



Reading
Borough Council

Working better with you

Summons and Agenda 23 February 2021

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

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

15 February 2021

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 **Online Meeting via Microsoft Teams**, on **Tuesday, 23 February 2021 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.

Reports and Recommendations from Committees

7. **CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL'S 2021/22 BUDGET** 13 - 24

Report by Executive Director of Resources.

8. **2021/22 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY 2021/22 - 2023/24** 25 - 200

Report by Executive Director of Resources.

9. **CAPITAL STRATEGY 2021/22** 201 - 242

Report by Executive Director of Resources.

10. **TREASURY MANAGEMENT STRATEGY STATEMENT (2021/22); MINIMUM REVENUE PROVISION POLICY (2021/22); ANNUAL INVESTMENT STRATEGY (2021/22)** 243 - 284

Report by Executive Director of Resources.

11. **COUNCIL TAX SETTING 2021/22** 285 - 290

Report by Executive Director of Resources.

12. **POLLING PLACE IN WHITLEY WARD** 291 - 294

Report by Returning Officer.

This page is intentionally left blank

COUNCIL MEETING MINUTES - 26 JANUARY 2021

Present: Councillor Stevens (Mayor);

Councillors David Absolom, Debs Absolom, Ayub, Ballsdon, Barnett-Ward, Brock, Carnell, Challenger, Davies, Duvveen, Eden, Edwards, Emberson, Ennis, Gittings, Grashoff, Hacker, Hoskin, James, Jones, Khan, Leng, Lovelock, Manghnani, Maskell, McEwan, McGonigle, McKenna, O’Connell, Page, Pearce, Robinson, Rowland, Rynn, R Singh, Sokale, Stanford-Beale, Terry, White, Whitham, J Williams, R Williams and Woodward;

Apologies: Councillors D Singh and Skeats.

10. MINUTES

The Minutes of the meeting held on 20 October 2020 were confirmed as a correct record and would be signed by the Mayor.

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

	Questioner	Subject	Answer
1.	Cllr Ennis	Return to School	Cllr Pearce
2.	Cllr McGonigle	Climate and Ecological Emergency Bill	Cllr Brock
3.	Cllr White	Rough Sleeping in Reading	Cllr Ennis

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

12. APPROVAL OF THE LOCAL COUNCIL TAX SUPPORT SCHEME AND THE COUNCIL TAX BASE FOR 2021/22

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 2021/22 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 report explained that the estimated balance as at 31 March 2021 on the Council Tax Collection Fund was a projected deficit of £2.862m, which reflected the reduced collection rates which had been reported during the year. The Council’s share of this deficit was £2.451m. Ordinarily, the declared surplus/deficit was paid out/recoverable by the Collection Fund in full in the following financial year. However, Government had introduced new legislation that required any 2020/21 in year deficit to be spread equally across the three financial years 2021/22 - 2023/24, to help ease the financial impact of Covid-19 on Local Authorities.

The report also stated that the Welfare Reform Act 2012 and Local Government Finance Act 2012 had replaced the Council Tax Benefit scheme with a locally

COUNCIL MEETING MINUTES - 26 JANUARY 2021

determined Council Tax Reduction 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 following motion was moved by Councillor Emberson and seconded by Councillor Brock and CARRIED:

Resolved -

- (1) That the existing Council Tax Local Reduction Scheme be retained for 2021/22;**
- (2) That the Tax Base calculation for 2021/22 of 55,847.73 band D equivalent properties, be approved;**
- (3) That a Council Tax collection rate of 98.5% for 2021/22 be noted;**
- (4) That the 2021/22 Council Tax Reduction Scheme allowances would be updated in line with the scheme's regulations be noted;**
- (5) That the estimated balance of the Council Tax Collection Fund as at 31 March 2021 was a deficit of £2.862m, of which the Council's share would be £2.451m, be noted; and**
- (6) That, for those properties empty for 10 years or more, a 300% Council Tax premium would be levied from 1 April 2021, as approved by Policy Committee on 14 January 2019 (Minute 60 refers), be noted.**

7. UNION LEARNING FUND

Pursuant to Notice, the following motion was moved by Councillor Leng and seconded by Councillor Hacker and CARRIED:

Resolved -

This Council Notes:

- On Tuesday 6 October, the TUC received a letter from the Department for Education saying that ministers have decided to end the Union Learning Fund from March 2021.**
- The Union Learning Fund [ULF] was set up in 1998 to support trade unions to widen access to learning and training in workplaces for both union members and non-members. The fund supports workplace projects across England, and is coordinated by the TUC.**
- Each year around 200,000 workers are supported into learning or training with union support through the ULF and the TUC. These learners undertake all sorts of job-relevant learning and training, including basic literacy and numeracy, ICT skills, apprenticeships and traineeships, vocational training, continuing professional development and many other informal and formal courses.**

COUNCIL MEETING MINUTES - 26 JANUARY 2021

- In 2019-20, the ULF was worth £12m. If upheld, this decision will effectively end union-brokered skills training, and will undermine key government skills and retraining priorities at a crucial moment for our economy.

This Council understands that:

- Union learning reaches people that other DfE programmes do not reach.
- There is an independent evaluation of the Union Learning Fund every two years. It was most recently evaluated by the University of Exeter in 2018. They spoke to 2,459 learners, and found:
 - Over two-thirds (68 per cent) of learners with no previous qualifications got a qualification.
 - 47 per cent of those with entry level or level 1 qualifications got a qualification at a higher level.
 - Four in five (80 per cent) said they had developed skills that they could transfer to a new job.
 - Two in three (62 per cent) said their new skills made them more effective in their current job.
 - One in five (19 per cent) said they had been promoted or given increased responsibility and one in 10 (11 per cent) got a pay rise.
- The 2018 independent evaluation found that union learning provided excellent value for money:
 - For every £1 spent on the Union Learning Fund, there is a return of £12.30: £7.60 to the worker, £4.70 to the employer.
 - The Union Learning Fund delivers an estimated net contribution to the economy of more than £1.4bn as a result of a boost to jobs, wages and productivity.
 - The return to the exchequer (through reduced spending on welfare benefits and other factors resulting from the boost to jobs and wages) is £3.57 for each £1 spent on the Union Learning Fund.
 - The £12m government funding levered in an additional £54m from employers, unions and training providers in 2019-20.
- The government has said it will put reskilling workers at the heart of its economic recovery plans after the pandemic. In September 2020, the government announced a new fully funded entitlement to achieve a first level 3 qualification, delivered through the National Skills Fund. Union learning is ideally placed to support this aspiration, in the following ways:
 - directly, through delivering relevant level 3 courses to workplace learners, which is already a core function of the Union Learning Fund and was assessed as highly effective by the 2018 independent evaluation

COUNCIL MEETING MINUTES - 26 JANUARY 2021

- directly, through enabling those with basic skills to learn and develop, putting them in a position to progress to level 3 skills
- Successive governments of all parties have valued this role - and have supported the Union Learning Fund. As government funding, it is paid as a contract and is subject to stringent monitoring requirements. Union Learning Fund money can only be spent on the direct costs of getting working people into learning and skills training, and the associated costs of delivering this programme.
- ULF projects adapted quickly to delivering online learning and training for workers during the pandemic and have actually surpassed the number of outcomes expected by government since the beginning of April.

Consequently, this Council resolves to:

- Express its public support for the continuation of the Union Learning Fund;
- Raise this issue with our local MPs and encourage them to call on the government to reverse its decision.

(The meeting closed at 7.25 pm).

READING BOROUGH COUNCIL
REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO:	Council		
DATE:	23rd February 2021		
TITLE:	CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL'S 2021/22 BUDGET		
LEAD COUNCILLOR:	Councillor Jason Brock	PORTFOLIO:	Leadership
SERVICE:	Finance	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:
- a. The robustness of the estimates made for the purposes of the calculations of the budget; and
 - b. The adequacy of the proposed level of financial reserves.

Council in considering its Budget should have regard to this advice

2. RECOMMENDED ACTION

- 2.1 That Council notes this report in setting its budget for 2021/22:

APPENDICIES: Appendix 1 Statement of Reserves and Balances

3. POLICY CONTEXT

- 3.1 As outlined in the Medium-Term Financial Strategy (MTFS) and budget report which appears elsewhere on the Agenda, the Council along with all other local authorities, faces an unprecedented level of uncertainty going forward which has made this year's annual Medium-Term Financial Plan refresh and budget setting process particularly challenging. The Covid pandemic has had a significant social and economic impact at all levels: international, national, local and individual and its repercussions, whilst as yet unquantifiable, will undoubtedly be felt over the medium term in the guise of recession, increased demand for mental health and social care services and children's attainment levels and life chances. Those least well-off will sadly be hit the hardest putting increased pressure on the Council's budget.

- 3.2 The Council's 2020/21 budget has been significantly impacted due to lock down and Tier restrictions associated with the pandemic. Income sources, e.g. car parking, theatre and leisure have either dried up completely, or significantly reduced, officer capacity has of necessity been diverted away from savings delivery to managing the pandemic and unbudgeted costs have been incurred.
- 3.3 The Government have recompensed local authorities for in year costs and pumped significant amounts of money into the economy as well as announced additional limited support for Covid pressures in 2021/22 as part of the local Government Finance Settlement. However, the Settlement itself was again only for one year and the long-awaited Fair Funding Review (meant to address the underlying funding pressures within local authorities), together with future arrangements for Business Rates retention and New Homes Bonus have been further delayed. Together with Brexit, the impact of which is also as yet unknown, the Council and local government more generally faces significant uncertainty over the medium term in terms of future funding levels. As a consequence of this uncertainty that the Council has not at this stage addressed the residual budget gap in the latter two years of its Medium-Term Financial Plan. The gap (£3.6m) will be addressed on a sustainable basis as part of the 2021/22 budget and MTF5 refresh process.
- 3.4 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.

The Council's wholly owned bus company, Reading Transport Limited has historically operated on very low margins and with minimal reserves and, like other operators has been hit hard by Covid. The Company has taken action to mitigate the immediate impact and is in receipt of Covid Bus Grant. However, the sector generally is anticipating a minimum 20% reduction in pre Covid ridership levels and it is not known how long the Government grant payments will continue for (there is an 8 week notice period). Consequently, work is underway to agree an action plan to improve the Companies margins and financial resilience going forward. The proposals are however, likely to present some difficult decisions for the Council in its Shareholder capacity when they are presented.

- 3.5 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. 2020/21 has been a shadow year and a self-assessment against the Code, on a RAG rating basis, was reported to the Audit and Governance Committee in July 2020. Of the 17 standards within the code, 8 were reported as Green, 9 as Amber, and there were no areas reported as Red. A subsequent review of the self-assessment was carried out by the

CIPFA consultant assisting the Council with its Finance Improvement Programme. The review validated the assessment and the areas reported as Amber will be addressed as part of Phase II of the Improvement Programme.

- 3.6 The Council's 2017/18 accounts were signed off in October 2020 and the 2018/19 audit is well underway and scheduled to complete at the end of March 2021. The audit of the 2019/20 accounts will commence shortly thereafter. The issues experienced with closing the 2016/17 accounts had a direct impact on the Council's ability to prepare its subsequent years accounts in a timely way and increased the Council's risk profile from an audit perspective. However, it is not anticipated that the delay in signing off the Council's accounts will impact on the 2021/22 budget or MTFs.

4. ROBUSTNESS OF THE ESTIMATES

Approach to and Assumptions within the 2021/22 Budget and Medium-Term Financial Strategy

- 4.1 The Council has taken a prudent approach to developing its Medium-Term Financial Strategy. All savings and pressures previously identified within the February 2020 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 as well as capital projects and new bids 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 assumptions on which the MTFs is based are contained within the main budget report, however, key assumptions include:
- **Council Tax increase**- 1.99% per annum for all three years plus an Adult Social Care precept of 3% in 2021/22 and 1% in both 2022/23 and 2023/24. This is below the 2021/22 referendum level of 5% which includes an assumed 3% for social care and 2% for other expenditure.
 - **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** - Provisions for bad debts and appeals against business rates valuations have been reviewed in light of Covid and are deemed to be adequate.
 - **Reserves** – Following a review of reserves, £2.8m is being drawn down on a one-off basis to balance the 2021/22 budget.

- 4.4 To deliver the Council's policy priorities and a balanced budget in 2021/22, savings of £15.1m are required. The MTFS 2021/22 - 2023/24 identifies savings over the period of £28m (£6.1m to be delivered in partnership with Brighter Futures for Children and £21.9m from retained Council services). To facilitate the delivery of service efficiencies and ongoing revenue savings transformation funding of £9.9m has been provided for within the General Fund Capital Programme funded in part from the 'flexible use of capital receipts (in 2021/22 only) and revenue.
- 4.5 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 £3.8m, £4.5m and £6.1m have been allowed for across the period of the Plan to mitigate any potential shortfall or slippage in the delivery of higher risk savings.
- 4.6 The Council has an ambitious Capital Programme over the next three years totalling £301m (£200m General Fund and £101m 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 £562.3 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.
- 4.7 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. A review of Capital Programme governance and monitoring arrangements is scheduled to take place in Q1 of 2021/22 as set out in the Capital Strategy Action Plan, which appears elsewhere on the Agenda.

Financial Management

- 4.8 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.
- 4.9 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.
- 4.10 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 is currently underway to ensure they remain fit for purpose.

- 4.11 As a result of containing pressures and the delivery of savings which enabled the release of contingency budgets the Council has underspent against budget in each of the last three financial years, 2017/18 - 2019/20. This, together with the benefit of having been part of the Berkshire Business Rates Pilot has meant that the Council only had to draw down £1.2m from reserves rather than the £4.3m budgeted for in 2017/18 and in subsequent years reserves to be returned to more sustainable levels following a significant reduction in 2016/17.
- 4.12 As at the end of quarter 3 2020/21 the Council is projecting an underspend of £4.8m as a result of Covid grant funding covering the none delivery of savings and enabling the associated contingency sum to be released. It is assumed that this underspend will be utilised to mitigate the unplanned £9.9m draw down from earmarked reserves required as a result of capital receipts not having been realised in year and available to reduce the ongoing Minimum Revenue Provision charge in future years as previously planned.

Insurance and Risk Management

- 4.13 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 the summer of 2020 and concluded the reserve was sufficient.
- 4.14 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 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 Due to the delivery of £33m of savings over the three years to 2019/20 and the consequent release of contingency sums, as well as having benefitted from being part of the Berkshire Business Rates Pilot for the three years to 31.March 2020, the Council has been able to reinstate reserves to a more sustainable level.

As set out above and in the Medium-Term Financial Strategy and Budget Report which appears elsewhere on the agenda, the Council faces significant financial uncertainty going forward in terms of future funding levels (Business Rates Retention and the Fair Funding Review) and the implications of Brexit. Additionally, the legacy of Covid 19 is likely to increase demand pressures on Children's services and Adult Social Care and depress income streams over the medium term due to the economic impact on business and individuals as well as changes to individuals behaviours (working patterns and retail preferences). 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

Due to the significant amount of Covid related funding the Council has received in the current financial year, including S31 grants reimbursing the Council for business rates reliefs (£27m) and the required accounting treatment of those, the Council's General Fund earmarked reserves and working balance are forecast to increase to £80.4 million at 31st March 2021, before returning to average levels (c.£47m) by 31st March 2022. 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 introduced a financial resilience index in 2019/20 which uses a basket of indicators to measure individual authority's 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 (2019/20), the Council's reserves position is now around the average compared to all unitary authorities. The risk ratings allocated by CIPFA are relative to other Unitary authorities. Areas where the index highlights there is comparatively more risk for the Council 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 2021-2024 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** - Whilst Children's social care costs remain above average, Brighter Futures for Children's transformation plan; supported by the Council is seeking to address that. Additionally, Central Government have recognised social care as a significant cost pressure and attempted to address this in 2021/22 by extending the 2020/21 grant funding, allocating new one-off grant funding and extending the facility to increase Council Tax via the Adult Social Care Precept, all of which are included in the 2021-2024 Medium Term Financial Strategy. It is hoped that the pending Fair Funding Review will 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 in prior years which generated a high amount of business rates income compared to other unitary authorities suggesting a high reliance on this funding source. The pilot pooling arrangement ended on 31st March 2020. In light of the impact of Covid 19 on the economy a prudent approach has been taken in respect of future years business rates growth; albeit recognising that Reading's economy has historically bounced back more quickly than other areas.

6. CONCLUSIONS

- 6.1 Considering all of the above, the Council has taken a prudent approach to setting its 2021/22 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 facilitates the ongoing delivery of required savings and the testing of new models of working; and
 - The level of the Council's total reserves 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).

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 AND CLIMATE IMPLICATIONS

There are no environmental implications arising directly from this report.

11. BACKGROUND PAPERS:

Budget Papers
CIPFA's Financial Management Code
CIPFA's Financial Resilience Index

Summary of Estimated Reserve Movements 31/03/21 - 31/03/24

Appendix 1

		Balance 31/03/21	Movement in year	Balance 31/03/22	Movement in year	Balance 31/03/23	Movement in year	Balance 31/03/24
		£000s						
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 Reserve	To cover for unforeseen emergencies not budgeted for	(610)	0	(610)	0	(610)	0	(610)
Communications Reserve	To allow for investment in communications strategies and engaging with the public	(200)	0	(200)	0	(200)	0	(200)
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.	(450)	(150)	(600)	0	(600)	0	(600)
Public Health Reserve	The Public Health Grant is ring-fenced so any underspend is carried forward and spent in future years	(548)	0	(548)	0	(548)	0	(548)
Schools Deficit Liability Reserve	To fund potential deficits of schools that may become academies in the future	(850)	0	(850)	0	(850)	0	(850)
Climate Change Reserve	To allow for investment to address the climate emergency	(224)	0	(224)	0	(224)	0	(224)
Legal and Taxation Reserve	To meet potential one-off legal or tax liabilities	(300)	0	(300)	0	(300)	0	(300)
Pension Liabilities Reserve	To cover potential future Pension Fund liabilities arising from employer pension contribution rate fluctuations	(1,100)	1,100	0	0	0	0	0
Commercial Property Liabilities Reserve	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	(32,347)	30,509	(1,838)	0	(1,838)	0	(1,838)

Summary of Estimated Reserve Movements 31/03/21 - 31/03/24

Appendix 1

		Balance 31/03/21	Movement in year	Balance 31/03/22	Movement in year	Balance 31/03/23	Movement in year	Balance 31/03/24
		£000s						
Self Insurance Reserve	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)
IT and Digital Reserve	To replace IT and digital equipment that has passed its useful life to improve operational efficiency	(2,278)	0	(2,278)	0	(2,278)	0	(2,278)
Advice & Wellbeing Hub Reserve	To enable the Advice & Wellbeing Hub programme within Adult Care Services to be commissioned	(240)	0	(240)	240	0	0	0
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	(11,231)	0	(11,231)	0	(11,231)	0	(11,231)
Capital Financing Smoothing Reserve	To smooth funding across the period of the Medium Term Financial Strategy	(9,722)	0	(9,722)	0	(9,722)	0	(9,722)
Redundancy Reserve	To fund costs of redundancy	(569)	0	(569)	0	(569)	0	(569)
Demographic & Cost-Led Pressures Reserve	To provide for potential cost pressures arising from demographic or other demand led services	(2,000)	1,676	(324)	0	(324)	0	(324)
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)
Collection Fund Smoothing Reserve	To provide for the potential downturn in the economy that would reduce the level of Business Rates/Council Tax	(2,544)	0	(2,544)	0	(2,544)	0	(2,544)
Total Earmarked Reserves - General Fund		(72,954)	33,135	(39,819)	240	(39,579)	0	(39,579)
Total Revenue Reserves		(80,454)	33,135	(47,319)	240	(47,079)	0	(47,079)

*This reserve includes £27m of s31 grants received in 2020/21 to compensate for additional business rate reliefs as a result of Covid-19 that are required to be carried forward for release into 2021/22 due to collection fund accounting rules. The reserve also includes other unspent covid and non-covid related revenue grants.

Other Ringfenced Reserves

Summary of Estimated Reserve Movements 31/03/21 - 31/03/24

Appendix 1

		Balance 31/03/21	Movement in year	Balance 31/03/22	Movement in year	Balance 31/03/23	Movement in year	Balance 31/03/24
		£000s						
Schools Reserves								
School Balances	Schools are able to carry forward any underspends on their budgets	(1,847)	0	(1,847)	0	(1,847)	0	(1,847)
Dedicated Schools Grant	This is in deficit due to overspends in high needs block. This is planned to be repaid by 31st March 2024	1,338	234	1,572	(1,368)	204	(204)	0
Total Schools Reserves		(509)	234	(275)	(1,368)	(1,643)	(204)	(1,847)
Housing Revenue Account (HRA) Reserves								
HRA/Major Repairs Account Balance	Represents the balance carried forward on these accounts	(40,136)	1,889	(38,247)	1,507	(36,740)	1,068	(35,672)
North Whitley PFI	To provide a smoothing reserve for PFI payments	(9,693)	273	(9,420)	332	(9,088)	392	(8,696)
Total Housing Revenue Account (HRA) Reserves		(49,829)	2,162	(47,667)	1,839	(45,828)	1,460	(44,368)
Total Revenue Reserves (including Other Ringfenced Reserves)		(130,792)	35,531	(95,261)	711	(94,550)	1,256	(93,294)

This page is intentionally left blank

Agenda Item 8

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO: COUNCIL	
DATE: 23rd FEBRUARY 2021	
TITLE 2021/22 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY 2021/22 - 2023/24	
LEAD COUNCILLOR: COUNCILLOR BROCK	PORTFOLIO: LEADER OF THE COUNCIL
SERVICE: ALL	WARDS: BOROUGHWIDE
LEAD OFFICER: PETER ROBINSON	
JOB TITLE: ASSISTANT DIRECTOR OF FINANCE	E-MAIL: peter.robinson@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. Policy Committee at its meeting on the 14th December 2020 agreed a Draft 2021/22 Budget for consultation and Medium-Term Financial Strategy (MTFS) for the three years 2021/22 - 2023/24. This report updates Members on the results of the subsequent budget consultation exercise, changes arising from the publication of the Local Government Finance Settlement (LGFS) as well as other changes that have arisen since the report to Policy Committee in December.
- 1.2. The Ministry for Housing Communities and Local Government (MHCLG) published the Final Local Government Financial Settlement on 4th February 2021 as this report was being published. Initial review indicates that there have been no changes from the Provisional Settlement that affect Reading. Members will be updated should any new issues emerge prior to the Policy Committee meeting. 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".
- 1.4. The underpinning rationale of the Medium-Term Financial Strategy is to deliver a balanced and affordable 2021/22 budget and ensure that the Council's finances are robust and 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. 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 preparation of the 2021/22 Budget and MTF5 2021/22 - 2023/24 has been particularly challenging due to extreme uncertainty caused by the many and wide-ranging implications of the Covid-19 pandemic, including yet another one-year Local Government funding settlement from Central Government. Whilst robust savings proposals of £28.0m have been identified to mitigate against budget pressures, it has not been possible at this stage; to completely close the budget gap in 2022/23 and 2023/24 on a recurring and permanent basis. The 2021/22 budget has been balanced by utilising £2.776m of one-off earmarked reserves. Additional savings of £3.649m will need to be identified as part of the 2022/23 budget setting process to bridge the budget gap in the latter two years as continued use of earmarked reserves to balance the budget is not sustainable.
- 1.6. The MTF5 also assumes the use of £9.906m of the Direct Revenue Financing of Capital Earmarked Reserve in the current financial year (2020/21) to reduce the ongoing Minimum Revenue Provision (MRP) charge to the revenue budget. This reserve was set aside to mitigate against capital receipts not being realised and available for use as previously expected. The impact of Covid-19 has meant that this reserve has had to be released, but it is hoped that as the economy picks up the reserve will be able to be replenished.
- 1.7. The Council is currently forecasting an in-year underspend on the General Fund Revenue Budget of circa £4.8m in 2020/21. This is primarily due to the Corporate Contingency budget not being required due to Covid grants from Central Government mitigating against non-delivery of savings in-year. It is assumed that any budget surplus will be transferred into earmarked reserves to offset the budgeted drawdown from reserves referred to above.
- 1.8. The Strategy builds on work over the previous two-three years to stabilise the Council’s financial position and build reserves back to more robust levels. This has enabled 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.

1.9. The budget assumptions include:

- a) Council Tax increases of 1.99% for all three years of the MTFs (2021/22 to 2023/24) plus an Adult Social Care precept of 3.0% in 2021/22 and 1.0% in both 2022/23 and 2023/24;
- b) £28.0m of efficiencies and increased income across the period;
- c) A contingency provision over the three years (£3.8m 2021/22; £4.5m 2022/23; and £6.1m 2023/24) to mitigate possible slippage or non-achievement of higher risk savings and/or income targets over the period;
- d) The set aside of £4.523m of Government funding to meet the continuing costs of the pandemic and facilitate recovery;
- e) Provision of a one-off grant in 2021/22 of £70 for residents in receipt of Council Tax Support to help mitigate the increase in Council Tax in the current circumstances;
- f) General Fund capital investment of £200m and Housing Revenue Account (HRA) capital investment of £101m over the period 2021/22 to 2023/24; and
- g) £9.885m of transformation funding (over the period 2021/22 to 2023/24) to support delivery of efficiency savings assumed within the MTFs and test new service delivery models, taking the total transformation funding to £21.729m across the whole life of the Delivery Fund.

1.10. Readers of this report are recommended to refer to the Draft Budget Report agreed by Policy Committee in December 2020 for further background information.

2. RECOMMENDED ACTION

That Full Council:

- 2.1 taking due regard of the results of the budget consultation exercise and resident's survey (as outlined in Section 3 and 4, and set out in more detail in Appendices 10 and 11), approve the 2021/22 General Fund and Housing Revenue Account budgets, 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 £146.166m for 2021/22 and an increase in the band D Council Tax for the Council of 1.99% plus an additional 3.00% Adult Social Care Precept, or £84.44 per annum, representing a band D Council Tax of £1,776.60 per annum, excluding precepts from Police and Fire, as set out in paragraph 9.2;
 - b) the proposed utilisation of one-off grant funding in 2021/22 to award £70 to residents in receipt of Local Council Tax Support to help mitigate the increase in Council Tax in the current circumstances as set out in paragraph 5.3;
 - c) the proposed efficiency and invest to save savings of £13.7m together with additional income of £1.4m in 2021/22 required to achieve a balanced budget for that year as set out in Appendices 2 and 3

- d) the overall savings proposed within the MTFS of £28.0m (of which increases to income, fees and charges is £5.4m) and three-year growth changes to service budgets of £19.5m as set out in Appendices 2 and 3;
- e) the budgeted draw from earmarked reserves totalling £2.776m to balance the 2021/22 budget (as set out in paragraph 5.18);
- f) the Housing Revenue Account budget for 2021/22 of £43.647m as set out in Appendix 4 and the average increase of 1.5% in social dwelling rents from April 2021 giving a revised weekly average social rent of £104.11;
- g) the General Fund and Housing Revenue Account Capital Programmes as set out in Appendices 5a and 5b;
- h) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 6;
- i) the Fees and Charges set out in Appendix 7 of the report;
- j) the Equalities Impact Assessment as set out in Appendix 8;
- k) the allocation of Dedicated Schools Grant (DSG) as set out in Appendix 9.

APPENDICES

- Appendix 1 - Summary of General Fund Budget 2021-22 to 2023-24
- Appendix 2 - General Fund Revenue Budget by Service 2021-22 to 2023-24
- Appendix 3 - Detailed General Fund Budget Changes 2021-22 to 2023-24
- Appendix 4 - Housing Revenue Account Budget & Reserves 2021-22 to 2023-24
- Appendix 5 - General Fund and HRA Capital Programme 2021-22 to 2023-24
- Appendix 6 - Flexible Capital Receipts Strategy
- Appendix 7 - Fees and Charges
- Appendix 8 - Equality Impact Assessment
- Appendix 9 - Dedicated Schools Grant (DSG) Funding 2021-22
- Appendix 10 - Budget Consultation
- Appendix 11 - Residents Survey 2020

3. BUDGET CONSULTATION

- 3.1. As agreed by Policy Committee in December 2020, the Council has consulted on its draft budget proposals for 2021/22. The consultation ran from 15th December 2020 to 15th January 2021 and was promoted through the Council's main communication channels (website, email, social media, local press, partner organisations).
- 3.2. The consultation asked residents:

Q1. To comment on the draft budget proposals and where you don't agree with them, give your suggestions for alternative savings, income generation opportunities or investment proposals, and

Q2. What additional suggestions do you have for how we could we make the savings required to balance the budget?

3.3. There were 114 responses to the consultation which is considerably lower than the 619 responses received last year. The low level of response makes it difficult to gauge wider public opinion.

3.4. Despite the low response rate, a wide-ranging set of suggestions and comments were received, with 133 different comments and proposals. Themes included reviewing services, reducing certain services and investing in others.

Topic / Service Area	No. of Responses
Fair budget / agree with proposals	21
Spend more on road maintenance	11
Increase charges for services (e.g. allotment and garage rents, library archives, registrars' services)	9
Reduce cost of salaries / review workforce	7
Manage accounts better	5
Delay / review swimming pool / leisure plans	4
More shared services	4

3.5. The feedback regarding the need for increased spending on roads maintenance aligns with the recent residents' survey (see section 4 below) where this also came out as a priority for residents.

3.6. It is good to note that of those responding the largest response was supportive of the draft budget proposals. In the main the Council's plans and key investments align with residents' priorities:

- The revenue budget proposals include £28.0m of efficiency and invest to save proposals;
- The Capital Programme includes £7.5m for highways infrastructure works over and above the more routine works and £7.0m for essential bridge works (a £14.5m investment in total).
- Fees and charges have been reviewed in areas such as registrars to bring them in line with market levels.
- Many of the efficiency proposals involve reviewing workforce arrangements with a net reduction of 111 full time equivalent posts over the three-year period.

- 3.7. The areas which attracted the greatest concern were increased parking charges and the new proposals for waste collection. This does not appear to sit readily with concerns over climate change and the environment which featured high in the wider Residents Survey.
- 3.8. On the issue of Council Tax there was no clear steer, with similar numbers both for and against further increases.
- 3.9. The meeting with the Council's Statutory consultees which took place in early January 2021, was both well attended and well received. The principal feedback included a desire to see:
- Transformation of safeguarding services and the Education front door
 - Increased youth provision
 - Increased priority skills provision to meet local employers needs and address levelling up
 - Innovation and skills training for local businesses to enable them to adapt and change
- 3.10. A detailed description of the consultation process and results is contained in Appendix 10.

4. RESIDENT'S SURVEY 2020

- 4.1. Opinion Research Services (ORS) were commissioned by the Council to undertake a representative sample (age, gender and working status) survey of 1,000 residents via telephone.
- 4.2. The purpose of the survey was to gauge levels of satisfaction with the local area, the Council and the services it provides and where relevant draw a comparison with national data for England obtained from the LGA's four-monthly telephone survey which asks residents some of the same questions in relation to their local Council(s).
- 4.3. The survey of residents aged 18 and over took place between 11th September and 1st December 2020 . When compared to our Citizens Panel Survey of 2018, the results are overwhelmingly positive:
- 77% of residents said they are satisfied with their local area as a place to live, compared with 65% in the 2018 Survey and 64% said they were satisfied with the way the Council runs things, a huge improvement on the 38% from the Panel Survey
 - The number of residents who agree that the Council provides value for money has more than doubled from 22% to 45%
- 4.4. Reading Borough Council's results are slightly lower compared to the most recently available national data, compiled by the Local Government Association (LGA), which is from October 2020. For example, in relation to the three core questions: 77% of Reading

residents are satisfied with their local area as a place to live compared to 83% nationally ; 64% of Reading residents are satisfied with the way their council runs things compared to 68% nationally; and 45% of Reading residents believe their council provides value for money, compared to 54% nationally. However, ORS point out that results for urban areas are often less positive than those obtained elsewhere.

- 4.5. Road and pavement repairs again came out as the highest priority area in terms of needing to be improved (47% of responses, compared to 58.05% in 2018), which indicates an improvement in the period which correlates to the Council’s investment in highways infrastructure. The Council has committed to invest £14.5m in the Council’s local highways infrastructure (including Bridges) over the period 2021/22-2023/24 to continue to address this resident priority.
- 4.6. Further details on the Residents Survey and the results are attached at Appendix 11.

5. CHANGES FOLLOWING PUBLICATION OF DRAFT BUDGET FOR CONSULTATION

General Fund

- 5.1. 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 2021/22 (and subsequent years) contract sum for the activities provided by Brighter Futures for Children (BFfC) the Council’s wholly owned children’s company had not concluded, and details of the contract for the provision of leisure centre facilities remained to be finalised due to the impact of the Coronavirus pandemic on leisure facilities. The budget gap at the time of the draft budget is shown in Table 1 below:

Table 1. Budget Gap at the time of the Draft Budget (Dec 2020)

	2021/22	2022/23	2023/24
	(£'000)	(£'000)	(£'000)
Budget Gap - December 2020	5,030	4,632	4,282

- 5.2. 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.

Local Government Finance Settlement (LGFS)

- 5.3. The Provisional LGFS was announced on the 17th December 2020 and the Final Settlement announced on 4th February 2021 and as a result, certain assumptions have been amended as follows:
 - The existing New Homes Bonus (NHB) scheme will be maintained for a further year but with no new legacy payments. The provisional allocations for the Council were therefore less than previously anticipated. The net effect of this is to reduce the level of NHB from that assumed in the draft budget by £0.707m in 2021/22 and a further £0.292m in 2022/23. As part of the Final Settlement, Government published

a consultation on options for reforming the NHB scheme from 2022/23 onwards with an aim of providing an incentive which is more focused and targeted on ambitious housing delivery. Whilst the impact is not currently known, Government have stated an intent to remove the concept of legacy payments and to increase the baseline on which bonus payments are calculated. Overall the likely impact is therefore that NHB payments from 2022/23 will be lower than those previously received, although at present the Council has assumed zero allocation from 2022/23, so all things remaining equal any NHB payment in 2022/23 will reduce the residual gap.

- The Spending Review announced the continuation of the Social Care Grant introduced in 2020/21, plus further additional funding. The Draft Budget assumed the new funding would be allocated on the same basis as previously. However, the Provisional Settlement showed this not to be the case and as a result Reading's allocation is £0.458m lower than anticipated. This is a one-off grant so only affects 2021/22;
- A new one-off Lower Tier Services Grant has been introduced for 2021/22 only. The Council's allocation, which had not previously been anticipated, is £0.273m;
- The Government have consolidated and enhanced Homelessness Prevention Grant funding, resulting in increased funding for Reading of £0.176m. Although this grant is un-ringfenced, it is assumed that the funding will be needed to support increased expenditure in homelessness prevention as a result of the pandemic and economic downturn.
- Further un-ringfenced general support funding to cope with the expenditure impacts of Covid-19 have been provided for 2021/22. The allocation for Reading is £4.523m. In view of the continuing uncertainty created by the virus these funds will be held as a contingency in order to provide a flexible response to issues as they arise during the year and thereby ease recovery;
- Additionally, the Council has been allocated an un-hypothecated Local Council Tax Support Grant of £1.300m for 2021/22. In 2020/21 the Council received a hypothecated grant (£0.953m) that had to be paid to eligible Local Council Tax Reduction Support Scheme (LCTRS) claimants (£150). Whilst the new funds are not similarly ringfenced and have no specific payment requirements attached, it is recommended that £0.539m is set aside to provide additional one-off support of £70 to residents in receipt of Local Council Tax Support to help mitigate the impact of the increase in Council Tax in the current circumstances, with the remaining £0.761m used to help offset the reduced tax base and level of Council Tax income caused by the increase in LCTRS caseload;
- The Government are providing councils with some compensation for lost Council Tax revenue due to the Covid-19 pandemic. This funding will cover 75% of lost income compared to original 2020/21 forecasts. It is not possible to determine the actual level of compensation that the Council will receive until after the end of the current financial year, however a prudent estimate of anticipated funding is £0.513m, phased equally as £0.171m per year for three years from 2021/22 to match the required phasing of the deficit.

5.4. The impact of the above on the budget gap is set out in Table 2 below:

Table 2. Amendments resulting from the Provisional Finance Settlement

	2021/22	2022/23	2023/24
	(£'000)	(£'000)	(£'000)
New Homes Bonus Grant	707	999	
Social Care Grant	458		
Lower Tier Services Grant	(273)		
Homelessness Prevention Grant	(176)	(176)	(176)
Additional Homelessness Expenditure	176	176	176
Covid General Grant	(4,523)		
Covid Expenditure Provision	4,523		
Local Council Tax Support Grant	(1,300)		
Additional Local Council Tax Support to Residents	539		
Council Tax Income Compensation	(171)	(171)	(171)
Total	(40)	828	(171)

5.5. MHCLG published the Final LGFS on 4th February 2021 and initial consideration indicates that none of the minor changes to funding allocations affect Reading. However, Government did announce an extension to the Flexibility of Capital Receipts Directive that was due to end in 2021/22. This scheme has now been extended until 2024/25.

Other Changes to the Draft Budget Report

Brighter Futures for Children (BFfC) Contract Sum

5.6. Following the December Draft Budget, BFfC presented their business plan and associated budget proposals to the Council which have been reviewed by Officers and Members. The budget proposals identified additional savings of £0.500m in 2021/22 from the Draft Budget position.

5.7. The budget proposals are facilitated by an additional Delivery Fund request to fund transformation of £1.570m. The Council has set this additional request aside within the Delivery Fund, pending submission and approval of associated business cases from BFfC.

Leisure Contract

5.8. Progress with implementation of the Council's recently awarded Leisure contract had to be put on hold due to the pandemic. The elapsed time has allowed further consideration of the value that can be obtained from the contract, but also a need to take account of the impact of the pandemic. The result is anticipated additional costs of £0.685m in the short term, but greater savings, £0.883m in the medium term.

Local Council Tax Support Scheme

- 5.9. The Local Council Tax Support Grant, announced in the Provisional Settlement, is a one-off for 2021/22 only. As a result of the increased level of Council Tax and the current economic climate, the Council will review and consult on its Local Council Tax Support Scheme for 2022/23 with a view to providing greater support to Council Tax payers on very low incomes. Whilst details of how an improved scheme might work and cost implications determined, provision of £0.650m has been made from 2022/23 onwards to mark this intent.

Additional DEGNS Savings

- 5.10. The Directorate for Economic Growth and Neighbourhood Services (DEGNS) has revisited a number of its business cases and reprofiled savings between years. In addition, two additional savings proposals have been identified. These proposals contribute net one-off savings of £0.948m and £0.662m in 2021/22 and 2022/23 respectively with a recurring net additional saving of £0.200m from 2023/24 onwards.

Corporate Budgets

- 5.11. The Council's corporate budgets have been further reviewed and re-allocated in order to facilitate an increase in funding to support transformation more broadly over the coming years. In recent years this transformation funding has been financed by the flexible use of capital receipts permitted by Government. However, this is currently planned to come to an end after 2021/22 and therefore additional revenue funding to finance additional transformation is required. A total of £8.153m has been set aside to fund additional transformation from revenue across the three years 2021/22-2023/24 (per Table 13). Following this review, it has also been possible to release a net £2.140m from 2023/24 towards closing the budget gap.

Council Tax Base and Council Tax Collection Fund Deficit

- 5.12. The Council Tax Base report which was approved by Full Council on 26th January 2021, identified a Council Tax Base which is lower than that assumed at the time of the draft budget and thus leads to a lower Council Tax yield. The reduction in tax base is due to an increased LCTRS caseload; reduced expectations of new build properties materialising; and an increased allowance for non-collection, all arising from the impact of Covid-19. The cumulative reduction totals £0.725m across the MTF5 period.
- 5.13. The Council Tax Base report also declared the estimated balance on the Council Tax Collection Fund. The estimated deficit balance is an improvement of £0.103m from that which was assumed in the Draft Budget.

Business Rates and Business Rates Collection Fund Deficit

- 5.14. The budget has been updated to reflect the latest available information and assumptions included in the NNDR1 return made to Central Government in January 2021. The overall

impact is an improvement of £0.260m in 2021/22 and an increased pressure of £0.981m from 2022/23 when compared to the Draft Budget.

Capital Financing

- 5.15. The revenue impact of the proposed Capital Programme has been updated to reflect changes to existing schemes (including re-profiling), the addition of new schemes and the lower than previously anticipated level of capital receipts. The cumulative additional capital financing or budget pressure is £1.507m.

Adult Social Care Precept

- 5.16. Due to the inherent pressures already on the Adult Social Care budget coupled with both the immediate and long-term impact of the Coronavirus Pandemic on service demand arising from increased frailty, it is recommended that the full flexibility of the 3% Adult Social Care precept is taken up in 2021/22. This represents an increase of 2% on the Draft Budget position, which will generate additional funds of approximately £2m p.a.
- 5.17. A summary of the 'other changes' outlined above is shown in the Table 3 below:

Table 3. Other Changes to the Draft Budget Position

	2021/22	2022/23	2023/24
	(£'000)	(£'000)	(£'000)
BFFC Contract Sum	(500)	(500)	(500)
Leisure Contract Revisions	685	(315)	(883)
Revised Council Tax Support Scheme		650	650
DEGNS Savings Review	(948)	(662)	(200)
Review of Corporate Budgets	500	(500)	(2,140)
Council Tax Base	319	463	725
Council Tax Collection Fund Deficit	(103)	(103)	(103)
Business Rates (including Collection Fund Deficit)	(260)	981	981
Capital Financing	263	144	1,507
Increase in ASC Precept	(1,890)	(1,969)	(2,051)
Total	(1,934)	(1,811)	(2,014)

- 5.18. Table 4 shows the impact of both the Provisional Local Government Finance Settlement and the other changes set out in Table 3 above on the Draft Budget position published in December 2020. As can be seen, there remains a revised gap in the budget across all three financial years. It is therefore proposed that the budget gap is closed in 2021/22 by drawing on reserves on a one-off basis of £2.776m (a £3.056m movement from the Draft Budget which contained a transfer to reserves of £0.280m). However, due to the current levels of extreme uncertainty caused by Covid-19 combined with a further one-year only financial settlement from Central Government it is proposed that the underlying gap in subsequent years is addressed as part of the 2022/23 budget setting process.

Table 4. Impact of all Changes on the Budget Position reported in December 2020

	2021/22	2022/23	2023/24
	(£'000)	(£'000)	(£'000)
Budget Gap - December 2020	5,030	4,632	4,282
Subsequent Changes:			
Changes due to Provisional Financial Settlement (Table 2)	(40)	828	(171)
Other Changes (Table 3)	(1,934)	(1,811)	(2,014)
Revised Budget Gap	3,056	3,649	2,097
Use of Earmarked Reserves	(3,056)		
Budget Variation	0	3,649	2,097

- 5.19. Whilst further use of earmarked reserves could have been used to balance 2022/23 and 2023/24 on a one-off basis, this would not address the underlying need to close the budget gap and would push the issue out to 2024/25 and beyond. Therefore, further initiatives to close the remaining budget gap in 2022/23 and beyond will need to be identified as part of the 2022/23 budget setting process.

Housing Revenue Account (HRA)

- 5.20. The draft HRA budget as published in December 2020 is summarised as follows:

Table 5. Draft HRA Budget (December 2020)

	2021/22	2022/23	2023/24
	(£'000)	(£'000)	(£'000)
Total Income	(41,676)	(42,733)	(43,668)
Total Expenditure	41,808	42,843	43,842
Net (Surplus)/Deficit	132	110	174
Forecast Opening HRA Balance	(45,365)	(45,233)	(45,123)
Net (Surplus)/Deficit	132	110	174
Forecast Closing HRA Balance	(45,233)	(45,123)	(44,949)

- 5.21. The changes from the draft HRA Budget are set out in the following paragraphs and summarised in Table 6. A summary of the revised HRA budget is set out in Table 11 below and in more detail in Appendix 4.

Major Repairs/Depreciation & Debt Costs

- 5.22. The HRA budget has been updated to reflect the revised Major Repairs estimates and Debt Cost budgets required in respect of the HRA Capital Programme Schemes and the asset appropriations from the General Fund.

Dwellings Rents

- 5.23. The budget for Dwellings Rents has been updated to reflect the addition of new builds and acquisitions coming online in year.

Other Changes

- 5.24. Other changes to HRA budget have been made to reflect the latest update to the HRA Business Plan.

Table 6. Changes to HRA Draft Budget

	2021/22	2022/23	2023/24
	(£'000)	(£'000)	(£'000)
Major Repairs/Depreciation	998	1,208	1,418
Debt Costs	839	572	175
Other Expenditure Budgets	2	80	163
Total Expenditure Changes	1,839	1,860	1,756
Dwelling Rents	(84)	(458)	(851)
Other Income Budgets	2	(5)	(11)
Total Income Changes	(82)	(463)	(862)
Change to Net (Surplus)/Deficit	1,757	1,397	894

Capital Programme

- 5.25. Capital spending (and associated funding streams) have been updated to reflect latest anticipated spend forecasts in 2020/21, changes in future year profiling, and a small number of amendments relating to existing or additional schemes. A detailed breakdown of the General Fund and HRA capital schemes is included in Appendix 5a and 5b.
- 5.26. The revised General Fund Capital Programme expenditure for the period 2021/22 - 2023/24 totals £200.023m. This is a net increase of £22.407m from the draft Capital Programme published in December 2020. However, the majority of this relates to fully funded education capital schemes. There have also been some minor amendments and additions to DEGNS schemes (including revised funding) and a minor re-profiling of the Corporate Schemes (Delivery Fund) between 2020/21 and 2021/22. A summary of changes from the Draft Capital Programme is set out in Table 7 below.

Table 7. Changes to Draft Capital Programme 2021/22 - 2023/24

	Total Expenditure	Total Funding	Total Additional Net Expenditure
	(£'000)	(£'000)	(£'000)
Education Schemes	23,989	(23,989)	0
DEGNS Schemes	(2,078)	3,820	1,742
Corporate Schemes	496	0	496
Total	22,407	(20,169)	2,238

- 5.27. The revised HRA Capital Programme expenditure for the period 2021/22 - 2023/24 totals £100.802m. This is an increase of £0.831m from the draft Capital Programme published in December 2020 and primarily relates to the new build programme for older people and vulnerable adults' scheme which was approved by Policy Committee on 18th January 2021.

