Faringdon - Asperger Unit 30 place expansion (SEN)	-	-	-	-	-	-	-	-	-	-	
Civitas- Synthetic Sports Pitch	-	319	(319)	-	-	-	-	-	-	-	
Cranbury College at JMA	-	819	(819)	-	-	-	-	-	-	-	
Crescent Road Playing Field Improvements	-	314	(314)	-	-	-	-	-	-	-	
Critical Reactive Contingency: Health and safety (Schools)	-	727	(727)	-	536	(536)	-	585	(585)	-	
Foster Carer Extensions	100	100	-	100	100	-	100	-	-	-	

Green Park Primary School	-	-	-	-	-	-	-	-	-
Heating and Electrical Programme - Manor Pry Power	-	154	(154)	-	-	-	-	-	-
Heating and Electrical Renewal Programme	-	929	(929)	-	545	(545)	-	585	(585)
Initial Viability work for the Free School at Richfield Avenue	-	160	(160)	-	-	-	-	-	-
Katesgrove Primary Trooper Potts Building	-	6,981	(6,981)	-	736	(736)	-	-	-
Meadway Early Years Building Renovation	-	100	(100)	-	5	(5)	-	-	-
New ESFA funded schools - Phoenix College	-	6,300	(5,400)	900	1,300	(400)	900	-	-
New ESFA funded schools - St Michaels	-	101	(101)	-	-	-	-	-	-
Primary Schools Expansion Programme - 2013-2017	-	490	(490)	-	-	-	-	-	-
Schools - Fire Risk Assessed remedial Works	-	203	(203)	-	210	(210)	-	200	(200)
Thameside SEN Expansion	-	-	-	-	-	-	-	-	-
The Heights Permanent Site Mitigation	226	918	(801)	117	268	(268)	-	-	-
The Heights Temporary School	-	-	-	-	-	-	-	-	-
BCEEHS Total	326	19,124	(18,007)	1,117	4,200	(3,200)	1,000	1,870	(1,870)
Abbey Quarter	-	457	(457)	-	-	-	-	-	-
Accommodation Review - Henley Road Cemetery	39	-	-	-	-	-	-	-	-
Accommodation Review - Phase 2A & B	133	-	-	-	-	-	-	-	-
Accommodation Review - Phase 2C (19 Bennet Road)	4,230	1,824	-	1,824	98	-	98	-	-
Accommodation Review - Town Hall	291	-	-	-	-	-	-	-	-
Additional Storage Capacity at Mortuary	-	15	-	15	-	-	-	-	-
Air Quality Monitoring	-	33	(33)	-	-	-	-	-	-
Bridges and Carriageways	727	1,669	(1,259)	410	-	-	-	-	-
Car Park Investment Programme	-	226	(226)	-	-	-	-	-	-
Car Parking - P&D, Red Routes, Equipment	250	200	(100)	100	-	-	-	-	-

Cattle Market Car Park	-	503	(503)	-	-	-	-	-	-	-
CCTV	-	-	-	-	-	-	-	-	-	-
Cemeteries and Crematorium	96	100	-	100	-	-	-	-	-	-
Central Library - Reconfiguration/Refurbishment Feasibility	50	-	-	-	-	-	-	-	-	-
Central Pool Regeneration	292	-	-	-	-	-	-	-	-	-
Chestnut Walk Improvements	82	40	(25)	15	-	-	-	-	-	-
Christchurch Meadows Paddling Pool	-	35	-	35	-	-	-	-	-	-
CIL Local Funds - Community	-	52	(52)	-	-	-	-	-	-	-
CIL Local Funds - Heritage and Culture	-	115	(115)	-	-	-	-	-	-	-
CIL Local Funds - Leisure and Play	-	338	(338)	-	-	-	-	-	-	-
CIL Local Funds - Transport	-	435	(435)	-	-	-	-	-	-	-
CIL Local Funds -Neighbourhood Allocation	-	238	(238)	-	-	-	-	-	-	-
Corporate Office Essential Works	-	50	-	50	50	-	50	652	-	652
Dee Park Regeneration - Housing Infrastructure Fund (school)	-	6,000	(6,000)	-	-	-	-	-	-	-
Defra Air Quality Grant - Bus Retrofit	-	388	(388)	-	-	-	-	-	-	-
Defra Air Quality Grant - Go Electric Reading	-	54	(54)	-	-	-	-	-	-	-
Transport Demand Management Scheme - Feasibility Work	-	-	-	-	500	-	500	-	-	-
Development of facilities at Prospect Park/Play	-	550	(475)	75	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector)	-	1,055	(1,055)	-	1,055	(1,055)	-	1,055	(1,055)	-
Eastern Area Access Works	-	100	(100)	-	140	(140)	-	-	-	-
Electric Vehicle Charging Points	-	200	-	200	50	-	50	-	-	-
Food Waste and Smaller Bins	-	1,489	-	1,489	-	-	-	-	-	-
Green Park Station	-	11,500	(11,500)	-	777	(777)	-	-	-	-

Grounds Maintenance Workshop Equipment	-	50	-	50	-	-	-	-	-	-
Homes for Reading - Share Redemption Loan	7,000	-	-	-	-	-	-	-	-	-
Invest in Corporate buildings/Health & safety works	1,500	1,768	-	1,768	1,000	-	1,000	1,000	-	1,000
Invest to save energy savings - Street lighting	-	258	-	258	-	-	-	-	-	-
Leisure Procurement	375	5,662	(750)	4,912	26,292	(750)	25,542	3,929	-	3,929
Local Traffic Management and Road Safety Schemes	-	359	(359)	-	-	-	-	-	-	-
LTP Development	-	200	(200)	-	200	(200)	-	-	-	-
NCN Route 422	-	-	-	-	-	-	-	-	-	-
New Kit/Vehicles for Commercial Services Dvlpt	-	122	-	122	-	-	-	-	-	-
Oxford Rd Community Centre	181	-	-	-	-	-	-	-	-	-
Oxford Road Corridor Works	-	318	(318)	-	-	-	-	-	-	-
Playground equipment and Refreshment: Boroughwide	-	494	(44)	450	250	-	250	891	-	891
Private Sector Renewals	200	300	-	300	300	-	300	300	-	300
Provision of Gypsy & Traveller Accommodation	-	-	-	-	50	-	50	3,580	-	3,580
Pumping Station Upgrade Scheme (new)	-	250	-	250	-	-	-	-	-	-
re3 extending range of recyclables	-	86	(53)	33	-	-	-	-	-	-
Reading Football Club Social Inclusion Unit to SRLC	-	1,496	(1,496)	-	38	(38)	-	-	-	-
Reading Town Centre Design Framework	-	-	-	-	-	-	-	-	-	-
Reading West Station	-	3,400	(3,400)	-	-	-	-	-	-	-
Renewable Energy	-	500	-	500	2,000	(700)	1,300	2,000	-	2,000
Replacement Vehicles	1,399	176	-	176	3,231	-	3,231	2,523	-	2,523
Rogue Landlord Enforcement	-	-	-	-	-	-	-	-	-	-
S106 individual schemes list	-	284	(284)	-	-	-	-	-	-	-
Salix Decarbonisation Fund	-	600	-	600	600	-	600	600	-	600

Small Leisure Schemes	-	237	(237)	-	150	(50)	100	300	(50)	250
Smart City Cluster project and C-ITS	-	227	(227)	-	-	-	-	-	-	-
South Reading MRT (Phases 1 & 2)	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 3 & 4)	-	2,536	(2,536)	-	-	-	-	-	-	-
South Reading MRT (Phases 5 & 6)	-	1,000	(1,000)	-	1,000	(1,000)	-	5,000	(5,000)	-
St George's Church Affordable Housing scheme	-	-	-	-	-	-	-	-	-	-
The Keep	94	-	-	-	-	-	-	94	(94)	-
Town Centre Improvements	-	450	-	450	-	-	-	-	-	-
Town Centre Street Trading Infrastructure	-	40	-	40	-	-	-	-	-	-
Town Hall Equipment	-	205	-	205	-	-	-	-	-	-
Traffic Management Schools	-	295	(295)	-	100	(100)	-	-	-	-
Tree Planting	3	50	-	50	50	-	50	50	-	50
Waste Operations - In Cab Waste Management System	70	-	-	-	-	-	-	-	-	-
West Reading Transport Study - Southcote/Coley	35	-	-	-	-	-	-	-	-	-
Improvements	-	-	-	-	-	-	-	-	-	-
Western Area Access Works	-	-	-	-	-	-	-	-	-	-
Highway Infrastructure Works	-	3,000	-	3,000	3,000	-	3,000	3,000	-	3,000
Harden Public Open Spaces to Prevent Incursion	44	35	-	35	25	-	25	25	-	25
Salix Re-Circulation Fund	73	588	-	588	250	-	250	250	-	250
Sun Street - Final Phase	135	145	-	145	-	-	-	-	-	-
DEGNS Total	17,299	52,797	(34,552)	18,245	41,206	(4,810)	36,396	25,249	(6,199)	19,050
Customer Digital Experience	-	750	-	750	1,000	-	1,000	750	-	750
Future ICT Operating Model	100	5,429	-	5,429	839	-	839	-	-	-
ICT Infrastructure (Invest to save)	1,000	667	-	667	500	-	500	500	-	500
Loan To RTL (Bus replacement programme)	1,500	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000

Loan To RTL (Project Voyager)	5,200	-	-	-	-	-	-	-	-	-
Oracle Capital Works - financed through reduced rental	247	100	-	100	100	-	100	100	-	100
Purchase of Commercial Property	35,205	80,000	-	80,000	50,000	-	50,000	50,000	-	50,000
Re-Procurement / Reimplementation of Finance System	-	100	-	100	100	-	100	-	-	-
Universal Digital Systems	941	1,005	-	1,005	910	-	910	910	-	910
DoR Total	44,193	93,051	-	93,051	58,449	-	58,449	57,260	-	57,260
Grand Total	66,507	170,446	(52,652)	117,794	109,322	(8,010)	101,312	85,379	(8,069)	77,310

Appendix E - Continued

HRA Capital Programme

Scheme Name	2019/20 Forecast	2020/21 Forecast			2021/22 Forecast			2022/23 Forecast		
	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Major Repairs	7,429	11,066		11,066	9,500		9,500	9,618		9,618
Hexham Road	1,400	950		950			-			-
Disabled Facilities Grants	670	500		500	500		500	500		500
Fire Safety Works	1,128	977		977	1,250		1,250	1,385		1,385
New Build & Acquisitions - Phase 1	1,174	214		214			-			-
New Build & Acquisitions - Phase 2	2,729	12,205	(1,111)	11,094	5,892	(1,112)	4,780			-
New Build & Acquisitions - Phase 3	569	8,381	(3,601)	4,780	7,680	(3,621)	4,059			-
New Build & Acquisitions - (Ex General Fund)	133	77		77			-			-
Housing Mngt System	111	604		604			-			-
Grand Total	15,343	34,974	(4,712)	30,262	24,822	(4,733)	20,089	11,503	-	11,503

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO: COUNCIL

DATE: 25 FEBRUARY 2020

TITLE: COUNCIL TAX SETTING

LEAD COUNCILLOR: COUNCILLOR BROCK

PORTFOLIO: LEADER OF THE COUNCIL

SERVICE: ALL

WARDS: BOROUGHWIDE

LEAD OFFICER: MATT DAVIS

TEL: 0118 937 3263

JOB TITLE: ASSISTANT DIRECTOR 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 2020/21 in accordance with the Local Government Finance Act 1992.
- 1.2. The report also sets out the Council Tax amounts for each property valuation band in the Borough including precepts notified from the Thames Valley Police and Royal Berkshire Fire & Rescue Service.

2. RECOMMENDED ACTIONS -

Council is asked to:

- 2.1 Agree the following amounts that have been calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Local Government Act 1992:
- (i) £425,131,532 being the estimated aggregate expenditure of the Council in accordance with section 31A (2) of the act;
 - (ii) £329,116,681 being the estimated aggregate income of the Council for the items set out in section 31A (3) of the act;
 - (iii) £96,014,851 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) £1,692.16 being the amount at (iii) above (Item R) divided by the Council's tax base 56,741 (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 3.99% in the Council's own tax.
- 2.2 Note that the net tax base of 56,741 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) for 2020/21 was agreed by Full Council on 28 January 2020 and;
- (i) that the band D charge for Reading Borough Council is £1,692.16 as shown in section 4.4 of the report; and
 - (ii) that including the Fire and Police authority precepts; Council Tax by property valuation band is as set out in section 4.8 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. Full Council at its meeting on 28 January 2020 approved the Council Tax Base for 2020/21 as 56,741 band D equivalent properties 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 (as set out in Appendix 1 of the budget report which appears elsewhere on the agenda) by the agreed number of band D equivalent properties (its tax base) as shown in Table 1. below:

Table 1 - Calculation of Reading Borough Council's band D Charge

(i) Council Tax Requirement	£96,014,851
(ii) Tax Base	56,741
Basic Amount of Council Tax band D (i) divided by (ii)	£1,692.16

- 4.3. Reading's basic amount of Council Tax for a band D property for 2020/21 is £1,692.16 which represents a 3.99% increase on the 2019/20 figure of £1,627.23; an increase of £64.93 (approximately £1.25 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 property valuation band for 2020/21 is as shown in Table 2 below:

Table 2 - Reading Borough Council - Council Tax by Property Valuation Band

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,128.11	1,316.12	1,504.14	1,692.16	2,068.20	2,444.23	2,820.27	3,384.32

- 4.5. The Council's band D charge of £1,692.16 for 2020/21 represents a 3.99% increase on the equivalent £1,627.23 charge for 2019/20. Local authorities can increase Council Tax in 2020/21 by a core amount of up to 2%, without holding a local referendum. In addition, councils with adult social care responsibilities can increase their Council Tax by a further 2%, on top of the core amount, to be spent exclusively on adult social care. The 2020/21 band D amount includes within it prior year increases in respect of adult social care as set out in the Table 3:

Table 3 - Change in Reading Borough Council's band D Charge

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£	£
General Tax Requirement	1,365.00	1,392.29	1,447.97	1,535.27	1,627.23	1,659.62
Additional ASC Pressures	0.00	27.30	42.59	44.72	0.00	32.54
Total band D Charge	1,365.00	1,419.59	1,490.56	1,579.99	1,627.23	1,692.16

General Tax Change	N/A	1.99%	1.99%	2.99%	2.99%	1.99%
ASC Pressures Change	N/A	2.00%	3.00%	3.00%	0.00%	2.00%
Total band D Change	N/A	3.99%	4.99%	5.99%	2.99%	3.99%

- 4.6. The Council's basic amount of Council Tax for 2020/21 is therefore not determined to be excessive in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992.
- 4.7. The Thames Valley Police and Crime Commissioner and the Royal Berkshire Fire & Rescue Service set their precepts for 2020/21 at their respective meetings on Friday 14th February 2020 (the Police Precept is £12.3m and Fire precept is £3.8m), in accordance with Section 40 of the Local Government Finance Act 1992.
- 4.8. The basic amounts of Council Tax by property valuation band for 2020/21 of each of the respective precepting authorities are set out in Table 4 below together with the overall Council Tax charge per property band (before any exemptions or discounts that may be applied):

Table 4 - Overall Council Tax Including Major Preceptors 2020/21

Valuation Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Reading Borough Council	1,128.11	1,316.12	1,504.14	1,692.16	2,068.20	2,444.23	2,820.27	3,384.32
Police	144.19	168.22	192.25	216.28	264.34	312.40	360.47	432.56
Fire	45.07	52.58	60.09	67.60	82.62	97.64	112.67	135.20
Total	1,317.37	1,536.92	1,756.48	1,976.04	2,415.16	2,854.27	3,293.41	3,952.08

- 4.9. The overall band D charge for 2020/21 (including major preceptors) of £1,976.04 represents an increase of £76.25 (4.0%) - the constituent elements are set out in Table 5 below:

Table 5 - Change in Overall band D Charge

	2019/20	2020/21	Change	Percentage	Overall
	£	£	£	%	%
Police	206.28	216.28	10.00	4.85%	0.52%
Fire	66.28	67.60	1.32	1.99%	0.07%
Reading	1,627.23	1,692.16	64.93	3.99%	3.42%
Total	1,899.79	1,976.04	76.25	4.01%	4.01%

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1. Council Tax is levied to fund service delivery as laid out in the Medium Term Financial Strategy 2020-2023.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1. There are no environmental implications arising directly from this report.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1. The majority of properties in Reading are classed as band C and below, with 38% of properties classed as band C. The Reading element for this band for 2020/21 will be £1,504.14, an increase of £1.11 per week. The overall Council Tax charge for this band (including Police and Fire) will be £1,756.48.
- 7.2. The number of properties in each band is set out in Table 6 below:

Table 6 - 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	7,151	7.0%	6/9
B	14,404	16.4%	7/9
C	29,581	38.4%	8/9
D	11,215	16.4%	9/9
E	5,679	10.2%	11/9
F	3,293	6.9%	13/9
G	1,856	4.5%	15/9
H	85	0.2%	18/9
Total	73,264	100%	

8. EQUALITY IMPACT ASSESSMENT

- 8.1. An equality impact assessment has been undertaken for the budget proposals set out in the Medium Term Financial Strategy report.
- 8.2. 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.
- 8.3. The Council has recognised its responsibility as a "corporate parent" with regard to children leaving its care - care leavers. Budget proposals, as outlined in the Medium Term Financial strategy (MTFS) and budget report which appears elsewhere on the agenda, include proposals to provide financial support towards meeting the cost of the Council Tax bills for care leavers between the ages of 18 and 21. The proposed support is tapered such that 18-year olds will receive a 100% contribution to their net bill (after applying all other exemptions and discounts), and would reduce to 66% for 19-year olds and 33% for 20-year olds.
- 8.4. The cost of this budget proposal has been forecast at £50k and is met entirely from the Council's own resources and does not therefore impact on the Tax Base for either of the other two precepting authorities.
- 8.5. A separate budget, also of £50k, has been proposed in the MTFS to provide equivalent support for Reading's own care leavers who now reside out of borough and are thus not eligible for the Council's own discount. This will be administered by Brighter Futures for Children on behalf of the Council.