6. FINAL RECOMMENDED BUDGET AND MTFS

- 6.1. Taking into account the changes outlined in Section 5 above, that have arisen since the Draft Budget and MTFS was considered by Policy Committee in December, the overall recommended Budget and MTFS position is shown in Table 8 below:

Table 8. Directorate and Corporate Budgets - Three Year Summary

	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
Service Expenditure			
Adult Social Care and Health	37,947	37,232	37,703
Economic Growth & Neighbourhood Services	18,491	13,172	11,409
Resources	16,470	16,085	15,972
Chief Executive	1,554	1,514	1,553
Children's Services	48,193	47,693	47,193
Total Service Expenditure	122,655	115,696	113,830
Corporate Budgets			
Capital Financing Costs	15,534	17,048	18,252
Contingency	3,844	4,454	6,074
Movement to / (from) Reserves	(2,776)	0	0
Other Corporate Budgets	6,909	2,029	3,506
Total Corporate Budgets	23,511	23,531	27,832
Net Budget Requirement	146,166	139,227	141,662
Financed By:			
Council Tax Income	(99,220)	(102,683)	(107,024)
NNDR Local Share	(32,095)	(31,126)	(31,741)
New Homes Bonus	(2,108)	(969)	0
Section 31 Grant	(3,549)	0	0
Revenue Support Grant	(2,040)	(2,040)	(2,040)
Other Government Grants	(6,739)	(643)	(643)
One-off Collection Fund (Surplus)/Deficit**	(415)	1,883	1,883
Total Funding	(146,166)	(135,578)	(139,565)
Over/(Under) Budget	0	3,649	2,097
Change from Draft Budget	(5,030)	(983)	(2,185)

*Any in-year 2020/21 deficit must be phased equally over three years in line with new regulations brought in as a result of Covid-19. The 2021/22 figure also includes the residual brought forward Collection Fund net surplus balance from 2019/20 which cannot be phased.

- 6.2. Full details of General Fund service budgets, corporate funding and proposed changes to existing budgets are set out in Appendices 1 to 3 attached.

- 6.3. Savings required to balance the 2021/22 budget and assumed within the Draft MTFS are comprised of efficiency savings, invest-to-save initiatives and increased income from fees and charges and summarised in Tables 9 and 10 below. Further detail is provided in Appendices 2 and 3:

Table 9. General Fund Savings Summary 2021/22 to 2023/24 by Service

	2021/22	2022/23	2023/24	Total
	(£'000)	(£'000)	(£'000)	(£'000)
Adult Social Care & Health Services	(4,488)	(3,059)	(1,503)	(9,050)
Economic Growth & Neighbourhood Services	(3,715)	(4,701)	(1,293)	(9,709)
Resources & Chief Executive	(897)	(756)	(614)	(2,267)
Corporate	(865)	0	0	(865)
Total Council Services	(9,965)	(8,516)	(3,410)	(21,891)
Children's Services (BFfC)	(5,118)	(500)	(500)	(6,118)
Total	(15,083)	(9,016)	(3,910)	(28,009)

Table 10 General Fund Savings Summary 2021/22 to 2023/24 by Type

	Efficiency Savings	Invest to Save Schemes	Income, Fees & Charges	Total
	(£'000)	(£'000)	(£'000)	(£'000)
Council Services	(12,142)	(4,334)	(5,415)	(21,891)
Children's Services (BFfC)	(6,118)	0	0	(6,118)
Total Savings	(18,260)	(4,334)	(5,415)	(28,009)

- 6.4. In order to Balance the MTFS across the latter two years of the plan on a sustainable basis further savings of £3.649m need to be identified as part of the 2022/23 budget setting process, which in turn will close the underlying budget gap of £2.097m in 2023/24.
- 6.5. Table 11. below sets out the Housing Revenue Account budget recommended for approval. Further details of the HRA revenue budget is set out in Appendix 4.

Table 11. Summary HRA Three-Year Revenue Budget

	2021/22	2022/23	2023/24
	(£'000)	(£'000)	(£'000)
Expenditure	43,647	44,703	45,598
Income	(41,758)	(43,196)	(44,530)
Net (Surplus) / Deficit	1,889	1,507	1,068
Opening HRA Reserve Balance	(45,365)	(43,476)	(41,969)
Net (Surplus) / Deficit	1,889	1,507	1,068
Closing HRA Balances	(43,476)	(41,969)	(40,901)

- 6.6. The proposed Housing Revenue Account budget for 2021/22 of £43.647m as set out in Appendix 4 assumes an average increase of 1.5% in social dwelling rents from April 2021 giving a revised weekly average social rent of £104.11.

6.7. 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 below:

Table 12. Summary of the General Fund and HRA Capital Programme

	2020/21	2021/22	2022/23	2023/24
Capital Expenditure				
General Fund	64.938	88.153	69.032	42.838
HRA	20.457	39.675	23.415	37.712
Total	85.395	127.828	92.447	80.550

Financed by:				
Capital Grants & Contributions	(49.103)	(50.995)	(34.543)	(17.971)
Capital Receipts	(6.954)	(2.362)	(4.850)	(0.801)
Revenue Contributions	(0.327)	0	0	0
Capital Reserves (HRA)	(8.064)	(10.710)	(10.920)	(11.130)
Net Borrowing Requirement	20.947	63.761	42.134	50.648

Net Borrowing Requirement Split:				
General Fund	10.881	40.941	33.324	24.066
HRA	10.066	22.820	8.810	26.582
Total	20.947	63.761	42.134	50.648

7. FLEXIBLE USE OF CAPITAL RECEIPTS AND DELIVERY FUND

- 7.1. Over the last few years the Council has made use of freedoms around the flexible use of capital receipts to fund transformation change costs - this freedom was due to end in 2021/22, however as part of the Final Local Government Financial Settlement the Government announced an extension to 2024/24. However, based on current forecasts future capital receipt realisation is expected to be low during the MTFs period. In total £13.576m of capital receipts had previously been identified as available to fund such costs over the period 2017/18 to 2021/22. Nonetheless, the Council continues to have an ambitious transformation programme which will extend beyond 2021/22. To support these ambitions the budget proposals here include additional revenue funding to support continuation of the Delivery Fund across the period of the MTFs as set out in paragraph 7.6 and Table 13.
- 7.2. The current allocation methodology and governance of the Delivery Fund will continue to ensure continued best practice and in light of the extension of the directive to 2024/25.
- 7.3. Details of the proposed use of this funding were set out in the December Policy Committee 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. This includes a significant additional bid from Brighter Futures for Children of £1.570m to support their transformation programme and safeguard delivery against their agreed contract sum

- 7.4. As set out in Table 13 below, additional revenue resource has been allocated to pump prime transformation and test new ways of working, taking the total Delivery Fund envelope to £21.729m by 2023/24. This additional resource will also enable the Council to fund transformation beyond 2021/22 (including any slippage from 2020/21 and 2021/22).
- 7.5. Pending the submission and approval of detailed business cases, the current total of required transformation funding is £14.789m per Annex A to Appendix 6.
- 7.6. 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 13 below summarises the proposed use of the Delivery Fund:

Table 13. Summary of Delivery Fund Spend

	2017/18 Actual (£000's)	2018/19 Actual (£000's)	2019/20 Actual (£000's)	2020/21 Budget (£000's)	2021/22 Budget (£000's)	2022/23 Budget (£000's)	2023/24 Budget (£000's)	Total (£000's)
Capital Receipts	1,319	3,182	4,539	4,069	467	0	0	13,576
Revenue	0	0	0	0	0	0	0	0
February 2020	1,319	3,182	4,539	4,069	467	0	0	13,576
Capital Receipts	1,319	3,182	3,287	4,552	1,236	0	0	13,576
Revenue	0	0	0	0	0	0	0	0
December 2020	1,319	3,182	3,287	4,552	1,236	0	0	13,576
Capital Receipts	1,319	3,182	3,287	4,056	1,732	0	0	13,576
Revenue	0	0	0	0	3,133	2,510	2,510	8,153
February 2021	1,319	3,182	3,287	4,056	4,865	2,510	2,510	21,729

8. DEDICATED SCHOOLS GRANT (DSG)

- 8.1. Schools funding is received through DSG and is split into four blocks. Allocations for 2021/22 were published on 17th December 2020. Details of the 2021/22 DSG allocation (together with the Deficit Recovery Plan) are included in Appendix 9 to this report but are summarised in the table below:

Table 14. Dedicated Schools Grant Allocations

BLOCK	2020/21	2021/22	Change	
	Revised (£'000)	Original (£'000)	(£'000)	(%)
Schools Block	95,536	103,481	7,945	8.3%
Central Schools Services Block	1,218	1,167	(51)	(4.2%)
Early Years Block	12,832	12,981	149	1.2%
High Needs Block	22,394	24,658	2,264	10.1%
Total (Gross)	131,980	142,287	10,307	7.8%
Less Recoupment - Schools	(49,165)	(54,699)	(5,534)	11.3%
Less Recoupment - High Needs	(3,829)	(4,177)	(348)	9.1%
Total (Net)	78,986	83,411	4,425	5.6%

9. COUNCIL TAX LEVELS

- 9.1. 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.
- 9.2. The changes proposed to the Council's Draft Budget for 2021/22 as set out above include an increase in the Adult Social Care precept of 3.0%, which is an increase of 2.0% from that reported in December. The proposed band D charge of £1,776.60 for Reading's own requirement in 2021/22 represents a weekly increase for two adults in occupation (before any reliefs or discounts) of £1.62 per week.
- 9.3. Table 15 below 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 15. Implications of Proposed Council Tax Increase 2020/21

Band	Weight	No. of Properties	Ratio	2020/21 Charge	2021/22 Proposal	Change	Weekly Change
				(£)	(£)	(£)	(£)
A	6	7,565	10%	1,128.11	1,184.40	56.29	1.08
B	7	14,352	20%	1,316.12	1,381.80	65.67	1.26
C	8	29,665	40%	1,504.14	1,579.20	75.06	1.44
D	9	11,241	15%	1,692.16	1,776.60	84.44	1.62
E	11	5,704	8%	2,068.20	2,171.40	103.20	1.98
F	13	3,309	4%	2,444.23	2,566.20	121.97	2.35
G	15	1,868	3%	2,820.27	2,961.00	140.73	2.71
H	18	86	0%	3,384.32	3,553.20	168.88	3.25
		73,790	<i>Weighted Increase - All Bands</i>			78.79	1.52

10. CONTRIBUTION TO STRATEGIC AIMS

10.1. The Council's vision is to ensure that Reading realises its potential - and to ensure that everyone who lives and works in Reading can share the benefits of its success. The Council has six priorities which contribute to delivering this vision. These priorities are:

- 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; and
- Ensuring the Council is fit for the future.

10.2. The setting and delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

11. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

11.1. The Council declared a Climate Emergency at its meeting on 26 February 2019, with the intention of being carbon neutral by 2030. The Council's Corporate Plan monitors progress in reducing our carbon footprint.

11.2. The Council's proposed Capital Programme for the next three years includes investment of £6.439 million in energy saving measures in buildings and renewable energy infrastructure to contributing to the Council's net zero carbon ambitions. Of this, £2.789m is allocated for 2021/22.

11.3. 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 enabled a large number of projects to be taken forward. A provision of £0.800m is included in the Capital Programme across the next three years which will enable additional projects in the pipeline to go ahead.

11.4. The Capital Programme also includes two budgets which specifically support the Council's climate change commitment, enabling a step change in ambition. The first will take advantage of the SALIX Decarbonisation fund, designed to support more ambitious carbon reduction projects in the public sector. In 2021/22, £0.416m has been allocated with a further £1.0 million over the following two years. The second will support further investment in renewable energy. In 2021/22, £2.073m has been allocated for this purpose with a further £1.546 in 2022/23 and £0.604m in 2023/24. This will enable a number of more ambitious projects to be progressed, including ground-source heat pumps, solar arrays and potentially district heating systems.

11.5. 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.

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

- £2.169m for Green Park Station (2021/22)
- £13.750m for the South Reading MRT (2021/21-2023/24)
- £4.223m for renewable energy (2021/22-2023/24)
- £2.216m for energy saving measures via the Salix Decarbonisation and Recirculation funds (2021/22-2023/24)
- £0.189m for food waste collection (2021/22), in addition to £1.300m in 2020/21
- £0.150m for retro-fitting the bus fleet to lower emission standards (2021/22)
- £0.847m to complete the LED streetlighting investment programme (2021/22)
- £0.050m for additional electric vehicle charging points (2021/22)
- £0.150m for tree planting programmes (2021/22-2023/24)

12. COMMUNITY ENGAGEMENT AND INFORMATION

12.1. The public budget consultation ran from 15th December 2020 until 15th January 2021. The feedback from this consultation, alongside the feedback from the Resident's Survey 2020 is set in in sections 3 and 4 of this report and in appendices 10 and 11.

13. FINANCIAL IMPLICATIONS

- 13.1. The financial implications are set out in the body of this report and associated appendices.
- 13.2. Due to the current levels of extreme uncertainty caused by Covid-19 and combined with a further one-year only financial settlement from Central Government, the budget gap in 2021/22 has been balanced on a one-off basis by drawing down on earmarked reserves by £2.776m, which have been built up by prudent financial management in recent years. Whilst further use of earmarked reserves could have been used to balance 2022/23 and 2023/24 on a one-off basis, this would not address the underlying need to close the budget gap and would push the issue out to 2024/25 and beyond. Therefore, further savings to close the remaining budget gap in 2022/23 and beyond will need to be identified as part of the 2022/23 budget setting process.
- 13.3. A draw from the Direct Revenue Financing of Capital Earmarked Reserve is required in the current financial year (2020/21) to reduce the ongoing Minimum Revenue Provision (MRP) charge to the revenue budget by paying-off debt on short-life asset. This reserve was set aside to mitigate against capital receipts not being realised and available for use as previously expected. The impact of Covid-19 has meant that this reserve has had to be released, but it is hoped that as the economy picks up the reserve will be able to be replenished.

13.4. The Council's General Fund balance remains at £7.5m over the plan period. The projected 2020/21 General Fund Revenue Budget underspend of circa £4.8m will be used to bolster reserves, in part mitigating the budgeted draw from earmarked reserves in 2021/22.

14. LEGAL IMPLICATIONS

14.1. 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.

14.2. 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.

15. RISK

15.1. The budget is set in a period of considerable uncertainty. Estimates are based on current information available, but it is important that the council is aware of the significant risks it faces in terms of central funding and business rates in the medium term.

15.2. Income targets have been reviewed to ensure that they are realistic, which has scaled back certain income targets in 2021/22 before recovering in following years within the budget plans.

15.3. 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.

15.4. The MTFs assumes £28.0m of additional savings and income, if these are not delivered or there is any delay to their delivery, it would pose a potential threat to the sustainability of the Council's budget.

15.5. There is a risk in respect of capacity of the Council to deliver and focus on savings delivery whilst managing the impact of Covid-19 and lockdown etc.

15.6. Business Rates income in particular is subject to considerable volatility in the current economic climate.

15.7. There are also the following risks in respect of the Council's wholly owned companies:

- Reading Transport Limited (RTL) - due to RTL operating on very low margins and combined with the current Covid-19 climate, there are concerns in respect of the company's future economic viability. The Council is working with RTL in addressing these concerns.
- Homes for Reading (HfR) - the Council's current dispensation to not charge Minimum Revenue Provision (MRP) on borrowing relating to loans given to HfR is reliant on the value of the fixed assets on the company's Balance Sheet exceeding the loan

liability. The asset valuation is dependent on the economy and the housing market and the current Covid-19 situation is a risk in this regard.

- Brighter Futures for Children (BFfC) - the Council's arms-length children's company has significant transformational change planned and its delivery also represents a risk.

15.8. The Council has the potential to be impacted in a variety of ways, with the state of the national economy, particularly in the current Covid-19 environment, impacting on demand levels, 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.

15.9. The Council's Section 151 Officer is required under Section 25 of the Local Government Act 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. This report appears elsewhere on this agenda.

16. EQUALITIES IMPACT ASSESSMENT

16.1. 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.

16.2. 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.

16.3. 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.

17. BACKGROUND PAPERS

- 2020/2021 to 2022/23 Budget Setting and Medium-Term Financial Strategy approved by Full Council (25th February 2020)
- Spending Review 2020 - HM Treasury (25th November 2020)

- Provisional Local Government Finance Settlement 2021/22 - MHCLG (17th December 2020)
- Final Local Government Finance Settlement 2021/22 - MHCLG (4th February 2021)
- Draft Budget and Medium-Term Financial Plan 2021/22- 2023/24 Report approved by Policy Committee (14th December 2020).

This page is intentionally left blank

Summary of General Fund Budget 2021/22 to 2023/24

Directorate/Service	Approved Budget 2020/21 £'000	Proposed Budget 2021/22 £'000	Proposed Budget 2022/23 £'000	Proposed Budget 2023/24 £'000
Adult Social Care and Health				
Commissioning & Improvement	846	877	906	890
Adult Social Care Operations	35,838	35,399	34,633	35,098
Public Health Services	(300)	(300)	(350)	(400)
Preventative Services	738	744	750	756
Directorate Other	1,151	1,227	1,293	1,359
Adult Social Care and Health	38,273	37,947	37,232	37,703
Economic Growth & Neighbourhood Services				
Transportation	(168)	730	(2,358)	(3,299)
Planning & Regulatory Services	2,148	2,401	2,032	1,781
Housing and Neighbourhood Services General Fund	1,334	1,457	1,333	1,289
Cultural Services	4,102	5,082	3,414	2,688
Environmental and Commercial Services	14,408	13,564	13,492	13,726
Regeneration and Assets	(5,453)	(5,533)	(5,551)	(5,380)
DEGNS Overhead Accounts	757	790	810	604
Economic Growth & Neighbourhood Services	17,128	18,491	13,172	11,409
Resources				
Customer Services	1,659	1,609	1,489	1,280
Human Resources & Organisational Development	1,960	1,760	1,832	1,909
Internal Audit	1,619	1,408	1,425	1,442
Procurement Services	489	557	423	339
Financial Services	2,866	2,953	2,901	2,789
Legal & Democratic Services	2,353	2,423	2,456	2,604
IT & Digital Services	4,488	5,760	5,559	5,609
Resources	15,434	16,470	16,085	15,972
Chief Executive				
Chief Executive	868	893	918	943
Communications	682	661	596	610
Chief Executive	1,550	1,554	1,514	1,553
Children's Services				
Brighter Futures for Children	48,421	47,469	46,969	46,469
Retained by Council	710	724	724	724
Children's Services	49,131	48,193	47,693	47,193
Total Service Expenditure	121,516	122,655	115,696	113,830

Summary of General Fund Budget 2021/22 to 2023/24

Directorate/Service	Approved Budget 2020/21 £'000	Proposed Budget 2021/22 £'000	Proposed Budget 2022/23 £'000	Proposed Budget 2023/24 £'000
Corporate Budgets				
Capital Financing Costs	14,731	15,534	17,048	18,252
Contingency	3,522	3,844	4,454	6,074
Movement to / (from) Reserves	12,457	(2,776)	0	0
Other Corporate Budgets	(1,306)	6,909	2,029	3,506
Corporate Budgets	29,404	23,511	23,531	27,832
Net budget Requirement	150,920	146,166	139,227	141,662
Financed By:				
Council Tax Income	(96,014)	(99,220)	(102,683)	(107,024)
NNDR Local Share	(34,357)	(32,095)	(31,126)	(31,741)
New Homes Bonus	(3,988)	(2,108)	(969)	0
Section 31 Grant	(3,994)	(3,549)	0	0
Revenue Support Grant	(2,030)	(2,040)	(2,040)	(2,040)
Other Government Grants	0	(6,739)	(643)	(643)
One-off Collection Fund (Surplus)/Deficit	(10,537)	(415)	1,883	1,883
Total Funding	(150,920)	(146,166)	(135,578)	(139,565)
Over/(Under) Budget	0	0	3,649	2,097

General Fund Revenue Budget by Service 2021/22

	Approved Budget 2020/21* £'000	Virements £'000	Approved Budget 2020/21 * £'000	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Proposed Budget 2021/22 £'000
Adult Social Care and Health Directorate									
Commissioning and Improvement	825	21	846	31	0	0	0	0	877
Adult Social Care Operations	34,911	927	35,838	1,860	2,189	(2,051)	(2,066)	(371)	35,399
Public Health Service	(506)	206	(300)	0	0	0	0	0	(300)
Preventative Services	722	16	738	6	0	0	0	0	744
Directorate Other	1,356	(205)	1,151	76	0	0	0	0	1,227
Adult Social Care and Health Directorate	37,308	965	38,273	1,973	2,189	(2,051)	(2,066)	(371)	37,947
Economic Growth & Neighbourhood Services Directorate									
Transportation	(171)	3	(168)	166	1,400	(202)	0	(466)	730
Planning & Regulatory Services	2,052	96	2,148	162	199	(116)	0	8	2,401
Housing and Neighbourhood Services General Fund	1,197	137	1,334	77	250	(200)	0	(4)	1,457
Cultural Services	3,971	131	4,102	268	1,465	(603)	0	(150)	5,082
Environmental and Commercial Services	14,275	133	14,408	719	(15)	(1,171)	(76)	(301)	13,564
Regeneration and Assets	(5,544)	91	(5,453)	236	118	(407)	0	(27)	(5,533)
DEGNS Overhead Accounts	643	114	757	33	0	0	0	0	790
Economic Growth & Neighbourhood Services Directorate	16,423	705	17,128	1,661	3,417	(2,699)	(76)	(940)	18,491
Resources Directorate									
Customer & Corporate Improvement	2,747	(1,088)	1,659	90	147	(257)	0	(30)	1,609
Human Resources & Organisational Development	1,800	160	1,960	82	0	(272)	0	(10)	1,760
Internal Audit & Insurance	1,607	12	1,619	17	28	(256)	0	0	1,408
Procurement Services	353	136	489	18	50	0	0	0	557
Financial Services	2,517	349	2,866	112	0	(25)	0	0	2,953
Legal & Democratic Services	2,003	350	2,353	117	0	(47)	0	0	2,423
IT & Digital Services	4,490	(2)	4,488	123	1,149	0	0	0	5,760
Resources Directorate	15,517	(83)	15,434	559	1,374	(857)	0	(40)	16,470
Chief Executive									
Chief Executive	0	868	868	25	0	0	0	0	893
Communications	710	(28)	682	14	(35)	0	0	0	661
Chief Executive	710	840	1,550	39	(35)	0	0	0	1,554
Children's Services									
Brighter Futures for Children	48,421	0	48,421	1,737	2,429	(5,118)	0	0	47,469
Retained by Council	710	0	710	14	0	0	0	0	724
Children's Services	49,131	0	49,131	1,751	2,429	(5,118)	0	0	48,193
Total Budget at Service Level	119,089	2,427	121,516	5,983	9,374	(10,725)	(2,142)	(1,351)	122,655

*Approved Budget 2020/21 includes in year budget virements

General Fund Revenue Budget by Service 2022/23

	Proposed Budget 2021/22	Virements	Proposed Budget 2021/22	Contractual Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Proposed Budget 2022/23
Adult Social Care and Health Directorate									
Commissioning and Improvement	877	0	877	29	0	0	0	0	906
Adult Social Care Operations	35,399	0	35,399	1,130	1,113	(1,219)	(1,650)	(140)	34,633
Public Health Service	(300)	0	(300)	0	0	(50)	0	0	(350)
Preventative Services	744	0	744	6	0	0	0	0	750
Directorate Other	1,227	0	1,227	66	0	0	0	0	1,293
Adult Social Care and Health Directorate	37,947	0	37,947	1,231	1,113	(1,269)	(1,650)	(140)	37,232
Economic Growth & Neighbourhood Services									
Transportation	730	0	730	123	(650)	(415)	0	(2,146)	(2,358)
Planning & Regulatory Services	2,401	0	2,401	148	(90)	(87)	0	(340)	2,032
Housing and Neighbourhood Services General Fund	1,457	0	1,457	85	(125)	(80)	0	(4)	1,333
Cultural Services	5,082	0	5,082	245	(1,460)	(315)	0	(138)	3,414
Environmental and Commercial Services	13,564	0	13,564	638	(16)	(304)	(15)	(375)	13,492
Regeneration and Assets	(5,533)	0	(5,533)	195	98	(282)	0	(29)	(5,551)
DEGNS Overhead Accounts	790	0	790	191	0	(171)	0	0	810
Economic Growth & Neighbourhood Services	18,491	0	18,491	1,625	(2,243)	(1,654)	(15)	(3,032)	13,172
Resources Directorate									
Customer & Corporate Improvement	1,609	0	1,609	84	240	(434)	0	(10)	1,489
Human Resources & Organisational Development	1,760	0	1,760	77	0	0	0	(5)	1,832
Internal Audit & Insurance	1,408	0	1,408	17	0	0	0	0	1,425
Procurement Services	557	0	557	16	(50)	(100)	0	0	423
Financial Services	2,953	0	2,953	110	0	(162)	0	0	2,901
Legal & Democratic Services	2,423	0	2,423	135	(57)	(45)	0	0	2,456
IT & Digital Services	5,760	0	5,760	124	(325)	0	0	0	5,559
Resources Directorate	16,470	0	16,470	563	(192)	(741)	0	(15)	16,085
Chief Executive									
Chief Executive	893	0	893	25	0	0	0	0	918
Communications	661	0	661	10	(75)	0	0	0	596
Chief Executive	1,554	0	1,554	35	(75)	0	0	0	1,514
Children's Services									
Brighter Futures for Children	47,469	0	47,469	0	0	(500)	0	0	46,969
Retained by Council	724	0	724	0	0	0	0	0	724
Children's Services	48,193	0	48,193	0	0	(500)	0	0	47,693
Total Budget at Service Level	122,655	0	122,655	3,454	(1,397)	(4,164)	(1,665)	(3,187)	115,696

General Fund Revenue Budget by Service 2023/24

	Proposed Budget 2022/23	Virements	Proposed Budget 2022/23	Contractual Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Proposed Budget 2023/24
Adult Social Care and Health Directorate									
Commissioning and Improvement	906	0	906	29	0	(45)	0	0	890
Adult Social Care Operations	34,633	0	34,633	1,128	745	(768)	(640)	0	35,098
Public Health Service	(350)	0	(350)	0	0	(50)	0	0	(400)
Preventative Services	750	0	750	6	0	0	0	0	756
Directorate Other	1,293	0	1,293	66	0	0	0	0	1,359
Adult Social Care and Health Directorate	37,232	0	37,232	1,229	745	(863)	(640)	0	37,703
Economic Growth & Neighbourhood Services									
Transportation	(2,358)	0	(2,358)	123	(700)	0	0	(364)	(3,299)
Planning & Regulatory Services	2,032	0	2,032	148	(100)	(64)	0	(235)	1,781
Housing and Neighbourhood Services General Fund	1,333	0	1,333	85	(125)	0	0	(4)	1,289
Cultural Services	3,414	0	3,414	245	(918)	0	0	(53)	2,688
Environmental and Commercial Services	13,492	0	13,492	536	0	(100)	(12)	(190)	13,726
Regeneration and Assets	(5,551)	0	(5,551)	195	0	0	0	(24)	(5,380)
DEGNS Overhead Accounts	810	0	810	41	0	(247)	0	0	604
Economic Growth & Neighbourhood Services	13,172	0	13,172	1,373	(1,843)	(411)	(12)	(870)	11,409
Resources Directorate									
Customer & Corporate Improvement	1,489	0	1,489	93	0	(295)	0	(7)	1,280
Human Resources & Organisational Development	1,832	0	1,832	77	0	0	0	0	1,909
Internal Audit & Insurance	1,425	0	1,425	17	0	0	0	0	1,442
Procurement Services	423	0	423	16	0	(100)	0	0	339
Financial Services	2,901	0	2,901	100	0	(212)	0	0	2,789
Legal & Democratic Services	2,456	0	2,456	148	0	0	0	0	2,604
IT & Digital Services	5,559	0	5,559	45	5	0	0	0	5,609
Resources Directorate	16,085	0	16,085	496	5	(607)	0	(7)	15,972
Chief Executive									
Chief Executive	918	0	918	25	0	0	0	0	943
Communications	596	0	596	14	0	0	0	0	610
Chief Executive	1,514	0	1,514	39	0	0	0	0	1,553
Children's Services									
Brighter Futures for Children	46,969	0	46,969	0	0	(500)	0	0	46,469
Retained by Council	724	0	724	0	0	0	0	0	724
Children's Services	47,693	0	47,693	0	0	(500)	0	0	47,193
Total Budget at Service Level	115,696	0	115,696	3,137	(1,093)	(2,381)	(652)	(877)	113,830

This page is intentionally left blank

Detailed General Fund Budget Changes 2021/22 to 2023/24

Directorate/Service	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Total £'000
Adult Social Care and Health Directorate						
Commissioning and Improvement	89	0	(45)	0	0	44
Adult Social Care Operations	4,118	4,047	(4,038)	(4,356)	(511)	(740)
Public Health Service	0	0	(100)	0	0	(100)
Preventative Services	18	0	0	0	0	18
Directorate Other	208	0	0	0	0	208
Adult Social Care and Health Directorate	4,433	4,047	(4,183)	(4,356)	(511)	(570)
Economic Growth & Neighbourhood Services Directorate						
Transportation	412	50	(617)	0	(2,976)	(3,131)
Planning & Regulatory Services	458	9	(267)	0	(567)	(367)
Housing and Neighbourhood Services General Fund	247	0	(280)	0	(12)	(45)
Cultural Services	758	(913)	(918)	0	(341)	(1,414)
Environmental and Commercial Services	1,893	(31)	(1,575)	(103)	(866)	(682)
Regeneration and Assets	626	216	(689)	0	(80)	73
DEGNS Overhead Accounts	265	0	(418)	0	0	(153)
Economic Growth & Neighbourhood Services Directorate	4,659	(669)	(4,764)	(103)	(4,842)	(5,719)
Resources Directorate						
Customer & Corporate Improvement	267	387	(986)	0	(47)	(379)
Human Resources & Organisational Development	236	0	(272)	0	(15)	(51)
Internal Audit & Insurance	51	28	(256)	0	0	(177)
Procurement Services	50	0	(200)	0	0	(150)
Financial Services	322	0	(399)	0	0	(77)
Legal & Democratic Services	400	(57)	(92)	0	0	251
IT & Digital Services	292	829	0	0	0	1,121
Resources Directorate	1,618	1,187	(2,205)	0	(62)	538

Directorate/Service	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Total £'000
Chief Executive						
Chief Executive	75	0	0	0	0	75
Communications	38	(110)	0	0	0	(72)
Chief Executive	113	(110)	0	0	0	3
Children's Services						
Brighter Futures for Children	1,737	2,429	(6,118)	0	0	(1,952)
Retained by Council	14	0	0	0	0	14
Children's Services	1,751	2,429	(6,118)	0	0	(1,938)
Service Total	12,574	6,884	(17,270)	(4,459)	(5,415)	(7,686)

Appendix 3a

Detailed General Fund Budget Changes 2021/22-2023/24 - Directorate of Adult Social Care and Health Services

Overall Summary		Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
<u>Service</u>		£'000	£'000	£'000	£'000	£'000	£'000
1	Commissioning & Improvement	89	-	(45)	-	-	44
2	Adult Social Care Operations	4,118	4,047	(4,038)	(4,356)	(511)	(740)
3	Public Health Services	-	-	(100)	-	-	(100)
4	Preventative Services	18	-	-	-	-	18
5	Directorate Other	208	-	-	-	-	208
6	Directorate Total	4,433	4,047	(4,183)	(4,356)	(511)	(570)

Summary of MTFs Position		Total Movement Per Year			Total
		2021/22	2022/23	2023/24	All Years
<u>Service Pressures</u>		£'000	£'000	£'000	£'000
7	Commissioning & Improvement	31	29	29	89
8	Adult Social Care Operations	4,049	2,243	1,873	8,165
9	Public Health Services	-	-	-	-
10	Preventative Services	6	6	6	18
11	Directorate Other	76	66	66	208
12	Directorate Total	4,162	2,344	1,974	8,480
		Total Movement Per Year			Total
		2021/22	2022/23	2023/24	All Years
<u>Service Savings</u>		£'000	£'000	£'000	£'000
13	Commissioning & Improvement	-	-	(45)	(45)
14	Adult Social Care Operations	(4,488)	(3,009)	(1,408)	(8,905)
15	Public Health Services	-	(50)	(50)	(100)
16	Preventative Services	-	-	-	-
17	Directorate Other	-	-	-	-
18	Directorate Total	(4,488)	(3,059)	(1,503)	(9,050)
19	Directorate Total	(326)	(715)	471	(570)

Page 57

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Commissioning and Improvement</u>				
20		Pay inflation	23	23	23	69
21		Staff pay increments	8	6	6	20
22		Total Contractual Inflation	31	29	29	89
23			-	-	-	-
24		Total Budget Pressures	-	-	-	-
25	DACHS-2122-NEW-06	DACHS Commissioning, Transformation & Performance Workforce Review	-	-	(45)	(45)
26		Total Efficiency Savings	-	-	(45)	(45)
27			-	-	-	-
28		Total Invest to Save	-	-	-	-
29			-	-	-	-
30		Total Income, Fees & Charges	-	-	-	-
31		Total	31	29	(16)	44

Page 58

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Adult Social Care Operations</u>				
32		Pay inflation	195	202	202	599
33		Staff pay increments	90	65	65	220
34	DACHS-2122-01	PPE requirement due to Covid (care providers)	475	(237)	(238)	-
35	DACHS-2021-01 rev	Care costs inflation	1,100	1,100	1,099	3,299
36		Total Contractual Inflation	1,860	1,130	1,128	4,118
37	DACHS-2122-02	PPE requirement due to covid (staff)	130	(65)	(65)	-
38	DACHS-2021-02 rev	Increased service demand due to population growth	295	236	227	758
39	DACHS-2021-04	Transforming Care	-	42	-	42
40	DACHS-2021-05 rev	Supporting young people into adulthood (pressure)	1,764	900	583	3,247
41		Total Pressures	2,189	1,113	745	4,047
42	DACHS-2021-19 rev	Supporting young people into adulthood (savings target)	(500)	(447)	(296)	(1,243)
43	DACHS-2021-55	DACHS contract efficiencies	(179)	-	-	(179)
44	DACHS-2021-11	Asset Review (property)	(200)	(50)	-	(250)
45	DACHS-2021-18	Removal of agreed 3 year Voluntary Care Service funding	-	(250)	-	(250)
46	DACHS-2021-20	Adult Social Care Day Service Reconfiguration	(150)	-	-	(150)
47	DACHS-2021-22 rev	Workforce Review	(550)	-	-	(550)
48	DACHS-2122-NEW-01	Alternative to Residential and Nursing Care for 18 to 64 Year Olds	(94)	(94)	(94)	(282)
49	DACHS-2122-NEW-04	Strengthening DACHS Decision Making & Supporting Practice Change	(378)	(378)	(378)	(1,134)
50		Total Efficiency Savings	(2,051)	(1,219)	(768)	(4,038)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Adult Social Care Operations Continued</u>				
51	DACHS-2021-10 rev	Promoting the use of Assistive Technology	(295)	(389)	(390)	(1,074)
52	DACHS-2021-07 rev	Development of the Personal Assistant Market	(109)	(309)	-	(418)
53	DACHS-2021-21 rev	Outcome based delivery support (promoting independent living)	(427)	(317)	-	(744)
54	DACHS-2021-23 rev	Enhanced Reablement for Mental Health & Learning Disability Service Users	(250)	(250)	(250)	(750)
55	DACHS-2021-24	Development of the Dementia Carers Offer	(75)	(75)	-	(150)
56	DACHS-2122-NEW-05	Review and Rightsizing of Care Packages (2021/2022)	(910)	(310)	-	(1,220)
57		Total Invest to Save	(2,066)	(1,650)	(640)	(4,356)
58	DACHS-2021-09	Ensuring appropriate charging for services	(371)	(140)	-	(511)
59		Total Income, Fees & Charges	(371)	(140)	-	(511)
		Total	(439)	(766)	465	(740)

Schedule of Detailed Budget Change Proposals

		Total Movement Per Year			Total
		2021/22	2022/23	2023/24	All Years
		£'000	£'000	£'000	£'000
	Public Health Services				
61	Pay inflation	-	-	-	-
62	Staff pay increments	-	-	-	-
63	Total Contractual Inflation	-	-	-	-
64		-	-	-	-
65	Total Budget Pressures	-	-	-	-
66	DACHS-2122-NEW-02 Efficiency savings secured through Public Health re-procurements	-	(50)	(50)	(100)
67	Total Efficiency Savings	-	(50)	(50)	(100)
68		-	-	-	-
69	Total Invest to Save	-	-	-	-
70		-	-	-	-
71	Total Income, Fees & Charges	-	-	-	-
72	Total	-	(50)	(50)	(100)

Page 61

Schedule of Detailed Budget Change Proposals

		Total Movement Per Year			Total
		2021/22	2022/23	2023/24	All Years
		£'000	£'000	£'000	£'000
	<u>Preventative Services</u>				
73	Pay inflation	6	6	6	18
74	Staff pay increments	-	-	-	-
75	Total Contractual Inflation	6	6	6	18
76		-	-	-	-
77	Total Budget Pressures	-	-	-	-
78		-	-	-	-
79	Total Efficiency Savings	-	-	-	-
80		-	-	-	-
81	Total Invest to Save	-	-	-	-
82		-	-	-	-
83	Total Income, Fees & Charges	-	-	-	-
	Total	6	6	6	18

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>DACHS Directorate Other</u>				
85		Pay inflation	38	39	39	116
86		Staff pay increments	38	27	27	92
87		Total Contractual Inflation	76	66	66	208
88			-	-	-	-
89		Total Budget Pressures	-	-	-	-
90			-	-	-	-
91		Total Efficiency Savings	-	-	-	-
92			-	-	-	-
93		Total Invest to Save	-	-	-	-
94			-	-	-	-
95		Total Income, Fees & Charges	-	-	-	-
96		Total	76	66	66	208
97		Directorate Total	(326)	(715)	471	(570)

This page is intentionally left blank

Appendix 3b

Detailed General Fund Budget Changes 2021/22-2023/24 - Directorate of Economic Growth and Neighbourhood Services

		Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
	<u>Service</u>	£'000	£'000	£'000	£'000	£'000	£'000
1	Transportation	412	50	(617)	-	(2,976)	(3,131)
2	Planning & Regulatory Services	458	9	(267)	-	(567)	(367)
3	Housing and Neighbourhood Services General Fund	247	-	(280)	-	(12)	(45)
4	Cultural Services	758	(913)	(918)	-	(341)	(1,414)
5	Environmental and Commercial Services	1,893	(31)	(1,575)	(103)	(866)	(682)
6	Regeneration and Assets	626	216	(689)	-	(80)	73
7	DEGNS Overhead Accounts	265	-	(418)	-	-	(153)
8	Directorate Total	4,659	(669)	(4,764)	(103)	(4,842)	(5,719)

Summary of MTFS Position		Total Movement per Year			Total
		2021/22	2022/23	2023/24	All Years
<u>Service Pressures</u>		£'000	£'000	£'000	£'000
9	Transportation	1,566	(527)	(577)	462
10	Planning & Regulatory Services	361	58	48	467
11	Housing and Neighbourhood Services General Fund	327	(40)	(40)	247
12	Cultural Services	1,733	(1,215)	(673)	(155)
13	Environmental and Commercial Services	704	622	536	1,862
14	Regeneration and Assets	354	293	195	842
15	DEGNS Overhead Accounts	33	191	41	265
16	Directorate Total	5,078	(618)	(470)	3,990
Summary of MTFS Position		Total Movement per Year			Total
		2021/22	2022/23	2023/24	All Years
<u>Service Savings</u>		£'000	£'000	£'000	£'000
18	Transportation	(668)	(2,561)	(364)	(3,593)
19	Planning & Regulatory Services	(108)	(427)	(299)	(834)
20	Housing and Neighbourhood Services General Fund	(204)	(84)	(4)	(292)
21	Cultural Services	(753)	(453)	(53)	(1,259)
22	Environmental and Commercial Services	(1,548)	(694)	(302)	(2,544)
23	Regeneration and Assets	(434)	(311)	(24)	(769)
24	DEGNS Overhead Accounts	-	(171)	(247)	(418)
25	Directorate Total	(3,715)	(4,701)	(1,293)	(9,709)
Directorate Total		1,363	(5,319)	(1,763)	(5,719)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		Transportation				
26		Pay Inflation	40	41	41	122
27		Staff pay increments	1	10	10	21
28		Contract Inflation - NSL Contract (Traffic Enforcement)	53	-	-	53
29		Contract Inflation - Intelligent Transport System maintenance (Urban Traffic Control, Traffic Signal & CCTV)	2	2	2	6
30		Contract Inflation - Business Rates (Car Parks)	70	70	70	210
31		Total Contractual Inflation	166	123	123	412
32	DEGNS-2021-55	Extend parking permit zones	100	-	(50)	50
33	DEGNS-2122-04 (2)	Reduced parking income due to Covid-19	1,300	(650)	(650)	-
34		Total Budget Pressures	1,400	(650)	(700)	50
35	DEGNS-2122-02	Workforce Review	(127)	(190)	-	(317)
36	DEGNS-2021-26	Fundamental Service Review - Parking	(75)	(225)	-	(300)
37		Total Efficiency Savings	(202)	(415)	-	(617)
38			-	-	-	-
39		Total Invest to Save	-	-	-	-
40	DEGNS-2021-24	Increased income from On-Street Pay and Display	(150)	(150)	(75)	(375)
41	DEGNS-2021-37	Increased income from Off Street Parking charges	150	(350)	(400)	(600)
42	DEGNS-2021-22	Borough wide Car Parking and Air Quality Management Strategy (BCAMS)	-	(1,800)	-	(1,800)
43		Electric Vehicle Charging	(23)	-	-	(23)
44		Increase in other transport fees and charges	(3)	(3)	(3)	(9)
45	DEGNS-2122-NEW-01	Increase parking permit charges	(40)	(43)	(86)	(169)
	DEGNS-2122-NEW-14	Concessionary Fares	(400)	200	200	0
46		Total Income, Fees and Charges	(466)	(2,146)	(364)	(2,976)
47		Total	898	(3,088)	(941)	(3,131)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Planning & Regulatory Services</u>				
48		Pay Inflation	102	106	106	314
49		Staff pay increments	60	42	42	144
50		Total Contractual Inflation	162	148	148	458
51	DEGNS-2021-19	Tall Buildings Safety Programme	(60)	-	-	(60)
52	DEGNS-2122-05	Unachievable taxi licensing income (due to Covid-19)	59	10	-	69
53	DEGNS-2122-NEW-04	Planning fee income reprofiled (due to Covid-19)	200	(100)	(100)	-
54		Total Budget Pressures	199	(90)	(100)	9
55	DEGNS-2021-33	Fundamental Service Review - Planning and Regulatory Services	-	(66)	(64)	(130)
56	DEGNS-2122-02	Workforce Review	(49)	(21)	-	(70)
57	DEGNS-2122-NEW-03	Reduced expenditure / Review of expenditure budgets	(67)	-	-	(67)
58		Total Efficiency Savings	(116)	(87)	(64)	(267)
59			-	-	-	-
60		Total Invest to Save	-	-	-	0
61	DEGNS-2021-38	Reprofiled pre planning application income (due to covid)	-	(135)	(110)	(245)
62	DEGNS-2021-36	Reprofiled Reading Festival income (due to covid)	25	(50)	(25)	(50)
63	PDRS6&9	Reprofiled taxi licensing income (due to covid)	(39)	(10)	-	(49)
64		Other Planning fees and charges increase	(18)	(20)	(20)	(58)
65	DEGNS-2021-18	Mandatory Houses in Multiple Occupation (HMO) licensing	(5)	(75)	-	(80)
66	DEGNS-2021-20	Discretionary Houses in Multiple Occupation (HMO) licensing	45	(50)	(80)	(85)
67		Total Income, Fees and Charges	8	(340)	(235)	(567)
68		Total	253	(369)	(251)	(367)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Housing and Neighbourhood Services</u>				
69		Pay Inflation	67	69	69	205
70		Staff pay increments	10	16	16	42
71		Total Contractual Inflation	77	85	85	247
72	DEGNS-2122-06	Anticipated increased demand on emergency accommodation due to private evictions	250	(125)	(125)	-
73		Total Budget Pressures	250	(125)	(125)	-
74	DEGNS-2021-40	Housing - Fundamental Service Review	-	(50)	-	(50)
75	DEGNS-2122-02	Workforce Review	(70)	(30)	-	(100)
76	HNS9	Housing property services - income generation	(60)	-	-	(60)
77	DEGNS-2122-NEW-05	Proposed Contract Savings - Young Persons Accommodation	(70)	-	-	(70)
78		Total Efficiency Savings	(200)	(80)	-	(280)
79			-	-	-	-
80		Total Invest to Save	-	-	-	-
81		Increase in fees and charges	(4)	(4)	(4)	(12)
82		Total Income, Fees and Charges	(4)	(4)	(4)	(12)
83		Total	123	(124)	(44)	(45)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		Cultural Services				
84		Pay Inflation	117	121	121	359
85		Staff pay increments	82	55	55	192
86		Contract Inflation	69	69	69	207
87		Total Contractual Inflation	268	245	245	758
88	DEGNS-2021-17 (2)	Revenue impact of new contract for borough leisure facilities	685	(1,000)	(568)	(883)
88	DEGNS-2122-08	Covid19 income pressure on the Town Hall and recovery plan	560	(310)	(280)	(30)
89	DEGNS-2122-18	Covid19 income pressure on the Hexagon and South Street Theatres and recovery plan	220	(150)	(70)	-
90		Total Budget Pressures	1,465	(1,460)	(918)	(913)
91		Contribution from Public Health Grant	(100)	(250)	-	(350)
92	DEGNS-2122-21	Reduced operations at the Town Hall	(368)	-	-	(368)
93	DEGNS-2122-02	Workforce Review	(35)	35	-	0
94	DEGNS-2021-16	Fundamental service review in cultural services	(100)	(100)	-	(200)
95		Total Efficiency Savings	(603)	(315)	-	(918)
96			-	-	-	-
97		Total Invest to Save	-	-	-	-
98		Increase in fees and charges	(30)	(33)	(33)	(96)
	DEGNS-2122-NEW-06	Arts Fundraising campaign	(20)	(60)	(20)	(100)
	DEGNS-2122-NEW-13	Visa Verification	(100)	(45)	-	(145)
99		Total Income, Fees and Charges	(150)	(138)	(53)	(341)
100		Total	980	(1,668)	(726)	(1,414)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Environmental and Commercial Services</u>				
101		Pay Inflation	149	154	154	457
102		Staff pay increments	89	61	61	211
103	DEGNS-2021-10	Contract Inflation - (FCC) Waste Management Contract (RE3)	384	359	359	1,102
104		Business Rates - Small Mead	8	8	8	24
105		Payments to Grundon	2	2	2	6
106	DEGNS-2122-10	Street Lighting Energy	58	58	-	116
107		Street Cleansing Materials	12	12	12	36
108	DEGNS-2122-01	Reduced fuel costs due to increase in electrical vehicles	(11)	(44)	(88)	(143)
109		Waste Collection Materials / Tipping charges	28	28	28	84
110		Total Contractual Inflation	719	638	536	1,893
111	DEGNS-2021-06	Recycling and Enforcement Team	(15)	(16)	-	(31)
112		Total Budget Pressures	(15)	(16)	-	(31)
113	DEGNS-2021-07 (2)	Increased kerbside food waste collection	(281)	-	-	(281)
114	DEGNS-2122-NEW-15	Rewilding highway verges	(15)	(15)	-	(30)
115	DEGNS-2122-11	Waste Contract - Budget realignment inline with anticipated expenditure	(500)	(100)	(100)	(700)
116		PFI	-	-	-	-
117	DEGNS-2122-02	Workforce Review	(325)	(139)	-	(464)
118	DEGNS-2021-13	Fundamental Service review of Highways	(50)	(50)	-	(100)
119		Total Efficiency Savings	(1,171)	(304)	(100)	(1,575)
120	DEGNS-2122-NEW-07	Continued commercial growth of Highways service	(31)	(5)	(2)	(38)
121	DEGNS-2122-NEW-08	In-sourcing of Highways Structures Consultancy	(45)	(10)	(10)	(65)
122		Total Invest to Save	(76)	(15)	(12)	(103)