9. LEGAL IMPLICATIONS

- 9.1. 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 2020/21. 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.

10. FINANCIAL IMPLICATIONS

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

11. BACKGROUND PAPERS

- Approval of the Local Council Tax Support Scheme and the Council Tax Base for 2020/21 - Council Meeting, 28 January 2020;
- s52ZB(a) Local Government Finance Act 1992 - Referendums Relating to Council Tax Increases (Principles) (England) Report 2020/21; and

- 2020/21 Budget Setting and Council Tax Report - Policy Committee 17 February 2020 and this agenda.

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READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO:	COUNCIL		
DATE:	25 FEBRUARY 2020		
TITLE:	TREASURY MANAGEMENT STRATEGY STATEMENT (2020/21); MINIMUM REVENUE PROVISION POLICY (2020/21); ANNUAL INVESTMENT STRATEGY (2020/21)		
LEAD COUNCILLOR:	COUNCILLOR EMBERSON	AREA COVERED:	COUNCIL WIDE
SERVICE:	FINANCE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	MATT DAVIS	TEL:	0118 937 2954
JOB TITLE:	ASSISTANT DIRECTOR OF FINANCE	E-MAIL:	Matt.davis@reading.gov.uk

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 and Treasury Management Code (2017), 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 2020/21 under which the Council's treasury team will manage day to day activity. The TMSS reflects the Council's Draft Capital Programme 2020/21 – 2022/23.
- 1.3 The successful identification, monitoring and control of financial risk are central to the Strategy. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities (arising usually from capital expenditure) and are separate from day to day treasury management activity.
- 1.4 The CIPFA 2017 Prudential and Treasury Management Code also requires the Council to prepare a Capital Strategy report which sets out the Council's capital requirements arising from policy objectives, as well as the associated governance procedures and risk appetite.
- 1.5 The Capital Strategy is reported separately from the Treasury Management Strategy Statement and includes non-treasury investments.

2. RECOMMENDATIONS

That Full Council approve the:

- **Treasury Management Strategy Statement for 2020/21 as set out in Appendix A;**
- **Treasury Management Policy for 2020/21 as set out in Appendix A;**
- **Minimum Revenue Provision (MRP) Policy for 2020/21 as set out in Appendix A;**
- **Annual Investment Strategy for 2020/21 as set out in Appendix A; and**
- **The Prudential and Treasury Management indicators as set out in Appendix A.**

Appendices:

Appendix A - Treasury Management Strategy Statement 2020/21 (including the Borrowing & Investment Strategy, Treasury Management Indicators and Prudential Indicators); Treasury Management Policy (2020/21); Minimum Revenue Provision (2020/21); Annual Investment Strategy (2020/21).

3. Economic background

- 3.1 The UK has had two extensions to its exit from the European Union, the latest extension is until 31st January 2020. In light of the outcome of the general election on 12 December, it is expected that the latest outline deal agreed by the Prime Minister will be passed by Parliament by that date. Despite this, there will still be much uncertainty as the detail of a trade deal will need to be negotiated by the end of the transition period in December 2020, which the Prime Minister has pledged will not be extended.
- 3.2 Growth in gross domestic product has taken a hit from Brexit uncertainty during 2019 and the economy is likely to tread water in 2020, with tepid growth of around 1% until there is more certainty after the trade deal deadline is passed.
- 3.3 The Bank of England Monetary Policy Committee (MPC) made a change to its Brexit assumptions to include a deal being eventually passed following the 12 December election, but the Committee expressed increased concern around weak global economic growth and the potential for Brexit uncertainties to become entrenched and so delay UK economic recovery. Consequently, the MPC voted 7-2 to maintain the Bank Rate at 0.75%. The MPC indicated that a rate cut would be more likely if global growth does not pick up or Brexit uncertainty intensifies. Conversely, if risks do recede, then a more rapid recovery of growth will require gradual and limited rate rises.
- 3.4 If economic growth were to weaken considerably, the MPC has relatively little room to make an impact with the Bank Rate still only at 0.75%. It would therefore, be up to the Chancellor to provide help to support growth by way of a fiscal boost to the economy through tax cuts, increases in the annual

expenditure budgets of government departments and expenditure on infrastructure projects.

- 3.5 Inflation (CPI) has been hovering around the Bank of England's target of 2% for most of 2019, but fell in both October and November to a three-year low of 1.5%. If there was a hard or no deal Brexit, inflation could rise significantly, primarily because of imported inflation on the back of a weakening pound. However, the Bank of England revised its inflation forecasts down to 1.4% in 2019, 1.5% in 2020, and 2.0% in 2021; hence, the MPC views inflation as causing little concern in the near future.
- 3.6 In the United States (US) of America, growth reduced after a strong start from 3.1% to around 2% annualised by the end of the year. Growth in employment numbers and inflationary pressures weakened in 2019 compared to prior years, indicating that the economy has been cooling. However, CPI inflation rose from 1.8% to 2.1% in November, a one year high, but this was singularly caused by a rise in fuel prices.
- 3.7 The Federal Reserve Bank (The Fed), finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not intended to be seen as the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August 2019. In response to signs of a weakening economy, the Fed cut rates by 0.25% again in September and by another 0.25% in its October meeting to 1.50 – 1.75% - rates were left unchanged in December.
- 3.8 EUROZONE (EZ) – Growth has been slowing from +1.8 % during 2018 to around half of that in 2019. Annual growth hovered around +1.2% year on year, so there appears to be little upside potential in the near future. German GDP growth has been struggling to stay in positive territory in 2019 and fell by - 0.1% in quarter 2; annual industrial production was down 4% in June 2019 with car production down 10%. Germany would be particularly vulnerable to a no deal Brexit depressing exports further especially if the USA imposes tariffs on EU produced cars.
- 3.9 The European Central Bank (ECB) ended its programme of quantitative easing in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets. However, the downturn in EZ growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, has prompted the ECB to take new measures to stimulate growth in 2019.
- 3.10 The trade war between the US and China is a major concern to financial markets due to the synchronised general weakening of growth in the major economies of the world, compounded by fears that there could even be a recession looming in the US. These concerns resulted in government bond yields in the developed world falling significantly during 2019. There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks and the use of negative central bank rates in some countries. The latest Purchasing Managers' Index (PMI) survey statistics of economic health for the US, UK, EU and China have

all been predicting a downturn in growth; this confirms investor sentiment that the outlook for growth during the year ahead is weak.

4. Borrowing

- 4.1 Under the Prudential Code, the Council can borrow to fund capital expenditure if such borrowings are sustainable, affordable and prudent.
- 4.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR is the total historic capital expenditure which has not yet been paid for from either revenue or capital resources – it is the Council's underlying need to borrow. Whereas usable reserves and working capital are the underlying resources available for investment.
- 4.3 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 £1.1bn which includes £551m of Housing assets. As at 30th November 2019, the Council had £399m of loans outstanding in respect of these assets for both the General Fund and the Housing Revenue Account (HRA).
- 4.4 The Council took out several tranches of new borrowing totalling £30m in 2019 to fund Capital Programme commitments. By taking out new long term loans, the Council was able to de-risk its exposure to long term interest rate increases. Shortly, after the last of these loans was approved, HM Treasury increased interest rates on all PWLB loans by 1%. By taking out the loans before the increase, the Council saved £0.3m a year in interest costs going forward.
- 4.5 With an orderly exit from Europe, market projections indicate that long term borrowing costs will increase gradually and remain relatively low for some time compared to historic averages. 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).
- 4.6 Based on its proposed Capital Programme over the period 2020/21 – 2022/23 the Council has a projected increase in its CFR of £255m. The Programme aims to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading.
- 4.7 The Capital Programme, after specific grants, s106 contributions and capital receipts has a borrowing requirement of £297m, £266m General Fund and £31m Housing Revenue Account. The majority of General Fund borrowing, relates to invest to save projects or those that generate a financial return, such as commercial investment. The remainder is to facilitate improved service provision. The cost of borrowing together with any associated revenue savings is included within the Council's Medium Term Financial Strategy 2020/21 – 2022/23.
- 4.8 The Executive Director of Resources has delegated responsibility for borrowing and works closely with the Council's treasury management team and advisors, Link Asset Services, on borrowing decisions taking into account several factors including:
 - The cost of borrowing short or long-term

- Anticipated changes in the cost of borrowing
 - The level of cash balances held under investment
 - The return on invested balances
- 4.9 The Council's long-term borrowing (loans over 12 months in length) is from two sources: the Public Works Loans Board (PWLB) and private banks for debt relating to Lender Option Borrower Option loans (LOBO loans currently stand at £25m). 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.
- 4.10 The framework for taking borrowing decisions in the coming year is set out in the Council's TMSS, attached at Appendix A. The Council may increase its longer term PWLB borrowing to cover new capital project expenditure in advance of need to minimise the risk of interest rate fluctuations.
- 4.11 The Council's self-imposed limits on sustainable, affordable and prudent borrowing and investment, the prudential and treasury management indicators that need to be approved by Council are set out in Appendix A.

5. Investment

- 5.1 The Council's investments for Treasury Management purposes 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 compared to leaving balances in the Council's bank account. Other investments include the CCLA property fund and loans to the Council's wholly owned companies.
- 5.2 The level of investments fluctuates throughout the year dependent on cash balances. The balance of investments was £73m at the end of November 2019 with an average weighted rate of return of 0.9%. This will earn approximately £0.6m for the Council and is built into the revenue budget.
- 5.3 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)
- 5.4 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 latest 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.

- 5.5 Commercial Investments are part of the Capital Programme approved by Members. The borrowing to fund the investments is undertaken under the Treasury Management Strategy.

6. Markets in Financial Instruments Directive (MiFID) II

- 6.1 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 MFIS II is to provide greater safeguards for non-professional clients who invest or trade in financial instruments.
- 6.2 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.
- 6.3 The Council has successfully opted up to professional client status which means it can maintain its ability to maximise interest on its balances and not have to limit its current range of investments. 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.
- 6.4 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.

7. Approved Investments and Counterparties

- 7.1 The counterparty criteria are kept under regular review and are detailed in annexe A of the appendix to this report. The criteria set out the value and duration limits which are applied in the day to day investment of the Council's cash balances.
- 7.2 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.
- 7.3 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 by our treasury advisor, Link Asset Services. 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 during the financial crisis 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.

- 7.4 In addition, central banks such as the Bank of England and European Central Bank provide financial support to financial institutions through Term Funding Schemes (TFS) that ensures they have access to enough liquidity at low rates. The TFS was launched in 2016 and provides funding to banks and building societies at rates close to Base Rate.

8. Risk Controls

Investment Risk

- 8.1 The main risk of investing with others is that the borrower or counterparty defaults on the loan and cannot repay it.
- 8.2 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.

Borrowing Risk

- 8.3 The main risk when deciding to borrow is around the timing of the decision. There is a risk that interest rates will increase before any planned borrowing is taken. The Council receives regular interest rate forecasts which are used to inform decisions on the timing of external borrowing.
- 8.4 The latest guidance requires the use of other information as well as rating agency evaluations. When ratings change, the Treasury team are notified on the same day by our treasury advisors. There are regular internal and external meetings the Treasury team attend to keep abreast of latest topics. The monthly updates from Link Asset Services include other market sources of information, such as the prices of financial instruments and shares. In addition, professional publications and sector specific reports are reviewed by the team to ensure that any decision to borrow is based a broad array of available information.
- 8.5 The Treasury Management policies deal with risk controls, decision making and reporting processes, along with high level administration of the Treasury Management activities.

9. FINANCIAL IMPLICATIONS

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

10. LEGAL IMPLICATIONS

- 10.1 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.

11. ENVIRONMENTAL IMPLICATIONS

11.1 There are no environmental implications arising from this report.

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

1. INTRODUCTION

Background

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 The treasury management function makes a critical contribution to the effective management of the Council's financial position, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operation, debt financing costs and investment income arising from cash deposits will impact on the Council's budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure) and are separate from day to day treasury management activities.
- 1.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as: *"The management of the local authority's borrowing, 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."*

Reporting Requirements

- 1.6 The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a number of treasury management related strategies and policies for approval by Council.
- 1.7 The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals, including:
 - a. The first (this report), which is forward looking and covers:
 - the Council's capital plans, (including prudential indicators);
 - a Minimum Revenue Provision (MRP) Policy, (how residual capital expenditure is charged to revenue over time);

- the Treasury Management Strategy (TMSS) – how investments and borrowing is to be organised, including treasury indicators; and
 - an Investment Strategy – the parameters within which investments are to be managed.
- b. A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c. An annual treasury report – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the Strategy

Capital Strategy

- 1.8 The CIPFA Code also requires the Council to prepare a Capital Strategy Report which includes the following:
- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - An overview of how the associated risk is managed;
 - The implications for future financial sustainability
- 1.9 The Capital Strategy is reported separately from the TMSS; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercial investments usually driven by expenditure on an asset. The Capital Strategy will show:
- The corporate governance arrangements for these types of activities;
 - Any service objectives relating to the investments;
 - The expected income, costs and resulting contribution;
 - The debt related to the activity and the associated interest costs;
 - The payback period (Minimum Revenue Provision Policy);
 - For non-loan type investments, the cost against the current market value;
 - The risks associated with each activity.
- 1.10 Where a physical asset is being bought, details of market research, advisers used, and their monitoring, ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment.

Non Financial Investments

- 1.11 Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.
- 1.12 If any non-treasury investment is found to have sustained a loss during preparation of final accounts/audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.
- 1.13 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

- 1.14 The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Governance Committee.

2 Treasury Management Strategy for 2020/21

2.1 The strategy for 2020/21 covers two main areas:

a. Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the Minimum Revenue Provision (MRP) Policy.

b. Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- investment and borrowing;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- creditworthiness policy; and
- the investment strategy.

2.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

Training

2.3 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training will be arranged for members of the Audit and Governance Committee as necessary in line with the requirements of the Code.

2.4 Staff regularly attend training courses and seminars provided by the Council's external treasury management advisers and CIPFA. Staff are also encouraged to study professional qualifications from CIPFA, or other appropriate organisations. The Council reviews the training needs of treasury management officers periodically to ensure that staff receive necessary training to properly discharge their duties.

Treasury management consultants

2.5 The Council uses Link Asset Services as its external treasury management advisors.

2.6 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

- 2.7 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review.
- 2.8 The scope of investments within the Council's operations now includes both conventional treasury investments and more commercial type investments, such as investment properties. The commercial type investments require specialist advisers, and the Council appoints advisers on a case by case basis.

3 THE CAPITAL PRUDENTIAL INDICATORS 2020/21 – 2022/23

- 3.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators below.

Capital expenditure

- 3.2 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle as set out in Table 1 below.

Table 1 – Capital Expenditure (2018/19 – 2022/23)

Capital expenditure - £m	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Estimate	Estimate	Estimate	Estimate
DACHS	1.108	0.150	1.405	5.000	1.000
DCEECHS	4.822	9.138	19.124	4.200	1.870
DEGNS	43.364	40.271	52.797	41.206	25.249
DORS	1.451	44.193	93.051	58.449	57.260
Other	12.016	4.539	4.069	0.467	0.000
Non-HRA	62.761	98.291	170.446	109.322	85.379
HRA	15.481	15.780	34.974	24.822	11.503
Total	78.242	114.071	205.420	134.144	96.882

Note: The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments

- 3.3 Table 2 below summarises how the above capital expenditure plans are expected to be financed by capital or revenue resources. Any shortfall results in a borrowing need.

Table 2 – Financing of Capital Expenditure (2018/19 – 2022/23)

Financing of capital expenditure £m	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Estimate	Estimate	Estimate	Estimate
Capital receipts	20.081	13.341	13.304	10.206	4.101
Capital grants	18.995	35.221	60.364	15.743	11.069
Capital reserves	7.403	9.264	8.064	8.064	8.064
Revenue	0.097	0.111	0.604	0.000	0.000
Net financing need for the year	31.666	56.134	123.084	100.131	73.648

- 3.4 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position. The planned commercial investment capital expenditure figures demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's other remaining activity.
- 3.5 Capital expenditure figures relating to commercial activities included in Table 1 is shown below. Table 3 also sets out the net financing required to fund planned commercial activity as a percentage of the Council's overall net financing need.

Table 3 – Non-Financial Investments (2018/19 – 2022/23)

£m	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Capital Expenditure on commercial activities	0.000	35.000	75.000	50.000	50.000
Net financing need for the year (Council)	31.666	56.134	123.084	100.131	73.648
Percentage of total net financing need %	0%	62%	61%	50%	68%

- 3.6 Whilst a high percentage of non-financial investments are financed through borrowing, they are generally invest to save assets which means that they make a net contribution to the Council's revenue budget.

Capital Financing Requirement

- 3.7 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the capital expenditure incurred which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need.
- 3.8 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.
- 3.9 The CFR includes other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £25.94m of such schemes netted off within the CFR.
- 3.10 The CFR projections are set out in Table 4 below:

Table 4 – CFR Movement Analysis

£m	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Capital Financing Requirement					
CFR - non housing	361.220	400.178	495.865	570.205	623.961
CFR - housing	186.800	194.701	210.798	222.367	225.806
Total CFR	548.020	594.879	706.663	792.572	849.767
Movement in CFR	23.061	46.859	111.784	85.909	57.195
Movement in CFR represented by					
Net financing need for the year (above)	31.666	56.134	123.084	100.131	73.648
Less MRP/VRP and other financing movements	(8.605)	(9.275)	(11.300)	(14.222)	(16.453)
Movement in CFR	23.061	46.859	111.784	85.909	57.195

4 Minimum revenue provision (MRP) policy statement

- 4.1 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. The Council is also allowed to undertake additional voluntary payments if required.
- 4.2 As part of the regulatory framework, Full Council is required to approve a Minimum Revenue Provision (MRP) Policy.
- 4.3 The MRP policy, in accordance with proper practice, considers outstanding capital borrowing to be the Council's Capital Financing Requirement (CFR) rather than 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

- 4.4 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

- 4.5 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.