123	Commercial services LATCo - exploration of viability	-	-	-	-
124	Increase income on green waste due to additional uptake in years 1-3 and fee increase in years 2-3	(68)	(50)	(50)	(168)
125	DEGNS-2021-35 Fundamental Service Review - Parks and Street Cleansing	(100)	(100)	-	(200)
126	DEGNS-2021-78 Commercialisation Direct Services	(128)	(100)	(135)	(363)
127	Increase in fees and charges	(5)	(5)	(5)	(15)
128	DEGNS-2122-NEW-09 Maximising income from digital advertising (roadside)	-	(120)	-	(120)
129	Total Income Fees and Charges	(301)	(375)	(190)	(866)
130	Total	(844)	(72)	234	(682)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Regeneration and Assets</u>				
131		Pay Inflation	92	95	95	282
132		Staff pay increments	54	10	10	74
133		Contract Inflation	90	90	90	270
134		Total Contractual Inflation	236	195	195	626
135	DEGNS-2021-02 (2)	Increased cleaning requirement due to Covid-19	95	-	-	95
136	DEGNS-2122-14	Climate Change Manager made permanent	-	98	-	98
137	DEGNS-2122-12	Removal of unachievable income (sustainability)	23	-	-	23
138		Total Budget Pressures	118	98	-	216
139	DEGNS-2122-02	Workforce Review	(94)	(40)	-	(134)
140	DEGNS-2122-13	Review of office and workspace requirements	(133)	(162)	-	(295)
141	DEGNS-2021-34	Building Cleaning - Fundamental Service Review	-	(180)	-	(180)
142	DEGNS-2122-NEW-11	Energy savings in office space due to reduced occupation under Covid-19	(100)	100	-	-
143	DEGNS-2122-NEW-12	Printing, Scanning & Post Efficiencies	(80)	-	-	(80)
144		Total Efficiency Savings	(407)	(282)	-	(689)
145			-	-	-	-
146		Total Invest to Save	-	-	-	-
147	DEGNS-2021-04	Review of Rents on Garages and Shops	(5)	(5)	-	(10)
148		Increase in fees and charges	(22)	(24)	(24)	(70)
149		Total Income, Fees and Charges	(27)	(29)	(24)	(80)
150		Total	(80)	(18)	171	73

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>DEGNS Overhead Accounts</u>				
151		Pay Inflation	17	17	17	51
152		Staff pay increments	16	24	24	64
153		Business Rates on Council Properties	-	150	-	150
154		Total Contractual Inflation	33	191	41	265
155			-	-	-	-
156		Total Budget Pressures	-	-	-	-
157	DEGNS-2122-02	Workforce Review	-	(171)	(247)	(418)
158		Total Efficiency Savings	-	(171)	(247)	(418)
159			-	-	-	-
160		Total Invest to Save	-	-	-	-
161			-	-	-	-
162		Total Income, Fees and Charges	-	-	-	-
163		Total	33	20	(206)	(153)
164		Directorate Total	1,363	(5,319)	(1,763)	(5,719)

Appendix 3c

Detailed General Fund Budget Changes 2021/22-2023/24 - Directorate of Resources & Chief Executive

Overall Summary		Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
<u>Service</u>		£'000	£'000	£'000	£'000	£'000	£'000
1	Customer & Corporate Improvement	267	387	(986)	-	(47)	(379)
2	Human Resources & Organisational Development	236	-	(272)	-	(15)	(51)
3	Internal Audit & Insurance	51	28	(256)	-	-	(177)
4	Procurement Services	50	-	(200)	-	-	(150)
5	Financial Services	322	-	(399)	-	-	(77)
6	Legal & Democratic Services	400	(57)	(92)	-	-	251
7	IT & Digital Services	292	829	-	-	-	1,121
8	Chief Executive	75	-	-	-	-	75
9	Communications	38	(110)	-	-	-	(72)
10	Directorate Total	1,731	1,077	(2,205)	-	(62)	541

Summary of MTFS Position		Total Movement Per Year			Total
		2021/22	2022/23	2023/24	All Years
<u>Service Pressures</u>		£'000	£'000	£'000	£'000
11	Customer & Corporate Improvement	237	324	93	654
12	Human Resources & Organisational Development	82	77	77	236
13	Internal Audit & Insurance	45	17	17	79
14	Procurement Services	68	(34)	16	50
15	Financial Services	112	110	100	322
16	Legal & Democratic Services	117	78	148	343
17	IT & Digital Services	1,272	(201)	50	1,121
18	Chief Executive	25	25	25	75
19	Communications	(21)	(65)	14	(72)
20	Directorate Total	1,937	331	540	2,808
		Total Movement Per Year			Total
		2021/22	2022/23	2023/24	All Years
<u>Service Savings</u>		£'000	£'000	£'000	£'000
21	Customer & Corporate Improvement	(287)	(444)	(302)	(1,033)
22	Human Resources & Organisational Development	(282)	(5)	-	(287)
23	Internal Audit & Insurance	(256)	-	-	(256)
24	Procurement Services	-	(100)	(100)	(200)
25	Financial Services	(25)	(162)	(212)	(399)
26	Legal & Democratic Services	(47)	(45)	-	(92)
27	IT & Digital Services	-	-	-	-
28	Chief Executive	-	-	-	-
29	Communications	-	-	-	-
30	Directorate Total	(897)	(756)	(614)	(2,267)
31	Directorate Total	1,040	(425)	(74)	541

Directorate of Resources

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		Customer & Corporate Improvement				
32		Pay inflation	54	58	63	175
33		Staff pay increments	26	16	20	62
34		Business Rates inflation (Crematorium and Register Office)	10	10	10	30
35		Total Contractual Inflation	90	84	93	267
36	CS1	Additional funding to facilitate transformational change	87	-	-	87
37	DOR-2021-03	Corporate Programme and customer experience improvement plan - phase 1	-	240	-	240
38	DOR CAP 2122-01	Cremator Procurement	50	-	-	50
39	DOR-2122-NEW-05	To fund Prevent Panel Chair (part of counter-terrorism programme)	10	-	-	10
40		Total Budget Pressures	147	240	-	387
41	CCS-17C	Customer Services savings (Call Centre/Hub)	(24)	-	-	(24)
42	DOR-2021-06	New customer services model (Phase 2)	(191)	(368)	(295)	(854)
43	DOR-2122-NEW-03	Redesign of Reception Centre to reflect greater self service options	(42)	-	-	(42)
44	DOR-2122-NEW-04	Reprocurement of online payments system	-	(66)	-	(66)
45		Total Efficiency Savings	(257)	(434)	(295)	(986)
46			-	-	-	-
47		Total Invest to Save	-	-	-	-
48	DOR-2122-NEW-01	Additional Service Proposals for Registrar Services	(30)	(10)	-	(40)
49	DOR-2122-NEW-02	Additional Service Proposals for Breavement Services	-	-	(7)	(7)
50		Total Income, Fees and Charges	(30)	(10)	(7)	(47)
51		Total	(50)	(120)	(209)	(379)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Human Resources & Organisational Development</u>				
52		Pay inflation	57	58	58	173
53		Staff pay increments	23	17	17	57
54		Contract Inflation (Health and Safety Team - Software licenses)	2	2	2	6
55		Total Contractual Inflation	82	77	77	236
56			-	-	-	-
57		Total Budget Pressures	-	-	-	-
58	DOR-2021-10	Review the charges for HR services to schools	(24)	-	-	(24)
59	DOR-2021-12	Re-procurement of recruitment agency contract	(100)	-	-	(100)
60	DOR-2122-NEW-06	Reduction in staffing levels for HR and OD	(58)	-	-	(58)
61	DOR-2122-NEW-10	Reduction in employer contributions arising from new Agency Contract	(90)	-	-	(90)
62		Total Efficiency Savings	(272)	-	-	(272)
63			-	-	-	-
64		Total Invest to Save	-	-	-	-
65	DOR-2122-NEW-07	Increase in Fees and Charges (Kennet Day Nursery)	(10)	(5)	-	(15)
66		Total Income, Fees and Charges	(10)	(5)	-	(15)
67		Total	(200)	72	77	(51)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Internal Audit & Insurance</u>				
68		Pay inflation	14	14	14	42
69		Staff pay increments	3	3	3	9
70		Total Contractual Inflation	17	17	17	51
71	DOR-2021-11	Reinstatement of budget following short term Flexible retirement	28	-	-	28
72		Total Budget Pressures	28	-	-	28
73	DOR-2122-NEW-11	Reduction in annual contribution to self insurance fund	(235)	-	-	(235)
74	DOR-2122-NEW-12	Flexible Retirement	(21)	-	-	(21)
75		Total Efficiency Savings	(256)	-	-	(256)
76			-	-	-	-
77		Total Invest to Save	-	-	-	-
78			-	-	-	-
79		Total Income, Fees and Charges	-	-	-	-
80		Total	(211)	17	17	(177)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Procurement Services</u>				
81		Pay inflation	15	13	13	41
82		Staff pay increments	3	3	3	9
83		Total Contractual Inflation	18	16	16	50
84	DOR 2122-01	One-off training to support new Hub & Spoke operating model	50	(50)	-	-
85		Total Budget Pressures	50	(50)	-	-
86	DOR-2122-NEW-13	Procurement & Contracts savings - Resources Directorate	-	(100)	(100)	(200)
87		Total Efficiency Savings	-	(100)	(100)	(200)
88			-	-	-	-
89		Total Invest to Save	-	-	-	-
90			-	-	-	-
91		Total Income, Fees and Charges	-	-	-	-
92		Total	68	(134)	(84)	(150)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22	2022/23	2023/24	All Years
			£'000	£'000	£'000	£'000
		<u>Financial Services</u>				
93		Pay inflation	78	76	76	230
94		Staff pay increments	24	24	24	72
95		Contract Inflation for Systems	10	10	-	20
96		Total Contractual Inflation	112	110	100	322
97			-	-	-	-
98		Total Budget Pressures	-	-	-	-
99	DOR-2021-07	Efficiencies from procuring new finance system	-	(112)	(212)	(324)
100		Realignment of Revenues and Benefits Transformation Target (CSS11-C/RB1/CSS01-B)	(25)	-	-	(25)
101	DOR-2122-NEW-14	Finance workforce review	-	(50)	-	(50)
102		Total Efficiency Savings	(25)	(162)	(212)	(399)
103			-	-	-	-
104		Total Invest to Save	-	-	-	-
105		Total Income, Fees and Charges	-	-	-	-
106		Total	87	(52)	(112)	(77)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Legal & Democratic Services</u>				
107		Pay inflation	83	85	93	261
108		Staff pay increments	34	50	55	139
109		Total Contractual Inflation	117	135	148	400
110	DOR-2021-15	Flexible Retirement	-	(57)	-	(57)
111		Total Budget Pressures	-	(57)	-	(57)
112		Income generation from charging for services (CSS-L&D2)	(2)	-	-	(2)
113	DOR-2122-NEW-15	Procurement of Case Management system	(45)	(45)	-	(90)
114		Total Efficiency Savings	(47)	(45)	-	(92)
115			-	-	-	-
116		Total Invest to Save	-	-	-	-
117			-	-	-	-
118		Total Income, Fees and Charges	-	-	-	-
119		Total	70	33	148	251

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>IT & Digital Services</u>				
120		Pay inflation	17	18	33	68
121		Staff pay increments	6	6	12	24
122	DOR-2021-18	Contract Inflation	100	100	-	200
123		Total Contractual Inflation	123	124	45	292
124	DOR-2122-02	Reprocurement of Council's principle Information & Communication Technology Support and Maintenance contract	1,099	(325)	5	779
125	DOR-2122-03	Insurance against cyber attack on the Council's ICT systems	50	-	-	50
126		Total Budget Pressures	1,149	(325)	5	829
127			-	-	-	-
128		Total Efficiency Savings	-	-	-	0
129			-	-	-	-
130		Total Invest to Save	-	-	-	-
131			-	-	-	-
132		Total Income, Fees and Charges	-	-	-	-
133		Total	1,272	(201)	50	1,121
134		Directorate Total (Directorate of Resources)	1,036	(385)	(113)	538

Chief Executive

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total All Years £'000
			2021/22 £'000	2022/23 £'000	2023/24 £'000	
		<u>Chief Executive</u>				
135		Pay inflation	17	17	17	51
136		Staff pay increments	8	8	8	24
137		Total Contractual Inflation	25	25	25	75
138			-	-	-	-
139		Total Budget Pressures	-	-	-	-
140			-	-	-	-
141		Total Efficiency Savings	-	-	-	-
142			-	-	-	-
143		Total Invest to Save	-	-	-	-
144			-	-	-	-
145		Total Income, Fees and Charges	-	-	-	-
146		Total	25	25	25	75

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22 £'000	2022/23 £'000	2023/24 £'000	All Years £'000
		<u>Communications</u>				
147		Pay inflation	10	10	10	30
148		Staff pay Staff pay increments	4	-	4	8
149		Total Contractual Inflation	14	10	14	38
150	CEX-2021-01	Communications saving - staff survey, publications and supporting transformation	(35)	-	-	(35)
151	CEX-2021-02	Resident Engagement	-	(75)	-	(75)
152		Total Budget Pressures	(35)	(75)	-	(110)
153			-	-	-	-
154		Total Efficiency Savings	-	-	-	-
155			-	-	-	-
156		Total Invest to Save	-	-	-	-
157			-	-	-	-
158		Total Income, Fees and Charges	-	-	-	-
159		Total	(21)	(65)	14	(72)
160		Directorate Total (Chief Executive)	4	(40)	39	3

This page is intentionally left blank

Appendix 3d

Detailed General Fund Budget Changes 2021/22-2023/24 - Corporate

Overall Summary		Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
		£'000	£'000	£'000	£'000	£'000	£'000
1	<u>Service</u>						
	Corporate	-	-	(865)	-	-	(865)
2	Corporate Total	-	-	(865)	-	-	(865)

Summary of MTFS Position		Total Movement Per Year			Total
		2021/22	2022/23	2023/24	All Years
		£'000	£'000	£'000	£'000
3	<u>Service Pressures</u>				
	Corporate	-	-	-	-
4	Directorate Total	-	-	-	-

		Total Movement Per Year			Total
		2021/22	2022/23	2023/24	All Years
		£'000	£'000	£'000	£'000
5	<u>Service Savings</u>				
	Corporate	(865)	-	-	(865)
6	Corporate Total	(865)	-	-	(865)
7	Corporate Total	(865)	-	-	(865)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2021/22	2022/23	2023/24	All Years
			£'000	£'000	£'000	£'000
		<u>Corporate</u>				
8			-	-	-	-
9		Total Contractual Inflation	-	-	-	-
10			-	-	-	-
11		Total Budget Pressures	-	-	-	-
12	COR-2122-NEW-01	Corporate Contractual Savings	(326)	-	-	(326)
13	COR-2122-NEW-02	Reducing mileage expenses through increased use of alternatives e.g. online meetings	(77)	-	-	(77)
14	DEGNS-2122-20	Appropriation of Land & Buildings to the HRA	(462)	-	-	(462)
15		Total Efficiency Savings	(865)	-	-	(865)
16			-	-	-	-
17		Total Invest to Save	-	-	-	-
18			-	-	-	-
19		Total Income, Fees and Charges	-	-	-	-
20		Total	(865)	-	-	(865)
21		Corporate Total	(865)	-	-	(865)

Housing Revenue Account - Revenue Budget 2021/22 to 2023/24 & Reserves

	2021/22 £000	2022/23 £000	2023/24 £000
Dwelling Rents	(36,327)	(37,732)	(39,034)
Service Charges	(955)	(984)	(1,013)
PFI Credit	(3,997)	(3,997)	(3,997)
Other Income	(346)	(355)	(363)
Interest on Balances	(133)	(128)	(123)
Total Income	(41,758)	(43,196)	(44,530)
Management & Supervision	8,650	8,900	9,139
Special Services	3,090	3,190	3,268
Provision for Bad Debts	929	957	986
Responsive Repairs	2,413	2,461	2,510
Planned Maintenance	3,049	3,110	3,173
Major Repairs/Depreciation	10,710	10,920	11,130
Debt Costs	7,488	7,628	7,629
PFI Costs	7,318	7,537	7,763
Total Expenditure	43,647	44,703	45,598
Net (Surplus) / Deficit	1,889	1,507	1,068
Forecast Opening HRA Balances	(45,365)	(43,476)	(41,969)
Net (Surplus) / Deficit	1,889	1,507	1,068
Forecast Closing HRA Balances	(43,476)	(41,969)	(40,901)

This page is intentionally left blank

General Fund Capital Programme 2021/22 - 2023/24

Scheme Name	2020/21 Forecast			2021/22 Forecast			2022/23 Forecast			2023/24 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
Delivery Fund (Pump priming for Transformation projects)	4,056	-	4,056	1,732	-	1,732	-	-	-	-	-	-
Loan To RTL (Bus replacement programme)	700	-	700	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000
Oracle Shopping Centre capital works	71	-	71	100	-	100	100	-	100	100	-	100
Mister Quarter	-	-	-	5,000	-	5,000	-	-	-	-	-	-
Corporate Total	4,827	-	4,827	11,832	-	11,832	5,100	-	5,100	5,100	-	5,100
e-Marketplace & Equipment Renewal Portal Software	170	(93)	77	-	-	-	-	-	-	-	-	-
Mobile Working and Smart Device	150	-	150	-	-	-	-	-	-	-	-	-
Replacement of Community Re-ablement Software	85	-	85	-	-	-	-	-	-	-	-	-
Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats	668	-	668	279	-	279	686	-	686	3,679	-	3,679
DACHS Total	1,073	(93)	980	279	-	279	686	-	686	3,679	-	3,679
Additional School Places - Contingency	258	(258)	-	1,170	(1,170)	-	1,170	(1,170)	-	2,170	(2,170)	-
SEN Provision - Avenue Centre	120	(120)	-	1,500	(1,500)	-	3,380	(3,380)	-	-	-	-
Asset Management	280	(280)	-	286	(286)	-	292	(292)	-	298	(298)	-
Children in care Emergency Provision	35	-	35	-	-	-	-	-	-	-	-	-
Civitas- Synthetic Sports Pitch	212	(212)	-	10	(10)	-	-	-	-	-	-	-
Contribution to SEN School Wokingham	-	-	-	-	-	-	500	(500)	-	-	-	-
Crescent Road Playing Field Improvements	2	(2)	-	314	(314)	-	-	-	-	-	-	-
Critical Reactive Contingency: Health and safety (Schools)	727	(727)	-	500	(500)	-	500	(500)	-	500	(500)	-
Fabric Condition Programme	-	-	-	2,000	(2,000)	-	2,000	(2,000)	-	2,000	(2,000)	-
Green Park Primary School	876	(876)	-	-	-	-	-	-	-	-	-	-
Heating and Electrical Programme - Manor Pry Power	10	(10)	-	144	(144)	-	-	-	-	-	-	-
Heating and Electrical Renewal Programme	1,124	(1,124)	-	1,000	(1,000)	-	1,000	(1,000)	-	1,000	(1,000)	-
Initial Viability work for the Free School at Richfield Avenue	80	(80)	-	80	(80)	-	80	(80)	-	40	(40)	-
Katesgrove Primary Trooper Potts Building	106	(106)	-	100	(100)	-	9	(9)	-	-	-	-
Meadway Early Years Building Renovation	238	(238)	-	600	(600)	-	-	-	-	-	-	-
Modular Buildings Review	-	-	-	500	(500)	-	300	(300)	-	300	(300)	-
New ESFA funded schools - Phoenix College	1,563	(1,563)	-	6,752	(4,952)	1,800	13	(13)	-	-	-	-
New ESFA funded schools - St Michaels	608	(608)	-	-	-	-	-	-	-	-	-	-
Pincroft-Children who have complex health, ohysical.sensorv.disabulities & challenaing behaviour	150	-	150	-	-	-	-	-	-	-	-	-
Primary Schools Expansion Programme - 2013-2017	-	-	-	-	-	-	-	-	-	-	-	-
Ranikhet School - supersedes Dee Park	100	(100)	-	4,100	(4,100)	-	7,100	(7,100)	-	100	(100)	-
SCD Units	-	-	-	473	(473)	-	-	-	-	-	-	-
Schools - Fire Risk Assessed remedial Works	402	(402)	-	200	(200)	-	200	(200)	-	200	(200)	-

General Fund Capital Programme 2021/22 - 2023/24

Scheme Name	2020/21 Forecast			2021/22 Forecast			2022/23 Forecast			2023/24 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
SEN early years at 1 Dunsfold	-	-	-	600	(600)	-	-	-	-	-	-	-
SEN Norcot	-	-	-	100	(100)	-	-	-	-	-	-	-
Thameside SEN Expansion	66	(66)	-	100	(100)	-	-	-	-	-	-	-
The Heights Temporary School	-	-	-	370	(370)	-	-	-	-	-	-	-
DEGNS (Education Schemes) Total	6,957	(6,772)	185	20,899	(19,099)	1,800	16,544	(16,544)	-	6,608	(6,608)	-
Abbey Quarter restoration works	348	(348)	-	99	(99)	-	-	-	-	-	-	-
Accommodation Review - Phase 2A & B	33	-	33	100	-	100	-	-	-	-	-	-
Accommodation Review - Phase 2C (19 Bennet Road)	2,528	-	2,528	98	-	98	-	-	-	-	-	-
Active Travel Tranche 2	-	-	-	1,179	(1,179)	-	-	-	-	-	-	-
Additional Storage Capacity at Mortuary	15	-	15	-	-	-	-	-	-	-	-	-
Air Quality Monitoring	18	(18)	-	15	(15)	-	-	-	-	-	-	-
BFFC Accommodation Review	-	-	-	150	-	150	-	-	-	-	-	-
Annual Bridges and Carriage Way Works programme	2,233	(1,823)	410	1,842	(1,432)	410	1,842	(1,432)	410	1,842	(1,432)	410
Essential Bridge Works	200	-	200	-	-	-	4,000	-	4,000	3,000	-	3,000
Car Park Investment Programme	452	(452)	-	226	(226)	-	226	(226)	-	226	(226)	-
Car Parking - P&D, Red Routes, Equipment	174	(100)	74	100	(100)	-	100	(100)	-	100	(100)	-
Cattle Market Car Park	523	(523)	-	-	-	-	-	-	-	-	-	-
CCTV	50	(50)	-	-	-	-	-	-	-	-	-	-
Central Library - Reconfiguration/Refurbishment Feasibility	50	-	50	920	-	920	230	-	230	-	-	-
Central Pool Regeneration	587	(295)	292	-	-	-	-	-	-	-	-	-
Chestnut Walk Improvements	35	(15)	20	-	-	-	-	-	-	-	-	-
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	446	(446)	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Transport	435	(435)	-	-	-	-	-	-	-	-	-	-
CIL Local Funds -Neighbourhood Allocation	477	(477)	-	-	-	-	-	-	-	-	-	-
Corporate Office Essential Works	50	-	50	300	-	300	652	-	652	50	-	50
Defra Air Quality Grant - Bus Retrofit	238	(238)	-	150	(150)	-	-	-	-	-	-	-
Defra Air Quality Grant - Go Electric Reading	35	(35)	-	17	(17)	-	-	-	-	-	-	-
Transport Demand Management Scheme - Feasibility Work	-	-	-	50	-	50	-	-	-	-	-	-
Development of facilities at Prospect Park/Play	550	(475)	75	-	-	-	-	-	-	-	-	-
Digitised TRO's	-	-	-	300	-	300	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector)	1,055	(1,055)	-	1,055	(1,055)	-	1,055	(1,055)	-	1,055	(1,055)	-
Eastern Area Access Works	200	(200)	-	140	(140)	-	-	-	-	-	-	-

General Fund Capital Programme 2021/22 - 2023/24

Scheme Name	2020/21 Forecast			2021/22 Forecast			2022/23 Forecast			2023/24 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
Electric Vehicle Charging Points	200	-	200	50	-	50	-	-	-	-	-	-
Purchase of food waste and smaller residual waste bins	1,300	-	1,300	189	-	189	-	-	-	-	-	-
Foster Carer Extensions	70	-	70	130	-	130	100	-	100	100	-	100
Green Homes Scheme - GF element	-	-	-	495	(495)	-	-	-	-	-	-	-
Construction of Green Park Station	12,282	(12,282)	-	2,169	(2,169)	-	-	-	-	-	-	-
Grounds Maintenance Workshop Equipment	26	-	26	-	-	-	-	-	-	-	-	-
Invest in Corporate buildings/Health & safety works	1,092	-	1,092	1,000	-	1,000	1,000	-	1,000	1,000	-	1,000
Invest to save energy savings - Street lighting	700	-	700	847	-	847	-	-	-	-	-	-
Maintenance & Enhancement of Council Properties	-	-	-	-	-	-	-	-	-	8,800	-	8,800
Leisure Centre Procurement	950	-	950	21,277	(750)	20,527	12,785	(750)	12,035	1,006	-	1,006
Local Traffic Management and Road Safety Schemes	375	(375)	-	150	(150)	-	150	(150)	-	150	(150)	-
Local Transport Plan Development	399	(399)	-	400	(400)	-	400	(400)	-	400	(400)	-
National Cycle Network Route 422	219	(219)	-	-	-	-	-	-	-	-	-	-
New Kit/Vehicles for Commercial Services Dvlpt	122	-	122	-	-	-	-	-	-	-	-	-
New Vehicle for Highways & Drainage Commercial Service	-	-	-	71	-	71	-	-	-	-	-	-
Oxford Rd Community Centre	-	-	-	147	-	147	-	-	-	-	-	-
Oxford Road Corridor Works	322	(322)	-	-	-	-	-	-	-	-	-	-
Playground equipment and Refreshment: Boroughwide	337	-	337	394	(44)	350	891	-	891	-	-	-
Private Sector Renewals	240	-	240	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	10	(10)	-	84	(51)	33	-	-	-	-	-	-
Reading Football Club Social Inclusion Unit to SRLC	-	-	-	1,534	(1,534)	-	-	-	-	-	-	-
Reading Town Centre Design Framework	43	(43)	-	43	(43)	-	-	-	-	-	-	-
Reading West Station	1,500	(1,500)	-	2,039	(2,039)	-	-	-	-	-	-	-
Regeneration Projects	-	-	-	250	-	250	250	-	250	250	-	250
Renewable Energy	-	-	-	2,073	(450)	1,623	1,546	-	1,546	604	-	604
Replacement Vehicles	-	-	-	2,931	-	2,931	4,028	-	4,028	-	-	-
Rogue Landlord Enforcement	75	(75)	-	-	-	-	-	-	-	-	-	-
S106 individual schemes list	334	(334)	-	-	-	-	-	-	-	-	-	-
Salix Decarbonisation Fund	384	-	384	416	-	416	600	-	600	400	-	400
Small Leisure Schemes	258	(258)	-	150	(50)	100	300	(50)	250	300	-	300
Smart City Cluster project and C-ITS	227	(227)	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 1 & 2)	362	(362)	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 3 & 4)	6,954	(6,954)	-	-	-	-	-	-	-	-	-	-

General Fund Capital Programme 2021/22 - 2023/24

Scheme Name	2020/21 Forecast			2021/22 Forecast			2022/23 Forecast			2023/24 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
South Reading MRT (Phases 5 & 6)	250	(250)	-	1,750	(1,750)	-	5,000	(5,000)	-	7,000	(5,000)	2,000
The Heights Permanent Site Mitigation	1,346	(1,025)	321	268	(268)	-	-	-	-	-	-	-
The Keep building works and improved arts/culture facilities	-	-	-	-	-	-	94	-	94	-	-	-
Town Centre Improvements	320	-	320	130	-	130	-	-	-	-	-	-
Town Centre Street Trading Infrastructure	34	-	34	-	-	-	-	-	-	-	-	-
Town Hall Equipment	-	-	-	205	-	205	-	-	-	-	-	-
Traffic Management Schools	390	(390)	-	100	(100)	-	-	-	-	-	-	-
Tree Planting	30	-	30	50	-	50	50	-	50	50	-	50
Western Area Access Works	128	(128)	-	-	-	-	-	-	-	-	-	-
Highway Infrastructure Works	1,500	(700)	800	3,750	-	3,750	3,750	-	3,750	-	-	-
Harden Public Open Spaces to Prevent Incursion	51	-	51	25	-	25	25	-	25	25	-	25
Salix Re-Circulation Fund	288	-	288	300	-	300	250	-	250	250	-	250
Sun Street - Final Phase	190	-	190	-	-	-	-	-	-	-	-	-
Re-wilding highways, parks and open space verges	-	-	-	76	-	76	-	-	-	-	-	-
DEGNS Total	44,492	(33,005)	11,487	50,584	(14,706)	35,878	43,204	(9,163)	34,041	26,908	(8,363)	18,545
Customer Digital Experience	400	-	400	1,350	-	1,350	750	-	750	-	-	-
Universal Digital Systems	815	-	815	1,709	-	1,709	910	-	910	-	-	-
IT Future Operating Model	5,964	-	5,964	666	-	666	538	-	538	543	-	543
Re-Procurement / Reimplementation of Finance System	-	-	-	600	-	600	-	-	-	-	-	-
Cemeteries and Crematorium	60	-	60	34	-	34	-	-	-	-	-	-
Cremator Procurement	-	-	-	200	-	200	1,300	-	1,300	-	-	-
Cremator	350	-	350	-	-	-	-	-	-	-	-	-
DoR Total	7,589	-	7,589	4,559	-	4,559	3,498	-	3,498	543	-	543
Grand Total	64,938	(39,870)	25,068	88,153	(33,805)	54,348	69,032	(25,707)	43,325	42,838	(14,971)	27,867

HRA Capital Programme 2021/22 - 2023/24

Scheme Name	Spend (£,000's)	Funding (£,000's)	2020/21 Forecast			2021/22 Forecast			2022/23 Forecast			2023/24 Forecast		
			Net (£,000's)	Spend (£,000's)	Funding (£,000's)									
Major Repairs	9,212	-	9,212	9,212	-	9,212	9,212	-	9,212	9,212	-	9,212	-	
Hexham Road	1,178	-	1,178	-	-	-	-	-	-	-	-	-	-	
Disabled Facilities Grants	519	-	519	500	-	500	500	-	500	500	-	500	-	
Fire Safety Works	1,033	-	1,033	1,033	-	1,033	1,033	-	1,033	1,033	-	1,033	-	
Green Homes Project - HRA element	-	-	-	831	(60)	771	-	-	-	-	-	-	-	
New Build & Acquisitions - Phase 1	213	-	213	-	-	-	-	-	-	-	-	-	-	
New Build & Acquisitions - Phase 2	4,774	(2,000)	2,774	10,682	(2,000)	8,682	1,103	(685)	418	-	-	-	-	
New Build & Acquisitions - Phase 3	2,776	-	2,776	15,200	(4,085)	11,115	6,800	(3,000)	3,800	-	-	-	-	
New Build & Acquisitions - Phase 4	-	-	-	-	-	-	-	-	-	1,400	-	-	1,400	
New Build & Acquisitions - (Ex General Fund)	70	-	70	-	-	-	-	-	-	-	-	-	-	
Local authority new build programme for Older people and vulnerable adults	355	-	355	1,940	-	1,940	4,767	-	4,767	25,567	-	-	25,567	
Housing Mngt System	327	-	327	277	-	277	-	-	-	-	-	-	-	
Grand Total	20,457	(2,000)	18,457	39,675	(6,145)	33,530	23,415	(3,685)	19,730	37,712	-	-	37,712	

This page is intentionally left blank

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 2024/25 in the 2021/22 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 2020 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 £28.0m 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 supported by the flexible use of capital receipts is included within the General Fund Capital Programme set out in Appendix 5 of the main report. However, the Council has a continuing need to deliver savings and transform the way it operates and as a result, the latest revenue budget proposals now include additional funding to support the Delivery Fund.

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 Further reports to Council in February 2019 and 2020 described how the Delivery Fund had been invested to date, and provided a summary of Delivery Fund allocation from its inception in 2017/18 until the end of the planning period covered at the time.
- 3.3 Slippage in calls on the Delivery Fund saw an outturn for 2019/20 of £3.3m compared to the budgeted spend of £4.5m. 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 2020/21 to 2023/24, whilst Annexe B shows the budgets agreed in February 2020 and the changes proposed since that date that lead to the current proposals.
- 3.4 The table below summarises the forecast budgets and historic actual spend by the Delivery Fund from positions previously presented to members in June 2018, February 2019 and February 2020.

- 3.5 The change in forecast spend between February 2020 and February 2021 includes the roll forward of underspends from 2019/20, and further re-phasing of 2020/21 budgets together with new spend proposals being approved and others being identified as no longer required. Annexe B shows changes against all projects between last February and now and colour-coding highlights those budgets where funding requirements are proposed to be completely removed or added.
- 3.6 A number of new Delivery Fund Requests have been received as part of the MTFs refresh to meet new income/savings, see Table 2 below. These are subject to more detailed business case requests and sign off by the Council's S151 Officer. Requests approved by the S151 Officer will be reported to the June 2021 Policy Committee.

Table 1: Summary of Delivery Fund Spend to Date/Future Spend

	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2021/22 Budget (£,000's)	2022/23 Budget (£,000's)	2023/24 Budget (£,000's)	Total (£,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	0	0	0	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	0	0	0	13,576
<u>December 2019</u>								
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	0	0	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	0	0	13,576
<u>December 2020</u>								
Capital Receipts Strategy	1,319	3,182	3,287	4,412	1,236			13,436
Contingency/Unallocated				140	0			140
	1,319	3,182	3,287	4,552	1,236	0	0	13,576
<u>February 2021</u>								
Capital Receipts Strategy	1,319	3,182	3,287	4,056	1,732			13,576
Supported by Revenue Funding					1,213			1,213
Contingency/Unallocated				0	1,920	2,510	2,510	6,940
	1,319	3,182	3,287	4,056	4,865	2,510	2,510	21,729



Actuals



Budget

Table 2: New Delivery Fund Requests

Directorate	Project	Saving Identified (£'000's)	2020/21 (£'000's)	2021/22 (£'000's)	Total Spend (£'000's)
DOR	Management and Staffing Review - OD Upskilling	Transform	12		12
DOR	<i>Implementation costs for making Customer Service and Corporate Improvement more efficient.</i>	(396)	250	250	500
DOR	Business Analysts x2	(396)	30	112	142
DOR	Psychometric Assessment Training	(56)	20		20
DOR	Finance system implementation lead and support	(324)	55	140	195
DOR	ICT Accelerator	(500)	250		250
DOR	Modern Workplace Project	Transform	73		73
DOR	Finance Transformation	Transform	174		174
DOR	PMO Training	Transform	14		14
DACHS	Transitions - operational consultant	(1,730)	21		21
DACHS	Direct Payments - 2x PA Officers	(668)	15	79	94
DACHS	Locum Social Workers x4 Reviewing Team Project	(1,220)	64	188	252
DACHS	<i>Technology Enabled Care at Home team</i>	(1,129)	35	104	139
DACHS	<i>Transformation Partner of enhanced reablement services</i>	(500)	60		60
DEGNS	Consultant support for Transport and Parking review	(1,800)	156		156
BFFC	Placement Solutions Team.	(6,118)		550	550
BFFC	Children in Need Team	as above		350	350
BFFC	End to end mapping and digitisation of processes	as above		120	120
BFFC	End to end demand management	as above		125	125
BFFC	SEND Transport Review	as above		100	100
BFFC	Improve Traded Services	as above		75	75
BFFC	Use AI for referral triage	as above		250	250
		(14,837)	1,229	2,443	3,672

- 3.7 The list of new bids in Table 2 above does include some projects that were presented to Council for approval in February 2020, but where, as a result of the Covid-19 pandemic, it has not been possible to progress them and/or values have now changed.
- 3.8 If all the new bids listed in Table 2 are approved this will exceed the available resources identified from the flexible use of capital receipts. It would therefore be necessary to support the Delivery Fund with additional resources from elsewhere. The budget proposals include additional revenue funding to achieve this if supported by Members.
- 3.9 Annexe A to this Strategy contains a list of all Delivery Fund projects and Annexe B illustrates the changes to Delivery Fund allocations between those agreed in February 2020 and the latest projections.

This page is intentionally left blank

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2017-24
Actual	Actual	Actual	Budget	Budget	Budget	Budget	Total
(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Saving Description	Resource Required						
Housing Benefit Overpayment Recovery	Housing Benefit Overpayment Recovery Officer	12	39	21	9	-	81
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	-	-	-	-	16
Digitisation - cross cutting savings and redesign of Council-wide services	Firmstep Developer x2	-	-	58	123	-	181
Service restructure and reconfiguration	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	External Support to undertake Market Testing (outsourcing) of the Revenue and Benefits Services	-	102	-	-	-	102
	Additional legal and TUPE advice	-	81	38	-	-	119
	Associated project costs, supplies and services	-	2	2	-	-	4
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)	-	63			-	63
Corporate Approach to Reducing Fraud	IT Costs	-	8	-	-	-	8
Management and Staffing Review	Change Management	-	-	-	15	-	15

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

Saving Description	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2017-24 Total (£,000's)
		Actual (£,000's)	Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)	
Management and Staffing Review	Organisational Development (OD) Consultant	-	-	23	-	-			23
Single Person Discount Council Tax Recovery	Specialist Officer and provision for data matching			14					14
NNDR RV Maximisation	Engage external consultants			19					19
New Customer Experience Model	Pilot Thoughtonomy - Robotic Process Automation.			24	9				33
New Customer Experience Model	Pilot Thoughtonomy - Virtual workers				60	61			121
New Customer Experience Model	Pilot Thoughtonomy - Develop role					41			41
Capacity and leadership to deliver change and savings across programme	Corporate Programme Manager	130	62	77	-	-			269
Working across Corporate Programme. Capacity and leadership to deliver change and savings across programme	NMT - Corporate Support	18	34	34	-	-			86
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	-	-	-	-			14
Contract Management Savings	V4S Procurement Consultancy Support. Payments due as percentage of savings delivered	88	200	-	-	-			288

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2017-24	
Actual	Actual	Actual	Budget	Budget	Budget	Budget	Total	
(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	
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	
Business Objects Developer	-	30	-	-	-	-	30	
Provision for application management improvements in other systems (includes. 18/19 i-trent review)	-	24	182	62	-	-	268	
Capacity to support delivery of change and savings across programme	Programme Officer x1	-	27	49	-	-	76	
Capacity to support delivery of change and savings across programme	Senior Project Manager x 2			11	113	128	252	
Capacity to support delivery of change and savings across programme	Business Analyst			10	52	47	109	
Capacity to support delivery of change and savings across programme	Project Officer			8	44	41	93	
	Contribution to Team Reading costs			10			10	
Total: Director of Resources (DOR)		755	908	580	487	318	-	-
								3,048

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2017-24
Actual	Actual	Actual	Budget	Budget	Budget	Budget	Total
(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Saving Description	Resource Required						
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	-	127	-	-	-	127
Workstream A: Improving Practice Standards	Practice Improvement Principle Social Worker				79	21	100
	Family Group Conferencing				75		75
Work stream B: Developing Workforce Excellence	Achieve a stable workforce by recruiting more permanent staff in Social Care	-	8	-	-	-	8
	Training for Safety Standards Model. 18/9 project start up training	-	105	-	-	-	105
Work stream C: Building Community Capacity	Pre Birth Support Team. 18/19 start up	-	4	-	43	2	49
	Family Reunification Team. 18/19 start up	-	-	-	20	5	25
	Edge of Care Team, Adolescents. 18/19 start up	-	37	-	102	-	139
	Revised under 5 offer to make best use of Early Years and Children's Centre provision	-	-	10	-	-	10
Work stream D: Stronger Stability for Children	Re-imagining Foster Care. 18/19 start up	-	77	-	-	-	77
	Placement Solutions Team. 19/20 start up	-	10	-	182		192

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

Saving Description	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2017-24 Total (£,000's)
		Actual (£,000's)	Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)	
Resources used for the facilitation of the delivery of the Programme wide savings	Strategic Lead for Transformation	32	102	127	-	-			261
	Project Support	16	-	-	-	-			16
	Programme Officer	19	39	45	-	-			103
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	68	66	-	-			197
Transformation of wellbeing; ASC Restructure	Transformation Project Manager 2	-	55	57	-	-			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	58	59	-	-			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	47	35	-	-			102
Review and Right Sizing Care Packages & Stretch Targets Investment to secure ongoing savings	Social Workers X6 (S117, LDX2, MH, OP, PD)	236	239	201	-	-			676
Review and Right Sizing Care Packages & Stretch Targets Investment to secure ongoing savings	Social Workers X6 (S117, LDX2, MH, OP, PD) extension			20					20
Reducing Adult Social Care contracts spend	Commissioning Capacity at Senior Level	49	139	3	-	-			191
Delivery Models for Commissioning, Prevention & Quality Services	Consultancy advice - accommodation pathway	-	-	79	-	-			79
Delivery Models for Commissioning, Prevention & Quality Services	Consultancy advice for service shaping	-	2	28	-	-			30

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2021/22 Budget (£,000's)	2022/23 Budget (£,000's)	2023/24 Budget (£,000's)	2017-24 Total (£,000's)
Delivery Models for Commissioning, Prevention & Quality Services	Senior Transformation Manager	-	-	53	76	48			177
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	Workforce consultancy & Training Programmes (Partners for change)	-	52	71	-	-			123
Total: Directorate of Adults Social Care and Health (DACHS)		462	801	844	76	48	-	-	2,231

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

Saving Description	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2017-24 Total (£,000's)
		Actual (£,000's)	Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)	
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	54	113	-	-			189
Review option of trust model for Arts	Consultancy costs	-	29	-	-	-			29
Maximising Income from the Town Hall & Museum	Consultancy support to provide commercial advice on business plan and associated staffing structures	-	26	-	-	-			26
Review existing Parking Permit Charges	Comms Support, IT Support			11					11
Extend residents parking permit areas	Consultant support	-	18	71	-	-			89
Introduce Bus Lane Enforcement on Kings Road and Forbury Road bus lanes	DLO support to introduce new parking schemes	-	1	-	-	-			1
Close half of public conveniences - costs related to carrying out a review of the provision	Consultancy costs and costs to improve remaining facilities	-	9	3	-	-			12
Develop and implement a new borough-wide Car Parking Strategy and associated action plan	Project Manager	-	37	16	-	-			53
	Communications Officer	-	-	10	-	-			10
	Consultant Support	-	-	11	-	-			11
	Consultant Support (Car park surveys / database set-up)	-	20	87	-	-			107
	Project Delivery	-	127	146	-	-			273
Make theatres break even through working with other operators	Independent consultants to market	-	-	23	-	-			23
	Project management (consultant) of procurement process (if it goes ahead based on 1st stage)	-	-	16	16	19			51
Alternative delivery models - identify and prioritise those services that are most likely to yield a significant saving	Project Manager	-	37	-	-	-			37
	General resource	-	-	173	74	-			247
	Consultancy - report writing	20	-	-	-	-			20

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

Saving Description	Resource Required	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2017-24 Total (£,000's)
		Actual (£,000's)	Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)	Budget (£,000's)	
The project will focus on delivery of the former Civic Site and other key sites achieving capital receipts	Strategic Project Manager	-	-	68	75	-			143
Car Park management processes through IT improvements and staff reductions	Car parking equipment and capital	-	-	337	63	-			400
Food Waste	Project Manager			17	65				82
	Consultants to carry out modelling			8					8
	Stickers and Leaflets (Phases 1 & 2)				36				36
	Mailout to all residents				32				32
	Communications time and production				47				47
	Marketing	-	-		110	-			110
Maximising Income from the Town Hall & Museum	One-off investment - equipment, marketing, consultancy	-	-	-	-	41			41
Total: Directorate of Economic Growth and Neighbourhoods (DEGNS)		50	379	1,132	518	60	-	-	2,139

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2017-24		
Actual	Actual	Actual	Budget	Budget	Budget	Budget	Total		
(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)		
Saving Description	Resource Required								
Capacity to manage and support Corporate Programme of Change as delivery vehicle for savings and projects to ensure transformation to underpin financial sustainability of the Council	Managing Change - unallocated funding	-	-	-	-	1,920	2,510	2,510	6,940
Total: Unallocated		-	-	-	-	1,920	2,510	2,510	6,940
Management and Staffing Review	OD upskilling				12				12
	Business Analysts x 2				30	112			142
Executive Recruitment Search Fees	Psychometric Assessment Training				20				20
	Finance system implementation lead and support				55	140			195
	ICT Accelerator				250				250
	Modern Workplace Project				73				73
	Finance Transformation				174				174
	PMO Training				14				14
	Transitions - operational consultant				21				21
	Direct Payments - 2x PA Officers				15	79			94
	Locum Social Workers x4 Reviewing Team Project				64	188			252
Investment in Technology Enabled Care at home	<i>Funding for TECH Team</i>				35	104			139
Enhanced reablement for mental health and learning disability service users	Transformation Partner MH/LD				60				60
Transport and Parking Review	Consultant Support				156				156

**Annexe A to Flexible Capital Receipts Strategy - Delivery Fund Requests
Actual (17/18, 18/19 & 19/20) and Future Forecast Delivery Fund Spend**

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2021/22 Budget (£,000's)	2022/23 Budget (£,000's)	2023/24 Budget (£,000's)	2017-24 Total (£,000's)
<i>*Making the Customer Service and Corporate Improvement more efficient</i>	<i>Staff and implementation costs</i>				250	250			500
<i>Placement Solutions Team</i>						550			550
<i>Children in Need Team</i>						350			350
<i>End to end mapping and digitisation of processes</i>						120			120
<i>End to end demand management</i>						125			125
<i>SEND Transport Review</i>						100			100
<i>Improve Traded Services</i>						75			75
<i>Use AI for referral triage</i>						250			250
									-
Total: New Projects		-	-	-	1,229	2,443	-	-	3,672
Total: All Projects		1,319	3,182	3,287	4,056	4,865	2,510	2,510	21,729
Additional Revenue Resources Proposed in the 2021-24 MTFS						3,133	2,510	2,510	8,153
Total of All Projects less Additional Revenue Resources, i.e. Funded by Flexible Capital Receipts									13,576