- 4.6 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.
- 4.7 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 become operational for a full accounting year. Accordingly, on becoming operational, the charge for MRP will not commence until the following financial year.
- 4.8 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.
- 4.9 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

- 4.10 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.
- 4.11 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.
- 4.12 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.
- 4.13 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.
- 4.14 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.
- 4.15 Where the Council has outstanding borrowing relating to individual and specific investment property assets, in exceptional circumstances where a substantial void period in lettings occur, the Council reserves the right 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.

- 4.16 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.
- 4.17 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.
- 4.18 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

- 4.19 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.
- 4.20 The Council's S151 Officer will apply General Fund capital receipts so as to optimise the benefit to the Revenue Account whilst being mindful of the long term need to prudently repay capital debt.
- 4.21 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, such repayments will be applied against the remaining borrowing identified on an asset by asset basis and the MRP liability adjusted accordingly.

MRP Overpayments

- 4.22 A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2019 nil overpayments were made.

5 BORROWING

- 5.1 The capital expenditure plans set out in section 3 of this report summarise the Council's proposed service capital expenditure activity. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The Strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual Investment Strategy.

Current Treasury Management Portfolio Position

- 5.2 The overall treasury management portfolio as at 31 March 2019 and for the position as at 30 November 2019 are shown below for both borrowing and investments.

Table 5 – Treasury Portfolio

Treasury Portfolio	Actual 31.03.19 £m	Actual 31.03.19 %	Current 30.11.19 £m	Current 30.11.19 %
Treasury Investments				
Banks	1.250	2%	0.635	0.8%
Other (Reading Transport, Homes for Reading, Brighter Futures)	22.500	39%	36.200	47.2%
Money Market Funds	18.475	32%	24.900	32.4%
Property Fund	15.000	26%	15.000	19.5%
Total Managed In-House	57.225	100%	76.735	100.0%
Treasury External Borrowing				
Local Authorities	(43.000)	11%	(15.000)	4%
PWLB	(326.297)	82%	(354.126)	89%
LOBOs	(25.000)	6%	(25.000)	6%
Other Loans	(5.000)	1%	(5.000)	1%
Total External Borrowing	(399.297)	100%	(399.126)	100%
Net Treasury Investments / (Borrowing)	(342.072)		(322.391)	

- 5.3 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying need to borrow, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 6 – Borrowing Estimates

£m	31.03.19 Actual	2019/20 Forecast	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
External Debt					
Debt at 1 April	376.236	399.297	411.442	494.859	554.290
Expected Change in Debt	23.061	12.144	83.417	59.432	37.896
Actual Gross Debt at 31 March	399.297	411.442	494.859	554.290	592.187
Capital Financing Requirement	548.020	594.879	706.663	792.572	849.767
Under / (Over) Borrowing	148.723	183.438	211.805	238.282	257.581

- 5.4 Within the above figures the level of debt relating to commercial activities / non-financial investment is:

Table 7 – Analysis of Non Financial Investment Borrowing

	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
External Debt for Non-Financial Investments					
Actual Debt at 31 March £m	42.753	80.667	155.667	205.667	255.667
percentage of Total External Debt %	11%	20%	31%	37%	43%

- 5.5 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 5.6 The Executive Director of Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

Treasury Indicators: Limits to Borrowing Activity

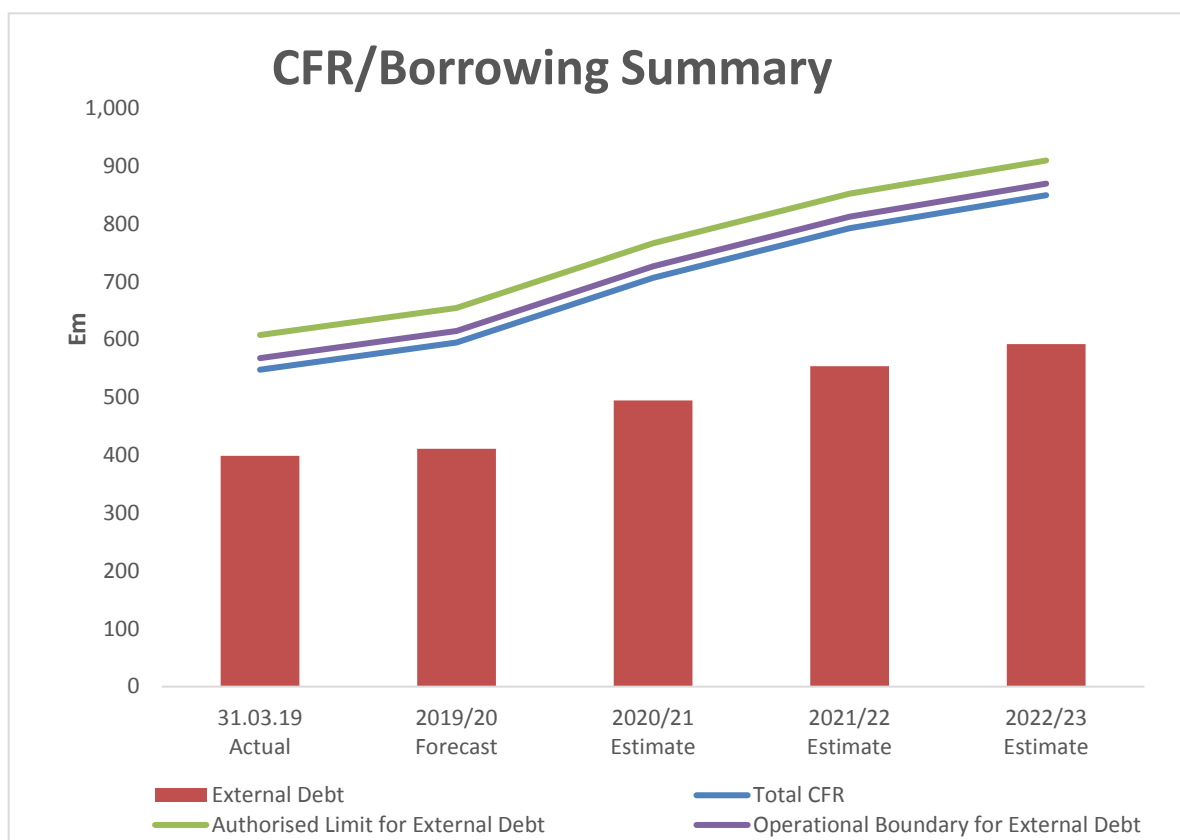
- 5.7 **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.
- 5.8 **The authorised limit for external debt.** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- 5.9 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- 5.10 The Operational Boundary and Authorised Borrowing limits are set out below:

Table 8 – Borrowing Limits

Treasury Indicators (£m)	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Estimate	Estimate	Estimate	Estimate
Operational Boundary for External Debt					
Borrowing and Other Long Term Liabilities	548.020	594.879	706.663	792.572	849.767
Headroom	20.000	20.000	20.000	20.000	20.000
Total	568.020	614.879	726.663	812.572	869.767
Authorised Limit for External Debt					
Borrowing	568.020	614.879	726.663	812.572	869.767
Other Long Term Liabilities	40.000	40.000	40.000	40.000	40.000
Total	608.020	654.879	766.663	852.572	909.767

- 5.11 The graph below provides a graphical representation of projections of CFR and borrowing position up to 2022//23.

Chart 1 – CFR/Borrowing Projections



Prospects for Interest Rates

- 5.12 The Council has appointed Link Asset Services as its treasury advisors and part of their remit is to assist the Council to formulate a view on interest rates. The following table gives the Council's treasury advisor's central view on prospects for interest rates.

Table 10 – Interest Rate Projections

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

- 5.13 The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and EU. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal prior to December 2020, as the Prime Minister has pledged.
- 5.14 The Monetary Policy Committee (MPC) has left the Bank Rate unchanged at 0.75% so far in 2019. According to minutes of its meeting on 7 November, the MPC has become more dovish due to increased concerns over the outlook for the domestic economy and uncertainties around Brexit. If these uncertainties were to materialise, then the MPC would likely cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a “gradual pace and to a limited extent”.
- 5.15 There is still some residual risk that the MPC could cut Bank Rate in the near future if the UK economic growth remains weak in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is unlikely that the MPC would raise the Bank Rate.
- 5.16 During the first half of 2019-20, gilt yields plunged and caused a near halving of longer term PWLB rates to unprecedented historic low levels prior to Government raising rates on 9th October 2019. There is though, an expectation that financial markets have gone too far in their fears about the degree of the downturn in US and world growth. If, as now expected, the US only suffers a mild downturn in growth, bond markets in the US are likely to sell off and that would be expected to put upward pressure on bond yields, not only in the US, but also in the UK due to a correlation between US treasuries and UK gilts. However, forecasting the timing of this, and how strong the correlation is likely to be, is very difficult with any degree of confidence. Any changes in the UK Bank Rate will also impact on gilt yields.
- 5.17 The overall longer term trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.
- 5.18 In addition, PWLB rates are subject to ad hoc decisions by H.M. Treasury to change the margin over gilt yields charged in PWLB rates: such changes could be up or down. It is not clear that if gilt yields were to rise back up again by over 100bps within the next year or so, whether H M Treasury would remove the extra 100 bps margin implemented on 9th October 2019.

Investment and Borrowing Rates

- 5.19 Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if major progress was made with an agreed Brexit, then there is upside potential for earnings.
- 5.20 Borrowing interest rates fell during the first half of 2019-20 but then jumped up by 100 bps on 9th October 2019. The policy of avoiding new borrowing by running down spare cash balances has served the Council well over the last few years. However, the unexpected increase of 100 bps in PWLB rates means the gap between longer term borrowing rates and investment rates has materially widened, and as in the long term the Bank Rate is not expected to rise above 2.5%, it is unlikely that the Council will

borrow in advance but will instead look to delay borrowing until funds are required or until the extra 100 bps margin is removed.

Borrowing Strategy

- 5.21 The Council is currently under-borrowed. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used on a temporary basis. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.
- 5.22 The most cost effective borrowing is internal borrowing which would mean running down cash balances and foregoing interest earned at historically low rates in lieu of taking out new borrowing at a higher rate. However, in view of the overall forecast for long term borrowing rates to increase over the next few years, consideration will also be given to weighing the short term advantage of internal borrowing against potential longer term costs if the opportunity is missed for taking loans at rates which will be higher in future years.
- 5.23 Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Executive Director Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp fall in borrowing rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then borrowing will be postponed.
 - if it was felt that there was a significant risk of a much sharper rise in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the US and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 5.24 Any decisions will be reported subsequently to the Audit & Governance Committee.

Policy on Borrowing in Advance of Need

- 5.25 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 5.26 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt Rescheduling

- 5.27 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the 100 bps increase in PWLB rates only applied to new borrowing rates and not to premature debt repayment rates.

5.28 Following the decision by the PWLB on 9 October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans lent to local authorities, the Council will give consideration to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (including where available insurance companies, pension funds and some banks)
- Municipal Bonds Agency

5.29 The degree to which any of these options proves cheaper than the PWLB Certainty Rate is still evolving, but our advisors will keep us informed of new developments or funders that may be willing to lend to the Council.

5.30 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.

Approved Sources of Long and Short term Borrowing

5.31 The list of approved lenders and types of funding that can be secured with each entity is set out below.

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Overdraft		●
Finance leases	●	●

6 ANNUAL INVESTMENT STRATEGY

Investment Policy – Management of Risk

- 6.1 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Council’s Capital Strategy.
- 6.2 The Council’s Investment Policy has regard to the following: -
- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
 - CIPFA Treasury Management Guidance Notes 2018
- 6.3 The Council’s investment priorities are security first, portfolio liquidity second and then yield, (return).
- 6.4 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
- i. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
 - ii. Ratings will not be the sole determinant of the credit quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets.
 - iii. Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
 - iv. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use as follows:
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity. For example, an 18 month deposit would still be non-specified even if it has only 11 months left until maturity.
 - v. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments to £20m of the total investment portfolio.
 - vi. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix in Table 11.

- vii. **Transaction limits** are set for each type of investment in Table 11.
 - viii. This authority will set a £20m limit for the amount of its investments which are invested for **longer than 365 days**.
 - ix. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**.
 - x. All investments will be denominated in **sterling**.
 - xi. As a result of the change in accounting standards for 2019/20 under IFRS 9, when investing, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.
 - xii. In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1st April 2018. As a result of this exemption, the Council will not need to adhere to IFRS 9 when reporting on its investment in the CCLA pooled property fund.
- 6.5 The key requirements of both the Code and the investment guidance are to set an annual Investment Strategy, as part of the annual Treasury Management Strategy for the following year, covering the identification and approval of the following:
- The guidelines for choosing and placing investments, particularly non-specified investments.
 - The principles to be used to determine the maximum periods for which funds can be committed.
 - Specified investments that the Council will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
 - Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.
- 6.6 **Specified investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:
- i. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
 - ii. Supranational bonds of less than one year's duration.
 - iii. A local authority, housing association, parish council or community council.
 - iv. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's (S & P), Moody's and / or Fitch rating agencies.
 - v. A body that is considered of a high credit quality such as a bank or building society. For category 5, this covers bodies with a minimum Short Term rating of A- (or the equivalent) as rated by S & P, Moody's and / or Fitch rating agencies.

- 6.7 Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies as set out in Table 11.
- 6.8 **Non-specified investments** – are any other type of investment (i.e. not defined as specified above).
- 6.9 The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non-specified investments would include any sterling investments that meet the above criteria.
- 6.10 **The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information including changes, rating watches and rating outlooks from Link Asset Services as and when ratings change, following which counterparties are checked promptly – on occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Resources, and if required new counterparties which meet the criteria will be added to the list.
- 6.11 **Use of external fund managers** – The Council does not currently employ external fund managers for any part of its investment portfolio and does not plan to do so. If in future, officers determine that an external fund manager will add value to the Council's treasury management function, a report will be brought to the Audit and Governance Committee to first seek approval of a change in policy and subsequently the appointment of a preferred fund manager.

Creditworthiness Policy

- 6.12 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security; and
 - It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 6.13 The Executive Director of Resources will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 6.14 Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty list. Any rating changes, rating Watches, rating Outlooks are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

6.15 The criteria for providing a pool of high quality investment counterparties, (both specified and non-specified investments) is set out in Table 11 below.

6.16 **Time and monetary limits applying to investments.** The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

Table 11 – Investment Criteria

	Credit Rating	Cash Limit	Time Limit
Banks and organisations and securities whose lowest long term credit rating published by Fitch, Moody's or Standard & Poor is:	AAA		5 Years
	AA+		3 Years
	AA	£20m each	2 Year
	AA-		1 Year
	A+		
	A		
	A-		
The Council's current account, Lloyds Bank Plc should circumstances arise when it does not meet above criteria	N/A	£1m	Next Day
UK Building Societies without credit rating	N/A	£10m	1 Year
UK Government (irrespective of credit rating)	N/A	Unlimited	50 Years
		£20m each	
UK Local Authorities (irrespective of credit rating)	N/A	£20m each	50 Years
UK Registered Providers of Social Housing whose published long term credit rating is A- or higher	A-	£5m	2 Years
UK Registered Providers of Social Housing whose published long term credit rating is lower than A- or without a long term credit rating	N/A	£2m	1 Year
	Fund rating	Cash Limit	Time
Money Market Funds	AAA	£20m	liquid
Pooled Funds (including pooled property funds)	AAA	£20m	liquid

Other Limits

6.17 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a) **Non-specified investment limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments at £20m maximum.
- b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are set out in Annexe 3 to this appendix. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
- c) **Other limits.** In addition:
 - no more than £20m will be placed with any non-UK country at any time;

- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

6.18 As an additional layer of security, a concentration of investments in too few counterparties or countries will be avoided with officers ensuring that the portfolio is diversified across counterparties/countries.

Investment Strategy

6.19 **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates. Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that the Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that the Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

6.20 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)

6.21 Table 12 below sets out the limits on investments that can be longer than 365 days.

Table 12 – Upper limit for principal sums invested for longer than 365 days

	2020/21	2021/22	2022/23
Principal sums invested for longer than 365 days	£20m	£20m	£20m
Current investments as at 31.01.20 in excess of 1 year maturing in each year	Nil	Nil	Nil

6.22 For its cash flow generated balances, the Council will seek to utilise its notice accounts, money market funds and short-dated deposits in order to benefit from the compounding of interest.

Investment Return Expectations

6.23 On the assumption that the UK and EU agree a Brexit deal in early 2020 or soon after, the Bank Rate is forecast to increase slowly over the next few years to reach 1.25% by quarter 1 2023. Bank Rate forecasts for financial year ends (March) are:

- Q1 2021 0.75%
- Q1 2022 1.00%
- Q1 2023 1.25%

6.24 The following factors impact on the outlook for interest on invested cash and have been taken into consideration in suggested investment returns:

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal is agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

6.25 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

2020/21	0.75%
2021/22	0.75%
2022/23	0.75%

Policy on Apportioning Interest to the HRA

6.26 Reform of the Housing Revenue Account Subsidy system was completed at the end of 2011/12, the Council was required to pay MHCLG £147.8m. Prior to 2012/13 The Council would recharge interest expenditure and income attributable to the HRA in accordance with determinations issued by MHCLG. The Council has previously adopted a policy that it will continue to manage its debt as a single pool using a similar regime that applied prior to self-financing which will set out how interest charges attributable to the HRA will be determined, or an appropriate method that does not result in a material change to the average interest rate paid by the Council.

6.27 However, during 2016/17 and 2017/18 some technical details of the methodology have been adjusted to recognise that in essence the £147.8m of loans the Council borrowed at the time of self-financing were primarily taken for HRA debt, and therefore the operation of the single pool should not lead to the average interest rate being charged to the HRA being less than the average rate on the remaining part of those loans.

6.28 The HRA also has a notional cash balance which may be positive or negative. This balance is measured each month and interest transferred between the General Fund and HRA at the net average rate earned by the Council on its portfolios of treasury investments (excluding the CCLA Property Fund) and short-term borrowing

End of year investment report

6.29 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

6.30 **APPENDICES**

Annexe 1 – Prudential and treasury indicators and MRP statement

Annexe 2 – Treasury management scheme of delegation

Annexe 3 – List of Approved Countries for Investment

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2020/21 – 2022/23 AND MRP STATEMENT

1. The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.
2. Members are asked to approve the following prudential indicators.