Changes to Delivery Fund Projects Since February 2020

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2023/24 Budget (£,000's)	2023/24 Change (£,000's)	2017-24 Total (£,000's)
Housing Benefit Overpayment Recovery	Housing Benefit Overpayment Recovery Officer	12	39	21	43	(34)	-	-	-	-	-	-	81
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	-	-	-	-	-	-	-	-	-	-	16
Digitisation - cross cutting savings and redesign of Council-wide services	Firmstep Developer x2	-	-	58	-	123	-	-	-	-	-	-	181
Service restructure and reconfiguration	SOLACE Recruitment Fees For Future Finance Function	17	28	-	0	-	-	-	-	-	-	-	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	-	102	-	-	-	-	-	-	-	-	-	102
	Additional legal and TUPE advice	-	81	38	-	-	-	-	-	-	-	-	119
Revenues and Benefits market testing	Associated project costs, supplies and services	-	2	2	-	-	-	-	-	-	-	-	4
Charging Financial Analysts to transformation pot to support commercialisation work	One Finance Analyst (plus one interim for 4 months in 18/19)	-	63	-	-	-	-	-	-	-	-	-	63
Corporate Approach to Reducing Fraud	IT Costs	-	8	-	-	-	-	-	-	-	-	-	8
		-	-	-	-	-	-	-	-	-	-	-	-
Management and Staffing Review	Change Management	-	-	-	-	15	-	-	-	-	-	-	15
Management and Staffing Review	Organisational Development (OD) Consultant	-	-	23	-	-	-	-	-	-	-	-	23
Single Person Discount Council Tax Recovery	Specialist Officer and provision for data matching	-	-	14	-	-	-	-	-	-	-	-	14
NNDR RV Maximisation	Engage external consultants	-	-	19	-	-	-	-	-	-	-	-	19
New Customer Experience Model	Pilot Thoughtonomy - Robotic Process Automation.	-	-	24	108	(99)	102	(102)	-	-	-	-	33
New Customer Experience Model	Pilot Thoughtonomy - Virtual workers	-	-	-	-	60	-	61	-	-	-	-	121
New Customer Experience Model	Pilot Thoughtonomy - Develop role	-	-	-	-	-	-	41	-	-	-	-	41
Capacity and leadership to deliver change and savings across programme	Corporate Programme Manager	130	62	77	-	-	-	-	-	-	-	-	269
Working across Corporate Programme. Capacity and leadership to deliver change and savings across programme	NMT - Corporate Support	18	34	34	-	-	-	-	-	-	-	-	86

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2020

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2023/24 Budget (£,000's)	2023/24 Change (£,000's)	2017-24 Total (£,000's)
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	-	-	-	-	-	-	-	-	-	-	14
Contract Management Savings	V4S Procurement Consultancy Support. Payments due as percentage of savings delivered	88	200	-	0	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	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
	Business Objects Developer	-	30	-	-	-	-	-	-	-	-	-	30
	Provision for application management improvements in other systems (includes. 18/19 i-trent review)	-	24	182	115	(53)	-	-	-	-	-	-	268
Capacity to support delivery of change and savings across programme	Programme Officer x2	-	27	49	46	(46)	-	-	-	-	-	-	76
Capacity to support delivery of change and savings across programme	Senior Project Manager x 2	-	-	11	245	(132)	125	3	-	-	-	-	252
Capacity to support delivery of change and savings across programme	Business Analyst	-	-	10	-	52	-	47	-	-	-	-	109
Capacity to support delivery of change and savings across programme	Project Officer	-	-	8	-	44	-	41	-	-	-	-	93
	Contribution to Team Reading costs	-	-	10	-	-	-	-	-	-	-	-	10
Total: Director of Resources (DOR)		755	908	580	557	(70)	227	91	-	-	-	-	3,048

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2020

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2023/24 Budget (£,000's)	2023/24 Change (£,000's)	2017-24 Total (£,000's)
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	-	127	-		-	-	-	-	-	-	-	127
Workstream A: Improving Practice Standards	Practice Improvement Principle Social Worker					79		21	-	-	-	-	100
	Family Group Conferencing					75		-	-	-	-	-	75
Work stream B: Developing Workforce Excellence	Achieve a stable workforce by recruiting more permanent staff in Social Care	-	8	-		-	-	-	-	-	-	-	8
	Training for Safety Standards Model. 18/19 project start up training	-	105	-		-	-	-	-	-	-	-	105
	Pre Birth Support Team. 18/19 start up	-	4	-		43	-	2	-	-	-	-	49
Work stream C: Building Community Capacity	Family Reunification Team. 18/19 start up	-	-	-		20	-	5	-	-	-	-	25
	Edge of Care Team, Adolescents. 18/19 start up	-	37	-		102	-	-	-	-	-	-	139
	Revised under 5 offer to make best use of Early Years and Children's Centre provision	-	-	10		-	-	-	-	-	-	-	10
Work stream D: Stronger Stability for Children	Re-imaging Foster Care. 18/19 start up	-	77	-		-	-	-	-	-	-	-	77
	Placement Solutions Team	-	10	-		182		-	-	-	-	-	192
	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)							-

Changes to Delivery Fund Projects Since February 2020

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2023/24 Budget (£,000's)	2023/24 Change (£,000's)	2017-24 Total (£,000's)
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	-	-	50	50	199	-	-	-	-	-	-	299
	Design & implementation of supported lodgings for 16+	-	-	5	45	(45)	-	-	-	-	-	-	5
	Review of Continued Health Contribution (CHC). 18/19 start up	-	-	29	20	(20)	-	-	-	-	-	-	29
	Enhanced utilisation of capacity at Pinecroft & Cressingham Children's Homes. 18/19 capital equipment	-	-	29		48	-	2	-	-	-	-	79
	Potential use of RBC property for additional childrens home or respite care. Funding for feasibility study if required	-	6	-		-	-	-	-	-	-	-	6
	SEND Commissioner. 18/19 start up	-	64	-	50	82	-	-	-	-	-	-	196
	Business Improvement					107		13	-	-	-	-	120
	Digitalisation					227		-	-	-	-	-	227
	Development of traded services	-	213	205	70	(70)	-	-	-	-	-	-	418
	Transformation Programme Team	-	177	403	90	372	-	28	-	-	-	-	1,070
	Short Breaks					20		5	-	-	-	-	25
Funds to be allocated				392	(392)			-	-	-	-	-	
Total: Childrens (BFFC)		52	1,094	731	972	774	-	76	-	-	-	-	3,699

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2020

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2023/24 Budget (£,000's)	2023/24 Change (£,000's)	2017-24 Total (£,000's)
Resources used for the facilitation of the delivery of the Programme wide savings	Strategic Lead for Transformation	32	102	127	-	-	-	-	-	-	-	-	261
	Project Support	16	-	-	-	-	-	-	-	-	-	-	16
	Programme Officer	19	39	45	-	-	-	-	-	-	-	-	103
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	68	66	-	-	-	-	-	-	-	-	197
Transformation of wellbeing; ASC Restructure	Transformation Project Manager 2	-	55	57	-	-	-	-	-	-	-	-	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	58	59	-	-	-	-	-	-	-	-	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	47	35	-	-	-	-	-	-	-	-	102
Review and Right Sizing Care Packages & Stretch Targets Investment to secure ongoing savings	Social Workers X6 (S117, LDX2, MH, OP, PD)	236	239	201	-	-	-	-	-	-	-	-	676
Review and Right Sizing Care Packages & Stretch Targets Investment to secure ongoing savings	Social Workers X6 (S117, LDX2, MH, OP, PD) extension	-	-	20	-	-	-	-	-	-	-	-	20
Reducing Adult Social Care contracts spend	Commissioning Capacity at Senior Level	49	139	3	82	(82)	-	-	-	-	-	-	191
Delivery Models for Commissioning, Prevention & Quality Services	Consultancy advice - accommodation pathway	-	-	79	-	-	-	-	-	-	-	-	79
Delivery Models for Commissioning, Prevention & Quality Services	Consultancy advice for service shaping	-	2	28	-	-	-	-	-	-	-	-	30
Delivery Models for Commissioning, Prevention & Quality Services	Senior Transformation Manager	-	-	53	36	40	-	48	-	-	-	-	177
	Workforce consultancy & Training Programmes (Partners for change)	-	52	71	-	-	-	-	-	-	-	-	123
Total: Directorate of Adults Social Care and Health (DACHS)		462	801	844	118	(42)	-	48	-	-	-	-	2,231

Changes to Delivery Fund Projects Since February 2020

Saving Description	Resource Required	2017/18	2018/19	2019/20	2020/21	2020/21	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2017-24
		Actual (£,000's)	Actual (£,000's)	Actual (£,000's)	Budget (£,000's)	Change (£,000's)	Budget (£,000's)	Change (£,000's)	Budget (£,000's)	Change (£,000's)	Budget (£,000's)	Change (£,000's)	Total (£,000's)
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	54	113		-	-	-	-	-	-	-	189
Review option of trust model for Arts	Consultancy costs	-	29	-		-	-	-	-	-	-	-	29
Maximising Income from the Town Hall & Museum	Consultancy support to provide commercial advice on business plan and associated staffing structures	-	26	-		-	-	-	-	-	-	-	26
Review existing Parking Permit	Comms Support, IT Support	-	-	11		-	-	-	-	-	-	-	11
Extend residents parking permit areas	Consultant support	-	18	71		-	-	-	-	-	-	-	89
Introduce Bus Lane Enforcement on Kings Road and Forbury Road bus lanes	DLO support to introduce new parking schemes	-	1	-		-	-	-	-	-	-	-	1
Close half of public conveniences - costs related to carrying out a review of the provision	Consultancy costs and costs to improve remaining facilities	-	9	3		-	-	-	-	-	-	-	12
	Consultancy costs and costs to improve remaining facilities	-	-	-		-	-	-	-	-	-	-	-
Develop and implement a new borough-wide Car Parking Strategy and associated action plan	Project Manager	-	37	16		-	-	-	-	-	-	-	53
	Communications Officer	-	-	10		-	-	-	-	-	-	-	10
	Consultant Support	-	-	11		-	-	-	-	-	-	-	11
	Consultant Support (Car park surveys / database set-up)	-	20	87		-	-	-	-	-	-	-	107
	Project Delivery	-	127	146		-	-	-	-	-	-	-	273
Make theatres break even through working with other operators	Independent consultants to market test (establish feasibility / business case)	-	-	23		-	-	-	-	-	-	-	23
	Project management (consultant) of procurement process (if it goes ahead based on 1st stage)	-	-	16		16	-	19	-	-	-	-	51
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	-	-	173		74	-	-	-	-	-	-	247
	Project Manager	-	37	-		-	-	-	-	-	-	-	37
	Cost Consultant	-	-	-		59	(59)	-	-	-	-	-	-
	Consultancy - report writing	20	-	-		-	-	-	-	-	-	-	20
The project will focus on delivery of the former Civic Site and other key sites achieving capital receipts	Strategic Project Manager	-	-	68	75	-	-	-	-	-	-	-	143
Car Park management processes through IT improvements and staff reductions	Car parking equipment and capital reductions	-	-	337	19	44	-	-	-	-	-	-	400

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2020

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2023/24 Budget (£,000's)	2023/24 Change (£,000's)	2017-24 Total (£,000's)
Review enforcement contract	Consultancy support				50	(50)			-	-	-	-	-
	Project Manager			17		65		-	-	-	-	-	82
	Consultants to carry out modelling			8		-		-	-	-	-	-	8
Food Waste	Stickers and Leaflets (Phases 1 & 2)					36		-	-	-	-	-	36
	Mailout to all residents					32		-	-	-	-	-	32
	Communications time and production					47		-	-	-	-	-	47
	Marketing					110		-	-	-	-	-	110
Maximising Income from the Town Hall & Museum	One-off investment - equipment, marketing, consultancy	-	-	-	-	-	-	41	-	-	-	-	41
Total: Directorate of Economic Growth and Neighbourhoods (DEGNS)		50	379	1,132	203	315	-	60	-	-	-	-	2,139
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	-	-	-	843	(843)	-	1,920	-	2,510	-	2,510	6,940
Total: Unallocated / Contingency		-	-	-	843	(843)	-	1,920	-	2,510	-	2,510	6,940

Annexe B to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2020

Saving Description	Resource Required	2017/18 Actual (£,000's)	2018/19 Actual (£,000's)	2019/20 Actual (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2023/24 Budget (£,000's)	2023/24 Change (£,000's)	2017-24 Total (£,000's)
Management and Staffing Review	OD upskilling					12			-	-	-	-	12
	Business Analysts x 2					30		112	-	-	-	-	142
Executive Recruitment Search Fees	Psychometric Assessment Training					20		-	-	-	-	-	20
	Finance system implementation lead and support					55		140	-	-	-	-	195
	ICT Accelerator					250		-	-	-	-	-	250
	Modern Workplace Project					73		-	-	-	-	-	73
	Finance Transformation					174		-	-	-	-	-	174
	PMO Training					14		-	-	-	-	-	14
	Transitions - operational consultant					21		-	-	-	-	-	21
	Direct Payments - 2x PA Officers					15		79	-	-	-	-	94
	Locum Social Workers x4 Reviewing Team Project					64		188	-	-	-	-	252
Investment in Technology Enabled Care at home	Funding for TECH Team					35		104	-	-	-	-	139
Enhanced reablement for mental health and learning disability service users	Transformation Partner MH/LD users					60		-	-	-	-	-	60
Transport and Parking Review	Consultant Support					156		-	-	-	-	-	156
<i>*Making the Customer Service and Corporate Improvement more efficient</i>	<i>Staff and implementation costs</i>					250		250	-	-	-	-	500
<i>Placement Solutions Team</i>								550	-	-	-	-	550
<i>Children in Need Team</i>								350	-	-	-	-	350
<i>End to end mapping and digitisation of processes</i>								120	-	-	-	-	120
<i>End to end demand management</i>								125	-	-	-	-	125
<i>SEND Transport Review</i>								100	-	-	-	-	100
<i>Improve Traded Services</i>								75	-	-	-	-	75
<i>Use AI for referral triage</i>								250	-	-	-	-	250
						-		-	-	-	-	-	-
Total: New Projects		-	-	-	-	1,229	-	2,443	-	-	-	-	3,672
Total: All Projects		1,319	3,182	3,287	2,693	1,363	227	4,638	-	2,510	-	2,510	21,729
	Adjusted Budget after Change	1,319	3,182	3,287		4,056		4,865					8,153
									Additional Revenue Resources				
									Funded by Flexible Capital Receipts				13,576

This page is intentionally left blank

Proposed Fees and Charges from 1st April 2021 - Directorate of Adults Care and Health Services

Service	Category	Charge Unit	New Fee Proposed from April 2021	New Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
SOCIAL CARE SERVICES						
Whitley Wood Hostel - Respite LD Day Services	Weekday - 1:1 Bed	Night	£554.50		£10.90	2%
	1:4 Service	Day	£81.70		£1.60	2%
	1:2 Service	Day	£128.40		£2.50	2%
	1:1 Service	Day	£221.90		£4.40	2%
Maples Resource Centre (Day Care)		Day	£45.70		£0.92	2%
Day Centre Meals		Meal	£4.70	£6.00	£0.11	2%
Home Care Services - CRT	Use of Reading Borough Council services after reablement period Rate 1	Hour	£19.20		£0.42	2%
	Use of Reading Borough Council services after reablement period Rate 2	Hour	£39.10		£0.80	2%
OTHER CHARGES						
Self Funder	Set up charge	Once	£310.00		£10.00	3%
	Annual Fee	Year	£255.00		£5.00	2%
Deferred Payment Agreement (DPA)	Set-up Fees (excluding Land Registry fees, property valuation fees if required, cost of specialist legal/financial advice if required, which are recharged at actual cost to the Council on a case by case basis).	Once	£400.00		£0.00	0%
	Admin set up Fee (Other administrative set-up costs)	Once	£154.80		£3.10	2%
Deferred Payment Agreement (DPA) & Interim Funding Arrangement	Annual Fee (excluding property valuation fees, Land Registry fees, cost of specialist legal/financial advice which are recharged at actual cost to the Council on a case by case basis if required).	Year	£247.80		£4.91	2%

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
CONCESSIONARY FARES						
Concessionary Fares Replacement Pass	Market Rate	Each	£10.42	£12.50	£0.25	2.1%
Car Park Charge at Mere oak Park & Ride Site	Concession Rate	Each	£0.83	£1.00	£0.00	0.0%
Greenwave Park & Ride Bus Ticket - Return	Concession Rate	Each	N/a	N/a	N/a	N/a
Access Fee for the Reading Transport Model	Market Rate	Each	£433.33	£520.00	£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	£7.80		£0.20	2.6%
	Site Category A Concession	Per year Per 25 sqm	£7.00		£0.15	2.2%
	Site Category B Standard	Per year Per 25 sqm	£5.80		£0.10	1.8%
	Site Category B Concession	Per year Per 25 sqm	£5.30		£0.10	1.9%
	Site Category C Standard	Per year Per 25 sqm	£3.90		£0.09	2.5%
	Site Category C Concession	Per year Per 25 sqm	£3.50		£0.05	1.4%
	Start Up Fees Standard	Each	£35.80		£0.90	2.6%
	Start Up Fees Your Reading Passport General	Each	£27.80		£0.70	2.6%
	Start Up Fees Your Reading Passport Concession	Each	£9.00		£0.25	2.9%
	Shed Rental	Each	£14.50		£0.40	2.8%
Chickens	Per year Per 25 sqm	£14.50		£0.40	2.8%	
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 - inc 1 visit (Council contractor)	Each				
	Application Fee (own contractor)	Each				
	Additional visit - measure etc	Each				
	Developer - 1 property	Each				
	Developer - 2 to 5 properties	Each				
Developer - 6 properties	Each					

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
HIGHWAYS						
Solicitor Enquiries	Map Reproduction	first plan	£53.40	£64.08	£1.58	2.5%
	Map Reproduction	Each additional plan	£25.00	£30.00	£1.80	6.4%
	Supervision Of Works (Project <£250k)	cost of works	Price on Application			
	Design Check & Admin (Project <£250k)	cost of works				
	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	£0.00	0.0%
	Annual Licence fee	Each	£80.00	£96.00	£0.00	0.0%
	Recovery of A board from store	Each	£57.50	£69.00	£0.00	0.0%
Miscellaneous Income	Scaffold / Hoarding Licence Fee - Resident	Up to 4 weeks	£175.00	£210.00	-£25.20	-10.7%
	Scaffold / Hoarding Licence Fee - Commercial	Up to 4 weeks	£290.00	£348.00	N/a	N/a
	Scaffold / Hoarding Licence Fee - Renewal	Further period of up to 4 weeks.	£133.75	£160.50	£3.90	2.5%
	Stopping up of the public highway applications	Each	£820.00	£984.00	£24.00	2.5%
	S171 Licence (e.g. works on highway or store building material on the highway)	Up to 4 weeks	£415.00	£498.00	£0.00	0.0%
		each additional week or part week	£26.67	£32.00	£0.80	2.6%
	S142 Licence to plant on highway	Each	£200.90	£241.08	£5.88	2.5%
	S177 Projection over highway	Each	£415.00	£498.00	N/a	N/a
	Consenting on ordinary waterCourse	Each	£53.33	£64.00	£1.60	2.6%
	Swapouts	Each	£398.75	£478.50	£11.70	2.5%
	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					

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
STREETCARE						
Special Collections	Collection of 3 Items	Each	£50.00		£0.00	0.0%
	Your Reading Passport Concession	Each	£37.50		£0.00	0.0%
	Each additional item	Each	£8.00		£0.00	0.0%
	Fridge freezers - Domestic fridge/freezer (tall)	Each	£48.00		£0.00	0.0%
	Your Reading Passport Concession	Each	£36.00		£0.00	0.0%
	Cancellation charge (less than 3 days before collection)	Each	£11.20		£0.00	0.0%
	- Half load	1/2 load	Price on Application			
	- Full load	1 Load	Price on Application			
Trade Waste	Trade General sack in multiples of 50	Per 50	£142.50		£2.50	1.8%
	Trade recycling sack in multiples of 50	Per 50	£97.50		£17.50	21.9%
Waste Bins	Food Caddy replacement - Domestic	Each	£0.00		£0.00	N/A
	140 litre replacement - Domestic residual	Each	£0.00		£0.00	N/A
	240 litre new (plastic) - Domestic residual	Each	£49.70		£1.20	2.5%
	240 litre replacement - recycling (new developments)	Each	£49.70		£1.20	2.5%
	240 litre replacement - recycling (Resident)	Each	£0.00		£0.00	0.0%
	360 litre new (plastic) - Domestic	Each	£73.20		£1.80	2.5%
	1100 litre (steel) - Trade Waste	Each	Price on Application			
	1100 litre (Plastic) - Trade Waste	Each	Price on Application			
	Bin delivery charge - per bin	Each	£15.70		£0.40	2.6%
	Green Waste	Green Waste Service Bin	Per annum	£61.50		£1.50
Green Waste Service Bin (Concession)		Per annum	£46.15		£1.15	2.6%
Green Waste Service Bag		Per annum	£20.50		£0.50	2.5%
Green Waste Service Bag (Concession)		Per annum	£15.40		£0.40	2.7%
New/Replacement Green Waste Bin		Each	£38.95		£0.95	2.5%
New/Replacement Green Waste Bag		Each	£12.30		£0.30	2.5%
Bin delivery charge - per bin		Each	£15.70		£0.40	2.6%
Skip Licences	Skip permit application and first 2 weeks	Each	£80.00		£0.00	0.0%
	Skip permit fee for each additional week	Each	£36.00		£0.00	0.0%
	Labour cost (clean up team) per hour	Each	Price on Application			
	Tipping waste (transportation and disposal cost) per tonne	Each	Price on Application			
	Hazardous Clinical Waste Collections - per property per collection	Each	Price on Application			
	Exterior Cleansing and Graffiti Removal	Graffiti removal - call out and first hour	Each	£78.41	£94.10	£2.29
Each additional hour of graffiti removal		Each	£78.41	£94.10	£2.29	2.5%
Emergency biohazard clearance		minimum per job	Price on Application			
Machine sweeping		minimum per job + tipping	Price on Application			
Fly tip removal		minimum per job + tipping	Price on Application			
+ additional labour		minimum per job	Price on Application			

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
HOUSING						
Temporary Accommodation Charges - B&B	One Room	Each				
	Two Room	Each				
Temporary Accommodation charges Base Rent - non B&B	One Room/One Bedroom	Each				
	Two Bedrooms	Each				
	Three Bedrooms	Each				
Temporary Accommodation charges Service Charge - non B&B	One Room/One Bedroom	Each				
	Two Bedrooms	Each				
	Three Bedrooms	Each				
Garage Rentals	Various	Each	Increased by CPI (September 2020) plus 1%			
LIBRARIES						
Overdue Charges	Adult Book - daily (to a maximum of £10.00)	Item	£0.29		£0.01	3.6%
	Children's Book - Daily (to a maximum of £3.00)	Item	£0.12		£0.01	9.1%
	Children's CD - Story/Teen (to a maximum of £4.00)	Item	£0.12		£0.02	20.0%
	CD - SINGLE (to a maximum of £12.00)	Item	£0.50		£0.00	0.0%
	CD - Set (to a maximum of £15.00)	Item	£0.60		£0.00	0.0%
	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%
	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
All Your Reading Passport discounts are removed						
Reservations	Not in Stock	Item	£3.50		£0.50	16.7%
	In stock	Item	£0.70		£0.10	16.7%
	From the British Library	Item	£10.00		£1.00	11.1%
	Periodical Articles (+ photocopying charge per sheet)	Item	£10.00		£1.00	11.1%
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%
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%

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
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	£10.00		£3.00	42.9%
	Overdue charges	Set	£5.00		-£2.00	-28.6%
Drama Sets Service	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		£0.00	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		£0.00	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%
	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		£0.00	0.0%
Printing from microform	A4 print	Sheet	£1.00		£0.00	0.0%
	A3 print	Sheet	£1.00		£0.00	0.0%
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)	Service	£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%
Study Carrels	10:00-13:00	Session	£3.00		£1.00	50.0%
	13:00-closing time (17:00/19:00)	Session	£3.00		£1.00	50.0%
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	£30.00		£5.00	20.0%

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
PRIVATE SECTOR HOUSING						
Licence for house in multiple occupancy	Band A Licence Fee (Accredited Landlord - proof required)	per application	£690.00		£0.00	0.0%
	Band B Licence Fee (Non accredited landlords)	per application	£770.00		£0.00	0.0%
	Band C Licence Fee	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	£467.40	£560.88	£13.68	2.5%
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	£155.80	£186.96	£4.56	2.5%
Administration Charges	Fee for bounced cheque, copy of notices, copy of HMO licence, landlord information pack , HMO licence register	per transaction	£29.04	£34.85	£0.85	2.5%
Provision of Factual Statement	Factual Statement	per statement	£321.16	£385.39	£9.39	2.5%
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	£311.60	£373.92	£9.12	2.5%

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %	
LICENSING							
PREMISES LICENCES							
Gambling - Adult Gaming Centre Premises Licence	new	per licence					
	annual fee	per licence					
	variation	per licence					
	transfer	per licence					
	re-instatement	per licence					
	provisional statement	per statement					
	provisional statement - holder	per licence					
	copy of licence	per licence					
	notification of change	per licence					
	Gambling - Betting Premises licence	new	per licence				
annual fee		per licence					
variation		per licence					
transfer		per licence					
re-instatement		per licence					
provisional statement		per statement					
provisional statement - holder		per licence					
copy of licence		per licence					
notification of change		per licence					
Gambling - Bingo Premises licence		new	per licence				
	annual fee	per licence					
	variation	per licence					
	transfer	per licence					
	re-instatement	per licence					
	provisional statement	per statement					
	provisional statement - holder	per licence					
	copy of licence	per licence					
	notification of change	per licence					
	Gambling - Casino Premises licence	new	per licence				
annual fee		per licence					
variation		per licence					
transfer		per licence					
re-instatement		per licence					
copy of licence		per licence					
notification of change		per licence					
Gambling - Family Entertainment Centre Premises Licence		new	per licence				
		annual fee	per licence				
		variation	per licence				
	transfer	per licence					
	re-instatement	per licence					
	provisional statement	per statement					
	provisional statement - holder	per licence					
	copy of licence	per statement					
	notification of change	per statement					

License Fees are subject to a fundamental review and are therefore not available for publication at this point in time.

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
LICENSING						
Gambling - Track premises licence	new	per statement				
	annual fee	per statement				
	variation	per statement				
	transfer	per licence				
	re-instatement	per licence				
	provisional statement	per statement				
	provisional statement - holder	per licence				
	copy of licence	per licence				
	notification of change	per licence				
	Sex Shop Licence	Grant/Renewal of Licence	per licence			
Sex Entertainment Licence (SEV)	Grant of Licence	per licence				
	Renewal of Licence	per licence				
	Variation	per licence				
	Transfer	per licence				
Film Classification	Film Classification (local film festivals)	per 15 mins or part thereof (of the film)				
Street Trading Outside Town Centre	OUT OF TOWN - Grant/ Renewal (Fast Food)	per stall/per application				
	OUT OF TOWN - Grant/Renewal (sandwich/Ice-cream/retail food)	per stall/per application				
	OUT OF TOWN - Grant/Renewal (Non Food)	per stall/per application				
	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				
	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				
	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				
	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				
	OUT OF TOWN - Occasional (9-14 days per year) (Trading dates listed on licence)	Single trader				
	OUT OF TOWN - Occasional (15-45 days per year) (Trading dates listed on licence)	Single trader				
	OUT OF TOWN - Occasional (46-60 days per year) (Trading dates listed on licence)	Single trader				

License Fees are subject to a fundamental review and are therefore not available for publication at this point in time.

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
LICENSING						
Street Trading Town Centre	Town Centre - Grant/ Renewal (Broad Street)	per stall				
	Town Centre - Grant/ Renewal (Bridge Street)	per stall				
	Town Centre - Grant/ Renewal (Reading Station)	per stall				
	Town Centre - Market not under charter 1-14 days per yr	up to 3 x3 m single trader stall per day				
	Town Centre - Market not under charter 15-60 days per yr	up to 3 x3 m single trader stall per day				
	Town Centre - Market not under charter 1-14 days per yr	>over3x3m single trader stall per day				
	Town Centre - Market not under charter 15-60 days per yr	>over3x3m single trader stall per day				
	All Street Traders - Variation	per stall				
	All Street Traders - Additional Street Trading Assistant	per assistant				
	All Street Traders - fee for paying by direct debit - no other instalment system allowed	per application				
Scrap Metal	Site Licence - new/renewal	per 3 year licence				
	Collectors Licence -new/renewal	per 3 year licence				
	Variation of Site Licence /Collectors Licence Simple Variation (ie. admin changes) for site Licence or Collector	per licence				
	Replacement Licence or badge for collector	per licence				
Pavement Café	Town Centre/Out of Town - Initial Charge	per annum				
	Town Centre - Plus payment per table	per annum				
	Out of Town - Plus payment per table	per annum				
Caravan Site Licence	Grant	per site				
	Transfer	per site				
	Variation	per site				
	Annual Fee (less than 10 units)	per site				
	Annual fee (less than 30 units)	per site				
	Annual fee (more than 30 Units)	per site				
Other Fees	copies of site licence	per site				
	Check & Submit Service	Each				
	Pre-application advice and site visit	Each				
	DBS Standard	per person				
	Door Safe log Book	per book				

License Fees are subject to a fundamental review and are therefore not available for publication at this point in time.

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
LICENSING						
TRANSPORT LICENCES						
Hackney Carriage	Hackney carriage Vehicle grant or renewal	per operator				
	3 Year Hackney carriage driver new/ renewal (not including disclosure fee)	per operator				
Private Hire Operators - 1 Year Grant	Each additional applicant	per operator				
	1 -3 Vehicles	per operator				
	4-10 Vehicles	per operator				
	11-40 Vehicles	per operator				
	41-100 Vehicles	per operator				
Private Hire Operators - 1 Year Renewal	Each additional applicant	per operator				
	1 -3 Vehicles	per operator				
	4-10 Vehicles	per operator				
	11-40 Vehicles	per operator				
	41-100 Vehicles	per operator				
Private Hire Operators - 5 Year Grant	Each additional applicant	per operator				
	1 -3 Vehicles	per operator				
	4-10 Vehicles	per operator				
	11-40 Vehicles	per operator				
	41-100 Vehicles	per operator				
Private Hire Operators - 5 Year Renewal	Each additional applicant	per operator				
	1 -3 Vehicles	per operator				
	4-10 Vehicles	per operator				
	11-40 Vehicles	per operator				
	41-100 Vehicles	per operator				
Private Hire Vehicle and Driver	Private Hire Vehicle grant or renewal	per application				
	Executive vehicle grant or renewal	per application				
	3 Year driver new/renewal (not including disclosure fee)	per application				
School Transport	School Transport vehicle (Class IV) vehicle	per application				
	3 year ST driver grant/renewal (not incl disclosure fee)	per application				
School Transport - 1 Year Grant	Each additional applicant	per operator				
	1 -3 Vehicles	per operator				
	4-10 Vehicles	per operator				
	11-40 Vehicles	per operator				
	41-100 Vehicles	per operator				
School Transport - 1 Year Renewal	Each additional applicant	per operator				
	1 -3 Vehicles	per operator				
	4-10 Vehicles	per operator				
	11-40 Vehicles	per operator				
	41-100 Vehicles	per operator				
School Transport - 5 Year Grant	Each additional applicant	per operator				
	1 -3 Vehicles	per operator				
	4-10 Vehicles	per operator				
	11-40 Vehicles	per operator				
	41-100 Vehicles	per operator				
	101+ Vehicles	per operator				

License Fees are subject to a fundamental review and are therefore not available for publication at this point in time.

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
LICENSING						
TRANSPORT LICENCES						
School Transport - 5 Year Renewal	Each additional applicant	per operator				
	1 -3 Vehicles	per operator				
	4-10 Vehicles	per operator				
	11-40 Vehicles	per operator				
	41-100 Vehicles	per operator				
	101+ Vehicles	per operator				
Other Charges - Vehicle	Vehicle Transfer of ownership -(admin only + issue licence)	per application				
	Replace vehicle plate (4 new tags+plate+30 mins)	per vehicle				
	temporary replacement Hackney Carriage or Private Hire Vehicle Plate	per application				
	HC Taxi livery design + 1 vehicle	per application				
	HC Livery - Additional vehicle check	per vehicle				
	HC Taxi livery renewal +1 vehicle	per application				
	<3 YEAR COMPLIANCE TEST - PH, EXEC, HC OR ST	per application				
	AGED VEHICLE CHECK - PH, ST or Executive Vehicles over age 10 years +	per vehicle				
	ULEV VEHICLE	per vehicle				
	100% ELECTRIC VEHICLE	per vehicle				
	Other Charges - Driver	Driver knowledge test	per driver			
Rescheduled new driver interview/ (no shows)		per driver				
Change of Application HC to PH or PH to HC		per application				
Replacement badge or licence (incl change of address)		per driver				
Basic DBS (PHO, STO)		per applicant				
DBS Enhanced (HC, PH, ST driver)		per driver				
Driver - Visa Expiry (2 Badges, 1 cert+admin fee)		per driver				
Other Charges - Operator	Operator logbook	Per logbook				
	Admin charge + copy of the licence	per operator				
	Copy of the licence	Per Operator				
Other Charges - General	Bounced Cheque	Each				
	Admin Charge	Each				
	Factual Statement	Each				
	Check and submit taxi application form	Each				

License Fees are subject to a fundamental review and are therefore not available for publication at this point in time.

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
FOOD & SAFETY						
Courses	Level 2 Food Safety & Hygiene Course (One day)	per candidate	£74.00		£2.00	2.8%
	Level 2 Food Safety in Catering Exam- re-sit fee	per candidate	£42.00		£1.00	2.4%
	Level 2 Food Safety - replacement certificate	Each	£86.00		£2.00	2.4%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£825.00		£22.00	2.7%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£1,070.00		£26.00	2.5%
	Additional candidates for level 2 Course on clients premises	Each	£82.00		£2.00	2.5%
	Level 3 Supervising food hygiene & safety (min 6 candidates)	Each	£332.00		£8.00	2.5%
	Level 3 Supervising food hygiene & safety (2 or more candidates)	Each	£300.00		£8.00	2.7%
	Level 3 Supervising food hygiene & safety (up to 10 candidates)	Each	£2,640.00		£65.00	2.5%
	Preparation & delivery of bespoke Training	Each	£152.00		£4.00	2.7%
Food Hygiene Visits	Fee for missed Food Hygiene premises inspection visit where appointment made	Each	£38.00	£45.60	£1.20	2.7%
	Food Hygiene Rating Scheme re-inspection	Each	£175.00	£210.00	£6.00	2.9%
Food Hygiene Miscellaneous	Fishery Product Inspections per tonne (set by statute) - 1 Euro/ £0.90	Each	£0.90		£0.00	0.0%
	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	0.0%
	Condemned Food Certificate	Each	£142.00		£4.00	2.9%
	Administration Fee/Cancellation Fee	Each	£34.00		£1.00	3.0%
	Factual Statement to solicitors & others	Each	£161.00		£4.00	2.5%
Special treatments	Additional documents	Each	£106.00		£3.00	2.9%
	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	£47.00		£1.00	2.2%
	Special Treatment Operator/premises Replacement Certificate (no changes)	per certificate	£32.00		£1.00	3.2%
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	£212.00	£254.00	£6.80	2.9%

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
PRIMARY AUTHORITY AND BUSINESS ADVICE						
Primary Authority Business Advice	Commercial property search				-£74.00	0.0%
	Mini Primary Authority fee / minimum annual PA fee	less than 7 hours advice per year	£575.00		£75.00	15.0%
	Medi Primary Authority Fee	less than 25 hours advice per year	£1,950.00		£250.00	14.7%
	Pay as You Go standing charge (PAYG)	per profession	£1,600.00		£100.00	6.7%
	Primary Authority Advice (Admin Officer)	per hour			-£64.00	0.0%
	Primary Authority Partnership advice (EHO, TSO, Lice Officer)	per hour	£78.00		£6.00	8.3%
	Primary Authority Set up fee	per business	£270.00		£20.00	8.0%
Business Advice - Regulation Services	Additional Services outside RBC (ie Wales, Fire)	per service	£156.00		£11.00	7.6%
	Emergency Primary Authority Advice	per hour	£125.00		£5.00	4.2%
	Start Up advisory /Reg Services Health Check (Option 2)	per premises	£156.00		£4.00	2.6%
Business Advice	Bespoke Service (Option 3) then hourly rate	per business	£820.00		£20.00	2.5%
	Outside a Primary Authority Partnership	per hour	£78.00		£2.00	2.6%
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%
	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%	

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
ENVIRONMENTAL PROTECTION						
Environmental Protection & Nuisance Team	Contaminated Land/Environmental Information Request (Residents)	per hour	£43.99	£52.79	£1.29	2.5%
	Contaminated Land/Environmental Information Request (Commercial)	per hour	£63.38	£76.06	£1.86	2.5%
	Sound check consultancy	per hour	£63.38	£76.06	£1.86	2.5%
	Officer charge	per hour	£63.38	£76.06	£1.86	2.5%
Dog Warden	Statutory Stray Fee	Each			£-25.00	0.0%
	Dog picked up but not kennelled	Each	£63.55		£1.55	2.5%
	Dog picked up taken to kennels and returned to owner (new fee)	Each	£102.10		N/a	N/a
	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	0.0%
	Pet Shop small annual licence (exclusive of vets' fees)	Per Licence			£-168.33	0.0%
	Pet Shop large (exclusive of vets' fees) - more than 75m2	Per Licence			£-473.00	0.0%
	Pet shop/boarding/breeding licence amendment	Per Licence			£-99.75	0.0%
	small home boarder (annual fee)	Per Licence			£-91.50	0.0%
	medium home boarder (annual fee)	Per Licence			£-121.92	0.0%
	larger home boarder (annual fee)	Per Licence			£-195.67	0.0%
	small home boarder (min fee)	Per Licence			£-51.92	0.0%
	medium home boarder (min fee)	Per Licence			£-69.25	0.0%
	larger home boarder (min fee)	Per Licence			£-109.58	0.0%
	small home boarder (Pro rata fee)	Per Licence			£-7.42	0.0%
	medium home boarder (pro rata fee)	Per Licence			£-9.92	0.0%
	larger home boarder (pro rata fee)	Per Licence			£-15.67	0.0%
	small home boarder (late payment fee)	Per Licence			£-105.50	0.0%
	medium home boarder (late payment fee)	Per Licence			£-139.25	0.0%
	larger home boarder (late payment fee)	Per Licence			£-205.17	0.0%
	Animal Breeding Establishments (exclusive of vets' fees)	Per Licence			£-288.42	0.0%
	Horse Riding Establishment Licence	Per Licence			£-335.42	0.0%
	Dangerous Wild Animals Licence or Zoo Licence	Per Licence			£-370.83	0.0%
	Performing Animals Registration	Per Licence			£-463.50	0.0%
Performing Animals Licence	Per Animal Licence			£-41.17	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%

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
PLANNING						
PLANNING - PRE APPLICATION FEES						
Level 1	Householders advice on house extensions	Each	160.00	£192.00	£3.24	1.7%
	Follow up Meetings	Each	93.00	£111.60	£2.70	2.5%
	Small business and developers: advice on building works and change of use where the floor area involved is up to 200sqm.	Each	£160.00	£192.00	£18.00	10.3%
	Follow up Meetings	Each	£93.00	£111.00	£9.00	9.4%
	Proposals for local community uses - (Free of charge for up to 200sqm)	Each	£148.60	£178.30	£4.30	2.5%
	Follow up Meetings	Each	£93.00	£111.00	£9.00	9.4%
	Advertisements	Each	£250.00	£300.00	£0.00	0.0%
	Follow up Meetings	Each	£93.00	£111.00	£3.00	3.3%
	Telecommunication installations	Each	£155.00	£186.00	£6.00	3.3%
	Follow up Meetings	Each	£93.00	£111.00	£3.00	3.3%
	Listed Building consent /conservation area consent.	Each	£148.60	£178.30	£4.30	2.5%
	Follow up Meetings	Each	£93.00	£111.00	£3.00	3.3%
	Trees and Landscaping	Each	£148.60	£178.30	£4.30	2.5%
	Follow up Meetings	Each	£93.00	£111.00	£3.00	3.3%
	Works to trees covered by tree preservation orders.	Each	£148.60	£178.30	£4.30	2.5%
Follow up Meetings	Each	£93.00	£111.00	£3.00	3.3%	
Level 2 Business, commercial or other development of 201 sqm to 1000 or up to 19 dwellings.	201 - 499sqm	Each	£370.00	£444.00	£12.00	2.8%
	500 - 1000sqm	Each	£690.00	£828.00	£24.00	3.0%
	1 - 3 dwellings	Each	£370.00	£444.00	£12.00	2.8%
	4 - 9 dwellings	Each	£690.00	£828.00	£216.00	35.3%
	10 - 15 dwellings	Each	£860.00	£1,032.00	£30.00	3.0%
	15 - 19 dwellings	Each	£1,150.00	£1,380.00	£60.00	4.5%
One Meeting included in above fee, additional Meetings charged by hour.	Each	£118.00	£114.60	-£23.40	2.6%	
Level 3	Introductory Meeting fee	Each	£235.00	£282.00	£6.00	2.2%
Development > 1,001 sqm or 20+ dwellings or other proposals	Additional Meetings and advice thereafter by negotiation.	Each	By Negotiation			
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	£28.20		£0.70	2.5%
Copies of Section 106 Agreements	per agreement	per application	£28.20		£0.70	2.5%
Copies of Planning Decision Notices	A list given of decision notices required	per application	£13.50		£0.50	3.8%
	One decision notice from Microfiche slide	per application	£13.50		£0.50	3.8%
	One decision notice from Microfiche slide plus plans (all on One slide)	per application	£28.20		£3.20	12.8%
	Scanning more than One slide	per application	£28.20		£3.20	12.8%
	Plans and documents for an application that need redacting	per application	£13.50		£0.50	3.8%
Enquiries for evidence that conditions have been discharged (statutory Fee)	Householders	per application	£34.00		£0.00	0.0%
	All others	per application	£116.00		£0.00	0.0%
S106 and Community Infrastructure Levy obligation enquiries		per application	£28.20		£3.20	12.8%
Returning Invalid	Refunds processed and advice given	per application				
Tree Preservation Order Documents		per application	£28.20		£3.20	12.8%

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %	
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	£4.33	£5.20	£0.20	3.9%	
	Adult Your Reading Passport General	Session	£3.75	£4.50	£0.10	2.2%	
	Adult Your Reading Passport Concession	Session	£2.79	£3.35	£0.10	3.0%	
	Adult Your Reading Passport Concession Off Peak	Session	£0.00	£0.00	£0.00	0.0%	
	Junior / Student	Session	£2.58	£3.10	£0.10	3.3%	
	Junior / Student Your Reading Passport General	Session	£2.25	£2.70	£0.10	3.7%	
	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	0.4%	
	Family Swim Activity	Session	£10.17	£12.20	£0.30	2.5%	
	Pool Hire - Sports/community use	Meadway Pool	Per Hour	£72.17	£86.60	£2.15	2.5%
		South Reading Leisure Centre (Whole Pool)	Per Hour	£72.17	£86.60	£2.10	2.5%
		South Reading Leisure Centre (Per lane)	Per Hour	£12.83	£15.40	£0.40	2.7%
Membership Charges	Bronze Gym	per person	£14.58	£17.50	£0.50	2.9%	
	Bronze Gym Your Reading Passport	per person	£13.75	£16.50	£0.50	3.2%	
	Bronze Gym Pathway	per person	£13.75	£16.50	£0.50	3.2%	
	Silver Swim & Gym	per person	£19.17	£23.00	£0.50	2.2%	
	Silver Swim & Gym Your Reading Passport	per person	£17.50	£21.00	£0.50	2.5%	
	Silver Swim & Gym Pathway	per person	£17.50	£21.00	£0.50	2.5%	
	Silver Swim & Class	per person	£19.17	£23.00	£0.50	2.2%	
	Silver Swim & Class Your Reading Passport	per person	£17.50	£21.00	£0.50	2.5%	
	Silver Swim & Class Pathway	per person	£17.50	£21.00	£0.50	2.5%	
	Silver Gym & Class	per person	£19.17	£23.00	£0.50	2.2%	
	Silver Gym & Class Your Reading Passport	per person	£17.50	£21.00	£0.50	2.5%	
	Silver Gym & Class Pathway	per person	£17.50	£21.00	£0.50	2.5%	
	Gold Swim, Gym & Class	per person	£25.00	£30.00	£1.00	3.4%	
	Gold Swim, Gym & Class Your Reading Passport	per person	£22.92	£27.50	£1.00	3.8%	
	Gold Swim, Gym & Class Pathway	per person	£22.92	£27.50	£1.00	3.8%	
	Plat All facilities	per person	£30.00	£36.00	£1.00	2.8%	
	Plat All facilities Your Reading Passport	per person	£27.50	£33.00	£1.00	3.1%	
	Plat All facilities Pathway	per person	£27.50	£33.00	£1.00	3.1%	
	Replacement	Single fee	per person	£4.29	£5.15	£0.15	2.9%
Badminton	Adult	Session	£10.67	£12.80	£0.40	3.3%	
	Adult Your Reading Passport General	Session	£9.08	£10.90	£0.30	2.9%	
	Adult Your Reading Passport Concession	Session	£6.25	£7.50	£0.15	2.0%	
	Adult/Junior weekdays 9.00am - 5.00pm Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%	
	Junior	Session	£5.33	£6.40	£0.25	4.0%	
	Junior Your Reading Passport General	Session	£4.58	£5.50	£0.15	2.8%	
	Junior Your Reading Passport Concession	Session	£3.21	£3.85	£0.10	2.5%	
Table Tennis	Adult	Session	£9.58	£11.50	£0.30	2.7%	
	Adult Your Reading Passport General	Session	£7.42	£8.90	£0.30	3.4%	
	Adult Your Reading Passport Concession	Session	£5.25	£6.30	£0.15	2.3%	
	Adult/Junior weekdays 9.00am - 5.00pm Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%	
	Junior	Session	£4.79	£5.75	£0.75	14.9%	
	Junior Your Reading Passport General	Session	£3.75	£4.50	£0.20	4.7%	
	Junior Your Reading Passport Concession	Session	£2.67	£3.20	£0.20	6.7%	
Squash 40 minutes	Adult	Session	£9.58	£11.50	£0.30	2.7%	
	Adult Your Reading Passport General	Session	£7.92	£9.50	£0.90	10.4%	
	Adult Your Reading Passport Concession	Session	£5.75	£6.90	£0.75	12.1%	
	Adult/Junior weekdays 9.00am - 5.00pm Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%	
	Junior	Session	£4.79	£5.75	£0.75	14.9%	
	Junior Your Reading Passport General	Session	£3.75	£4.50	£0.20	4.7%	
	Junior Your Reading Passport Concession	Session	£2.67	£3.20	£0.20	6.7%	