Prudential Indicators	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Estimate	Estimate	Estimate	Estimate
Capital Expenditure (£m)					
General Fund	62.761	98.291	170.446	109.322	85.379
HRA	15.481	15.78	34.974	24.822	11.503
Total	78.242	114.071	205.420	134.144	96.882
Ratio of Financing Cost to Net Revenue Stream (%)					
General Fund	12.5%	11.6%	13.3%	16.9%	20.5%
HRA	22.1%	20.3%	18.7%	19.4%	19.6%
Gross Debt and Capital Financing Requirement (£m)					
Gross Debt	399.297	411.442	494.859	554.290	592.187
Capital Financing Requirement	548.020	594.879	706.663	792.572	849.767
Under / (Over) Borrowed	148.723	183.438	211.805	238.282	257.581
In Year Capital Financing Requirement (£m)					
General Fund	21.958	38.958	95.687	74.340	53.756
HRA	1.103	7.901	16.097	11.569	3.439
Total	23.061	46.859	111.784	85.909	57.195
Capital Financing Requirement as at 31 March 2019 (£m)					
General Fund	361.220	400.178	495.865	570.205	623.961
HRA	186.800	194.701	210.798	222.367	225.806
Total	548.020	594.879	706.663	792.572	849.767
Incremental Impact of Financing Cost (£)					
Increase in Council Tax (Band) per annum	0	1.00	5.13	4.82	3.10
Increase in average housing rent per week	0	0.05	0.39	0.57	1.02

Annexe 1 – Treasury Management and Prudential Indicators

3. The Council is asked to approve the following treasury management indicators.

Treasury Indicators (£m)	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Estimate	Estimate	Estimate	Estimate
Operational Boundary for External Debt					
Borrowing and Other Long Term Liabilities	548.020	594.879	706.663	792.572	849.767
Headroom	20.000	20.000	20.000	20.000	20.000
Total	568.020	614.879	726.663	812.572	869.767
Authorised Limit for External Debt					
Borrowing	568.020	614.879	726.663	812.572	869.767
Other Long Term Liabilities	40.000	40.000	40.000	40.000	40.000
Total	608.020	654.879	766.663	852.572	909.767
Upper Limit for Fixed Interest Rate Exposure (%)					
Net Principal for Fixed Interest Rate Borrowing/Investment	100%	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure (%)					
Net Principal for Variable Interest Rate Borrowing/Investment	100%	100%	100%	100%	100%
Upper Limit for Total Principal Sum Invested over 364 Days	£20m	£20m	£20m	£20m	£20m

Maturity structure of borrowing

4. Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

Maturity structure of fixed interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	20%
2 years to 5 years	0%	20%
5 years to 10 years	0%	30%
10 years to 20 years	0%	40%
20 years to 30 years	0%	50%
30 years to 40 years	0%	60%
40 years to 50 years	0%	60%
Maturity structure of variable interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

TREASURY MANAGEMENT SCHEME OF DELEGATION

i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of/amendments to the council's adopted clauses, treasury management policy statement and treasury management practices;
- approval of annual Strategy.

ii) Audit & Governance Committee

- Receive and recommend to Full Council amendments to the council's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

iii) Section 151 Officer

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The below list of approved countries for investment is based on lowest available rating from all ratings agencies.

AAA

- Australia
- Canada
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- U.S.A.

AA

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READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	COUNCIL		
DATE:	25 FEBRUARY 2020		
TITLE:	RBC ACTION SINCE DECLARATION OF A CLIMATE EMERGENCY - AND FUTURE PLANS		
LEAD COUNCILLOR:	CLLR PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	CLIMATE CHANGE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	PETER MOORE	TEL:	0118 937 4275 (x74275)
JOB TITLE:	HEAD OF CLIMATE STRATEGY	E-MAIL:	peter.moore@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide an update on action taken on climate change since the declaration of a climate emergency in February 2019, and to summarise future plans in this area, with a particular focus on financial commitments in the context of the draft budget to be put before Council on 24 February 2020.
- 1.2 The report illustrates that over the two first full financial years since the declaration of a climate emergency (2019/20 and 2020/21), subject to approval of the budget, the Council will have committed c£34million to capital projects which will contribute directly to reducing emissions, in both its own operations and the wider community. The report also illustrates how the Council has also made additional revenue commitments to develop and accelerate its response to the declaration.
- 1.3 Perhaps more important that these specific financial commitments, however, will be the action taken by the Council to ensure that all policy and spending decisions across the full range of its activities take account of their impact on emissions wherever possible, and that all staff are engaged in the process of working towards the goal of a net zero carbon Reading by 2030. A new Climate Action Programme Board was established in January 2020 to help achieve this and to ensure good governance in this area in line with best practice advice.
- 1.4 Appendices to this report:
 - Appendix 1: Summary of RBC Action Since Declaration of a Climate Emergency - and Future Plans

2. RECOMMENDED ACTION

- 2.1 That the progress to date be noted and the future plans outlined in Appendix 1 to take forward the Council's commitment to achieving a net zero carbon Reading by 2030 be endorsed.

3. POLICY CONTEXT

- 3.1 The Council declared a climate emergency in February 2019 and committed to the goal of a net zero carbon Reading by 2030. Reports were subsequently taken to all key Committees in the summer of 2019 committing them to embed the action required to work towards this goal in the relevant services, activities and plans of the Council. In November SEPT Committee received an update on the Council's own carbon reduction plans and progress with development of a new Reading Climate Emergency Strategy for 2020-25, which is being led by the Reading Climate Change Partnership.
- 3.2 The Council has reduced its own emissions by 62.5% since 2008/09. The main vehicle through which this has been achieved is the Council's corporate Carbon Plan, the current iteration of which covers the period 2015-20. Officers have started the process of reviewing the Plan in parallel with development of the wider Reading Climate Emergency Strategy to cover the same period (2020-25). The current intention is that the draft RBC Carbon Plan 2020-25 will be brought back to the Policy Committee in the Summer alongside the final version of the Reading Climate Emergency Strategy 2020-25. The new Carbon Plan will provide the detailed framework for implementing the future plans outlined in Appendix 1.

4. CONTRIBUTION TO STRATEGIC AIMS

- 4.1 The action summarised in Appendix 1 contributes to corporate aims as follows:
- Securing the economic success of Reading and provision of job opportunities: by promoting 'clean growth' and the development of Reading's low carbon economy
 - Keeping Reading's environment clean, green and safe: by reducing Reading's contribution to climate change and encouraging more sustainable travel options
 - Ensuring the Council is fit for the future: by reducing energy use and the costs to the Council associated with it.

5. ENVIRONMENTAL IMPLICATIONS

- 5.1 The action summarised in the report illustrates action taken by the Council to tackle climate change in accordance with both the spirit and the letter of the Climate Emergency declaration. The future plans summarised will have significant impact on the Council's own carbon emissions and will demonstrate leadership by example in this area to the wider community.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 The future financial commitments summarised in Appendix 1 were the subject of public consultation on the draft budget. Climate change and the environment attracted significant comment from respondents, being one of the most commented on policy areas, and the responses generally supported action on climate change.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 The report presents a factual summary of action taken and future plans so has not been subject to Equalities Impact Assessment. Specific projects mentioned would, however, be subject to Equalities Impact Assessment as required.

8. LEGAL IMPLICATIONS

- 8.1 The report presents a factual summary of action taken and future plans so there are no legal implications arising.

9. FINANCIAL IMPLICATIONS

- 9.1 Capital and revenue commitments: the specific actions identified for the Council within Appendix 1 can be delivered within the revenue and capital budgets to be agreed in the Council's Medium-Term Financial Strategy (2020-23), subject of course to its approval by Council.

10. BACKGROUND PAPERS

- 10.1 In producing this report, the following have been referred to:

- Reading Borough Council Carbon Plan 2015-20
- Reading Local Plan
- 'Reading Means Business on Climate Change': the Reading Climate Change Strategy 2013-20
- Draft budget proposals as set out in the budget consultation process

APPENDIX 1: SUMMARY OF RBC ACTION SINCE DECLARATION OF A CLIMATE EMERGENCY - AND FUTURE PLANS

1. INTRODUCTION

The Council declared a climate emergency in February 2019 and since that time has taken forward an ambitious programme of activity reflecting the urgency and importance of the issue. Since the declaration the Council has continued to implement its corporate Carbon Plan, which has:

- Reduced our emissions by 62.5% since 2008/09 and by 18.5% in 2018/19 alone
- Avoided energy costs of £10.9m since 2008/09 and £1.5m in 2018/19 alone
- Met our carbon reduction target of a 50% reduction by 2020 three years early

It has also supported delivery of the Reading Climate Change Partnership's strategy, 'Reading Means Business on Climate Change 2013-20', which has contributed to a reduction in Reading's per capita emissions of 50% since 2005.

The activity over the last year and future plans are summarised below.

2. STRATEGY AND POLICY DEVELOPMENT

The climate emergency declaration acknowledged the importance of aligning key plans and strategies to support the drive towards a net zero carbon Reading by 2030. As envisaged in the declaration, development of a number of key plans and strategies has been taken forward as follows:

- The Reading Climate Change Strategy 2020-25: plans to produce a third Reading Climate Change Strategy to cover the period 2020-25 were accelerated by six months following the climate emergency declaration. The Strategy is produced by the Reading Climate Change Partnership, which is hosted by RBC, and the Council has made significant officer time available to support the Partnership in developing the strategy. Consultation on a draft strategy, which will set out steps on Reading's pathway to net zero, is due to begin in March 2020 with the strategy due to be finalised in May/June and launched in June/July.
- The RBC Carbon Plan 2020-25: in parallel with the production of the new Reading Climate Change Strategy, the Council will be updating its own Carbon Plan for the same period. The new Carbon Plan, also to be finalised in May/June, will demonstrate the Council's commitment to the wider aims of the Reading Climate Change Strategy by setting out how RBC will work towards the ambitious goal of becoming a net zero carbon Council by 2030.
- The Reading Local Plan: while the Local Plan process was underway well before the climate emergency declaration, the Council successfully defended pioneering policies to achieve 'zero carbon' standards in new housing development through the latter stages of the process, which were adopted in November 2019.

- The Local Transport Plan (LTP): the climate emergency resolution committed the Council to reflect the urgency of the declaration in the forthcoming review of the LTP. As part of the preparation for this, the Council initiated Reading's largest ever transport survey which indicated strong support for measures to promote low carbon travel and transport across the borough. Informed by this outcome, the LTP is on track to go out to public consultation later this year and will include measures to reduce car use and promote public transport, walking and cycling as an essential part of our emissions reduction efforts.

Other forthcoming strategies and plans, including the borough's Housing Strategy, will be 'climate-proofed' to ensure that they support the ambition for a net zero carbon Reading by 2030. Best practice guidance for local authorities emphasises the importance of good governance in driving climate action. To this end, in January 2020, the Corporate Management Team established a Climate Action Programme Board, to be chaired by the Director of Economic Growth and Neighbourhood Services, with a mandate to 'embed the action required to achieve the ambition of a net zero carbon Reading by 2030 in the Council's strategic plans, services and operational practises'.

3. FINANCIAL COMMITMENT

The Council has committed significant resources to respond to the climate emergency through both revenue and capital budgets:

3.1 Revenue budget commitments

Following the declaration of a climate emergency, the Council created a special revenue budget of £250,000 which has enabled the creation of the new post of Head of Climate Strategy (2-year fixed-term appointment) and associated operational budget. This post has provided the additional capacity needed to support the Reading Climate Change Partnership in accelerating development of Reading Climate Change Strategy, to bid for external funding to support the Council's ambitions and to take forward other projects.

In addition, the Council has maintained its 2019/20 Sustainability budget of c.£230,000 in the budget for 2020/21 which will enable review and implementation of the Council's Carbon Plan as referred to above. As well as developing the Carbon Plan, the Council's Sustainability team delivers energy efficiency and renewable energy projects on the Council's land and buildings, and provides advice to internal and external partners on reducing emissions.

More significant than either of these budgets, however, are the steps we are taking to ensure that the wider Council revenue budget supports the ambition to work towards net zero carbon. The Climate Action Programme Board referred to above has a mandate to ensure that procurement processes and significant spending decisions made by the Council take account of the impact on CO2 emissions. A requirement for all Committee reports to highlight the environmental implications of decisions has also been implemented with this in mind.

3.2 Capital budget commitments

The Council's capital programme for the next 3 years includes (subject to approval of the budget) investment of over £7 million in energy saving measures in our buildings and renewable energy infrastructure to contribute to our net zero carbon ambitions. Of this, £1.35m is allocated for the next financial year 2020/21. The Council has a long-standing programme of investment in energy efficiency, taking advantage of the SALIX Recirculation Fund, a revolving loan fund, which is available for the public sector. The Council's capital budget for this SALIX Recirculation Fund has been around £250,000 p.a. for a number of years and this has enabled a large number of projects to be taken forward (see list of projects delivered in 2019/20 at Annex A). A similar provision is included in the capital programme for each of the next 3 years which will enable additional projects in the pipeline to go ahead (see list at Annex B).

In addition to the smaller scale works enabled by the SALIX Recirculation Fund, from 2020/21 the Council is creating two new major capital programme budgets specifically to support its climate change commitments, enabling a step change in ambition in this area. The first will take advantage of a new SALIX Decarbonisation fund, designed to support more ambitious carbon reduction projects in the public sector. In 2020/21, £0.6m has been allocated with a further £1.2 million over the following 2 years. The second will support further investment in renewable energy. In 2020/21, £0.5m has been allocated for this purpose with a further £4 million over the following 2 years. This will enable a larger number of more ambitious projects to be progressed, including more ground-source heat pumps, solar arrays and potentially district heating systems. However, as with revenue budgets, the specific investments in low carbon energy highlighted above are but a part of the picture: many other capital investments – in offices, housing, transport and waste – will also contribute to carbon reduction by improving the efficiency of our buildings and operations (see details in section 4).

The Terms of Reference for the new Climate Action Programme Board give it a role in 'shaping the wider capital programme' with a view to reducing emissions. In this way, as with the revenue budget, the Board will aim to ensure that capital spending decisions support net zero carbon objectives.

Whilst it is not possible to extract those elements of each project in the capital programme which will support carbon reduction, the budget figures show that **in the first 2 full financial years following the declaration of a climate emergency, combined capital expenditure of c.£34 million¹ will be contributing directly to the Council's net zero carbon ambitions.** Although a significant amount within this is Government grant funded, the Council has given these schemes priority and invested its own resources to enable these funds to be accessed.

4. PROJECT DEVELOPMENT AND DELIVERY

¹ Total of capital allocations across the current financial year 2019/20 and next financial year 2020/21 for SALIX Recirculation and Decarbonisation Funds, Renewable Energy, Green Park Station, South Reading MRT, food waste collection, bus fleet retro-fit, EV charge points, LED streetlighting and tree planting. Does not include road maintenance, fleet replacement or other capital projects which may offer additional carbon reduction opportunities. See section 4 for details of planned spend on these programmes over the period 2019/20 to 2022/23.

Since the declaration of a climate emergency in February 2019 the Council has:

- Completed a full upgrade of street lighting assets to LED, reducing energy consumption by 54% in 2018/19 compared to the 2013/14 peak
- Progressed Town Hall refurbishment, using a 'whole building' approach including roof insulation, switch to LED lighting, and upgraded heating system
- Continued to update Council housing stock with double glazing, insulated doors, solar panels and new showers, ensuring that all new build properties are energy efficient with ventilation that recovers heat
- Continued to upgrade schools with energy efficiency measures and LED lighting

Going forward, major capital projects which will contribute directly to greenhouse gas emissions reduction include:

- £18 million for Green Park Station (across 4 years from 2019/20)
- £11 million for the South Reading MRT (across 4 years from 2019/20)
- £4.5m for renewable energy (across 3 years from 2020/21)
- £2.55 million for energy saving measures via the Salix Decarbonisation and Recirculation funds (across 3 years from 2020/21)
- £1.49 million for food waste collection (in 2020/21)
- £1.19 million for retro-fitting the bus fleet to lower emission standards (across 2 years from 2019/20)
- £258,000 for LED streetlighting (across 2 years from 2019/20, completing a total investment of £9.8 million which began in 2016)
- £250,000 for electric vehicle charging points (across 2 years from 2020/21)
- £150,000 for tree planting programmes (across 3 years from 2019/20)

Additionally, a substantial part of the investment of £9 million over the next 3 years in highway maintenance will support low carbon, 'active travel' by improving facilities for cyclists and pedestrians as well as other road users, while the fleet replacement budget of almost £6 million over the next 3 years will enable us to increase the proportion of electric vehicles within the fleet.

One of the largest projects progressed this year within the SALIX capital budget referred to above has been for works to reduce emissions at the Council's Bennet Road depot site. These works have included:

- Conversion of heating from gas to electric air-source heat pumps
- Improvement of building fabric, reducing heat leakage and double glazing
- Solar film on windows to reduce solar gas
- Lighting upgrade to LEDs and updated controls
- Large solar pv installations

Other smaller works delivered in 2019/20 through the SALIX programme are listed at Annex 1 with projects in the pipeline for 2020/21 listed at Annex 2.

Annex 1: SALIX projects undertaken in 2019-20 (and approximate cost)

- Bennet Road energy efficiency and solar pv (£132k)
- Town Hall heating (£53k)
- Northumberland Avenue lighting (£20k)
- Museum lighting (£12k)
- Thamesbridge House lighting (£20k)
- Oxbury Rd Primary lighting (£20k)
- Coley Primary (£12k)
- Sun Street lighting and heating (£5k)

Annex 2: SALIX projects planned in 2020/21

Work is underway to identify potential energy efficiency projects across the schools estate, as part of the Education Asset Management Unit's mechanical and electrical programme. We hope to bring forward at least 3 new school lighting projects in 2020/21, and potentially a conversion to heat pumps in at least 1 school (subject to identifying the appropriate technology).

Other projects in the pipeline for 2020/21 include:

- Further lighting upgrades at the Town Hall
- Mapledurham Pavilion upgrade, possibly including solar pv
- Leisure facilities
- Additional solar pv at Bennet Rd depot
- Lighting upgrade at The Avenue

Additional projects will be identified through the Condition Surveys currently being undertaken by Property Services.