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
Leisure						
Area Hire - Sports community use	Meadway Hall Hire - Sporting booking	Per Hour	£50.00	£60.00	£2.30	4.0%
	Meadway / South Reading Leisure Centre Hall Hire - Non - Sporting Events	Per Hour	£84.17	£101.00	£2.80	2.9%
	Meadway Sports 1/2 Hall	Per Hour	£20.00	£24.00	£0.95	4.1%
	South Reading Leisure Centre Hall Hire	Per Hour	£41.67	£50.00	£2.00	4.2%
	South Reading Leisure Centre 1/2 Hall	Per Hour	£20.83	£25.00	£1.00	4.2%
	Meadway Studio Hire	Per Hour	£13.33	£16.00	£0.60	3.9%
	South Reading Leisure Centre Studio Hire	Per Hour	£30.83	£37.00	£1.50	4.2%
	Palmer Studio Hire	Per Hour	£30.83	£37.00	£1.30	3.6%
	Palmer Track/Cycle Hire	Per Hour	£40.42	£48.50	£1.50	3.2%
	Palmer Stadium Pitch Lights	Per Hour	£266.67	£320.00	£9.20	3.0%
	Palmer Stadium pitch without lights	Per Match	£176.67	£212.00	£6.50	3.2%
	Palmer event cycling / Athletics per additional out of hours	Per Match	£78.75	£94.50	£2.40	2.6%
	Palmer Adult RBC Athletics Meet	Per Hour	£61.67	£74.00	£1.90	2.6%
	Palmer Junior RBC Athletics Meet	Per Hour	£31.67	£38.00	£1.25	3.4%
	Palmer Adult Athletics Meet	Per Hour	£68.33	£82.00	£2.85	3.6%
	Palmer Junior Athletics Meet	Per Hour	£35.00	£42.00	£1.00	2.4%
Cycling / Athletics	Adult Cycling	Session	£5.17	£6.20	£0.30	5.0%
	Adult Athletics	Session	£5.17	£6.20	£0.30	5.0%
	Adult Your Reading Passport General	Session	£4.29	£5.15	£0.25	5.2%
	Adult Your Reading Passport Concession	Session	£2.83	£3.40	£0.15	4.6%
	Junior Athletic	Session	£2.50	£3.00	£0.30	11.1%
	Junior Cycling	Session	£3.17	£3.80	£0.10	2.8%
	Junior Your Reading Passport General	Session	£2.08	£2.50	£0.10	4.2%
	Junior Your Reading Passport Concession	Session	£1.50	£1.80	£0.05	2.7%
	Adult Tuesday & Thursday Cycling	Session	£5.25	£6.30	£0.30	5.0%
	Junior Tuesday & Thursday Cycling	Session	£2.63	£3.15	£0.30	10.3%
	Cycle Racing	Session	£3.42	£4.10	£0.10	2.6%
	Wheelie Fun	Session	£2.67	£3.20	£0.10	3.4%
	Everybody Active Cycling	Session	£3.00	£3.60	£0.10	2.7%
	Cycling for health	Session	£2.58	£3.10	£0.10	3.3%
Cricket - Weekend	Adult One Off Game	Session	£135.00	£162.00	£4.70	3.0%
	Adult Block 10+ Games	Session	£115.00	£138.00	£3.90	2.9%
	Junior One Off Game	Session	£67.50	£81.00	£2.20	2.8%
	Junior Block 10+ Games	Session	£58.33	£70.00	£2.70	4.0%
Tennis	Adult Standard	Session	£5.25	£6.30	£0.15	2.3%
	Adult Your Reading Passport General	Session	£4.25	£5.10	£0.20	4.2%
	Adult Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%
	Junior Standard	Session	£2.67	£3.20	£0.10	3.4%
	Junior Your Reading Passport General	Session	£2.25	£2.70	£0.10	3.7%
	Junior Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%
Tennis (Artificial-turf)	Adult Standard	Session	£7.50	£9.00	£0.20	2.3%
	Adult Your Reading Passport General	Session	£6.00	£7.20	£0.20	2.9%
	Adult Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%
	Junior Standard	Session	£3.75	£4.50	£0.10	2.2%
	Junior Your Reading Passport General	Session	£3.00	£3.60	£0.10	2.7%
	Junior Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	0.0%
Bowls	Adult Standard	Session	£4.08	£4.90	£0.20	4.2%
	Adult Your Reading Passport General	Session	£2.75	£3.30	£0.10	3.0%
	Adult Your Reading Passport Concession	Session	£2.04	£2.45	£0.10	4.2%
	Junior Standard	Session	£2.04	£2.45	£0.10	4.2%
	Junior Your Reading Passport General	Session	£1.42	£1.70	£0.05	2.7%
	Junior Your Reading Passport Concession	Session	£1.17	£1.40	£0.05	3.2%
	Hire of woods and mats	Session	£3.25	£3.90	£0.10	2.5%

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %	
Leisure							
Football	Adult One Off Game Standard	Match	£100.83	£121.00	£2.90	2.5%	
	Adult Block 10+ Games Standard	Match	£86.25	£103.50	£2.90	2.9%	
	Adult Block 5+ Teams Standard	Match	£77.08	£92.50	£2.35	2.6%	
	Senior League discounts	Match	£20.83	£25.00	£0.45	1.8%	
	Senior League discounts	Match	£15.75	£18.90	£0.45	2.4%	
	Senior League discounts	Match	£10.50	£12.60	£0.30	2.4%	
	Junior One Off Game Standard	Match	£55.00	£66.00	£1.65	2.6%	
	Junior Block 10+ Games Standard	Match	£40.00	£48.00	£1.25	2.7%	
	Junior Block 5+ Teams standard	Match	£35.00	£42.00	£1.15	2.8%	
	Mini Soccer per Game	Match	£16.67	£20.00	£0.75	3.9%	
	Mini Soccer 10+ Games	Match	£14.17	£17.00	£0.60	3.6%	
	Mini Soccer 5+ Teams	Match	£12.58	£15.10	£0.45	3.1%	
Australian Rules & Gaelic	One Off	Match	£91.67	£110.00	£4.40	4.2%	
	Block 10+ Games	Match	£75.83	£91.00	£3.00	3.4%	
5-a-side football	Adult Peak - single	Per Hour	£46.67	£56.00	£1.80	3.3%	
	Adult Peak - Block	Per Hour	£38.75	£46.50	£1.33	2.9%	
	Junior Peak - single	Per Hour	£24.17	£29.00	£0.45	1.6%	
	Junior Peak - Block	Per Hour	£20.42	£24.50	£0.71	3.0%	
Casual Fitness	Adult - Peak Training	Session	£6.83	£8.20	£0.20	2.4%	
	Adult - Peak Training Your Reading Passport General	Session	£6.00	£7.20	£0.20	2.9%	
	Adult - Peak Training Your Reading Passport Concession	Session	£4.46	£5.35	£0.15	3.0%	
	Junior/Student - Peak Training	Session	£3.42	£4.10	£0.10	2.6%	
	Junior/Student - Peak Training Your Reading Passport General	Session	£3.00	£3.60	£0.10	2.7%	
	Junior/Student - Peak Training Your Reading Passport Concession	Session	£2.25	£2.70	£0.10	3.7%	
	Junior/Student Fitness Session	Session	£3.42	£4.10	£0.10	2.6%	
Courses	Junior Swimming 30 mins	Per Lesson	£5.50	£6.60	£0.15	2.2%	
	Junior Swimming 30 mins Your Reading Passport General	Per Lesson	£5.29	£6.35	£0.15	2.4%	
	Adult Swimming 30 mins	Per Lesson	£6.42	£7.70	£0.20	2.7%	
	Adult Swimming 30 mins Your Reading Passport General	Per Lesson	£6.17	£7.40	£0.20	2.8%	
	Trampoline 1hr	Per Lesson	£6.13	£7.35	£0.20	2.8%	
	Trampoline 1hr Your Reading Passport General	Per Lesson	£5.75	£6.90	£0.25	3.8%	
	Gymnastics 1hr	Per Lesson	£6.17	£7.40	£0.25	3.5%	
	Gymnastics 1hr Your Reading Passport General	Per Lesson	£5.75	£6.90	£0.25	3.8%	
	Gymnastics (Pre School) 45mins	Per Lesson	£5.13	£6.15	£0.15	2.5%	
	Badminton	Per Lesson	£5.83	£7.00	£0.25	3.6%	
	Badminton Your Reading Passport General	Per Session	£5.42	£6.50	£0.15	2.4%	
	Cardio Care 1hr General	Per Session	£3.83	£4.60	£0.10	2.2%	
	Cardio Care 1hr Your Reading Passport	Per Session	£3.58	£4.30	£0.10	2.4%	
	Cardio Care Course 6wk	Per Session	£21.58	£25.90	£0.60	2.4%	
	Cardio Care Course 6 wk Your Reading Passport	Per Session	£21.25	£25.50	£0.60	2.4%	
	Cardio Care Course 5wk	Per Session	£18.00	£21.60	£0.50	2.4%	
	Cardio Care Course 5 wk Your Reading Passport	Per Session	£17.75	£21.30	£0.55	2.7%	
	Administration charge for registration on to Courses Direct Debit	One Off	£3.67	£4.40	£0.11	2.4%	
	Group Training Sessions	Class A	Session	£6.42	£7.70	£0.20	2.7%
		Class B	Session	£5.58	£6.70	£0.15	2.3%
Class C		Session	£4.83	£5.80	£0.15	2.6%	
Class D		Session	£4.58	£5.50	£0.15	2.8%	
Class E		Session	£3.83	£4.60	£0.10	2.2%	
Class F		Session	£3.21	£3.85	£0.10	2.5%	
Pool Party		Session	£75.00	£90.00	£4.00	4.6%	
Tots		Session	£56.67	£68.00	£2.00	3.0%	
Disco		Session	£60.83	£73.00	£1.50	2.1%	
Cycling		Session	£94.17	£113.00	£3.00	2.7%	

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
Leisure						
3G Hire	South Reading Leisure Centre 3G pitch (full)	Per Hour	£146.67	£176.00	£8.00	4.8%
	South Reading Leisure Centre 3G pitch (half)	Per Hour	£73.33	£88.00	£4.00	4.8%
	South Reading Leisure Centre 3G Pitch (quarter)	Per Hour	£36.67	£44.00	£2.00	4.8%
Tennis	South Reading Leisure Centre	Per Hour	£5.25	£6.30	£0.30	5.0%
Parties	Soft Play	Session	£69.17	£83.00	£3.00	3.7%
	Bouncy Castle (Half Hall)	Session	£69.17	£83.00	£3.00	3.7%
	Sporty	Session	£104.17	£125.00	£5.00	4.2%
	Pool Inflatable	Session	£112.50	£135.00	£5.00	3.8%
	Traditional Pool	Session	£69.17	£83.00	£3.00	3.7%
Club Charges	Reading Athletics Club	Session	£36.25	£43.50	£1.50	3.6%
	Reading Road Runners Friday	Session	£28.75	£34.50	£1.15	3.5%
	Reading Road Runners Wednesday	Session	£49.17	£59.00	£1.90	3.3%
	Reading Track Cycle	Session	£33.33	£40.00	£1.20	3.1%
	Palmer Park Velo Club Use	Session	£17.50	£21.00	£0.60	2.9%
	Palmer Park Velo Club Event	Session	£24.17	£29.00	£1.00	3.6%
	Aikido	Session	£20.00	£24.00	£1.35	5.9%
MUSEUM						
School Sessions	(Session, loan, membership, talk etc)	per event	£150.00	£180.00	£1.20	0.7%
Welcome and wow talks	(Session, loan, membership, talk etc)	per event	£40.00	£48.00	£6.00	14.3%
Membership 5 boxes RBC non academy		membership	£389.00	£466.80	£4.80	1.0%
Membership 3 boxes RBC non academy		membership	£335.00	£402.00	£6.00	1.5%
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	0.0%
Reminiscence		membership	£95.00	£114.00	£6.00	5.6%
Museum introduction		per occasion	£50.00	£60.00	£6.00	11.1%
Talks - Booked privately		per talk	£80.00	£96.00	£6.00	6.7%
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 £117	From £140.40		
Corporate loans		membership	£1,000.00	£1,200.00	£0.00	
Family activities		per event	from £2			
Talks - Public		per event	£5.00		£0.00	
BERKSHIRE ARCHEOLOGY						
Charges for provision of Historic Environment Record data to commercial users	Berkshire Archaeology, DENS	Per Hour	£47.00	£56.40	£3.60	6.8%
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	£1.67	£2.00	£0.25	14.4%
Reading Arts - Membership scheme for The Hexagon	Charged at the discretion of customers, and along the booking pathway.	Per Transaction	£29.17	£35.00	£1.40	4.2%

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
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%
Roundabout Advertising	Renewal (additional 6 months)	each	£2,000.00	£2,400.00	£0.00	0.0%
	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%
Welcome to Reading Signage	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%					
	All 12 months	each	£6,000.00	£7,200.00	£0.00	0.0%
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%	
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	£1.67	£2.00	£0.25	14.4%
Reading Arts - Membership scheme for The Hexagon	Charged at the discretion of customers, and along the booking pathway.	Per Transaction	£29.17	£35.00	£1.40	4.2%
Concert Hall Room Hire	Room Hire	Day	From £2300	£2,760.00		
Concert Hall plus Tech package	Room Hire & Equipment	Day	£3,560.00	£4,272.00		
Victoria Hall Room Hire	Room Hire	Half Day/Day	From £525	£630.00		
Waterhouse Chamber Hire	Room Hire	Half Day/Day	From £220	£264.00		
Soane Space	Room Hire	Half Day/Day	From £190	£228.00		
Jane Austen/Oscar Wilde	Room Hire	Half Day/Day	From £92.50	£111.00		
Marcus Adams	Room Hire	Day	From £87.50	£105.00		
Concert Hall Daily Delegate Rate	Catering & room Hire	Day	From £47.5	£57.00		
TOWN HALL						
Victoria Hall Daily Delegate Rate	Catering & room Hire	Half Day/Day	£26.00	£31.20		
Waterhouse Daily Delegate Rate	Catering & room Hire	Half Day/Day	£31.00	£37.20		
Jane Austen/Oscar Wilde Daily Delegate Rate	Catering & room Hire	Half Day/Day	£31.00	£37.20		
Soane Space Daily Delegate Rate	Catering & room Hire	Half Day/Day	£25.00	£30.00		
Lectern PA Hire	Equipment	Day	£90.00	£108.00	£6.00	5.9%
PA Hire	Equipment	Day	£75.00	£90.00	£18.00	25.0%
Microphone Hire	Equipment	Day	£67.50	£81.00	£3.00	3.8%
Tech time	Equipment	Per hour	£32.50	£39.00	£3.00	8.3%
Monitor Hire	Equipment	Day	£45.00	£54.00	£6.00	12.5%
Additional Projector Screen	Equipment	Day	£20.00	£24.00	£2.40	11.1%
LCD Projector	Equipment	Day	£62.50	£75.00	£3.00	4.2%
Laptop Hire	Equipment	Day	£62.50	£75.00	£3.00	4.2%
Piano Hire	Equipment	Day	£100.00	£120.00	£48.00	66.7%
Piano Tuned	Equipment	Day	£110.00	£132.00	£12.00	10.0%
Lectern Hire	Equipment	Day	£17.50	£21.00	£2.40	12.9%
Flip Chart	Equipment	Each	£17.50	£21.00	£1.00	5.0%
Speaker phone	Equipment	Day	£35.00	£42.00	£2.40	6.1%
Display Board	Equipment	Day	£35.00	£42.00	£6.00	16.7%
Dance Floor	Equipment	Day	£100.00	£120.00	£30.00	33.3%
Pads & Pens	Equipment	Per person	£4.00	£4.80	£0.60	14.3%
Photocopies	Equipment	Each	£0.15	£0.18	£0.03	15.4%
Late Bar	Equipment	Event	£150.00	£180.00	£30.00	20.0%
Serving Staff	Equipment	Per hour	£20.00	£24.00	£1.20	5.3%
Security Staff	Equipment	Per hour	£22.50	£27.00	£2.00	8.0%
DJ	Equipment	Per event	£450.00	£540.00	£30.00	5.9%
Stage - Victoria Hall	Equipment	Day	£87.50	£105.00		

Proposed Fees and Charges from 1st April 2021 - Directorate of Economic Growth & Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
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	£0.00	0.0%
Reprographics		Each	£1.67	£2.00	£0.00	0.0%
Self Service Photos		Each	£0.83	£1.00	£0.00	0.0%
Self-Service Printouts		Each	£0.83	£1.00	£0.00	0.0%
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	£32.50		£0.98	3.1%
	Lunchtime Support Session	Per hour	£25.00		£1.89	8.2%
	STEPS - Travel Project	Per hour	£54.00		£1.47	2.8%
Hire	Equipment Hire - Large	per Session	£110.00		£4.94	4.7%
	Equipment Hire - Medium	per Session	£86.00		£1.95	2.3%
	Equipment Hire - Small	per Session	£54.00		£1.47	2.8%
Staff Support	0-5 Staff Support	Per hour	£17.00		£0.82	5.1%
Events	Play in the Park	per Session	£4.00		£0.85	27.0%
	Mini Kickers	Per hour	£2.50		£0.40	19.0%
	Walking Football	Per hour	£4.50		£0.30	7.1%
	Holiday Events	per Session	£7.00		£0.70	11.1%
Discretionary	Archery for over 50's	per Session	£8.00		£1.17	17.1%
	Team building	per Session	£70.00		£1.71	2.5%
Holiday Clubs Age range 4- 12	8:30am to 1pm	per Session	£10.00	£12.00	£1.00	9.1%
	1pm to 5:30pm	per Session	£10.00	£12.00	£1.00	9.1%
	9am to 3:30pm	per Session	£15.00	£18.00	£1.00	5.9%
	8:30am to 5:30pm	per Session	£20.00	£24.00	£2.00	9.1%
After School Club	Regular Session (single)	per child	£10.00	£12.00	£1.00	9.1%
	Regular Session (siblings)	per child	£9.00	£10.80	£2.00	22.8%
	Short Session (single)	per child	£7.50	£9.00	£1.00	12.4%
	Short Session (siblings)	per child	£6.75	£8.10	£1.70	26.6%

Proposed Fees and Charges from 1st April 2021 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	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 fee)	Each			£0.00	0.00%
	A person aged 18 years and over (includes strewing of cremated remains or the provision of a container and medical referee's fee). Including Environmental Levy 30min service, 45 min time slot	Each	£850.00		£20.00	2.41%
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 30 min service, 45 time slot	Each	£645.00		£15.00	2.38%
	Cremation Fee without service including environmental levy (DIRECT Crem)	Each	£305.00		£5.00	1.67%
	Memorial service or service of double length in addition to usual cremation or interment fee	Each	£420.00		£10.00	2.44%
	Witness Direct Cremation	Each	£425.00		£5.00	1.19%
	Saturday Surcharge	Each	£430.00		£15.00	3.61%
	Sunday/ Bank Holiday Surcharge	Each	£620.00		£20.00	3.33%
	Public Health Cremation Fee including environmental levy	Each	£600.00		£0.00	0.00%
Strewing of cremated remains	Remains received from another Crematorium	Each	£95.50		£3.00	3.24%
	Retention of remains on temporary deposit per month after the first month for a maximum of three months	Each	£86.00		£1.00	1.18%
	To witness the strewing of remains	Each	£45.00		£1.50	3.45%
	Unwitnessed strewing of remains	Each	£45.00		£1.50	3.45%
Certified extract from register		Each	£39.00		£0.50	1.30%
Book of remembrance	Two-line entry	Each	£67.71	£81.25	£2.25	2.86%
	Five-line entry	Each	£112.92	£135.50	£4.00	3.05%
	Five-line entry with illuminated capital	Each	£170.83	£205.00	£6.00	3.02%
	Five-line entry with floral motif, service badge etc.	Each	£191.25	£229.50	£6.50	2.92%
	Eight-line entry	Each	£152.50	£183.00	£5.00	2.81%
	Eight-line entry with illuminated capital	Each	£213.33	£256.00	£7.50	3.02%
	Eight-line entry with floral motif, service badge etc.	Each	£276.25	£331.50	£9.50	2.95%
	Full coat of arms 5-8 lines	Each	£352.50	£423.00	£12.00	2.92%
	Extra Lines upto a maximum of 11	Each	£25.21	£30.25	£0.75	2.56%
Remembrance card	Copy of a two-line entry	Each	£41.25	£49.50	£1.00	2.05%
	Copy of a five-line entry	Each	£69.58	£83.50	£1.50	1.83%
	Copy of a five-line entry with any type of motif	Each	£136.00	£163.20	£3.20	2.00%
	Copy of an eight-line entry	Each	£97.50	£117.00	£2.00	1.74%
	Copy of an eight-line entry with any type of motif	Each	£151.67	£182.00	£3.20	1.79%
Memorial vase and tablet	Purchase of vase and tablet	Each	£230.00	£276.00	£3.00	1.10%
	Renewal for period of 10 years	Each	£300.00		£6.00	2.04%
Memorial plaques	Replacement single plaque	Each	£85.42	£102.50	£3.00	3.01%
	Replacement single plaque with motif	Each	£102.50	£123.00	£4.00	3.36%
	Lease of single plaque space for 10 years *Fees are doubled in the case of a 12" x 4" double plaque	Each	£195.00		£4.00	2.09%
	Renewal of lease for baby plaque	Each	£23.50		£0.50	2.17%
	Photo Cameo on Plaque additional cost (added to normal plaque cost)	Each	£83.33	£100.00	£3.00	3.09%

Proposed Fees and Charges from 1st April 2021 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
BEREAVEMENT SERVICES						
Reading Crematorium						
Hall of Memory Tree Leaf	Lease for 5 years renewal	Each	£72.00		£1.50	2.13%
	Replacement leaf	Each	£60.42	£72.50	£2.00	2.84%
Memorial Tree	Provision of Tree, Surround and stem plaque	Each	£416.25	£499.50	£14.50	2.99%
	Lease for 10 years	Each	£620.00		£12.00	1.97%
Memorial bench	Replacement Bench	Each	£608.33	£730.00	£20.00	2.82%
	Lease for a 10 years	Each	£700.00		£15.00	2.19%
	Replacement plaque for tree or bench	Each	£129.58	£155.50	£4.50	2.98%
Wall Plaque	Purchase of memorial granite wall plaque	Each	£141.67	£170.00	£2.50	1.50%
	Lease of space for memorial granite wall plaque	Each	£300.00		£6.00	2.04%
Relocating plaque	Moving of Memorial Plaque to new location	Each	£52.50	£64.00	£2.00	1.61%
Administrative	Administration Fee	Each	£53.33	£64.00	£2.00	3.21%
Memorial Bed Garden	Replacement plaque and surround	Each	£416.25	£499.50	£14.50	2.99%
	Lease fee for 10 years	Each	£620.00		£12.00	1.97%
Birdbath Memorial Plaques	Replacement Plaque (row 1)	Each	£94.17	£113.00	£2.00	1.81%
	Replacement Plaque (row 2)	Each	£134.58	£161.50	£2.00	1.25%
	Replacement Plaque (row 3)	Each	£187.50	£225.00	£2.50	1.12%
	Replacement Plaque (row 4)	Each	£256.67	£308.00	£4.00	1.32%
	Replacement Plaque (row 5)	Each	£322.50	£387.00	£4.00	1.04%
	Renewal of Lease (10 years)	Each	£300.00		£6.00	2.04%
Sanctums	Granite Tablet (no motif)	Each	£370.83	£445.00	£13.00	3.01%
	Lease for further 25 years	Each	£690.00		£20.00	2.99%
Baby Grave Galvanised Sculpture	Plaque for baby grave	Each	£115.42	£138.50	£4.00	2.98%
	Replacement plaque	Each	£67.08	£80.50	£0.00	0.00%
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					
	Section B	Each	£2,410.00		£70.00	2.99%
	Section D	Each	£1,926.00		£56.00	2.99%
	Section G & Mayfield Traditional	Each	£1,500.00		£55.00	3.81%
	* For details of the locations of Sections B, D and G please call at the Cemetery office to					
	b) The lawn or park Cemetery in an earth grave 9 feet by 4 feet	Each	£1,075.00		£30.00	2.87%
	d) Desk Vase Tablet cremated remains plot for 2 set of ashes	Each	£570.00		£17.00	3.07%
	e) Grave purchased/ reserved for future use (trebled if out of borough)	Each	£540.00		£15.00	2.86%
	* 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					

Proposed Fees and Charges from 1st April 2021 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease) %	Increase/ (decrease) %
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	£215.00		£5.00	2.38%
	*Extension to lease for exclusive rights of burial for 15 yrs period on lawn graves	Each	£275.00		£5.00	1.85%
	*Extension to lease for exclusive rights of burial for 25yrs period on lawn graves	Each	£420.00		£10.00	2.44%
	*Extension to lease for exclusive rights of burial for 10 yrs period on traditional graves	Each	£285.00		£5.00	1.79%
	*Extension to lease for exclusive rights of burial for 15 yrs period on traditional graves	Each	£355.00		£5.00	1.43%
	*Extension to lease for exclusive rights of burial for 25yrs period on traditional graves	Each	£585.00		£10.00	1.74%
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					
Burials	Dig Fee to be claimed from Children's Funeral Fund (CFF) for interment of Stillborn to <5 years old.	Each	£120.00		£0.00	0.00%
	Dig Fee to be claimed from CFF for interment of a child aged 5-17yrs old	Each	£260.00		£0.00	0.00%
	c) If the body is that of a person aged 18 years or over	Each	£840.00		£25.00	3.07%
	d) Cremated remains in an existing grave or a cremated remains plot	Each	£145.00		£5.00	3.57%
	Dig Fee to be claimed from CFF for interment of cremated remains stillborn to <5 years old	Each	£15.50		£0.50	3.33%
	Dig Fee to be claimed from CFF for interment of cremated remains of a child aged 5-17yrs old	Each	£33.00		£1.00	3.13%
	f) Cremated Remains returned from elsewhere for Burial	Each	£50.50		£1.50	3.06%
	g) For any burial below 6 feet in depth an additional charge will be made per burial Additional depth for child under 18	Each	£297.00 £182.00		£9.00 £0.00	3.13% 0.00%
Common grave	In a grave where an exclusive right of burial has not been granted:					
	a) If the body is that of a stillborn child or under 5 years old	Each	£0.00		£0.00	0.00%
	b) If the body is that of a person over 5 years old	Each	£144.50		£4.50	3.21%
	c) If the body is that of a person aged 18 years or over (Public Health)	Each	£840.00		£25.00	3.07%
* 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	£290.50		£8.50	3.01%
	b) Lawn, Park and Mayfield Cemetery	Each	£202.00		£6.00	3.06%
	c) Park cremated remains section flat stone & DVT's	Each	£74.50		£2.00	2.76%
	f) Cremated Remains Headstone Section	Each	£74.50		£2.00	2.76%
Other fees and charges	Transfer of grant of exclusive right of burial	Each	£76.67	£92.00	£2.00	2.23%
	Search Fee - up to 4 records per enquiry	Each	£13.75	£16.50	£0.50	3.15%
	Search Fee - for 1 record	Each	£4.08	£4.90	£0.15	3.00%
	Exhumation of Cremated Remains	Each	£266.00		£8.00	3.10%
	Use of chapel prior to burial for stillborn child or a child under 18 years old	Each	£67.00		£2.00	3.08%
	Chapel Fee Prior to a Burial for person over 18 years old	Each	£425.00		£5.00	1.19%
	Administration Fee for Public Health Funeral	Each	£231.67	£278.00	£8.00	2.96%
	Charge for provision of a Quran grave	Each	£840.00		£25.00	3.07%
	Bench Maintenance (Powerwash and treatment with teak oil)	Each	£70.83	£85.00	£2.50	3.03%
	Removal of trees from plots	Each				0.00%
	Grave Maintenance	Each	£70.83	£85.00	£2.50	3.03%

Proposed Fees and Charges from 1st April 2021 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
BEREAVEMENT SERVICES						
Reading Cemetery						
Webcast Services	Live Webcast (upto 20 viewers)	Each	£29.17	£35.00	£0.00	0.00%
	Live+On-Demand Webcast for up to 28 days and downloadable	Each	£41.25	£49.50	£0.50	1.03%
	Physical copy of Webcast recording on DVD, blu-ray or USB memory stick and audio cd	Each	£46.67	£56.00	£1.50	2.75%
	Additional Physical copy CD, DVD, Blu-ray or USB	Each	£22.29	£26.75	£0.75	2.86%
Visual Tributes	Single Photo	Each	£11.58	£13.90	£0.40	2.93%
	Slideshow (up to 25)	Each	£35.62	£42.75	£1.25	3.01%
	Photo Tribute (up to 25)	Each	£63.96	£76.75	£2.25	3.03%
	Additional 25 photos	Each	£21.46	£25.75	£0.75	3.02%
	Photos & Video Tribute (up to 2 minutes)	Each	£83.25	£99.90	£2.90	2.99%
	Self Build Checking	Each	£18.75	£22.50	£0.50	2.29%
	Additional Time for tributes etc:				£0.00	0.00%
	DVD of Pro Photo tribute only	Each	£22.29	£26.75	£0.75	2.86%
	Physical Copy of Webcast recording including the Pro Photo Tribute on DVD, Memory Stick, Blu-ray	Each	£66.88	£80.25	£2.25	2.89%
	Downloadable copy of Pro Photo tribute	Each	£11.25	£13.50	£0.50	3.88%
Extra Work required on tributes	Each	£22.29	£26.75	£0.75	2.86%	
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.					

Proposed Fees and Charges from 1st April 2021 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
REGISTRATION SERVICE						
Registration Service	Notice of marriage or partnership	Per Person	£35.00	£35.00	£0.00	0.00%
Registration Service (Twice monthly - Tuesday Am only)	Registrar's attendance at Register Office marriage or civil partnership	Per couple	£46.00	£46.00	£0.00	0.00%
Registration Service	Registrar's attendance at outside church	Per couple	£90.00	£90.00	£0.00	0.00%
Registration Service	Attendance at place of detention or house for notice of marriage or partnership	Per couple	£300.00	£300.00	£0.00	0.00%
Certificates	Registration Certificate at first time of registering the event	Per Certificate	£11.00	£11.00	£0.00	0.00%
	Express Service Replacement Certificate	Per Certificate	£35.00	£35.00	£0.00	0.00%
	Replacement certificate Closed Register -Postal/Telephone/web Incl. admin fee	Per Certificate	£11.00	£11.00	£0.00	0.00%
REGISTRATION SERVICE						
Correction Fee	Correction completed by Register office	Per correction	£75.00	£75.00	£0.00	0.00%
	Correction referred to GRO		£90.00	£90.00	£0.00	0.00%
	Amendment to birth record with 12 months of registration		£40.00	£40.00	£0.00	0.00%
Foreign Divorce admin fee	The administration of foreign divorces when giving notice of marriage or CP.	Per Person	£75.00	£75.00	£0.00	0.00%
Citizenship Ceremonies	Individual Citizenship Ceremony at The Town Hall (up to max of 10 people)	Per Person	£98.83	£120.00	£5.00	3.13%
	Friday & Saturday Individual Citizenship Ceremony at the Town Hall (up to max of 10 people)	Per Person	£137.50	£164.00	£5.00	3.77%
Approved Premises Marriages - (9am to 5pm)	Monday to Thursday (9am to 5pm)	Per Couple	£330.00	£395.00	£5.00	1.54%
	Friday & Saturday (9am to 5pm)	Per Couple	£380.00	£455.00	£5.00	1.33%
	Sunday & Bank Hols (9am to 5pm)	Per Couple	£409.17	£490.00	£5.00	1.24%
Approved Premises Marriages - After 5pm <small>(Min of 2 -3 staff required. Registrar to conduct the</small>	Venue: Monday to Thursday	Per Couple	£330.00	£395.00	£5.00	1.54%
	Venue: Friday & Saturday	Per Couple	£384.00	£460.00	£4.00	1.05%
	Venue: Sunday & Bank Hols	Per couple	£417.50	£499.00	£4.00	1.21%
New Ceremony Room: Reading Museum & Town Hall (Marriages / Civil Partnerships) <small>(Only to 4pm as Town Hall closes)</small> <small>(Min of 2 -3 staff required.</small>	Monday to Thursday	Per Couple	£135.33	£162.00	£2.00	1.50%
	Friday & Saturday	Per Couple	£225.50	£270.00	£3.00	1.35%
	Sunday & Bank Hols	Per Couple	£409.17	£490.00	£5.00	1.24%
Renewal of Vows & Baby Naming <small>(1 member of staff required)</small>	Monday to Thursday	Per Ceremony	£132.00	£158.00	£2.00	1.54%
	Friday & Saturday	Per Ceremony	£160.50	£192.00	£3.00	1.90%
	Sunday & Bank Hols	Per Ceremony	£187.33	£224.00	£4.00	2.18%
Approval of venues for marriages or Civil Partnerships (up to 2 rooms)	Renewal of marriage or Civil Partnership licence	Per Venue	£1,416.67	£1,700.00	£0.00	0.00%
Administrative fee	For services offered on a Saturday such as Notices of Marriage	Per Person	£18.95	£22.75	£0.25	1.07%
	Changes to booking	Per Person	£18.95	£22.75	£0.25	1.07%

Proposed Fees and Charges from 1st April 2021 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2021	Fee including VAT	Increase/ (decrease)	Increase/ (decrease) %
GIS - MAPPING						
Street Naming & Numbering	New addresses	Each	£46.00	£55.20	£0.00	0.00%
	New streets	Each	£264.00	£316.80	£0.00	0.00%
LEGAL SERVICES						
Right to Buy	Engrossment Fee (Freehold)	Per Transfer	£70.00	£84.00	£6.00	7.69%
	Engrossment Fee (Leasehold)	Per Lease	£80.00	£96.00	£6.00	6.67%
Requisition (LLC1) Postal	Search using LLC1 form only	per search	£30.00	£36.00	£0.00	0.00%
***Standard Enquiries (CON29) Postal	Search using CON29 form only	per search	£83.00	£99.60	£0.00	0.00%
Full Search LLC1 and CON29	Search using LLC1 and CON29 form	per search	£113.00	£135.60	£0.00	0.00%
Copy documents	Copy document	per request	£25.00	£30.00	£0.00	0.00%
INCOME & RECOVERY						
Council Tax Summons Cost		Per summons issued	£111.00		-£3.00	-2.63%
Business Rates Summons Cost		Per summons issued	£157.00		-£3.00	-1.88%
Civil Penalties Housing Benefits		per case identified	£50.00		£0.00	0.00%
Civil Penalties Council Tax		per case identified	£70.00		£0.00	0.00%
DEMOCRATIC SERVICES						
Admission Appeals - Charge per appeal		per admission appeal heard	£200.00	£240.00	£0.00	0.00%
School Exclusion Review Hearing		per review heard	£650.00	£780.00	£0.00	0.00%
Admission Appeals - Admin Charge	Withdrawn/ Settled (W/S) Appeals	per admission appeal W/S after papers circulated	£50.00	£60.00	£0.00	0.00%
CUSTOMER SERVICES						
Blue Badges (New & Renewals)	Disabled Parking Badge	Each	£10.00		£0.00	0.00%
COMMUNICATIONS						
Event pitch fee	Charity	Per event	£20.00	£24.00	£0.00	0.00%
Event pitch fee	Charity with 10% early bird discount	Per event	£18.00	£21.60	£0.00	0.00%
Event pitch fee	RBC affiliated charity	Per event	£10.00	£12.00	£0.00	0.00%
Event pitch fee	RBC affiliated charity with 10% early bird discount	Per event	£9.00	£10.80	£0.00	0.00%
Event pitch fee	Community	Per event	£30.00	£36.00	£0.00	0.00%
Event pitch fee	Community with 10% early bird discount	Per event	£27.00	£32.40	£0.00	0.00%
Event pitch fee	Commercial	Per event	£100.00	£120.00	£0.00	0.00%
Event pitch fee	Commercial with 10% early bird discount	Per event	£90.00	£108.00	£0.00	0.00%
Event pitch fee	Food trader	Per event	£150.00	£180.00	£0.00	0.00%
KENNET DAY NURSERY						
Over 2 yrs - RBC		Daily rate (2 sessions)			-£48.03	N/A
Under 2yrs - RBC		Daily rate (2 sessions)			-£50.30	N/A
Over 2 yrs - Non RBC		Daily rate (2 sessions)			-£51.66	N/A
Under 2yrs - Non RBC		Daily rate (2 sessions)			-£53.89	N/A
3 yrs and over - RBC		Daily rate (2 sessions)	£49.44		£49.44	N/A
Under 3 yrs - RBC		Daily rate (2 sessions)	£51.44		£51.44	N/A
3 yrs and over - Non RBC		Daily rate (2 sessions)	£54.24		£54.24	N/A
Under 3 yrs - RBC		Daily rate (2 sessions)	£56.24		£56.24	N/A
* 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						
Training	Places on training for school staff (1 day)	per place	£67.82		£1.82	2.75%
	Places on training for PVI sector	per place	£33.91		£0.91	2.75%

Equality Impact Assessment

Name of proposal/activity/policy to be assessed

2021/22 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: 19th January 2021

What is the aim of your policy or new service?

The aim of the Medium-Term Financial Strategy is to deliver a balanced and affordable budget that ensures the Council's finances are sustainable in both the short (one year) and medium term (three years). That in the longer term the Council's finances are not reliant on the unsustainable use of one-off reserves or funding and that 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'.

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. And 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.

Who are the main stakeholders and what do they want?

Residents, businesses, councillors and council staff in Reading.

Our citizens panel Covid-19 survey indicates at priorities for residents since the pandemic have changed slightly. Their highest priorities now are: health services, access to open countryside and clean streets. This compares to the results to a similar question asked to the panel 2018 where their highest priorities were: level of crime, clean streets, good schools.

The survey also showed some differences across equality characteristics.

More younger people said they would need help with debt advice, mental health support and childcare services.

More respondents from BAME communities felt they will need help with debt advice, mental health support, employment services, childcare services and befriending.

More respondents with disabilities feel they will need support with debt advice, food banks, mental health support, shopping and befriending.

All groups need some help with using online services.

Assessment of Relevance and Impact

The draft budget proposes 69 new business cases for change as set out in Appendix 3. The Equality duty has been considered for each of these proposed savings. For the majority of these the Equality Duty is not relevant to the changes proposed or no negative impact is identified under the Equality Duty.

For 17 of the proposed changes an Equality Impact Assessment will be required as the proposals are developed. These are:

Appendix 8

Ref	Change Proposal	Reason for Equality Impact Assessment
DACHS-2021-05 rev	Supporting Young People into adulthood (pressure)	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. Equality impact assessment may be required for individual proposals
DACHS-2021-19 rev	Supporting Young People into adulthood (savings target)	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. Equality impact assessment may be required for individual proposals
DACHS-2021-22 rev	Workforce Review	Potential for impact on staff. EQIA will be informed by consultation in Jan 21 & March 21
DACHS-2122-NEW-01	Alternative to Residential and Nursing Care for 18 to 64 Year Olds	Equality impact assessment may be required for individual proposals
DACHS-2021-21 rev	Outcome based delivery support (Promoting Independent Living)	Service users and their families could also 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. Equality impact assessment may be required for individual proposals
DACHS-2122-NEW-02	Efficiency savings secured through Public Health re-procurements	DAAT service users may experience an altered level of service/ access to treatment. Potential impact on success treatment completions and drug related harm in Reading. Consolidating of adults and young person service may be less desirable for some service users.
DEGNS-2122-02	Workforce Review	Potential for impact on staff
DEGNS-2021-33	Fundamental Service Review - Planning and Regulatory Services	Potential for impact on staff. EQIA will be completed in January 2021.

Appendix 8

Ref	Change Proposal	Reason for Equality Impact Assessment
DEGNS-2122-05	Unachievable licencing income due to Covid-19	Potential for impact on protected characteristic due to the demographic profile of taxi economy in Reading. EQIA will be completed in January 2021.
DEGNS-2122-08-rev	Town Hall Covid-19 income pressure and recovery plan	Potential for impact on staff
DEGNS-2122-10	Street Lighting Energy	Potential impact for access and safety for protected characteristics
DEGNS-2021-78	Commercialisation Direct Services	Potential for impact on staff
DEGNS-2122-13-rev	Review of office and workspace requirements	Potential for impact on staff
DOR-2021-06	New customer services model (Phase 2)	Potential for impact on staff. EQIA will be completed in January 2022 when the full consultation takes place
DOR-2122-NEW-03	Redesign of Reception Centre to reflect greater self-service options	Potential for impact on staff
DOR-2122-NEW-06	Reduction in staffing levels for HR and OD	Potential for impact on staff
COR-2122-NEW-01	Corporate Contractual Changes	Potential for impact on staff.

10 of these proposals have a potential for equality impact on staff. 4 of these proposals have a potential for impact on younger users of Adult Care services. Equality Impact Assessments will be undertaken and the outcomes reported back for consideration by the relevant committee as proposals are developed.

DEDICATED SCHOOLS GRANT 2021/22

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:

- Schools Block - funds mainstream primary and secondary schools through the school formula, and growth funding for new growing schools/bulge classes.
- High Needs Block - funds places in special schools, resource units and alternative provision, and top up funding for pupils with EHCPs in all settings including non-maintained, independent, and further education colleges.
- Early Years Block - funds nursery schools, nursery classes in mainstream schools, and early year's settings in the private, voluntary and independent (PVI) sector through the free entitlement for 2, 3 & 4 year olds.
- Central Schools Services Block - funds services provided by the local authority/Brighter Futures for Children centrally for all schools, such as the admissions service.

1.2 The allocations for 2021/22 were published by the Government on 17th December 2020. Most are now fixed for the year; part of the high needs block will be confirmed later in the year (July 2021), and the early years block will be based on data from future census', although the funding rates are now confirmed.

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.

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/council/policies-finance-and-legal-information/education-budgets-and-funding/schools-forum-meeting-papers/>

2. Overall DSG Allocation for 2021/22

2.1 Table 1 sets out the DSG funding allocations for 2021/22 as published by the Government on 17th December 2020 and compares to the revised 2020/21 allocations. A more detailed breakdown is in Annex 1. 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 2021/22 due to Cranbury College transferring to an academy trust during 2020/21.

Table 1. DSG allocations per block

BLOCK	2020/21 REVISED (£'000)	2021/22 ORIGINAL (£'000)	Change (£'000)	Change (%)
Schools Block	95,536	103,481	7,945	8.3%
Central Schools Services Block	1,218	1,167	(51)	(4.2%)
Early Years Block	12,832	12,981	149	1.2%
High Needs Block	22,394	24,658	2,264	10.1%
TOTAL (Gross)	131,980	142,287	10,307	7.8%
Less Recoupment - schools	(49,165)	(54,699)	(5,534)	
Less Recoupment - High Needs	(3,829)	(4,177)	(348)	
TOTAL (Net)	78,986	83,411	4,425	

2.2 Overall, the DSG will increase by £10.3m (7.8%) from £132m to £142.3m. However, this is not all new money as teachers pay and pension grants totalling £4.634m has now been added to the DSG, which means the real funding increase is £5.673m or 4.3%. This compares to the 6.5% increase last year, the main difference being that pupil numbers have not increased by the same level of increase as last year.

3. Schools Block Budget for 2021/22

3.1 The Schools Block allocation has increased by £7.945m to £103.481m, but excluding the grants added and the growth fund, the increase is just over £4m (4.4%). Of this increase, approximately £1.1m is due to overall increases in pupil numbers - an additional £1.481m in secondary for an additional 250 pupils, and a reduction of £0.376m in primary as numbers in this sector have gone down by 83. The rest of the increase is additional funding on a per pupil level (3.2%), allocated through an increase to the funding values. Growth funding has gone down by over £0.5m using the new formula allocation.

3.2 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 2020 census pupil numbers to give the final funding allocation for the following year.

- 3.3 The schools block budget has been set based on the recommendations and decisions made at the December 2020 meeting of the Schools' Forum.
- 3.4 At this meeting it was agreed to transfer £484k from the schools' 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.
- 3.5 The overall allocation includes £0.844m for growth funding. Part of this (£292k) is used in the school funding formula for new/expanding schools (Civitas and Green Park), the remainder (£552k) is being ring-fenced and set aside for bulge classes and other expansions in 2021/22 as agreed at the December 2020 meeting of the Schools' Forum.
- 3.6 The bulk of the funding is allocated to primary and secondary schools using the locally agreed school funding formula. The actual DSG funding received and available may not enable the NFF to be replicated in full due to there being a mismatch between the funding received and what would have been allocated to schools through a hard NFF:
 - Differences in the pupil characteristics data from the previous year which is driving the DSG funding compared to the October 2020 census on which the formula funding allocations to schools is based (which may result in funding which is higher or lower than the actual requirement).
 - Increases in business rates bills and other premises costs compared to the historical figures on which the DSG funding is based.
 - Growth funding requirements not met by the allocation, and so a top slice is required.
 - Funding transfers to other blocks (namely high needs).
 - Overspends in the previous financial year which are a first call on resources in the following year. This will only happen for business rates and growth funding.
- 3.7 Bearing this in mind, the approach to setting the school formula for 2021/22 is to mirror as far as possible the NFF. 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 method for setting the formula was agreed at the December 2020 Schools' Forum meeting:
 - Start with all factors and values mirroring the 2021/22 national factors and values including Reading's Area Cost Adjustment (ACA), except the

lump sum which is at the NFF rate excluding the ACA - this is the same as the 2020/21 position. Business rates to be increased as per the national revised multiplier rates (funding for business rates in the formula is at actual cost).

- If there is a shortfall in funding, reduce all the main formula factors by the same percentage. The minimum per pupil funding levels will remain at the national levels and the minimum funding guarantee will remain at 2%.
- An adjustment will be made to the lump sum amount if this is required to balance the budget by a small amount (this could be upwards or downwards).

3.8 The Council has approved this approach, and the actual DSG allocation received in December has enabled the NFF values to be mirrored *including* the ACA for *all* factors except the lump sum, so they have all been increased to this level and no reduction was required. The lump sum has been slightly reduced from the NFF value excluding the ACA due to there being just a small shortfall of £30k, but it has still increased by 1.74%. The Government has frozen Business Rate increases for 2021/22, which has helped to maintain this funding position. Annex 2 shows all the formula factors and their final values compared to the previous two years.

3.9 Annex 3 shows the final formula allocations for each individual school and compares this to the 2020/21 allocations. When excluding the increases for the teachers' pay and pension grants, on average, primary schools have gained by 3.41% per pupil and secondary by 2.47% per pupil, though there is a large range with some schools receiving more than 4% or less than 2%. Eleven schools are receiving the Government's minimum per pupil funding level of £4,180 primary (8 schools) and £5,415 secondary (3 schools). Fourteen schools (compared to 3 last year) are on the minimum funding guarantee increase of 2% per pupil (for pupil led funding only, this excludes the lump sum and business rates) - mainly due to the impact of the update to the 2019 deprivation data. All schools are now on higher per pupil funding (excluding the minimum funding guarantee) than prior to the 2018/19 changes to the NFF.

3.10 Fourteen schools will have an overall reduction in funding due to reductions in pupil numbers. Where these are significant (around 30 pupils), many of 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 budget.

3.11 Reading is in a good position by being able to continue to virtually mirror the NFF without needing to make reductions to formula factor values, and many schools are seeing significant increases due to receiving minimum per pupil funding levels. This will be the second year running of funding increases, and

it remains to be seen whether the third year increases originally promised by the Government (for 2022/23) will be forthcoming.

- 3.12 The Pupil Premium Grant for schools will continue in 2021/22, but there is no change to the funding rates. The funding will be based on the October 2020 census rather than January 2021 census (except PRUs which will continue to be based on January census). No announcements have been made yet on any other grants, except that the Free School Meals Supplementary Grant will cease following the February 2021 payment. The teachers' pay grant and teachers' pension grant have now been added into the school formula and are no longer separate grants for primary and secondary schools.

4. Central Schools Services Block Budget for 2021/22

- 4.1 The central school services block allocation has gone down overall by £0.051m to £1.167m, due to the phasing out of funding for historical commitments. There has been a small increase for the other services it funds.
- 4.2 In order to balance the budget in this block, some of 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.

5. Early Years Block Budget for 2021/22

- 5.1 The hourly funding rates in the early years block for 3 & 4 year olds will increase by just 6 pence (1.15%), and for 2 year olds an increase of 8 pence (1.37%). There will be no change to the early year's pupil premium rate or disabled access fund rate. Based on January 2020 census recorded hours, this is an overall increase of just £0.145m. It has not yet been confirmed by the Government what census the actual allocations will be based on - in usual circumstances this will be January 2021 hours (5/12 for funding of the summer term) and January 2022 hours (7/12 for funding of the Autumn and Spring terms). The Government is currently reviewing this. The maintained nursery school lump sum will continue at least until August 2021, but it is conditional for the period September to March 2022. The teachers' pay and pension grants will be paid to nursery schools and schools with nursery classes separately and have not been added to the DSG.
- 5.2 The percentage increase to the early year's block is minimal compared to the schools and high needs blocks. It is intended to pass on the full increase to providers by increasing the provider funding rates by at least 6p. The deprivation funding rate increased in 2020/21 to £0.97 and hopefully this can be maintained at the same rate.

5.3 The budgets for provider payments to be made from the early years block cannot be calculated until the Government has determined which census the funding will be based on. If it is to be January 2021 this information should be available late February; however, If numbers are lower than normal in January but then return to more normal levels in the Summer, this would then create a pressure on this budget, so caution will need to be exercised, with a reasonable contingency held back in order to keep the budget in balance. Details on these budgets will be discussed at the Schools' Forum in March.

5.4 Central budgets funded by this block will remain virtually the same as in 2020/21. 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.

6. High Needs Block Budget for 2021/22

6.1 There is no change to the High Needs funding 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 2020/21 allocation. On this basis, the allocation for the high needs block (excluding the additional amount for grants) is increasing by £1.967m (8.78%). The total funding for this block will be £24.658m including grants. Most of this is already confirmed funding; the import/export adjustment of -£1.9m will be confirmed in July.

6.2 The additional high needs funding will be just under £2m yet the deficit to be carried forward at the end of the 2020/21 financial year is currently forecast at around £2.3m. However, as the number of pupils with EHCPs and costs of their placements continue to increase, most if not all the additional funding will go towards these increases in costs.

6.3 As at December 2020 the estimate of top up costs for next year based on current placements (without any additional increase to numbers or for inflation) is £16.4m, an increase of £0.845m compared to the 2020/21 budget and £1.7m increase compared to the 2019/20 actual outturn. In determining the budget for next year the latest data will be used and assumptions will be made on the increases to overall numbers and inflation to be added. The top up banding system for Reading schools is currently being reviewed and whatever the outcome of this review it will most likely result in an increase to the top up funding rates and therefore an increase in costs.

6.4 The numbers of places in local specialist provision are increasing, with new resource provision places being established and additional places in special schools. The expenditure for all additional places will need to be added to the place funding budget, currently estimated at around an additional £350k.

- 6.5 The deficit recovery plan (see below) will also be refreshed, and a three year projection made using the same base data and assumptions.
- 6.6 In addition to place and top up funding for pupils with EHCPs, there are some central budgets funded from the high needs DSG, and these are not expected to increase significantly.

7 Deficit Recovery Plan

- 7.1 The high needs block has been in deficit for several years. Approximately 85% 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 and the fact that the annual high needs block allocation didn't increase for several years 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: January 2020	1,391	115
20/21: December 2020	1,462	71

- 7.2 The DSG deficit is now ring-fenced and 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 no longer requires the consent of Schools' Forum. This provides certainty to local authority finances.
- 7.3 In 2019/20, the high needs block balanced in-year and part of the deficit was repaid, despite the continuing pressure of increasing numbers of EHCPs. In previous years transfers of funding between blocks including using underspend from other blocks helped bring the deficit down, from its peak of £3.4m at

the end of 2016/17 to a year end position at 31/3/20 of £2.090m. The 2020/21 plan assumed a closing deficit of £1.8m, and the recovery to have been achieved by the end of 2022/23. However, the top up budget is currently overspending by approximately £0.5m and it is likely the closing position for 31/3/21 will be nearer £2.3m deficit.

7.4 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 to avoid having to seek more expensive out of county placements for the growing numbers of pupil's requiring support. New resource unit places are being developed locally (one opened in September 2020 which will gradually expand to 12 places, a second 12 place unit is due to open in September 2021). A new special school located in Wokingham is being built and should start admitting pupils in September 2022. Innovative ways of increasing the number of places at our existing special schools are also being explored.
- 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. In 2020/21 this cost is being met by a top slice from the schools' block DSG, and for 2021/22 this budget has been increased by schools agreeing to a higher transfer. The current banding system is currently under review to ensure the top up funding levels are realistic.
- The investment of some funds to improve the SEND commissioning element that review SEND placements/contracts. Challenging costs and ensuring inflation is contained to a reasonable realistic level is a key role.
- The increase in allocation of the HNB DSG by approximately £2.0m in 2020/21, and a similar amount in 2021/22 has been key to meeting the increase in demand and containing the deficit. Future increases at similar levels will be vital whilst the numbers of EHCPs continue to rise.

7.5 The DSG conditions of grant for 2020/21 changed and now states that any LA with an overall deficit on its DSG account at the end of 2019/20, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the DfE for managing their future DSG spend. The plan should be shown to the local Schools' Forum and should be kept regularly updated throughout the year to reflect the most recent forecast position and be viewed as an on-going live document. BFFC has been presenting and updating the plan for Schools' Forum as part of budget monitoring for the last two

years, so this is nothing new for Reading. The 2020/21 plan was submitted to the DfE in May 2020 and Officers and Councillor Pearce met with the DfE in June 2020, who were satisfied with the plan and progress made.

7.6 The impact of the December 2020 budget monitoring forecast on the 2020/21 recovery plan is shown in Table 3. The assumptions are as follows:

- End of year High Needs Block deficit for 2020/21 will be 2.3m.
- High Needs Block DSG will increase by £2m in 2022/23 and by £0.5m 2023/24.
- All other blocks will balance within 2 years and their in-year under/over spends are not included in the plan.
- The 2020/21 overspend is built into the base budget for 2021/22.
- Top up costs rise by an average of 2% annually (note most increases are from September, on an academic year basis).
- The number of placements will increase annually by 100.
- Non top up costs remain static.

7.7 On this basis, recovery of the deficit will happen in 2023/24, but this is assuming the original trends on EHCPs are not exceeded and is very much dependent on the future high needs DSG allocations continuing to rise.

Table 3: Current DSG Recovery Plan (at December 2020)

	2020/21 Original Budget £m	2020/21 Current Forecast £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
High Needs Expenditure	18.356	19.118	19.939	21.292	22.811
High Needs Income	(18.660)	(18.916)	(20.660)	(22,660)	(23.160)
High Needs In-Year Deficit/(surplus)	(0.303)	0.202	(0.721)	(1.368)	(0.349)
Add B/F Deficit	2.090	2.090	2.293	1.572	0.204
Current Year End Position	1.787	2.293	1.572	0.204	(0.145)
Original Year End Position in 2020/21 Plan		1.787	0.606	(1.224)	

7.8 A detailed refresh of the plan will be completed by May 2021 to include the actual end of year outturn, and using the latest data, forecasts and assumptions. It is likely that all the additional £2m of funding will be required to offset increases in both numbers of top ups and increases to costs. It is therefore unlikely that there will be a decrease to the deficit in 2021/22 as shown in the table above.

- 7.9 The position nationally is that there is a large proportion of local authorities with their high needs blocks in significant deficit, many with no plan to recover the deficit, and in year deficit's doubling. The Government recognises that there is a national SEND funding crisis and information from them on future funding plans and solutions are expected in due course.

8 Annexes

Annex 1 - DSG Allocations 2020/21 and 2021/22

Annex 2 - Final Formula Factors and Values 2019/20 to 2021/22

Annex 3 - Final 2021/22 School Formula Allocations for Primary and Secondary Schools

Annex 1 - DSG Allocations 2020/21 and 2021/22

	2020/21 ACTUAL		2021/22 ESTIMATE		YEAR ON YEAR CHANGE		
		Funding £'000		Funding £'000	£'000	%	Notes
Schools Block (SB):							
Primary Unit of Funding (PUF)	£4,172.37		£4,500.65		+£327		Confirmed (£180 for grants)
<i>Primary Pupil numbers & funding</i>	13,096.5	54,644	13,013.0	58,567	+3,923	+7.18%	Confirmed
Secondary Unit of Funding (SUF)	£5,503.69		£5,924.46		+£421		Confirmed (£265 for grants)
<i>Secondary Pupil numbers & funding</i>	6,952.5	38,264	6,952.5	42,671	+4,407	+11.52%	Confirmed
Premises		1,283		1,399	+116	+9.04%	Confirmed
TOTAL SB excl. Growth		94,191		102,637	+8,446	+8.97%	
Growth Funding Factor		1,345		844	-501	-37.25%	Confirmed
TOTAL SB		95,536		103,481	+7,945	+8.32%	
TOTAL SB excl. Grants & growth fund		94,191		98,308	+4,117	+4.37%	
Central School Services Block (CSSB):							
Unit of Funding	£33.61		£36.20		+£2.59		Confirmed (£0.42 for grants)
<i>Pupil Numbers</i>	20,049	674	20,215.5	732	+58	+8.61%	Confirmed
Historic Commitments		544		435	-109	-20.0%	Confirmed (Planned reduction by ESFA)
TOTAL CSSB		1,218		1,167	-51	-4.19%	
High Needs Block (HNB):							
Formula		22,778		24,688	+1,910	+8.39%	Confirmed
Hospital & AP pay grants		197		279	+82	+41.62%	Confirmed (£66k for grants)
Place Funding Unit of Funding	£4,212.86		£4,907.98				Confirmed (all increase for grants)
<i>Place Numbers</i>	322	1,357	332	1,629	+272	+20.04%	Confirmed
Import/Export Adjustment		-1,938		-1,938			Based on Oct 20 census & Jan 21 ILR
Total HNB		22,394		24,658	+2,264	+10.11%	
Total HNB excl. Grants		22,394		24,361	+1,967	+8.78%	

Early Years Block (EYB):							
3 & 4 Year Old Funding Rate	£5.22		£5.28				Confirmed
3 & 4 year olds numbers & funding	3,786	11,265	3,786	11,394	+129	+1.15%	To be based on Jan 21 & Jan 22 census
2 Year Old Funding Rate	£5.82		£5.90				Confirmed
2 Year old numbers & funding	351.7	1,167	351.7	1,183	+16	+1.37%	To be based on Jan 21 & Jan 22 census
Pupil Premium		103		103	0		To be based on Jan 21 & Jan 22 census
Disabled Access Fund		37		41	+4		
Maintained Nursey Grant		260		260	0		Not yet confirmed
Total EYB		12,832		12,981	+149	+1.16%	
TOTAL ALL BLOCKS		131,980		142,287	+10,307	+7.81%	
TOTAL ALL BLOCKS Excluding GRANTS added		131,980		137,653	+5,673	+4.30%	

Annex 2 - Final Formula Factors and Values: 2019/20 to 2021/22

Formula Values	2019/20			2020/21			2021/22			Notes to 2021/22 actual values (Reading ACA is 1.03468)
	NFF	Reading NFF with ACA	Reading Actual	NFF	Reading NFF with ACA	Reading Actual	NFF	Reading NFF with ACA	Reading FINAL	
Basic Entitlement:										
Primary	£2,747.00	£2,841.00	£2,841.00	£2,857.00	£2,954.31	£2,954.00	£3,123.00	£3,231.31	£3,231.00	as per NFF with ACA
Secondary - KS3	£3,863.00	£3,995.00	£3,863.00	£4,018.00	£4,154.85	£4,154.00	£4,404.00	£4,556.73	£4,556.00	as per NFF with ACA
Secondary - KS4	£4,386.00	£4,536.00	£4,386.00	£4,561.00	£4,716.35	£4,716.00	£4,963.00	£5,135.12	£5,135.00	as per NFF with ACA
Deprivation:										
Free School Meals - Primary	£440	£455	£440	£450.00	£465.33	£465.00	£460.00	£475.95	£475.00	as per NFF with ACA
Free School Meals - Secondary	£440	£455	£440	£450.00	£465.33	£465.00	£460.00	£475.95	£475.00	as per NFF with ACA
Free School Meals Ever 6 - Primary	£540	£558	£540	£560.00	£579.07	£579.00	£575.00	£594.94	£594.00	as per NFF with ACA
Free School Meals Ever 6 - Secondary	£785	£812	£785	£815.00	£842.76	£842.00	£840.00	£869.13	£869.00	as per NFF with ACA
IDACI Band F (0.2 - 0.25) - Primary	£200	£207	£200	£210.00	£217.15	£217.00	£215.00	£222.46	£222.00	as per NFF with ACA
IDACI Band F (0.2 - 0.25) - Secondary	£290	£300	£290	£300.00	£310.22	£310.00	£310.00	£320.75	£320.00	as per NFF with ACA
IDACI Band E (0.25 - 0.3) - Primary	£240	£248	£240	£250.00	£258.52	£258.00	£260.00	£269.02	£269.00	as per NFF with ACA
IDACI Band E (0.25 - 0.3) - Secondary	£390	£403	£390	£405.00	£418.79	£418.00	£415.00	£429.39	£429.00	as per NFF with ACA
IDACI Band D (0.3 - 0.4) - Primary	£360	£372	£360	£375.00	£387.77	£387.00	£410.00	£424.22	£424.00	as per NFF with ACA
IDACI Band D (0.3 - 0.4) - Secondary	£515	£533	£515	£535.00	£553.22	£553.00	£580.00	£600.11	£600.00	as per NFF with ACA
IDACI Band C (0.4 - 0.5) - Primary	£390	£403	£390	£405.00	£418.79	£418.00	£445.00	£460.43	£460.00	as per NFF with ACA
IDACI Band C (0.4 - 0.5) - Secondary	£560	£579	£560	£580.00	£599.75	£599.00	£630.00	£651.85	£651.00	as per NFF with ACA
IDACI Band B (0.5 - 0.6) - Primary	£420	£434	£420	£435.00	£449.82	£449.00	£475.00	£491.47	£491.00	as per NFF with ACA
IDACI Band B (0.5 - 0.6) - Secondary	£600	£620	£600	£625.00	£646.29	£646.00	£680.00	£703.58	£703.00	as per NFF with ACA
IDACI Band A (over 0.6) - Primary	£575	£595	£575	£600.00	£620.44	£620.00	£620.00	£641.50	£641.00	as per NFF with ACA
IDACI Band A (over 0.6) - Secondary	£810	£838	£810	£840.00	£868.61	£868.00	£865.00	£895.00	£895.00	as per NFF with ACA
Prior Attainment:										
Primary	£1,022	£1,057	£1,022	£1,065.00	£1,101.27	£1,101.00	£1,095.00	£1,132.97	£1,132.00	as per NFF with ACA
Secondary	£1,550	£1,603	£1,550	£1,610.00	£1,664.84	£1,664.00	£1,660.00	£1,717.57	£1,717.00	as per NFF with ACA
English as an Additional Language:										
Primary	£515	£532	£515	£535.00	£553.22	£553.00	£550.00	£569.07	£569.00	as per NFF with ACA
Secondary	£1,385	£1,432	£1,385	£1,440.00	£1,489.05	£1,489.00	£1,485.00	£1,536.50	£1,536.00	as per NFF with ACA
Mobility	n.a.	n.a.	£1,000							
Primary				£875	£904.80	£904.00	£900	£931.21	£931.00	as per NFF with ACA
Secondary				£1,250	£1,292.58	£1,292.00	£1,290	£1,334.74	£1,334.00	as per NFF with ACA
Lump Sum	£110,000	£113,747	£112,455	£114,400.00	£118,296.46	£114,600.00	£117,800.00	£121,885.30	£116,595.00	balancing value
Business Rates (Actual - locally set)	£1,185,732		£1,206,397	£1,206,397		£1,322,787	£1,322,787		£1,283,350	Actual estimate
Exceptional Circumstances (locally set):										
Rents	£74,895		£59,826	£59,826		£59,046	£59,046		£0	Local factor - No longer eligible
Split Site	£17,149		£17,149	£17,149		£17,149	£17,149		£17,149	Local factor
Minimum Per Pupil Level										
Primary	£3,500		£3,500	£3,750		£3,750	£4,180		£4,180	as per actual NFF
Secondary	£4,800		£4,800	£5,000		£5,000	£5,415		£5,415	as per actual NFF
(KS3 only school)	£4,600						£5,215		£5,215	as per actual NFF
(KS4 only school)	£5,100		£5,100			£5,300	£5,715		£5,715	as per actual NFF
Minimum Funding Guarantee	0.50%		0.50%	1.84%		1.84%	2.00%		2.00%	as per actual NFF

Annex 3 - Final 2021/22 School Formula Allocations for Primary and Secondary Schools

LAESTA B	SCHOOL	2020/21 ACTUAL ALLOCATION			2021/22 ACTUAL ALLOCATION			Overall Change between 2020/21 and 2021/22				Less:	Change Excluding Grants		
		Formula Allocation	Pupil No's (Oct 2019)	Per Pupil Funding	Formula Allocation	Pupil No's (Oct 2020)	Per Pupil Funding	Total	%	Per Pupil	%	Grants Added	Total	Per Pupil	Per Pupil %
8702000	Alfred Sutton Primary School	2,415,589	613	3,940.60	2,630,172	619	4,249.07	214,583	8.88%	308.47	7.83%	110,266	104,317	130.33	3.31%
8702003	Caversham Primary School	1,596,075	419	3,809.25	1,757,656	414	4,245.55	161,581	10.12%	436.30	11.45%	75,370	86,211	254.24	6.67%
8702005	Coley Primary School	991,174	216	4,588.77	1,084,215	222	4,883.85	93,040	9.39%	295.08	6.43%	38,854	54,186	120.06	2.62%
8702006	E P Collier Primary School	1,445,534	336	4,302.19	1,387,793	298	4,657.02	-57,741	-3.99%	354.84	8.25%	60,616	-118,357	151.43	3.52%
8702007	Geoffrey Field Junior School	1,570,433	353	4,448.82	1,654,286	348	4,753.70	83,853	5.34%	304.88	6.85%	68,034	15,819	109.38	2.46%
8702008	Geoffrey Field Infant School	1,243,006	267	4,655.45	1,320,819	265	4,984.22	77,813	6.26%	328.77	7.06%	48,028	29,785	147.53	3.17%
8702016	Oxford Road Community School	947,231	205	4,620.64	1,019,750	208	4,902.64	72,518	7.66%	282.00	6.10%	36,875	35,643	104.72	2.27%
8702018	Redlands Primary School	873,488	202	4,324.20	949,991	206	4,611.61	76,503	8.76%	287.41	6.65%	36,336	40,167	111.02	2.57%
8702019	The Hill Primary School	1,718,402	447	3,844.30	1,739,232	406	4,283.82	20,830	1.21%	439.52	11.43%	80,406	-59,576	241.48	6.28%
8702020	The Ridgeway Primary School	1,905,681	409	4,659.37	2,068,184	421	4,912.55	162,503	8.53%	253.18	5.43%	73,571	88,932	78.43	1.68%
8702021	Park Lane Primary School	1,600,693	411	3,894.63	1,751,704	406	4,314.54	151,011	9.43%	419.91	10.78%	73,931	77,080	237.82	6.11%
8702024	Wilson Primary School	1,703,409	417	4,084.91	1,775,137	408	4,350.83	71,728	4.21%	265.91	6.51%	75,010	-3,282	82.06	2.01%
8702026	Emmer Green Primary School	1,588,416	416	3,818.31	1,725,496	406	4,249.99	137,080	8.63%	431.68	11.31%	74,830	62,250	247.37	6.48%
8702027	Southcote Primary School	2,405,016	617	3,897.92	2,561,508	597	4,290.63	156,492	6.51%	392.71	10.07%	110,986	45,506	206.81	5.31%
8702029	St Michael's Primary School	1,695,697	409	4,145.96	1,850,262	412	4,490.93	154,565	9.12%	344.97	8.32%	73,571	80,994	166.40	4.01%
8702034	Moorlands Primary School	1,660,509	381	4,358.29	1,729,489	363	4,764.43	68,980	4.15%	406.14	9.32%	68,534	446	217.34	4.99%
8702036	Thameside Primary School	1,582,144	392	4,036.08	1,734,932	393	4,414.59	152,788	9.66%	378.50	9.38%	70,513	82,275	199.08	4.93%
8702226	Katesgrove Primary School	2,535,690	601	4,219.12	2,638,714	588	4,487.61	103,024	4.06%	268.49	6.36%	108,108	-5,084	84.63	2.01%
8702233	Caversham Park Primary School	801,735	198	4,049.16	814,261	185	4,401.41	12,526	1.56%	352.24	8.70%	35,616	-23,090	159.72	3.94%
8702234	Micklands Primary School	1,516,757	382	3,970.57	1,601,040	372	4,303.87	84,283	5.56%	333.30	8.39%	68,805	15,478	148.34	3.74%
8702253	Manor Primary School	1,270,097	278	4,568.70	1,300,591	267	4,871.13	30,493	2.40%	302.43	6.62%	54,398	-23,905	98.69	2.16%
8703000	All Saints Church of England Aided Infant School	342,836	62	5,529.62	357,682	60	5,961.37	14,846	4.33%	431.75	7.81%	17,988	-3,142	131.95	2.39%
8703302	St Anne's Catholic Primary School	779,966	181	4,309.20	826,358	181	4,565.51	46,393	5.95%	256.31	5.95%	32,558	13,835	76.43	1.77%
8703304	English Martyrs' Catholic Primary School	1,701,946	414	4,110.98	1,768,742	404	4,378.07	66,796	3.92%	267.09	6.50%	74,470	-7,675	82.76	2.01%
8703305	Christ The King Catholic Primary School	1,430,113	318	4,497.21	1,477,132	308	4,795.88	47,019	3.29%	298.67	6.64%	57,202	-10,183	112.95	2.51%
8703360	St Martin's Catholic Primary School	655,755	155	4,230.68	703,879	156	4,512.04	48,124	7.34%	281.36	6.65%	27,881	20,243	102.64	2.43%
8703361	Whitley Park Primary and Nursery School	2,375,406	516	4,603.50	2,527,264	519	4,869.49	151,858	6.39%	265.99	5.78%	92,818	59,040	87.15	1.89%
8705411	Blessed Hugh Faringdon Catholic School	4,400,920	800	5,501.15	4,880,857	829	5,887.64	479,937	10.91%	386.49	7.03%	211,824	268,113	130.98	2.38%
8702002	All Saints Junior School	440,179	95	4,633.46	463,516	93	4,984.04	23,337	5.30%	350.58	7.57%	25,841	-2,504	72.72	1.57%
8702004	Meadow Park Academy	1,440,997	325	4,433.84	1,557,361	329	4,733.62	116,364	8.08%	299.78	6.76%	65,012	51,352	102.18	2.30%
8702011	Battle Primary Academy	1,630,958	389	4,192.70	1,824,612	404	4,516.37	193,654	11.87%	323.67	7.72%	69,973	123,681	150.47	3.59%
8702012	The Palmer Primary Academy	1,668,808	376	4,438.32	1,755,504	373	4,706.45	86,696	5.20%	268.13	6.04%	67,635	19,061	86.80	1.96%
8702015	Civitas Academy	1,196,886	274	4,368.20	1,494,406	327	4,570.05	297,520	24.86%	201.85	4.62%	45,383	252,137	63.07	1.44%
8702017	The Heights Primary School	1,236,166	328	3,768.80	1,479,892	353	4,192.33	243,726	19.72%	423.53	11.24%	63,466	180,260	243.74	6.47%
8702025	Ranikhet Academy	953,625	198	4,816.29	912,843	177	5,157.31	-40,782	-4.28%	341.02	7.08%	38,837	-79,619	121.60	2.52%
8702028	New Town Primary School	1,071,912	241	4,447.77	1,264,709	272	4,649.67	192,797	17.99%	201.90	4.54%	43,351	149,446	42.52	0.96%
8702031	Churchend Primary Academy	1,641,505	403	4,073.21	1,826,558	416	4,390.77	185,054	11.27%	317.55	7.80%	73,979	111,075	139.72	3.43%
8702035	St Mary and All Saints Church of England Voluntary Aided Primary School	1,307,309	292	4,477.09	1,334,647	279	4,783.68	27,338	2.09%	306.59	6.85%	52,525	-25,187	118.33	2.64%
8702254	New Christ Church Church of England (VA) Primary School	871,309	190	4,585.84	864,400	176	4,911.36	-6,909	-0.79%	325.53	7.10%	34,813	-41,722	127.72	2.79%
8703300	St John's Church of England Primary School	1,591,163	407	3,909.49	1,671,249	387	4,318.47	80,085	5.03%	408.98	10.46%	73,211	6,874	219.80	5.62%
8702039	Green Park Village Primary Academy	235,751	35	6,735.75	380,382	66	5,763.37	144,631	61.35%	-972.38	-14.44%	17,988	126,643	-1,244.93	-18.48%
8704000	UTC Reading	1,392,703	236	5,901.28	1,550,238	242	6,405.94	157,535	11.31%	504.66	8.55%	63,131	94,404	243.79	4.13%
8704001	Maiden Erlegh School in Reading	4,930,528	897	5,496.69	5,316,004	891	5,966.33	385,476	7.82%	469.65	8.54%	260,873	124,603	176.86	3.22%
8704002	The WREN School	4,445,025	769	5,780.27	5,206,547	847	6,147.04	761,522	17.13%	366.78	6.35%	241,370	520,152	81.81	1.42%
8704003	Reading Girls' School	2,767,140	461	6,002.47	3,520,718	555	6,343.64	753,577	27.23%	341.16	5.68%	122,064	631,513	121.23	2.02%
8704020	Highdown School and Sixth Form Centre	6,060,398	1,193	5,079.96	6,622,872	1,216	5,446.44	562,474	9.28%	366.48	7.21%	315,883	246,591	106.70	2.10%
8705401	Reading School	3,645,883	722	5,049.70	4,075,486	746	5,463.12	429,603	11.78%	413.42	8.19%	191,171	238,432	157.16	3.11%
8705410	Prospect School	5,335,623	899	5,935.06	5,628,002	885	6,359.32	292,379	5.48%	424.26	7.15%	246,193	46,186	146.08	2.46%
8705413	Kendrick School	2,440,664	484	5,042.69	2,840,569	521	5,452.15	399,905	16.39%	409.45	8.12%	128,154	271,751	163.48	3.24%
8706905	John Madejski Academy	3,145,158	493	6,379.63	3,217,840	474	6,788.27	72,481	2.30%	408.64	6.41%	130,706	-58,225	132.89	2.08%
PRIMARY TOTAL		55,639,368	13,168	4,225.35	59,586,368	13,084	4,554.14	3,947,000	7.09%	328.79	7.78%	2,417,589	1,529,411	144.02	3.41%
SECONDARY TOTAL		38,564,043	6,954	5,545.59	42,858,932	7,206	5,947.67	4,294,889	11.14%	402.08	7.25%	1,911,369	2,383,520	136.83	2.47%
TOTAL ALL SCHOOLS		94,203,411	20,122	4,681.61	102,445,300	20,290	5,049.05	8,241,889	8.75%	367.44	7.85%	4,328,958	3,912,931	154.09	3.29%

Investing in Reading's Recovery – Reading Borough Council Budget Consultation 2021/22 – Results Report

1. Introduction

Each year, the Council sets its budget for the coming year. The budget defines our income and the amount we will spend on day-to-day services and one-off investments over the year.

The draft budget for 2021/22 consists of:

- General Fund net revenue budget of £143.7m for 2021/22
- General Fund capital investment of £178m over three years 2021/22 to 2023/24
- Efficiency savings and increased income totalling £14.2 million in 2021/22 (£27.7m over three years 2021/22 to 2023/24)
- An assumed Council Tax increase of 1.99% and a one-off Adult Social Care precept of 1.0%

The focus of the revenue budget is running day-to-day services such as parks, playgrounds, libraries, waste and recycling, planning, transport, highways, street cleaning, environmental health, children's services and adult social care. The proposals for 2021/22 maintain current services and allow for £15 million in increased costs driven by inflation and Reading's growing population.

There remains a gap of £5m between the planned income and the planned spend, which needs to be closed before the final proposals are agreed in February.

Key proposals for capital investment include:

- £20m on the school estate including Re-provisioning at Phoenix College and extra capacity at Katesgrove school
- The delivery of new fit-for-purpose leisure facilities across all four of the Council's leisure centres including the re-provisioning of the Rivermead site to BREEAM excellence
- £11m Investment in the Council's local highways infrastructure addressing feedback from the resident survey
- Provisioning of Green Park station and Reading West Station and Dee Park Regeneration
- £13.8m on South Reading MRT (Phases 5 & 6)
- Vehicle replacement totalling £9.2m over the three-year planning period to ensure the Council's fleet assists in reducing CO2 emissions.
- Investment in the Council's IT systems and software to support service efficiency and channel-shift in how customers transact with the Council.

2. The Budget Consultation

We launched our budget consultation on the Council's Consultation Hub on 15 December 2020. The consultation ran until 15 January 2021.

The consultation content is available here <https://consult.reading.gov.uk/css/budget-2021/>

The consultation invited comments on the draft budget proposals and where respondents didn't agree with them, suggestions for alternative savings, income generation opportunities or investment proposals. A second question asked for any additional suggestions for how we could we make the savings required to balance the budget.

3. Communication

The consultation was promoted:

- In local media
- On the council's website
- Emailed to residents through the 17 December update from Reading Borough Council on our response to the COVID-19 pandemic
- Emailed to the citizens panel (1,000 people)
- Face to face briefing with business partners and stakeholders

In total, 114 responses were received online through the consultation hub.

4. Profile of respondents

<i>Characteristic</i>	<i>Budget consultation responses</i>		<i>2011 Census</i>
	<i>No</i>	<i>%age</i>	<i>%age</i>
Age			
Under 16	0	0.0%	19.3%
16-25	1	0.9%	16.5%
26-35	5	4.7%	19.2%
36-45	17	15.0%	14.6%
46-55	22	19.3%	11.3%
56-65	28	24.6%	8.2%
66+	38	33.3%	10.8%
Gender			
Male	56	49.1%	50.2%
Female	51	44.7%	49.8%
Prefer not to say	3	2.6%	
Prefer to self-describe	1	0.9%	
Ethnicity			
White	95	83.3%	74.8%
Mixed	0	0%	3.9%
Asian	0	0%	12.6%
Black	0	0%	7.7%

<i>Responding as</i>	<i>Total</i>	<i>Percent</i>
Resident	109	95.6%
Service user	1	0.9%
Family or friend of service user	0	0.0%
Voluntary organisation	2	1.9%
Business	0	0.0%
Public Sector	0	0.0%
Employee of Reading Borough Council	0	0.0%
Other	0	0.0%
Not Answered	2	1.9%

5. Summary of Responses

A very wide-ranging set of suggestions and comments were received, with 133 different comments and proposals. Many suggestions were around reviewing a whole range of services, reducing some services and investing in others.

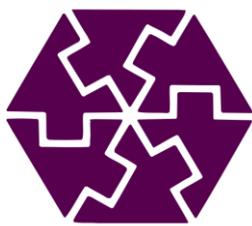
- **Top themes:**
 - Fair budget/ agreement with proposals 21
 - Spend more on road maintenance 11
 - Increase charging for services 9
(e.g. allotment and garage rents, library archives, registrars services)
 - Reduce cost of salaries/review workforce 7
 - Manage accounts better 5
 - Delay/review swimming pool/leisure plans 4
 - More shared services 4
- Many responses related to **transport:**
 - Reduce/don't increase parking charges 11
 - Don't spend money on/fewer cycle lanes 6
 - Fewer bus lanes 5
- A number of comments related to **refuse collection and recycling**, especially the new food waste scheme, where there are concerns about the investment in new bins, as well as the potential increase in flytipping it is thought might be caused:
 - Don't invest in new bins/ don't replace bins 8
 - Increase flytipping fines 4
 - Scheme good idea 3
 - Scheme won't make savings 3
- A number of comments related to **Council Tax**, both for and against an increase:
 - Don't increase Council Tax 8
 - Increase Council Tax 5
- Compared to last year's budget consultation, relatively few responses made reference to **climate change and sustainability**.

- 6.0 The meeting with the Council's Statutory consultees was both well attended and well received. The principal feedback included a desire to see:
- Transformation of safeguarding services and the Education front door
 - Increased youth provision
 - Increased priority skills provision to meet local employers needs and address levelling up
 - Innovation and skills training for local businesses to enable them to adapt and change

This page is intentionally left blank



Reading Borough Council Residents' Survey 2020



Reading
Borough Council

Working better with you

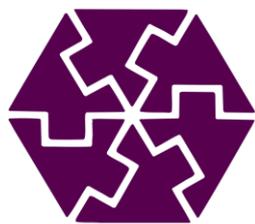
Report of findings

Opinion Research Services

January 2021



Reading Borough Council Residents' Survey 2020



Reading

Borough Council

Working better with you

Report of findings

Opinion Research Services

January 2021

Opinion Research Services

The Strand • Swansea • SA1 1AF

01792 535300 | www.ors.org.uk | info@ors.org.uk

As with all our studies, findings from this survey are subject to Opinion Research Services' Standard Terms and Conditions of Contract.

Any press release or publication of the findings of this survey requires the advance approval of ORS. Such approval will only be refused on the grounds of inaccuracy or misrepresentation

This study was conducted in accordance with ISO 20252:2012 and ISO 9001:2015.

© Copyright January 2021

Contents

1. Project Overview	5
The Survey.....	5
Methodology and response	5
Weighting the data.....	5
Acknowledgements.....	8
2. Executive Summary	9
Summary of Main Findings.....	9
Residents' survey	9
LGA Inform benchmarking	10
3. Results	12
4. List of Tables and Figures.....	27
Tables	27
Figures	27

The ORS Project Team

Project design, management and reporting

Kester Holmes

Alys Thomas

Alastair Layne

Dave Hammond

Fieldwork management

Robyn Griffiths

Max Davies

Amy Bone

Data analysis

Richard Harris

Sheng Yang

Peter Maggs

Callum Irvine

1. Project Overview

The Survey

- 1.1 Opinion Research Services (ORS) was commissioned by Reading Borough Council to undertake a survey with 1,000 residents using a telephone methodology.
- 1.2 The purpose of the survey was to gauge levels of satisfaction with the local area, the Council and the services it provides.
- 1.3 Where relevant, results are compared with national data for England obtained from the LGA's four-monthly telephone survey, which asks residents some of the same questions in relation to their local Council(s). This report uses October 2020 national data provided by the LGA.

Methodology and response

- 1.4 1,001 structured telephone interviews were undertaken between 11th September and 1st December 2020 with residents of the Borough of Reading aged 18 or over.
- 1.5 These interviews were conducted using random digit telephone dialling and a purchased sample of commercially available mobile numbers, with numbers dialled on a five-call algorithm. A quota-controlled sampling approach was used to ensure a broadly representative sample by age, gender and working status. Equal numbers of interviews per ward were also targeted, in order to better examine results within each ward and to compare between wards.
- 1.6 The tables that appear without commentary on the following two pages show the profile of the response to the survey. Please note that the figures may not always sum to 100% due to rounding.

Weighting the data

- 1.7 The survey results have been weighted, where necessary, to correct for some over- and under-representation in the achieved sample. This ensures that the survey results presented here are representative of the population of Reading. When discussing weighted data, this report therefore refers to 'residents' rather than 'respondents'.
- 1.8 The returned sample was checked against comparative data (primarily the latest Mid-Year Population Estimates, and Census 2011) for age, gender, working status, ethnicity, tenure and ward, and subsequently weighted by each of these. The results presented should therefore be representative of residents of Reading, to within around +/- 4 percentage points.

Table 1: Age - All Residents

Age	Unweighted Count	Unweighted Valid %	Weighted Valid %	Population %
18 to 34	163	16	34	37
35 to 44	263	26	27	19
45 to 54	120	12	10	16
55 to 64	169	17	13	12
65 to 74	170	17	10	8
75 and over	116	12	6	7
Total	1,001	100	100	100

Table 2: Gender - All Residents

Gender	Unweighted Count	Unweighted Valid %	Weighted Valid %	Population %
Male	450	45	50	50
Female	551	55	50	50
Total	1,001	100	100	100

Table 3: Working status - All Residents

Working status	Unweighted Count	Unweighted Valid %	Weighted Valid %	Population %
Working	588	59	66	65
Retired	283	28	16	15
Otherwise not in work	130	13	18	20
Total	1,001	100	100	100

Table 4: Ward - All Residents

Ward	Unweighted Count	Unweighted Valid %	Weighted Valid %	Population
Abbey	58	6	9	10
Battle	59	6	7	7
Caversham	63	6	6	6
Church	61	6	8	8
Katesgrove	59	6	7	7
Kentwood	66	7	6	6
Mapledurham	66	7	2	2
Minster	62	6	6	6
Norcot	66	7	6	6
Park	65	6	6	7
Peppard	62	6	6	6
Redlands	59	6	7	7
Southcote	63	6	5	5
Thames	66	7	6	5
Tilehurst	60	6	5	5
Whitley	66	7	7	7
Total	1,001	100	100	100

Table 5: Tenure – All Residents

Tenure	Unweighted Count	Unweighted Valid %	Weighted Valid %	Population %
Owned outright	395	41	21	22
Owned with a mortgage/ loan	292	31	35	37
Social rented	154	16	15	14
Private rented	116	12	30	28
Total	957	100	100	100
<i>Not Known</i>	44	-	-	-

Table 6: Ethnicity – All Residents

Ethnicity	Unweighted Count	Unweighted Valid %	Weighted Valid %	Population %
White: British	739	75	67	68
White: Other	84	9	12	10
BAME	162	16	22	22
Total	985	100	100	100
<i>Not Known</i>	16	-	-	-

Interpretation of the Data

- 1.9 Counts for the number of residents who did not answer or gave “don’t know” responses are provided below each chart; these have also been treated as invalid when calculating percentages for headline results. The base numbers contained within or below each chart indicate the number of residents who gave a valid response to each question.
- 1.10 Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of “don’t know” categories, or multiple answers.
- 1.11 In many places within the commentary, the proportion of residents who are ‘satisfied’ or who ‘agree’ etc. has been calculated by grouping response options together (e.g. very and fairly satisfied/dissatisfied; strongly and tend to agree/disagree). Due to the effects of rounding, these grouped percentages may differ slightly from the sum of the smaller percentages shown in the charts.
- 1.12 Charts are used extensively in this report to make it as user friendly as possible. The pie charts and other bar charts show the proportions (percentages) of residents making relevant responses. Where possible, the colours of the charts have been standardised with a ‘traffic light’ system in which:
- Green shades represent positive responses
 - Beige/yellow and purple shades represent neither positive nor negative responses
 - Red shades represent negative responses
 - The bolder/darker shades are used to highlight responses at the ‘extremes’, for example, ‘very satisfied’ or ‘very dissatisfied’.
- 1.13 It should be remembered that a sample, and not the entire population of the Borough, has been interviewed. In consequence, all results are subject to sampling tolerances, which means that not all differences are statistically significant. When comparing results between demographic sub-groups, only results which are significantly different are highlighted in the text. Statistical significance has been calculated at a 95% level of confidence.

Acknowledgements

- 1.14 ORS would like to thank Jill Marston and Andrew Withey at Reading Borough Council for their help and assistance in developing the project. We would also like to thank the 1,001 respondents who took part in the survey, without whose valuable input the research would not have been possible.

2. Executive Summary

Summary of Main Findings

- 2.1 The following paragraphs selectively highlight some key issues, but readers are referred to the detailed graphics for the full story.

Residents' survey

- 2.2 Over three quarters (77%) of residents are either very or fairly satisfied with **their local area as a place to live**. A little over a tenth (12%) of residents are dissatisfied.
- 2.3 Just under two thirds (64%) of residents are very or fairly satisfied with **the way Reading Borough Council runs things**; just over one fifth of residents (22%) are dissatisfied.
- 2.4 A little under half (45%) of residents either strongly or tend to agree that Reading Borough Council **provides value for money**, whilst a quarter (25%) disagree, and just under a third (30%) neither agree nor disagree.
- 2.5 Just over three fifths of residents (62%) said they thought Reading Borough Council **acts on their concerns** either 'a great deal' or 'a fair amount', whilst just under two fifths (38%) said the Council does this either 'not very much' or 'not at all'.
- 2.6 Just under two thirds (62%) of residents think that Reading Borough Council **keeps residents well informed about the services and benefits it provides**, with 17% having said 'very' well and just under half (45%) having said 'fairly' well. Over a third (38%) feel that residents are either 'not very well informed' or 'not well informed at all'.
- 2.7 Respondents were read a list of items and were asked to identify the three that they felt were **most important in making somewhere a good place to live**. The top five answers (from the list provided) were:
- 'the level of crime' (selected by 46% of residents),
 - 'good schools' (35%),
 - 'affordable, decent housing' (24%),
 - 'road and pavement repairs (24%), and
 - 'health services' (20%).
- 2.8 The five things (from the list) that were least commonly identified as making somewhere a good place to live were:
- 'job prospects' (12%),
 - 'sports and leisure facilities' (10%),
 - 'cultural facilities' (7%),
 - 'facilities for older people' (6%), and
 - 'nightlife' (2%).
- 2.9 When residents were asked what they thought were the **three things that are most in need of improving**, from the same list, the top five answers were:
- 'road and pavement repairs' (47%),

- 'the level of crime' (32%),
- 'the level of traffic congestion' (30%),
- 'affordable decent housing' (26%), and
- 'parking' (24%).

2.10 The things felt to be in least need of improvement (of those listed) were:

- 'parks and open spaces' (8%),
- 'job prospects' (7%),
- 'public transport' (7%),
- 'shopping facilities' (4%), and
- 'nightlife' (2%).

2.11 When these two questions of importance and improvement were compared, 'roads and pavement repairs', 'the level of crime', 'affordable, decent housing' and 'facilities for children and young people' were the most likely to be identified as being both among **the most important and in most need of improvement**, and therefore the Council may wish to consider these as being among residents' highest priorities.

2.12 Of the **services Reading Borough Council is responsible for**, around four fifths of residents are satisfied with:

- parks and green spaces (81%) and
- waste collection services (80%),

while more than two thirds are satisfied with:

- town centre cleanliness (73%),
- schools (72%) and
- street cleaning (68%),

And at least half are satisfied with:

- cultural services (i.e. the theatres, Abbey, Town Hall and Museum) (62%),
- the council's customer service (60%),
- sport and leisure facilities (54%),
- library services (54%), and
- services and support for children and young people (50%).

2.13 The services that residents said they were least satisfied with are as follows (although it is worth noting that higher numbers of respondents answered 'don't know' in relation to climate change and support for older people, than for most of the other services included in the survey):

- action on climate change (41%),
- services and support for older people (39%) and
- road maintenance (33%).

Comparisons with national results

2.14 In general, Reading Borough Council's results are slightly lower compared to the most recently available national data compiled by the Local Government Association (LGA), which are from October 2020.

2.15 For example, in relation to the three core questions: fewer residents are satisfied with their local area as a place to live in Reading (77%) than nationally (83%); fewer Reading residents are satisfied with the way their council runs things (64%), than are satisfied nationally (68%); and fewer believe their council provides value for money in Reading (45%), compared to the latest national result (54%) – see Table 7 below.

Table 7: Summary of comparisons with national results for the three core questions

Question	Reading 2020	LGA October 2020
Local area as a place to live	77% satisfied	83% satisfied
The way the Council runs things	64% satisfied	68% satisfied
The Council provides value for money	45% agree	54% agree

- ^{2.16} However, it is worth noting that results for urban areas are often less positive than those obtained elsewhere; for example, results for London obtained in the LGA's national polling are typically lower than the national result, while it is ORS's experience that areas that are rural or affluent also frequently report higher levels of satisfaction in residents' surveys.
- ^{2.17} Therefore, while it is useful to compare Reading's result with the national result, any differences need to be interpreted in this context; as such, a few additional comparisons to the London result have also been made in the commentary around the charts for the three LGA core questions, on the basis of proximity and shared urban character (NB this regional result is aggregated based on the *three* most recent waves of LGA polling, rather than solely the most recent October 2020 wave, in order to provide a more adequate sample size).

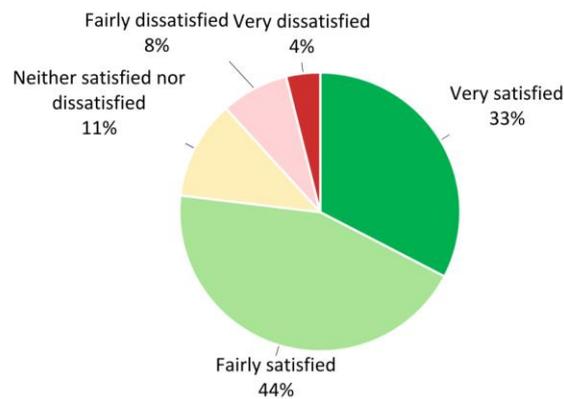
3. Results

Satisfaction with the local area

Overall, how satisfied or dissatisfied are you with your local area as a place to live?

- 3.1 Over three quarters (77%) of residents are satisfied with the local area as a place to live, with a third (33%) very satisfied and over two fifths (44%) fairly satisfied.
- 3.2 Just over a tenth (11%) are neither satisfied nor dissatisfied, and around 1 in 8 (12%) of residents are dissatisfied, with 8% being fairly dissatisfied and 4% being very dissatisfied.

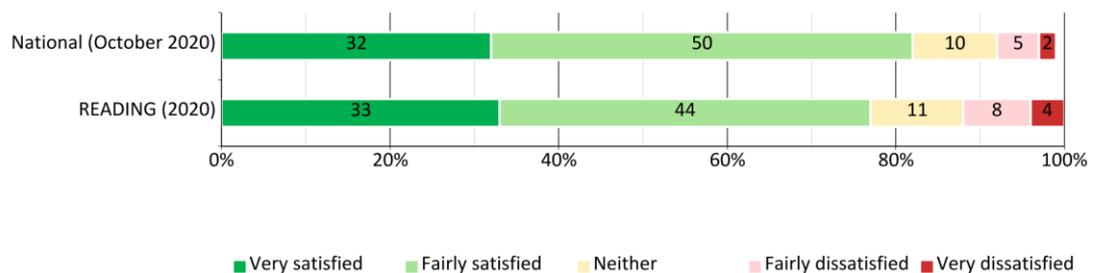
Figure 1: Overall, how satisfied or dissatisfied are you with your local area as a place to live?



Base: All Residents (998)

- 3.3 Figure 2 shows that the level of residents' satisfaction with the local area as a place to live is lower in Reading (77%) than nationally (83%).
- 3.4 Nonetheless, it is worth noting that the cumulative result for London across the three most recent waves of LGA polling is 79%, which is closer to the result for Reading.

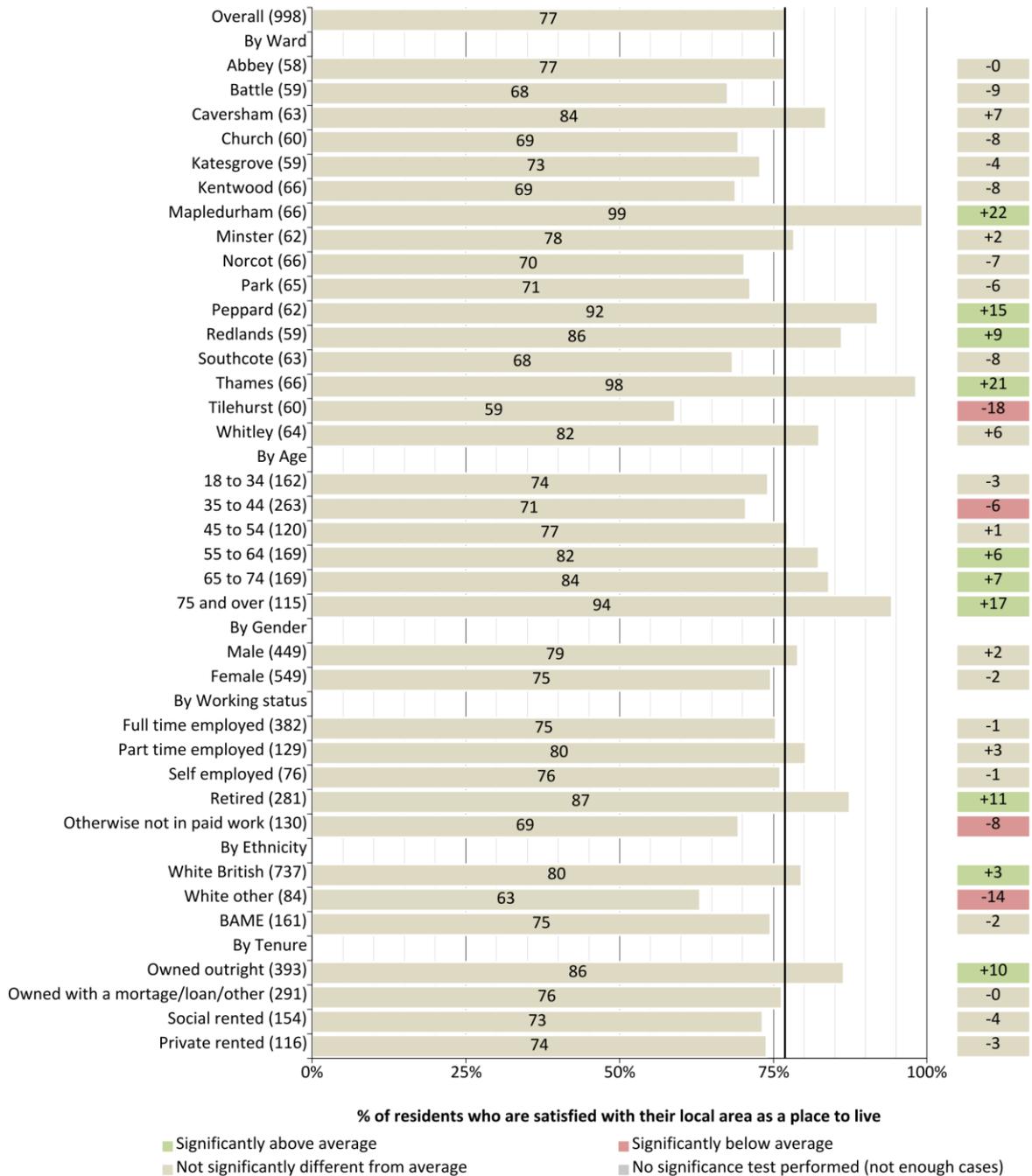
Figure 2: Satisfaction with the local area as a place to live (benchmarked against national result)



Base: National (1,001); Reading (998)

- 3.5 Residents who live in the Wards of Mapledurham, Peppard, Redlands, or Thames, those residents who are aged 55 to 64, aged 65 to 74, and aged 75 and over, residents who are retired, residents who are White British, and residents owned outright a property are significantly more likely than average to be satisfied with the local area as a place to live.
- 3.6 Those residents living in Tilehurst, residents aged 35 to 44, residents who are otherwise not in paid work, and residents who are of ‘White - other’ ethnicity are significantly less likely than average to be satisfied with the local area as a place to live.

Figure 3: Overall, how satisfied or dissatisfied are you with your local area as a place to live? (Grouped Responses)



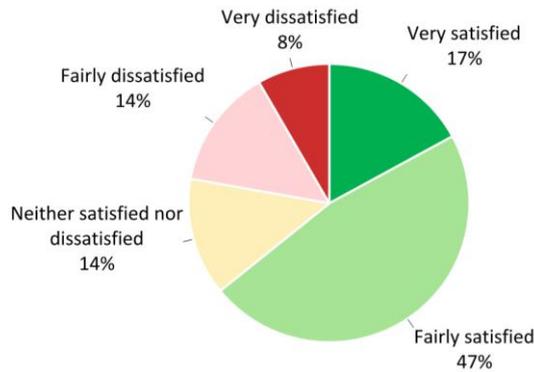
Base: All Residents (number of residents shown in brackets)

Satisfaction with the way Reading Borough Council runs things

Overall, how satisfied or dissatisfied are you with the way Reading Borough Council runs things?

- 3.7 Just under two thirds (64%) of residents are satisfied with the way Reading Borough Council runs things, with 17% very satisfied and 47% fairly satisfied with the way Reading Borough Council runs things.
- 3.8 Just over an eighth (14%) of residents are neither satisfied nor dissatisfied, and just over one fifth of residents (22%) are dissatisfied, with 14% fairly dissatisfied, and 8% very dissatisfied.

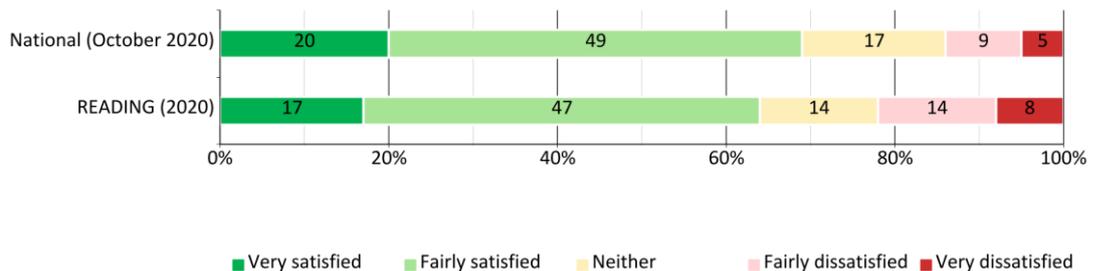
Figure 4: Overall, how satisfied or dissatisfied are you with the way Reading Borough Council runs things?



Base: All Residents (998)

- 3.9 Figure 5 below shows that the proportion of Reading residents who are satisfied (64%) is around 4 percentage points lower than the latest available national result (68%).
- 3.10 The result for Reading, however, is in line with the result for London obtained across the three most recent waves of national polling (64%).

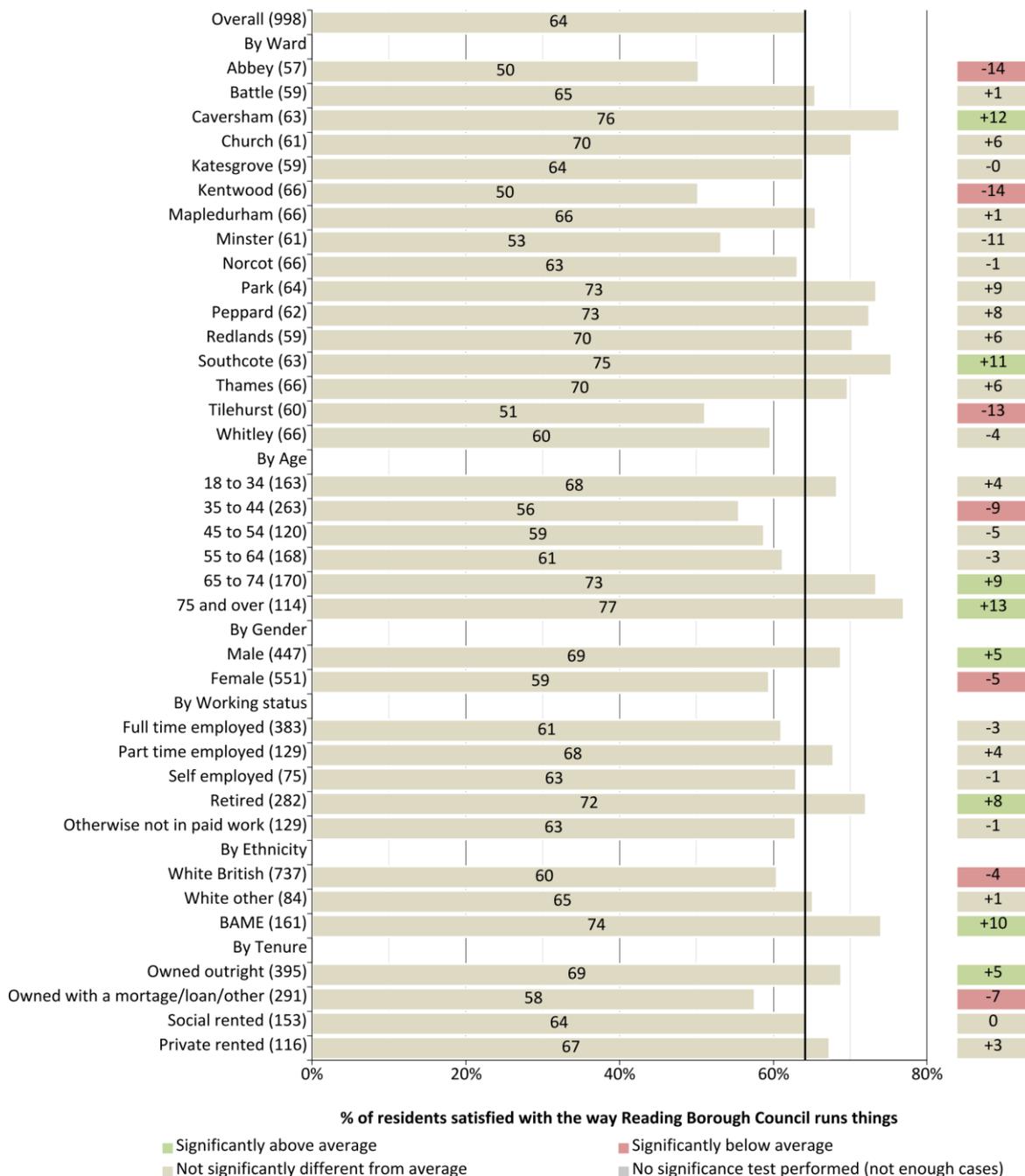
Figure 5: Satisfaction with the way the council runs things (benchmarked against national result)



Base: National (1,000); Reading (998)

- 3.11 Residents who live in the Caversham or Southcote wards are significantly more likely than average to be satisfied, whilst those who are aged 65 to 74 or aged 75 and over, residents who are male, residents who are retired, residents who are BAME, and residents who own a property outright are all significantly more likely to be satisfied with the way Reading Borough Council runs things.
- 3.12 Residents who live in Abbey, Kentwood, or Whitley, residents who are aged 35 to 44 and residents who are female are among those groups that are significantly less likely to be satisfied with the way Reading Borough Council runs things.

Figure 6: Overall, how satisfied or dissatisfied are you with the way Reading Borough Council runs things? (Grouped Responses)



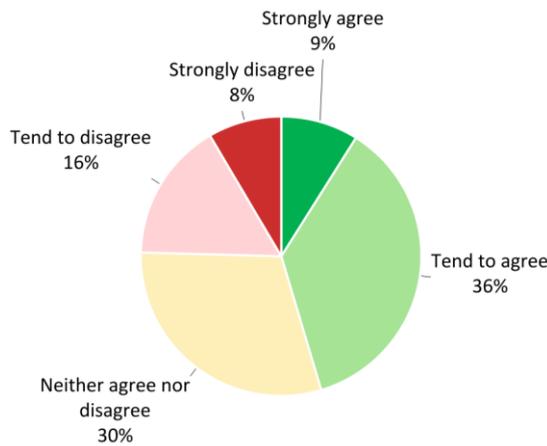
Base: All Residents (number of residents shown in brackets)

Agreement that Reading Borough Council provides value for money

To what extent do you agree or disagree that Reading Borough Council provides value for money?

- 3.13 Less than half (45%) of residents agree that Reading Borough Council provides value for money, with just 1 in 10 (9%) having said they strongly agree, and just over a third (36%) tending to agree.
- 3.14 Just under a third (30%) neither agree nor disagree, whilst a quarter (25%) disagree, with 16% tending to disagree, and 8% strongly disagreeing.

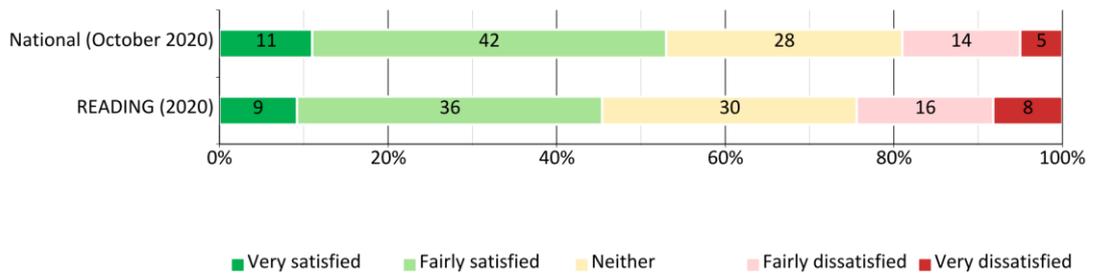
Figure 7: To what extent do you agree or disagree that Reading Borough Council provides value for money?



Base: All Residents (975)

- 3.15 Figure 8 shows that the proportion of Reading residents who are satisfied (45%) appears to be lower than the equivalent national result (54%).
- 3.16 The result for London from the three most recent waves of LGA polling lies in between these two results (49%).

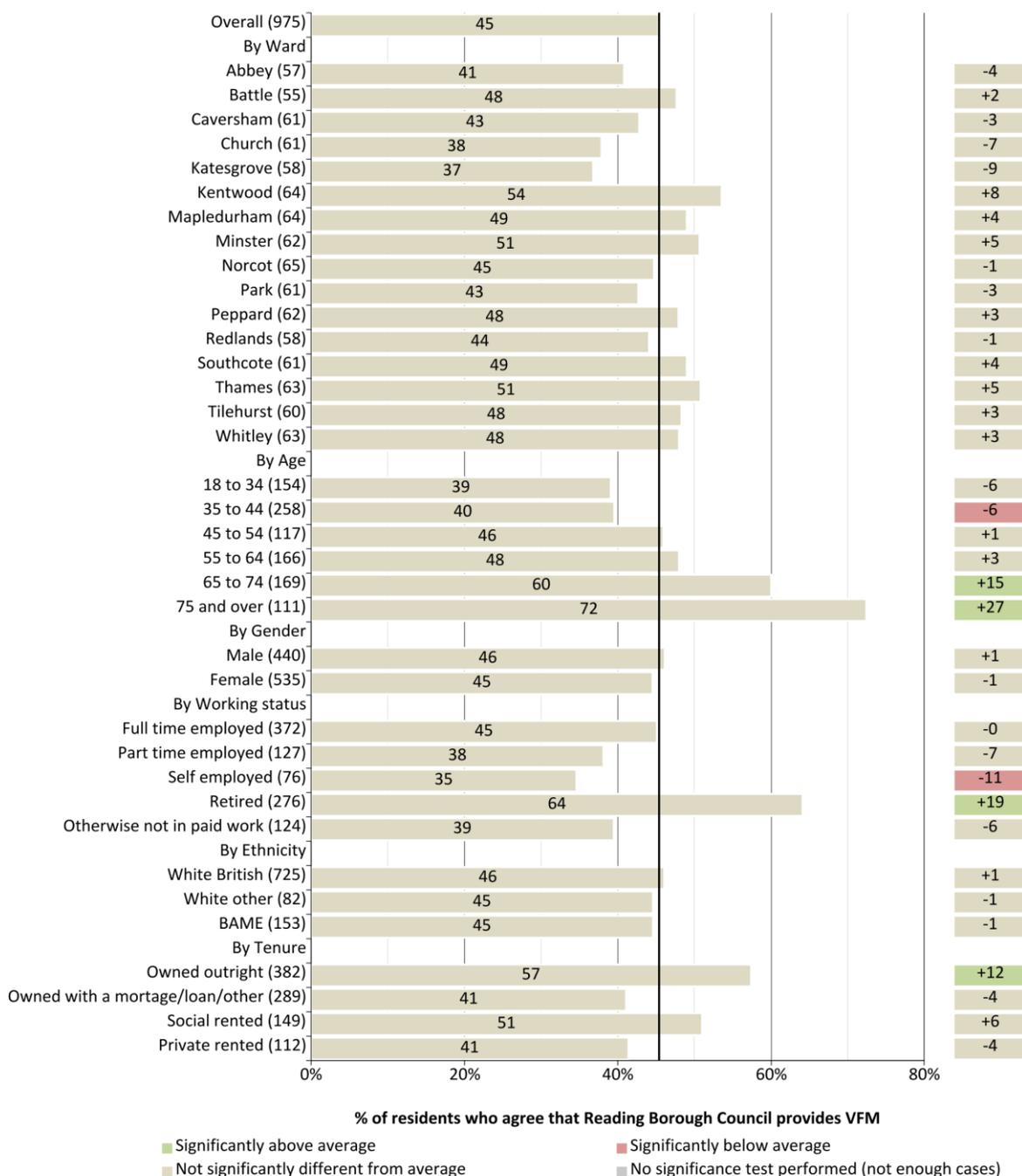
Figure 8: Agreement that the Council provides value for money (benchmarked against national result)



Base: National (997); Reading (998)

- 3.17 Figure 9 below shows that residents aged 65 or over, residents who are retired, and residents who own a property outright are significantly more likely to agree that Reading Borough Council provides value for money.
- 3.18 Residents aged 35 to 44 and those who are self-employed are significantly less likely to agree that Reading Borough Council provides value for money.

Figure 9: To what extent do you agree or disagree that Reading Borough Council provides value for money? (Grouped Responses by demographic sub-group)



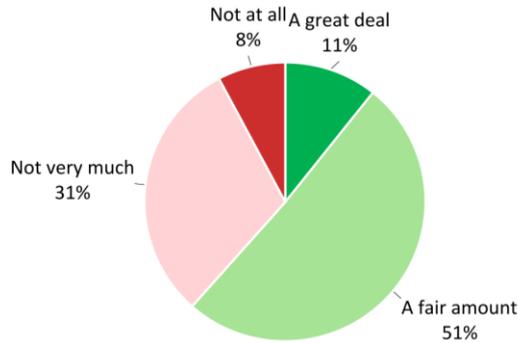
Base: All Residents (number of residents shown in brackets)

Extent to which Reading Borough Council acts on the concerns of local residents

To what extent do you think Reading Borough Council acts on the concerns of local residents?

3.19 Residents were asked to what extent they thought Reading Borough Council acted on their concerns. Over three fifths of residents (62%) answered either ‘a great deal’ (11%) or ‘a fair amount’ (51%), whilst just under a third (31%) said ‘not very much’, and less than 1 in 10 (8%) ‘not at all’.

Figure 10: To what extent do you think the Council acts on the concerns of local residents?



Base: All Residents (934)

3.20 Below shows that those residents in Reading who think that the Council acts on the concerns of local residents either a ‘a great deal’ or ‘a fair amount’ (62%) is somewhat less than the latest national result (67%).

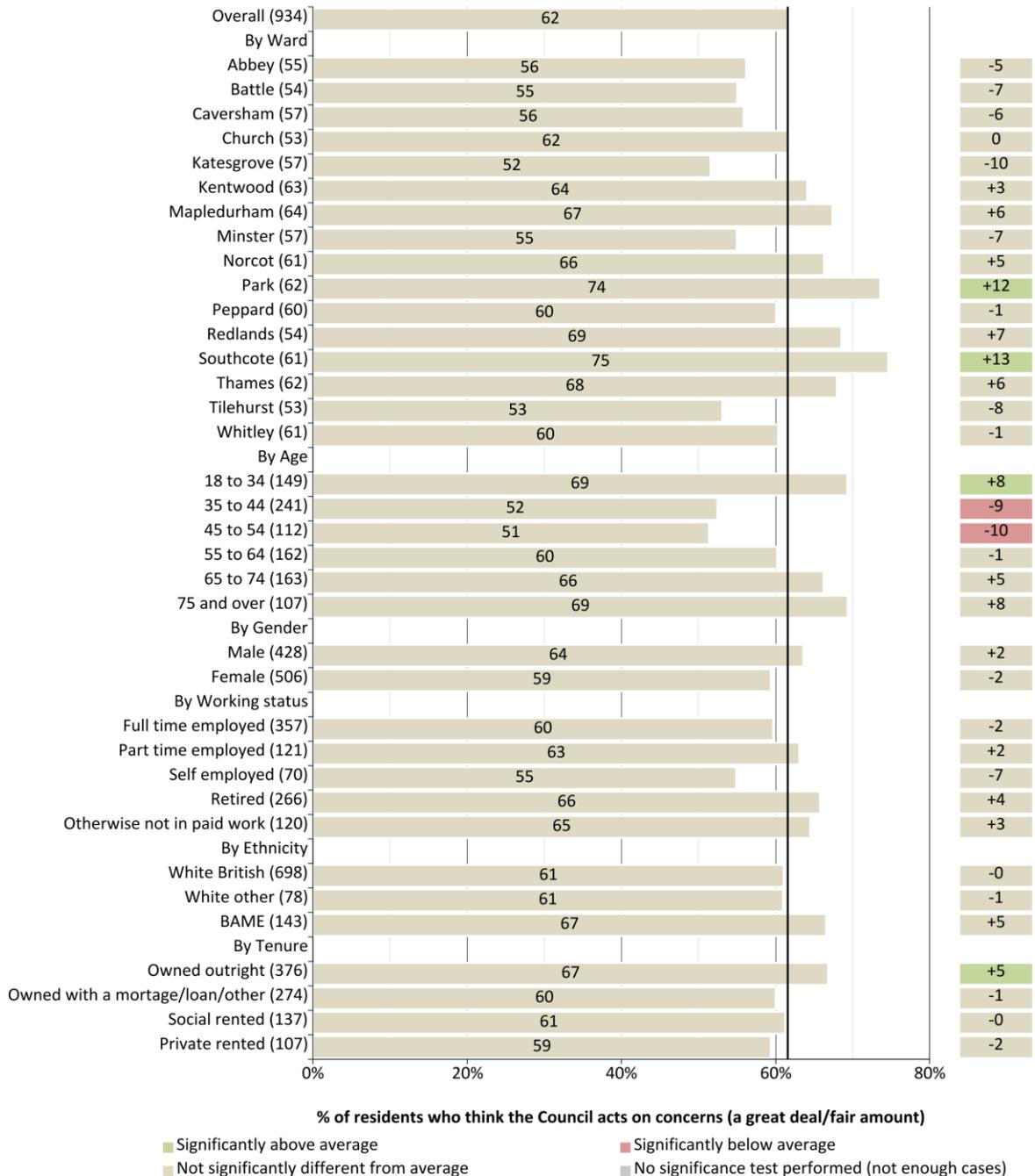
Figure 11: Extent to which Councils act on the concerns of their local residents (benchmarked against national result)



Base: National (962); Reading (998)

- 3.21 Figure 12 below shows that residents who live in Park or Southcote wards and residents aged 18 to 34 are significantly more likely to agree that Reading Borough Council acts on the concerns of local residents.
- 3.22 Residents who are aged 35 to 54, however, are significantly less likely to agree that Reading Borough Council acts on the concerns of local residents.

Figure 12: To what extent do you think the Council acts on the concerns of local residents?
(Grouped Responses by demographic sub-group)



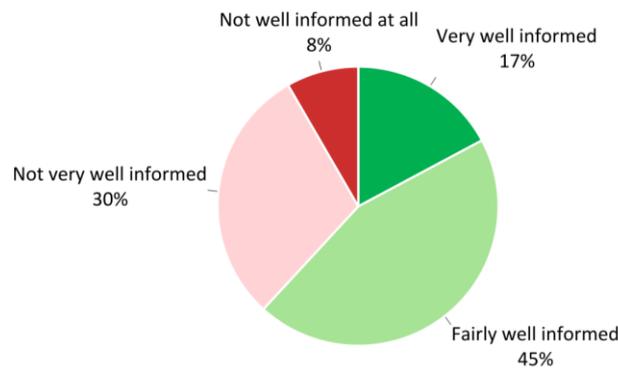
Base: All Residents (number of residents shown in brackets)

How well-informed Reading Borough Council keeps residents about the services and benefits it provides

Overall, how well informed do you think Reading Borough Council keeps residents about the services and benefits it provides?

3.23 Just under two thirds (62%) of residents think that Reading Borough Council keeps residents well informed about the services and benefits it provides, with 17% having answered ‘very well’ and just under half (45%) having answered ‘fairly well’. Over a third (38%) feel that residents are either ‘not very well informed’ (30%) or ‘not well informed at all’ (8%).

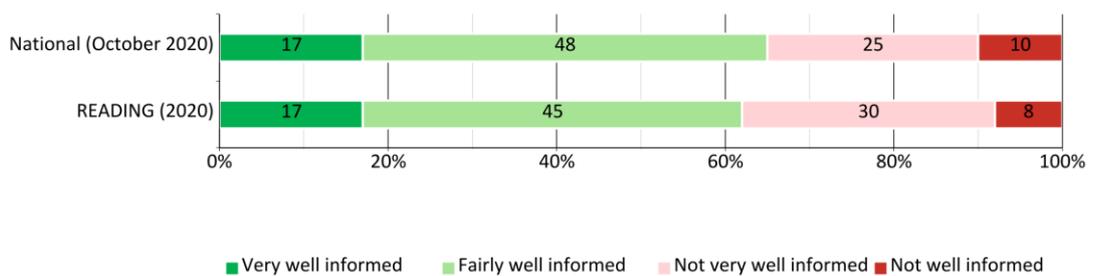
Figure 13: Overall, how well informed do you think the Council keeps residents about the services and benefits it provides?



Base: All Residents (990)

3.24 Figure 14 below shows that Reading’s result (62%) is just 3 percentage points less than the national figure (65%).

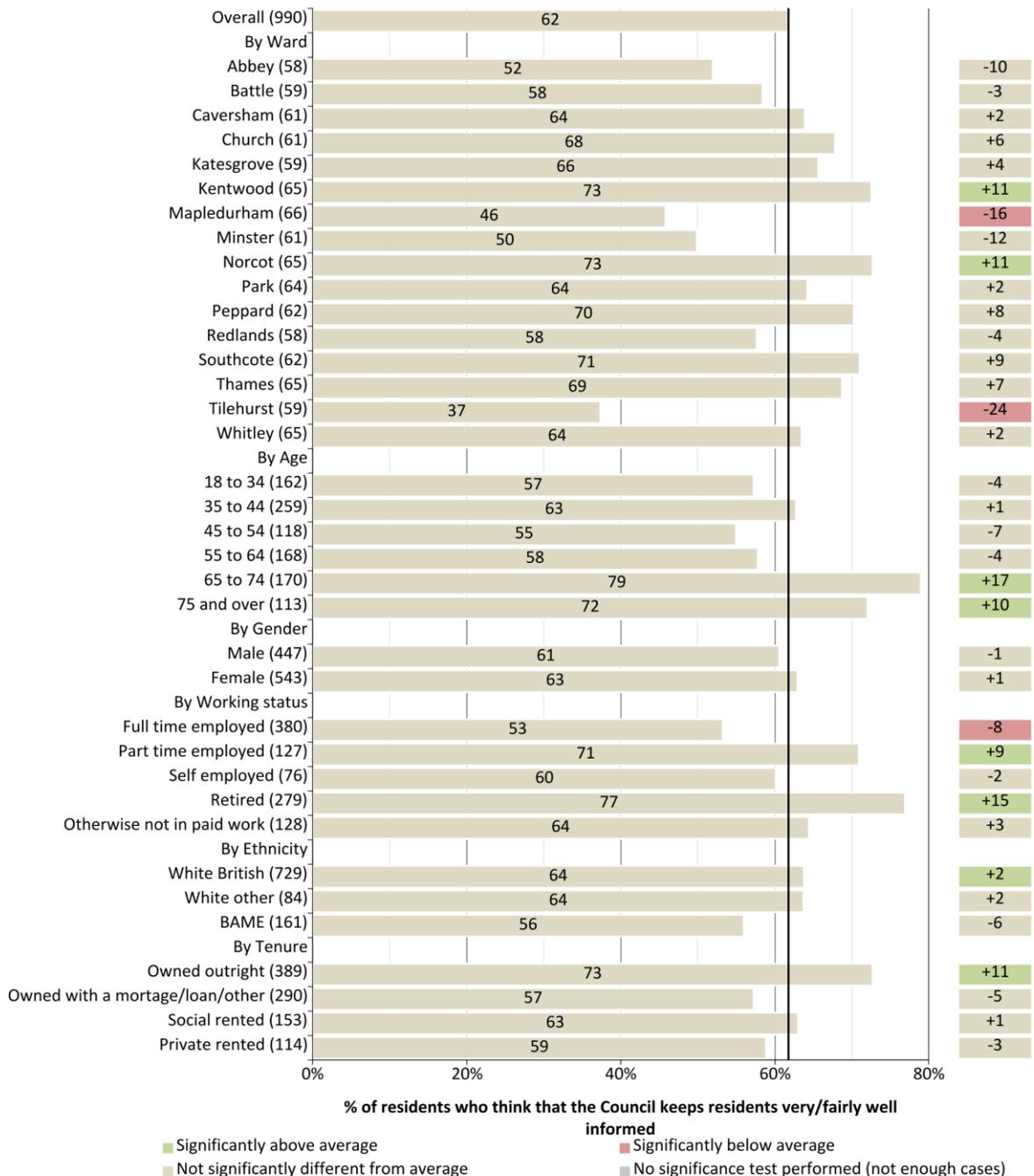
Figure 14: How well Councils keep residents informed about the services and benefits they provide (benchmarked against national result)



Base: National (992); Reading (990)

- 3.25 Figure 15 shows that residents who live in Kentwood or Norcot and residents who are aged 65 or over are among those significantly more likely think Reading Borough Council keeps them very or fairly well informed about the services and benefits it provides.
- 3.26 Residents who live in Mapledurham or Tilehurst, and residents who are full-time employed are significantly less likely to think that Reading Borough Council keeps them very or fairly well informed about the services and benefits it provides.

Figure 15: Overall, how well informed do you think the Council keeps residents about the services and benefits it provides? (Grouped Responses by demographic sub-group)

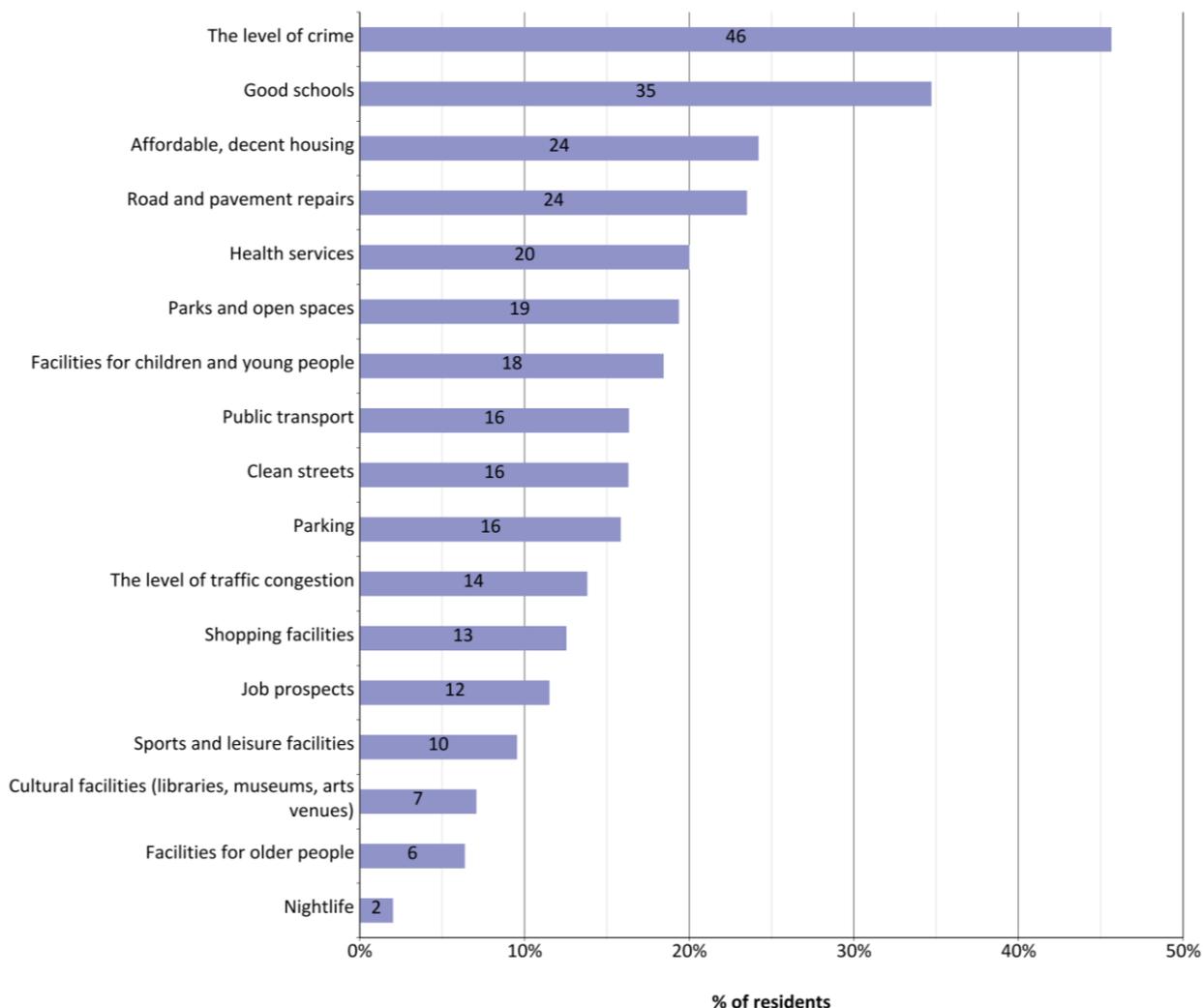


Base: All Residents (number of residents shown in brackets)

Thinking generally, which three of the things I'm about to read out would you say are the most important in making somewhere a good place to live?

- 3.27 Residents asked which three things (from a list of seventeen items) were most important in making somewhere a good place to live; Figure 16 shows that the top five answers were ‘the level of crime’ (selected by nearly half of residents i.e. 46%), ‘good schools’ (35%), ‘affordable, decent housing’ (24%), ‘road and pavement repairs’ (24%), and ‘health services’ (20%).
- 3.28 Fewer residents thought that each of the following was important in making somewhere a good place to live: ‘job prospects’ (12%), ‘sports and leisure facilities’ (10%), ‘cultural facilities’ (7%), ‘facilities for older people’ (6%), and ‘nightlife’ (2%).
- 3.29 There were some statistically significant answers in terms of age: residents aged under 35 were significantly more likely than average to identify ‘affordable, decent housing’, ‘job prospects’ and ‘shopping facilities’ as being important – even though overall, the most popular answer in this age group was still ‘the level of crime’. Residents aged 65 or above, on the other hand, are more likely than average to identify ‘road and pavement repairs’ and ‘public transport’ as important.

Figure 16: Thinking generally, which three of the things I'm about to read out would you say are the most important in making somewhere a good place to live?

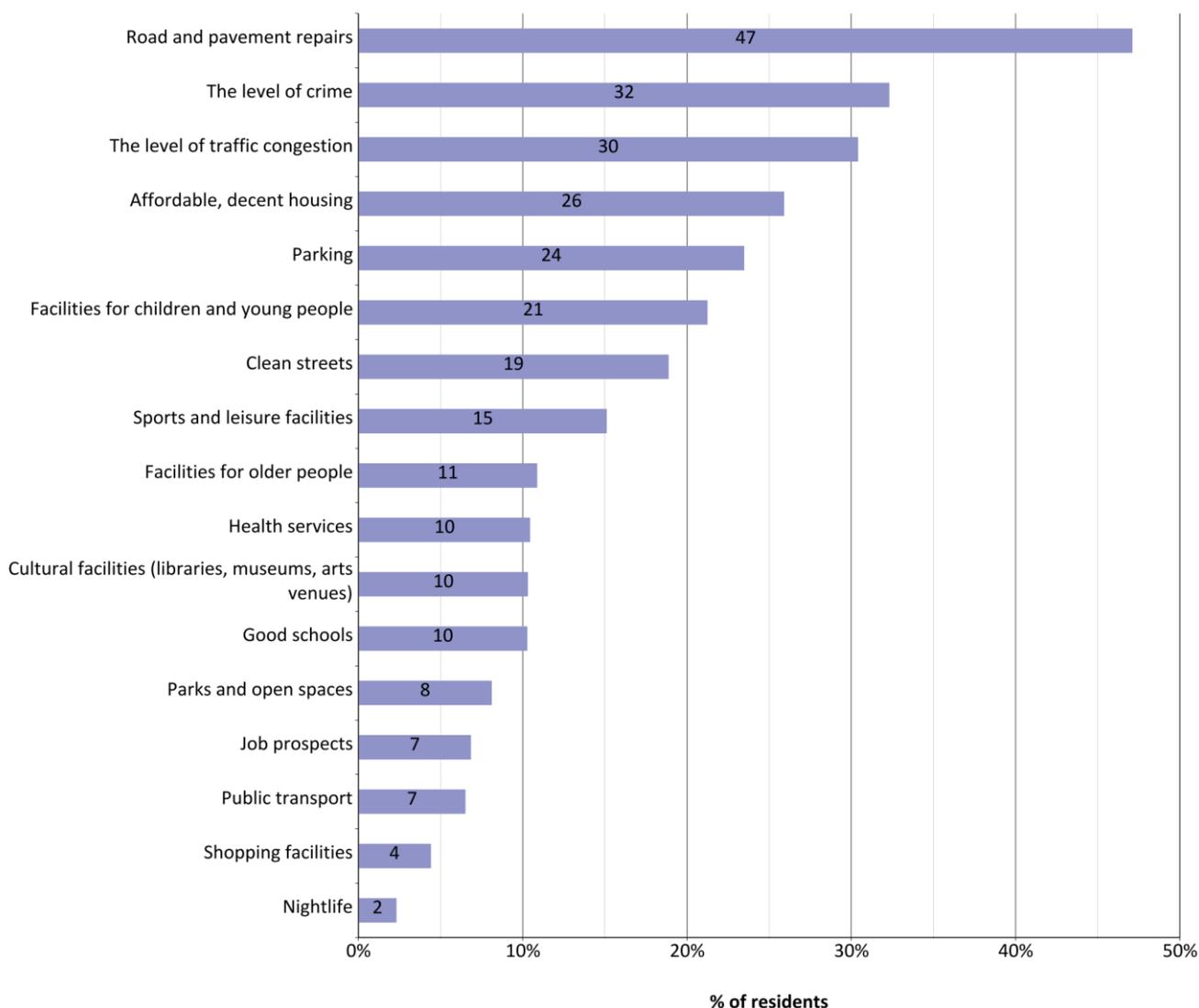


Base: All Residents (984)

Thinking about your local area (i.e. Within 15-20 minutes walking distance from your home), which three of the things I'm about to read out, if any, do you think most need improving?

- 3.30 Residents were then asked which three things from the same list of items were most in need of improving; Figure 17 shows that the top five most common answers were ‘road and pavement repairs’ (47%), ‘the level of crime’ (32%), ‘the level of traffic congestion’ (30%), ‘affordable, decent housing’ (26%), and ‘parking’ (24%).
- 3.31 Fewer residents identified ‘parks and open spaces’ (8%), ‘job prospects’ (7%), ‘public transport’ (7%), ‘shopping facilities’ (4%), and ‘nightlife’ (2%) as being among the three things which most needed improving.
- 3.32 Once again, there were some demographic differences: female residents and those aged 35 to 44 were significantly more likely than average to feel that facilities for children and young people need improving, while road and pavement repairs was widely identified as needing improvement across nearly all demographic groups, but particularly among those residents aged 55 and above.

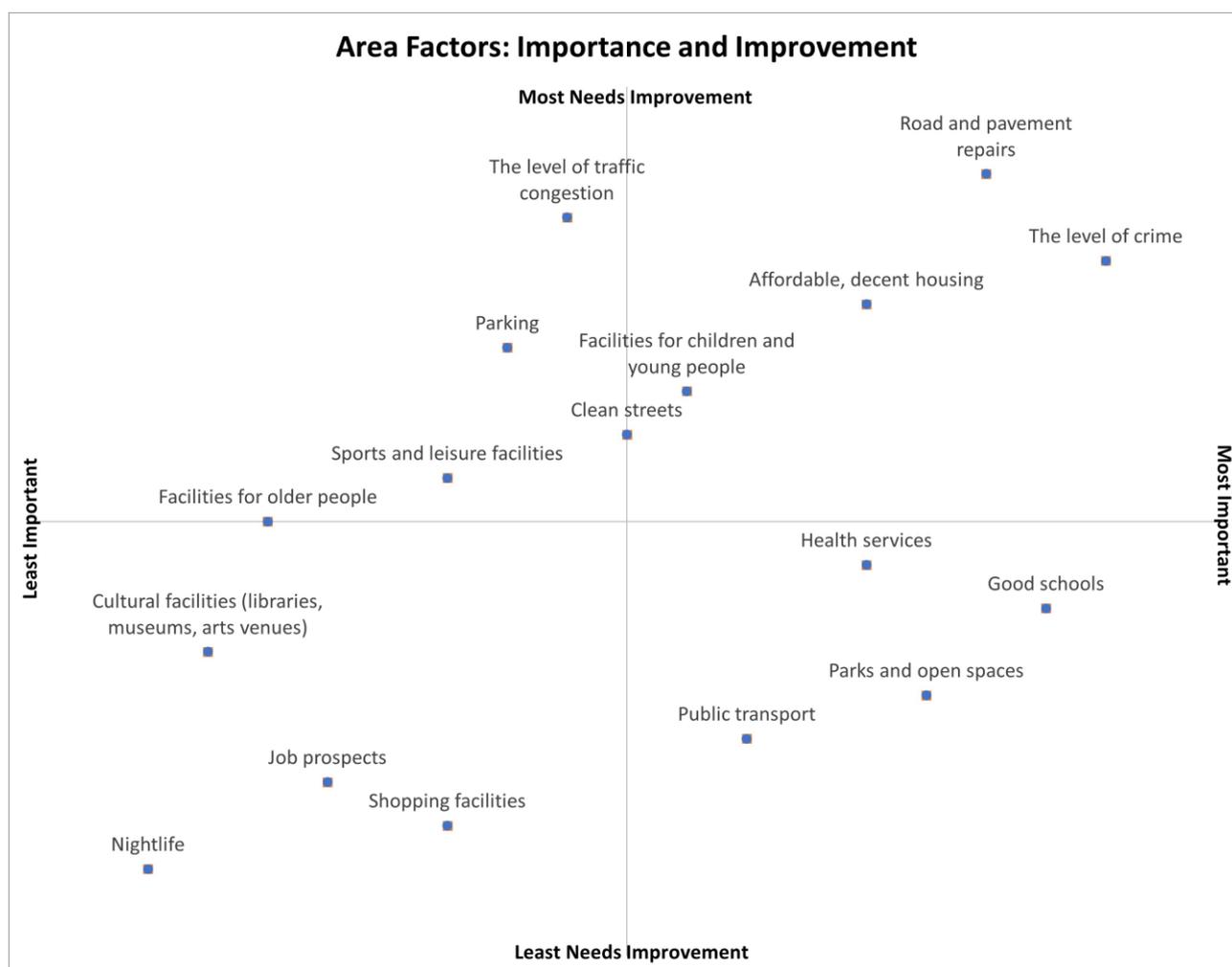
Figure 17: Thinking about your local area (i.e. Within 15-20 minutes walking distance from your home), which three of the things I'm about to read out, if any, do you think most need improving?



Base: All Residents (973)

- 3.33 The response options from the two questions above (i.e. the top three things that are most important in making somewhere a good place to live, and the top three things most in need of improvement) have been ranked based on the frequency with which respondents selected them, and the two sets of rankings have been plotted in Figure 18.
- 3.34 If a service appears in the top-right quadrant of the diagram, this indicates that respondents were likely to view it as *both* important *and* in need of improvement. On this basis, the Council might wish to consider ‘the level of crime’; ‘road and pavement repairs’; ‘affordable, decent housing’; and ‘facilities for children and young people’ as being high-priority issues for local residents.
- 3.35 ‘Nightlife’, ‘job prospects’, ‘cultural facilities’ and ‘shopping facilities’ were all identified as being both less important (relative to the other issues listed), as well as less in need of improvement – so might potentially be treated as lower priorities.

Figure 18: Cross tabulation of what residents think is most important in making somewhere a good place to live about local area, and the things residents think most need improving.



Base: All Residents (973/984)

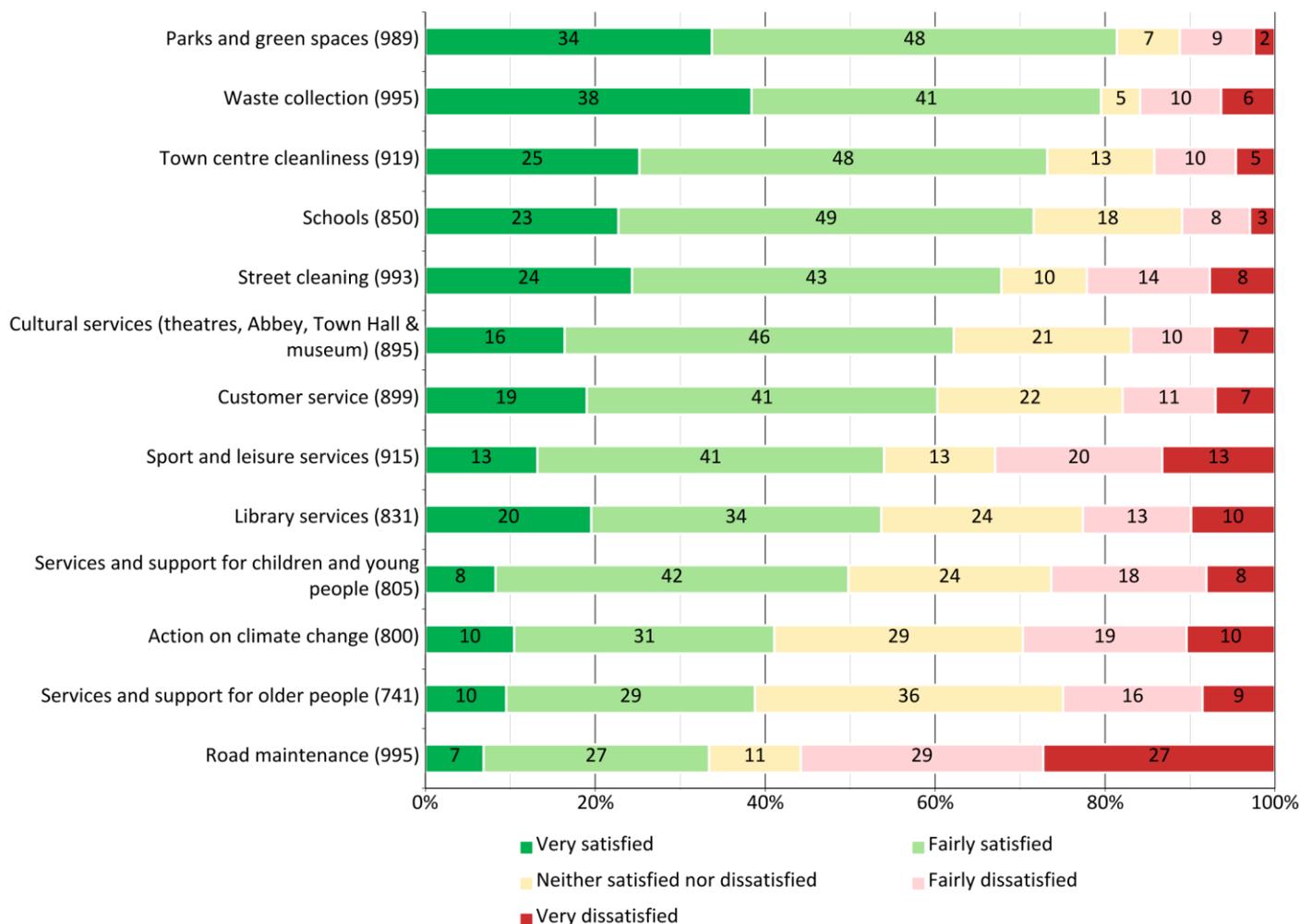
Satisfaction with Reading Borough Council services

I am going to read out a number of different types of services that are provided by Reading Borough Council in your area

How satisfied or dissatisfied are you with you council's...?

- 3.36 Respondents were asked to give their view on a number of council services. To try and mitigate the effects of respondents answering from very different perspectives due to the disruption caused by the pandemic, an additional clarification was provided to be read out if needed, asking respondents to think about their overall perceptions over the last 12 months or so.
- 3.37 As can be seen in Figure 19 overleaf, around 4 in 5 residents of residents were satisfied with parks and green spaces (81%) and waste collection services (80%).
- 3.38 Nearly three quarters are satisfied with the cleanliness of the town centre (73%) and with schools (72%), while around two thirds are satisfied with street cleaning (68%).
- 3.39 In addition, most residents are satisfied with cultural services (e.g. theatres, Abbey, Town Hall and Museum) (62%), the Council's customer service (60%), sport and leisure services (54%) and library services (54%), while half are satisfied with services and support for children and young people (50%).
- 3.40 Lower levels of satisfaction were seen in relation to action on climate change (41%) and services and support for older people (39%) – however, it is worth noting the somewhat lower base sizes in relation to these questions (indicating higher levels of 'don't know' responses), and higher levels of neutral 'neither' responses (29% and 36% respectively), suggesting fewer respondents have specific knowledge or experience of these services, compared to certain others.
- 3.41 The most negatively viewed service of those listed in Figure 19 was clearly road maintenance – only a third (33%) of residents were satisfied, and more than half (56%) were dissatisfied.

Figure 19: How satisfied or dissatisfied are you with...?



Base: All residents (number of residents shown in brackets)

3.42 Some comparisons with national results are possible, which show that:

The level of satisfaction with parks and green spaces is in generally in line with the national result (both 81%);

Views of waste collection services (80%) appear to be slightly lower than those seen nationally (83%);

Satisfaction with street cleaning (68%) is broadly the same as the national result (69%) (albeit a slightly higher proportion - 73% - in Reading are satisfied with the cleanliness of the town centre);

Levels of satisfaction with sport and leisure services (54%) and libraries (54%) both appear to be lower than the equivalent national results (66% and 64% respectively);

The proportion in Reading who are satisfied with support and services for children and young people (50%) is in line with the national result (also 50%); however the proportion satisfied with services and support for older people (39%) is somewhat lower than that seen nationally (51%).

While road maintenance is one of the most negatively viewed services nationally, satisfaction is lower in Reading (33%) compared with the most recently obtained national result (43%).

4. List of Tables and Figures

Tables

Table 1: Age - All Residents	6
Table 2: Gender - All Residents	6
Table 3: Working status - All Residents	6
Table 4: Ward - All Residents.....	7
Table 5: Tenure – All Residents	7
Table 6: Ethnicity – All Residents.....	7
Table 7: Summary of comparisons with national results for the three core questions.....	11

Figures

Figure 1: Overall, how satisfied or dissatisfied are you with your local area as a place to live?.....	12
Figure 2: Satisfaction with the local area as a place to live (benchmarked against national result)	12
Figure 3: Overall, how satisfied or dissatisfied are you with your local area as a place to live? (Grouped Responses)	13
Figure 4: Overall, how satisfied or dissatisfied are you with the way Reading Borough Council runs things?	14
Figure 5: Satisfaction with the way the council runs things (benchmarked against national result).....	14
Figure 6: Overall, how satisfied or dissatisfied are you with the way Reading Borough Council runs things? (Grouped Responses).....	15
Figure 7: To what extent do you agree or disagree that Reading Borough Council provides value for money?	16
Figure 8: Agreement that the Council provides value for money (benchmarked against national result).....	16
Figure 9: To what extent do you agree or disagree that Reading Borough Council provides value for money? (Grouped Responses by demographic sub-group).....	17
Figure 10: To what extent do you think the Council acts on the concerns of local residents?.....	18
Figure 11: Extent to which Councils act on the concerns of their local residents (benchmarked against national result)	18
Figure 12: To what extent do you think the Council acts on the concerns of local residents? (Grouped Responses by demographic sub-group)	19
Figure 13: Overall, how well informed do you think the Council keeps residents about the services and benefits it provides?	20
Figure 14: How well Councils keep residents informed about the services and benefits they provide (benchmarked against national result) Base: National (992); Reading (990).....	20
Figure 15: Overall, how well informed do you think the Council keeps residents about the services and benefits it provides? (Grouped Responses by demographic sub-group)	21
Figure 16: Thinking generally, which three of the things I'm about to read out would you say are the most important in making somewhere a good place to live?	22
Figure 17: Thinking about your local area (i.e. Within 15-20 minutes walking distance from your home), which three of the things I'm about to read out, if any, do you think most need improving?	23
Figure 18: Cross tabulation of what residents think is most important in making somewhere a good place to live about local area, and the things residents think most need improving.....	24
Figure 19: How satisfied or dissatisfied are you with each of the following services?	25

This page is intentionally left blank

Agenda Item 9

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO:	COUNCIL		
DATE:	23 FEBRUARY 2021	AGENDA ITEM:	
TITLE:	CAPITAL STRATEGY 2021/22		
LEAD COUNCILLOR:	COUNCILLOR BROCK	PORTFOLIO:	LEADER OF THE COUNCIL
SERVICE:	ALL	WARDS:	BOROUGHWIDE
LEAD OFFICER:	PETER ROBINSON	TEL:	
JOB TITLE:	ASSISTANT DIRECTOR OF FINANCE	E-MAIL:	Peter.Robinson@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 full Council.

2. RECOMMENDED ACTION

Council is asked to:

- 2.1 Approve the Capital Strategy attached at Appendix 1; and
- 2.2 Note the updated Action Plan that forms Appendix D of the Capital Strategy (Appendix 1) together with the associated financial implications.

Appendices:

Appendix 1 - Draft Capital Strategy 2021/22

3. POLICY CONTEXT

- 3.1. The aim of the Capital Strategy is to support the delivery of the Council's Corporate Plan, which includes the Council's agreed priorities.

4. INTRODUCTION

- 4.1 The 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 of the Council.

- 4.2 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.
- 4.3 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, Corporate Investment Strategy and Carbon Reduction Strategy.
- 4.4 The Strategy sets out among other things; the Council's approach to asset management planning, development and monitoring of the Capital Programme.
- 4.5 The Capital Strategy has been updated in several respects. The most significant change relates to the removal from the Capital Programme of further commercial property acquisition following new restrictions on borrowing from the PWLB. The updated Strategy also provides a more balanced reflection of all asset types owned by the Council and clearer referencing to supporting strategies.
- 4.6 Appendix B to the Strategy attached at Appendix 1 sets out a prioritisation matrix for new capital schemes.
- 4.7 The proposed Action Plan at Appendix D of the Strategy identifies four areas of ongoing work required for the Council 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
- 4.8 A number of actions included on the previous action plan have now been completed:
- A prioritisation matrix has been developed in line with the Capital Strategy and has been used to evaluate capital bids as part of the 2021/22 MTFS process;
 - The Terms of Reference of the asset management governance arrangements have been reviewed and revised;
 - A new Gateway process has been developed and implemented to more actively manage the way projects are progressed;
 - The new capital bids template now explicitly requires the identification of revenue consequences of capital proposals.
- 4.9 Progress against actions still outstanding are reported on the face of the Action Plan along with revised target completion dates. A further action has been identified to fundamentally review the Commercial Investment Strategy to ensure that it is now focussed on managing the Council's existing portfolio, rather than acquiring new assets.
- 4.10 The Draft Capital Strategy 2021/22 (Appendix 1) has been presented to the Policy Committee at its meeting on 15th February 2021 and is now recommended for adoption by Full Council by that Committee.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The Council's vision is to ensure that Reading realises its potential - and to ensure that everyone who lives and works in Reading can share the benefits of its success. The Council has six priorities which contribute to delivering this vision. These priorities are:

- 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; and
- Ensuring the Council is fit for the future.

5.2 The Capital Strategy provides a link between the Corporate Plan and the development of the Capital Programme as well as setting out the approach taken to asset management to ensure that these fit with the corporate priorities.

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

6.1 There are no environmental or climate implications arising directly from the report; these are set out in the 2021/22 Budget and Medium-Term Financial Strategy 2021/22 - 2023/24.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1. The Council's budget consultation process ran from 15th December 2020 until 15th January 2021. The feedback from this consultation, alongside the feedback from the Resident's Survey 2020 is set in in the main body and appendices of the 2021/22 Budget and Medium-Term Financial Strategy 2021/22 - 2023/24 report which appears elsewhere on the agenda.

8. FINANCIAL IMPLICATIONS

8.1. The Council's Capital expenditure requirements are set out within the Strategy attached at Appendix 1. The financial implications of the Council's Capital expenditure plans are set out in 2021/22 Budget and Medium-Term Financial Strategy 2021/22 - 2023/24 report and Treasury Management Strategy Statement which appear elsewhere on the agenda.

9. LEGAL IMPLICATIONS

9.1. 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.

10. BACKGROUND PAPERS

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

This page is intentionally left blank

Reading Borough Council

Capital Strategy

2021/22

February 2021

Contents

1. Introduction
2. Context
3. Approach to Capital Investments
4. Asset Management Planning
5. Capital Programme (2021/22 - 2023/24)
6. Financing the Capital Programme
7. Governance
8. Risk Management
9. Treasury Management
10. 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 - General Fund Capital Programme 2021/22 - 2023/24

Appendix F - Housing Revenue Account (HRA) Capital Programme 2021/22 - 2023/24

1. Introduction

- 1.1. The Prudential Code for Capital Finance in Local Authorities (2017), published by the Chartered Institute of Public Finance and Accountancy (CIPFA), requires each Local Authority to produce a Capital Strategy on an annual basis. This Capital Strategy document is aimed at meeting those requirements.
- 1.2. As well as meeting the requirements of the Prudential Code, this Strategy also has regard to the statutory guidance on Local Government Investments issued by the Ministry of Housing, Communities and Local Government (MHCLG) in February 2018. The purpose of the statutory guidance and the Prudential Code is to ensure that capital investments made by Local Authorities are affordable, prudent and sustainable.
- 1.3. Under the legislative framework the Capital Strategy is one of a suite of four linked strategies, the others being: The Annual Investment Strategy, the Treasury Management Strategy and the Minimum Revenue Provision Policy.
- 1.4. In practice the main purpose of the Capital Strategy is to define how Reading Borough Council will maximise the impact of its limited capital resources to support the delivery of its key aims and objectives.

2. Context

- 2.1. 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 (2021/22). The Capital Strategy will help shape Reading's future and facilitate the delivery of the Council's agreed Corporate Plan priorities, which are:
 - 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'.
- 2.2. The Capital Strategy also needs to be read in conjunction with other strategic documents such as the Medium-Term Financial Strategy, the Council's Asset Management Plan, Treasury Management Strategy Statement (TMS) and the Commercial Investment Strategy.

Demographic Changes

- 2.3. Office of National Statistics (ONS) forecasts indicate that the population of Reading is anticipated to rise by 2.3% by 2043. However, within that total the

percentage of residents aged 65+ is projected to increase by 51.1%, whereas, the 0-19 population is projected to decrease by 6.8%, representing a significant demographic shift.

- 2.4. Housing growth - Government have reaffirmed their commitment to the building of 300,000 new homes per annum. However, a recent (Dec 2020) revision to guidance from Government has shifted the emphasis from greenfield sites to brownfield sites in major urban areas, including the repurposing of shops and offices. This may have an impact on the centre of Reading which has a large office footprint, particularly post Covid depending on people's ability and preference to work from home.
- 2.5. The Elizabeth Line (Cross Rail) is currently anticipated to open in the first half of 2022 with its western terminus in Reading. It remains to be seen what the impact is on the number of people commuting into or out of Reading and the knock-on impact on supporting infrastructure requirements.

Technological Changes

- 2.6. The pace of change in technological advancement gets ever faster, with the crisis caused by the Covid-19 Pandemic having pushed things on even faster in some cases. It is likely that the way that the Council uses its office spaces and the way it delivers its service to the public will change significantly.
- 2.7. The Council also has a role in facilitating change in the wider community. Examples of this might be in providing charging points for electric vehicles, better integration of public transport to allow safe travel, more walking and cycling networks, or even providing street furniture which facilitates the use of self-driving vehicles.
- 2.8. Reading's location at the heart of the M4 corridor may provide some unique opportunities in terms of economic development.

Climatic Changes

- 2.9. The Council has declared a Climate Emergency and has set a policy objective of making Reading a carbon neutral town by 2030. This ambition will require investment in 'green technologies' not only for the Council's own operational sites and housing stock, but to facilitate a step change across the Borough.
- 2.10. This might mean investment in carbon neutral initiatives such as solar and wind energy as well as ground source heat pumps, etc.
- 2.11. There may also be a need for investment to mitigate the impacts of climate change such as flood defence or increased planting to either absorb water or provide a cooling effect in highly urban areas.

Legislative Changes

- 2.12. The Government has been concerned about local authorities investing in the property market purely for financial return for some time and have steadily tightened the rules to restrict such actions. The latest announcement from Government on this topic is to prevent any local authority which has such investments in its capital programme from borrowing from the PWLB. In response to this the Policy Committee at its meeting on 14 December 2020 removed this activity from the Capital Programme from 2020/21 onwards.

3. Approach to Capital Investments

3.1. The key objectives of Capital Investment are to:

- Support service delivery in line with the Council's strategic objectives and any statutory requirements
- Maintain existing assets to appropriately fulfil their intended function, or maximise their value if they are surplus to requirements and intended for disposal
- Facilitate the generation of income from Council Services
- Enhance value for money through reducing or avoiding costs
- Support regeneration and economic development

3.2. Capital Investments will also have regard to the following:

- Be affordable and financially sustainable
- Minimise adverse environmental impacts wherever possible
- Maximise community benefits, working in partnership with other agencies if appropriate
- Be forward looking in terms of technological developments and social trends
- Seek to minimise the risk profile of the investment within the limitations imposed by meeting other criteria

3.3. Any capital bids that do not meet the above objectives will not be supported.

3.4. Existing capital assets that do not contribute towards the above objectives will be considered for disposal. However, the Council will aim to maximise the capital receipt from any such disposal and as a consequence, may continue to hold assets awaiting favourable market conditions. Where this is the case the reason for retaining the asset will be made explicit and an action plan/criteria for disposal agreed.

3.5. To ensure that Capital Investment is conducted in line with this Strategy the Council has put in place governance arrangements set out in more detail in section 7 of this document and Appendix A attached. The Council also uses a prioritisation matrix to assess capital bids when they are presented as part of the Medium Term Financial Strategy process which appears in Appendix B. Appendix C sets out the process by which schemes are accepted into the Capital Programme.

4. Asset Management Planning

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

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

Operational Assets

4.2. The Council holds a wide range of operational assets such as land and buildings, highways infrastructure, vehicles and ICT Hardware and Software.

Land and Buildings

4.3. The purchase, on-going management and disposal of land and buildings is governed by the Corporate Asset Management Plan.

4.4. The Council has historical data on its property portfolio to assess building condition and backlog maintenance which is updated through a rolling programme of condition surveys. The Council retains an annual building maintenance programme funded from revenue. This is primarily a responsive repairs and specific statutory compliance budget.

4.5. The Council's proposed expenditure on maintenance and improvement to corporate buildings in the period 2021/22-2023/24 is £1.0m. It is primarily directed at operational buildings (non-Housing) and excludes ring fenced funding.

4.6. 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. Alternatively, surplus land may be suitable to be transferred to the HRA to facilitate the development of affordable housing.

4.7. The Council's housing stock, within the Housing Revenue Account (HRA), is subject to a programme of major repairs, planned at £9.2m p.a., in order to ensure the stock is maintained at a suitable standard. The HRA Capital Programme also contains New Build & Acquisition schemes to provide more affordable housing within Reading. The Council also has plans to build new sheltered homes alongside adult day care services to meet the needs of older people and vulnerable adults.

Highways Infrastructure

- 4.8. Highways infrastructure is maintained and developed in line with the [Highway Asset Management Policy](#). This aims to secure highways assets in a manner which allows the delivery of services to an agreed standard. The policy is underpinned by the Highways Asset Management Plan and Strategy (HAMPS) which defines the management strategies to be adopted throughout the life cycle of assets in order for them to facilitate the delivery of those service standards.
- 4.9. In support of the HAMPS the highways network is regularly surveyed to determine the condition of assets and thus identify the need to repair or replace those assets.
- 4.10. Delivery of the HAMPS is overseen by the Highways Asset Management Board which meets regularly throughout the year.

Vehicles

- 4.11. Since 2016/17 the Council has adopted a multi-year Vehicle Replacement Programme to ensure the best value in procuring new vehicles and to minimise service risk from vehicle failure. In addition, the Vehicle Replacement Programme allows a clear path to be plotted for the electrification of the fleet in order to contribute towards the Council's ambition of a carbon neutral Reading by 2030. As an early adopter of such technology the Council is likely to incur some additional financial cost in the short term, even if reducing the environmental cost. These higher costs are reflected in the Capital Programme.

ICT Assets

- 4.12. The Council's approach to Information & Communication Technology (ICT) is set out in the [ICT Future Operating Model](#) agreed by Policy Committee in June 2020. A broader Digital Strategy is in preparation for approval in early 2021/22.
- 4.13. Both for financial reasons and in order to provide more responsive services in line with customer expectations the Council has adopted a large-scale transformation programme. Much of this transformation is underpinned by new digital infrastructure in order to facilitate new ways of working. The Covid-19 pandemic has both illustrated the importance of this approach and accelerated the pace of change.
- 4.14. ICT needs to be agile, responsive and reliable, but at the same time secure. The rapidly evolving ICT market provides a range of options which will need careful consideration to strike the right balance in meeting these requirements. However, there is a clear trend towards solutions being provided on an as used basis which is likely to mean that the Council will require a smaller asset base in this area of activity. This may require some funding adjustments from capital to revenue to support this changed environment.

Capital Receipts

4.15. Below is the latest projection on capital receipts:

Table 1. Capital Receipts Projection

	2020/21	2021/22	2022/23	2023/24
	(£000)	(£000)	(£000)	(£000)
Prior Year (Brought Forward)	7,258	524	1	7
Receipts in Year:				
Property Disposals	220	2,245	3,356	2,851
RTL Loan Repayments	0	1,500	1,500	1,500
Balance Available to be Applied	7,478	4,269	4,857	4,358
Applied to Fund Delivery Fund	(4,056)	(1,732)	0	0
Applied to Fund Other	(2,898)	(2,536)	(4,850)	(801)
Balance to Carry Forward	524	1	7	3,557

Investment Assets

- 4.16. Investment assets can be broken down into two main categories: financial investment assets e.g. bank deposits, and non-financial investment assets, e.g. property.
- 4.17. Financial investments can fall into three categories, as defined by the Statutory Guidance issued under section 15(1)(a) of the Local Government Act 2003: Specified Investments; Non-Specified Investments and Loans. Specified and Non-Specified investments are only likely to be undertaken as part of managing the Council's cash flows and are therefore covered by the Treasury Management Strategy.
- 4.18. Loans may also be used as part of the cash flow management processes but may also be used in support of specific service objectives. Where loans are provided to support service objectives there are likely to be other social, economic, or environmental issues involved which are likely to impact on the nature of the loan provided. These will need to be carefully considered on a case by case basis but may mean that loans are provided on terms that are not fully commercial, although anti-competitive legislation will always need to be taken into account. Even if not established on a fully commercial basis such loans may yield a financial return to the Council.
- 4.19. Non-financial investments are non-financial assets held by the Council partly or primarily to generate a financial return. This might be through an appreciation in the capital value of the asset or by delivering a regular income stream in excess of the costs of owning the asset, or both. Although other opportunities might be considered it is likely that such investments will involve the holding of property assets.
- 4.20. In line with many other councils, Reading Borough Council has historically established a small portfolio of investment properties primarily to generate a regular income stream to off-set significant reductions in funding from Government. The approach to developing this portfolio is governed by the Commercial Investment Strategy. In the light of recent developments, e.g.

Covid-19 and the reform of PWLB lending terms, the Commercial Investment Strategy will need to be subject to a thorough review.

- 4.21. Traditionally property as an investment class has offered relatively high yield and less volatility than financial investments. However, it is an illiquid asset and as such carries the risk of being unable to respond quickly to changes in market conditions. Recent events in respect of the Covid-19 pandemic have brought this risk to attention and the impact on the Council's historic property investments needs to be carefully considered.
- 4.22. Central Government have never been entirely comfortable with local authorities entering into the property market for yield and have steadily increased regulation on these activities. In November 2020 HM Treasury announced changes to the rules in respect of borrowing from the Public Works Loans Board (PWLB). Councils Purchasing Investment Assets Primarily for Yield (PIAPY) will no longer have access to borrowing from the PWLB either for those specific assets or the rest of their Capital Programme.
- 4.23. Therefore, in the light of both the impact of the Covid-19 pandemic and the change in the rules for borrowing from the PWLB the Council will not purchase further property for investment purposes at this time. The existing investment property portfolio will need to be reviewed to determine the best course of action for the future.
- 4.24. The commercial investment portfolio held by the Council is set out in Table 2 below.

Table 2. Commercial Investment Portfolio

	Annual Rental Yield 2021/22 (£m)	Capital Value as at 31 st March 2020 (£m)	Purchase Price (£m)	Net Annual Income after Financing Cost (£m)
Kennet Wharf, Queens Road	1.295	17.775	20.091	0.453
Adelphi House, Friar Street	0.744	10.085	11.432	0.222
160 - 163 Friar Street Office	0.719	10.165	11.230	0.249
Four 10 TVP	1.660	35.290	32.914	0.160
Acre Business Park	0.019	2.940	N/A	0.019
Albury Close	0.010	0.605	N/A	0.010
16 & 18 Bennett Road	0.109	2.200	N/A	0.109
Total	4.556	79.060	75.667	1.222

- 4.25. It is still possible that the Council will make a financial return from its ownership of property or other assets where this is not the main purpose of holding them.

Community and Regeneration Assets

- 4.26. Assets held for community or regeneration purposes will tend to be land and property held by the Council for wider community benefit beyond services delivered directly by the Council, but where the main purpose is not to make a return.

5. Capital Programme (2021/22 - 2023/24)

- 5.1. 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
 - Facilitating transformation schemes, ensuring that the Council is fit for the future
- 5.2. The Council has an ambitious Capital Programme, but limited capital resources. Therefore, to help in determining how they are utilised, capital bids are assessed against a prioritisation matrix (Appendix B). 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.
- 5.3. The General Fund and HRA Capital Programmes, attached as Appendix E & F respectively, set out the Council's plan of capital expenditure for future years, including details on the funding of the schemes. The Capital Programme 2021/22 - 2023/24 is a separate item for Member approval on this agenda. It commits £300m to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading. The Programme has a borrowing requirement of £157m after external contributions such as grants, section 106 contributions and Community Infrastructure Levy funding have been applied.

5.4. The financing of the Capital Programme is set out in section 6.

Table 3. Capital Expenditure (2019/20 - 2023/24)

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Adult Social Care & Health Services	1.073	0.279	0.686	3.679
Economic Growth & Neighbourhood Services	44.492	50.584	43.204	26.908
Economic Growth & Neighbourhood Services - Education Schemes	6.957	20.899	16.544	6.608
Resources	7.589	4.559	3.498	0.543
Corporate	4.827	11.832	5.100	5.100
Non-HRA	64.938	88.153	69.032	42.838
HRA	20.457	39.675	23.415	37.712
Total	85.395	127.828	92.447	80.550

5.5. Highlights of the Capital Programme 2021/22 - 2023/24 are:

- £44m on the school estate including Re-provisioning at Phoenix College and replacing Ranikhet School
- The delivery of new fit-for-purpose leisure facilities across all four of the Council's leisure centres including the re-provisioning of the Rivermead site to BREEAM excellence
- £37m on the re-provisioning of social care facilities supported by both the HRA and the General Fund.
- £18m Investment in the Council's local highways infrastructure (including Bridges) addressing feedback from the residents' survey
- Provisioning of Green Park station and Reading West Station
- £13.8m on South Reading MRT (Phases 5 & 6)
- £7.8m on schemes to help reduce Reading's carbon footprint
- Vehicle replacement totalling £7m over the three-year planning period to ensure the Council's fleet assists in reducing CO2 emissions.
- Investment in the Council's IT systems and software to support service efficiency and channel-shift in how customers transact with the Council.

5.6. As set out above, appropriate due diligence will be undertaken prior to the acquisition of any asset with the extent and depth reflecting the level of additional risk being considered. Due diligence process and procedures will include:

- Effective scrutiny of proposed acquisitions;
- Identification of the risk to both the capital sums invested and any 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.

6. Financing the Capital Programme

6.1. Financing the Capital Programme comes from the following main sources:

- External Sources (Government/Non-Governmental/Private Sector)
 - Capital Grants
 - Developer Contributions
 - Section 106 Contribution
 - Community Infrastructure Levy (CIL)
- Internal Sources (Council Resources)
 - Capital Receipts
 - Revenue Contributions
- Prudential Borrowing
 - Borrowing from the Public Work Loans Board (PWLB)
 - Borrowing from Private Sector

6.2. **Capital Grants** - Grant funding is one of the largest sources of financing for the Capital Programme. The majority of grants are awarded by Central Government departments but some are received from other external bodies. Grants can be specific to a scheme and have conditions attached (such as time and criteria restrictions), or for general use.

6.3. **Developer Contributions**

- **(Section 106)** - A mechanism which mitigates the impact of the development on the locality and is used to improve existing or build new infrastructure in the local area.
- **(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. 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.
- 6.4. **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.
- 6.5. 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.
- 6.6. The Council's use of Flexible Capital Receipts has been refreshed as part of the proposed 2021/22 - 2023/24 MTFs. The MTFs includes an allocation of capital receipts to support transformation and savings delivery (the Delivery Fund) in 2021/22. Regular monitoring and administration of the Delivery Fund takes place through the Council's Corporate Programme governance arrangements.
- 6.7. **Revenue Contributions** - The Council can choose to use revenue, from the approved revenue budget or use of earmarked reserves to fund capital expenditure. Given significant decreases in government revenue funding and continuing pressures on the 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.
- 6.8. **Prudential Borrowing** - relates to borrowing from either the PWLB or private sector lenders or internal borrowing 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.
- 6.9. 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.

- 6.10. A summary of how the Capital Programme is to be financed is detailed below.

Table 4. Summary of Capital Programme Funding

General Fund & HRA	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Capital Expenditure	85.395	127.828	92.447	80.550
Capital Grants & Contributions	(49.103)	(50.995)	(34.543)	(17.971)
Capital Receipts	(6.954)	(2.362)	(4.850)	(0.801)
Revenue Contributions	(0.327)	0	0	0
Capital Reserves (HRA)	(8.064)	(10.710)	(10.920)	(11.130)
Net Borrowing Requirement	20.947	63.761	42.134	50.648

7. Governance

Capital Scheme Approval

- 7.1. In line with the Council's Constitution, capital schemes require both scheme and spend approval prior to expenditure being incurred.
- 7.2. 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 as Appendix C.
- 7.3. 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.
- 7.4. Schemes that arise during the year will be added to the agreed Programme once the relevant approvals have been obtained.
- 7.5. The Land Property & Development Board (LPDB) 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.
- 7.6. The LPD Steer Co. below the LPDB is an operational group responsible for producing an annual action plan and reporting on the gateway and monitoring position to the LPDB.

Performance Monitoring and Evaluation

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

- 7.9. 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.
- 7.10. The LPD Steer Co. 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. The LPD Steer Co. report the monitoring position to the LPDB for them to consider the overall performance of the Capital Programme and any impacts resulting from delays to schemes, etc.
- 7.11. A gateway process has been 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 the LPDB 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
- 7.12. 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.

Prioritisation & Affordability

- 7.13. 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; and
 - The outcome of feasibility studies.
- 7.14. 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 (LPDB) prior to being recommended to Members for inclusion in the Draft Capital Programme.

- 7.15. 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 Capital Programme is agreed by Council when setting its budget in February.
- 7.16. A prioritisation matrix for assessing and scoring capital projects is attached as 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.
- 7.17. 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.

Treasury Management Governance

- 7.18. The Council follows the requirements of The Local Government Act 2003 (the Act) and supporting regulations in managing its Treasury Management activities.
- 7.19. The Audit & Governance Committee is the body responsible for the governance of treasury management within the Council. The Act requires that an annual Treasury Management Strategy be presented 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.
- 7.20. The Council also employ Link Group 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.

8. Risk Management

- 8.1. The Council needs to ensure that it has clear ways of mitigating the risks that are inherent in acquiring, managing and disposing of its assets.
- 8.2. 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.
- 8.3. 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.

8.4. 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.

8.5. The Council aims to minimise its exposure to risk 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.

8.6. The Council’s appetite for these risks are set out below.

Table 6. Council’s Risk Appetite

Risk	Appetite
Financial	<p>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.</p> <p>No appetite for currency risk, emerging markets and high volatility investments.</p>
Macroeconomic	<p>Moderate appetite for exposure to national and global growth.</p> <p>High appetite for exposure to local economic growth.</p>

	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

- 8.7. Risk management is not a stand-alone discipline. In order to maximise risk management benefits and opportunities, it is integrated with existing business processes.
- 8.8. 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
- 8.9. 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;

modelling the impact of tenant failure and where necessary securing guarantees.

- 8.10. 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).
- 8.11. 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.
- 8.12. 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.
- 8.13. Risk will always exist in some measure and cannot be removed in its entirety. Therefore, risks need to be considered both in terms of threats to the Council as well as opportunities.
- 8.14. 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

- 8.15. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions (including treasury management).
- 8.16. 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.
- 8.17. The Council will ensure that the property team has the resources required to manage the Council's assets and regeneration aspirations. 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.

9. Treasury Management

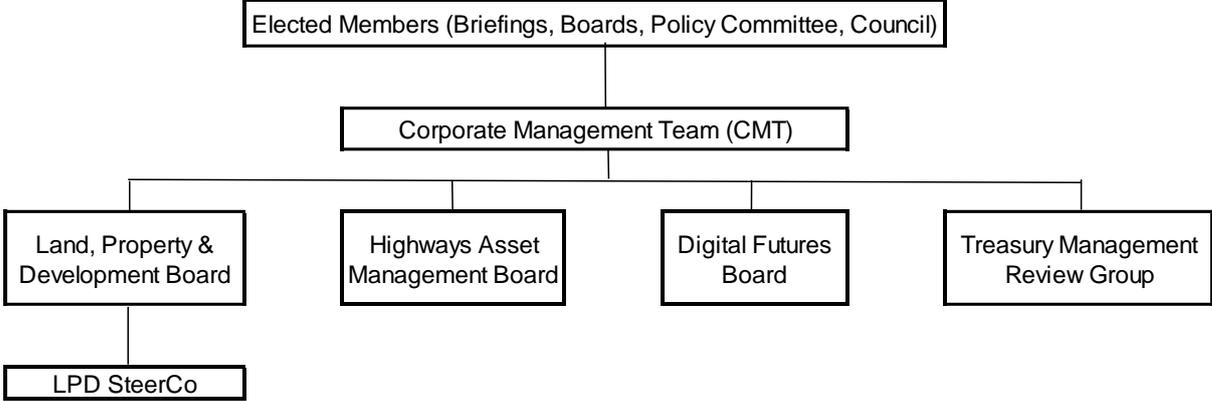
- 9.1. The Council's Treasury Management Strategy Statement (TMSS) is approved by Full Council annually as part of the budget setting process.
- 9.2. There are close links between the Capital Strategy and TMSS. Treasury management sets out the borrowing need of the Council, essentially the longer-term 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.
- 9.3. 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 2021/22 - 2023/24 is forecast to be £25m. The Council's Minimum Revenue Provision Policy is published as part of the Council's Treasury Management Strategy.
- 9.4. Treasury Management Prudential Indicators including the Operational Boundary and Authorised Limits relating to external borrowing are approved by Full Council annually as part of the Treasury Management Strategy; are monitored throughout the year by officers and reported bi-annually to Audit & Governance Committee.

10. Action Plan

- 10.1. The Council continues to review its processes to ensure compliance with the Prudential Code, Statutory Guidance and other relevant legislative requirements. To this end an Action Plan (attached as Appendix D) is maintained that outlines actions, owners of those actions and timelines for delivery.

Appendix A - Asset Management Structure

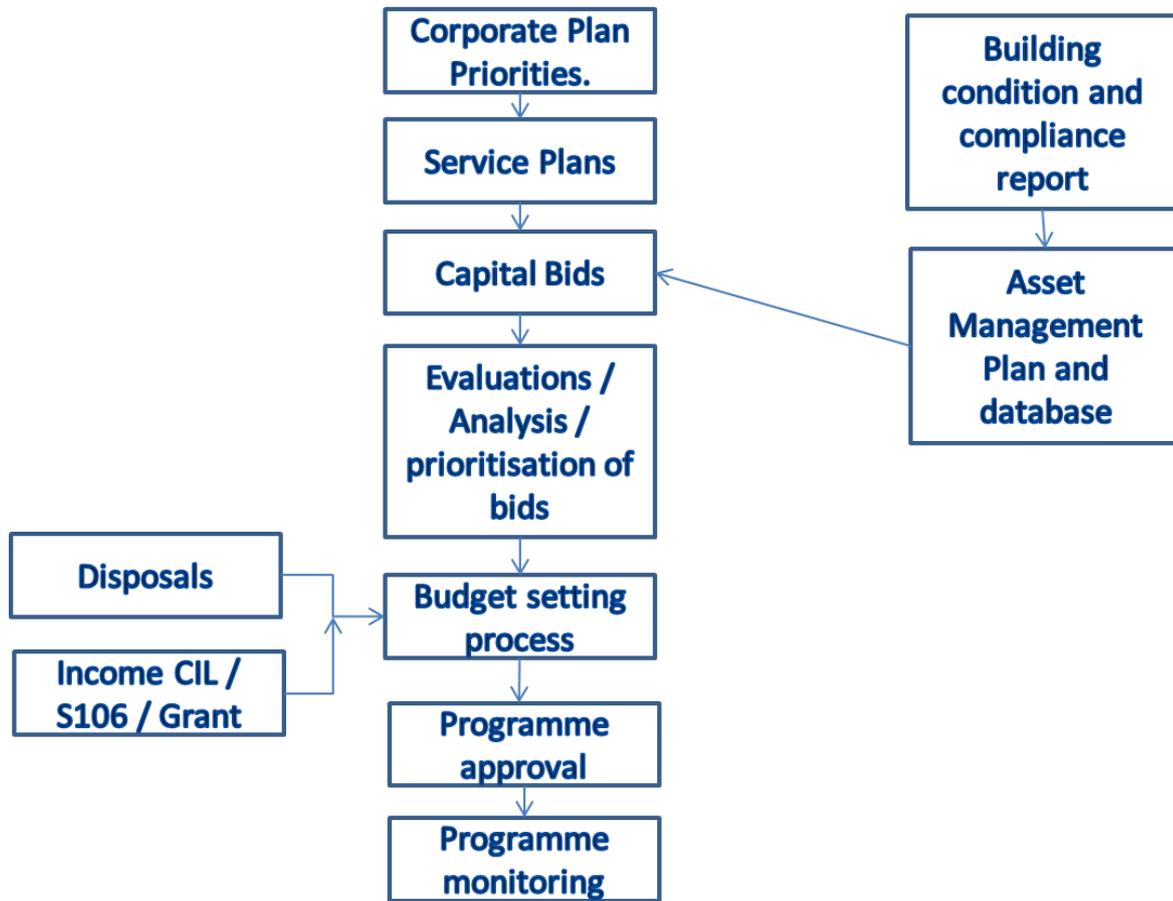
**Asset Management
Governance Arrangements**



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)
	0 =	No Risk (No improvement in customer satisfaction levels)
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 - Flowchart of the 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
Commission work to gain a better understanding of the asset base to include such aspects as: the condition of the assets; their remaining useful life; likely maintenance costs over their remaining useful life; costs of disposal/decommissioning and; costs of replacement if appropriate, etc.	AD Regeneration and Assets	Hampshire County Council have been commissioned to carry out a peer review of working practices as well as Avison Young being commissioned to help develop a new estates strategy and corporate landlord model. Reports are due around the end of Financial Year 2002/21.	30/04/2021

3. Identifying what assets we need in the future

Action	Lead	Progress update	Deadline
<p>Develop working practices that allow asset management teams to work with service delivery teams to ensure that the assets owned by the Council are fit for purpose both currently and in the future in line with service plans and corporate priorities.</p>	<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>A new Estate Strategy is being developed with the support of Avison Young.</p> <p>The Digital Futures Board has been established to review all project proposals with Digital or ICT implications, to ensure that these are appropriately assessed, and that strategic alignment is maintained. The Digital Futures Board has commissioned work to develop a Digital Transformation Strategy - to be submitted to Policy Committee in April 2021 - to which all service areas are contributing, and which will guide future investment in Digital and ICT across the organisation.</p>	<p>31/05/2021</p>
<p>Review and update the Commercial Investment Strategy in the light of new restrictions on borrowing from the PWLB</p>	<p>AD Regeneration & Assets</p>	<p>New Action</p>	<p>31/07/2021</p>

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 Finance/AD Procurement & Contracts	A number of staff have now undertaken existing training courses on project management & procurement framework. The Finance team are in discussion re how to deliver a wider training programme.	31/12/2021
Review working practices within Assets & Regeneration to identify skills and knowledge gaps.	AD Regeneration and Assets	A peer review is being undertaken by Hampshire County Council, which amongst other things will identify skills and knowledge gaps. On the back of this a remedial action plan will be developed and implemented.	31/05/2021
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.	AD Regeneration and Assets	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)	31/05/2021

Action	Lead	Progress update	Deadline
Reports to be submitted to LPDB for reflection and communication of lessons learnt		<p>This will be further reviewed at the next LPD Board meeting to identify the actions necessary to complete this task.</p> <p>Monitoring and review performance and benefits realisation of Digital and ICT programmes is now part of the terms of reference of the Digital Futures Board.</p>	

- 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	Financial forecasting and reporting of the Capital Programme is undertaken in conjunction with Project Managers as part of the Council's budget monitoring arrangements. However, reporting of projects against key milestones is not yet formalised and needs to be implemented particularly for major/priority projects in 2021/22.	31/05/2021
Develop a standard template to accompany service plans, to assist service managers in identifying future asset needs	AD Regeneration and Assets	Asset Management teams are considering what this might look like	31/03/2021

Action	Lead	Progress update	Deadline
		<p>as part of their work with the services mentioned above in section three.</p> <p>This will be further reviewed at the next LPD Board meeting to identify the actions necessary to complete this task.</p>	
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 Regeneration and Assets	<p>An Estates Strategy is in the process of being finalised.</p> <p>The current understanding of future digital and ICT asset needs was reflected in the business case for the ICT Future Operating Model, approved by the Policy Committee in June 2020. This is focused on maintaining and evolving ICT infrastructure. Possible broader future needs are being assessed in the development of the Digital Strategy which will be presented for approval to the Policy Committee in April 2021.</p>	31/04/2021
Secure an asset management database	AD Regeneration and Assets	A Peer review by HCC has identified the need for a single property asset management system which has been discussed with the Digital Futures Board.	TBC

- 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 Regeneration and Assets/AD Finance	The capital bid template was utilised for the 2021/22 Budget and MTFS process. Further work is required to continue to develop this into a full business case template.	31/05/21

- Governance

Action	Lead	Progress update	Deadline
Update the Constitution and related documents to provide clarity around the capital investment process (approval monitoring, virements, slippage)	AD Finance	Will be picked up as part of a wider review of the Constitution being led by the Monitoring Officer.	31/05/2021
Review corporate governance arrangements for Capital across the organisation.	AD Finance/PMO	New Action	31/03/2021

5. Review capacity within the organisation

Action	Lead	Progress update	Deadline
Review current capacity to deliver capital schemes and achieve the desired outcomes.	AD Regeneration and Assets	<p>The peer review undertaken by Hampshire County Council will identify capacity issues across the organisation.</p> <p>There is a partnership (Limited Company) in place with Hampshire County Council which provides additional capital delivery capacity. There are quarterly meetings of the partnership to track delivery and plan ahead for upcoming resource requirements.</p>	31/05/2021

6. On-going work

- a. In addition there are areas where on-going work will also be required. This includes
 - i. Implementation of 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 2021/22 - 2023/24

Scheme Name	2020/21 Forecast			2021/22 Forecast			2022/23 Forecast			2023/24 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)
Delivery Fund (Pump priming for Transformation projects)	4,056	1,732	-	1,732	-	-	-	-	-	-
Loan To RTL (Bus replacement programme)	700	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000
Oracle Shopping Centre capital works	71	100	-	100	100	-	100	100	-	100
Mister Quarter	-	5,000	-	5,000	-	-	-	-	-	-
Corp Total	4,827	11,832	0	11,832	5,100	0	-	5,100	0	5,100
e-Marketplace & Equipment Renewal Portal Software	77	-	-	-	-	-	-	-	-	-
Mobile Working and Smart Device	150	-	-	-	-	-	-	-	-	-
Replacement of Community Re-ablement Software Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats	85	-	-	-	-	-	-	-	-	-
	668	279	-	279	686	-	686	3,679	-	3,679
DACHS Total	980	279	0	279	686	0	686	3,679	0	3,679
Additional School Places - Contingency	-	1,170	(1,170)	-	1,170	(1,170)	-	2,170	(2,170)	-
SEN Provision - Avenue Centre	-	1,500	(1,500)	-	3,380	(3,380)	-	-	-	-
Asset Management	-	286	(286)	-	292	(292)	-	298	(298)	-
Children in care Emergency Provision	35	-	-	-	-	-	-	-	-	-
Civitas- Synthetic Sports Pitch	-	10	(10)	-	-	-	-	-	-	-

Contribution to SEN School Wokingham	-	-	-	-	500	(500)	-	-	-	-
Crescent Road Playing Field Improvements	-	314	(314)	-	-	-	-	-	-	-
Critical Reactive Contingency: Health and safety (Schools)	-	500	(500)	-	500	(500)	-	500	(500)	-
Fabric Condition Programme	-	2,000	(2,000)	-	2,000	(2,000)	-	2,000	(2,000)	-
Green Park Primary School	-	-	-	-	-	-	-	-	-	-
Heating and Electrical Programme - Manor Pry Power	-	144	(144)	-	-	-	-	-	-	-
Heating and Electrical Renewal Programme	-	1,000	(1,000)	-	1,000	(1,000)	-	1,000	(1,000)	-
Initial Viability work for the Free School at Richfield Avenue	-	80	(80)	-	80	(80)	-	40	(40)	-
Katesgrove Primary Trooper Potts Building	-	100	(100)	-	9	(9)	-	-	-	-
Meadway Early Years Building Renovation	-	600	(600)	-	-	-	-	-	-	-
Modular Buildings Review	-	500	(500)	-	300	(300)	-	300	(300)	-
New ESFA funded schools - Phoenix College	-	6,752	(4,952)	1,800	13	(13)	-	-	-	-
New ESFA funded schools - St Michaels	-	-	-	-	-	-	-	-	-	-
Pinecroft-Children who have complex health, physical,sensory,disabilities & challenging behaviour	150	-	-	-	-	-	-	-	-	-
Primary Schools Expansion Programme - 2013-2017	-	-	-	-	-	-	-	-	-	-
Ranikhet School - supersedes Dee Park	-	4,100	(4,100)	-	7,100	(7,100)	-	100	(100)	-
SCD Units	-	473	(473)	-	-	-	-	-	-	-
Schools - Fire Risk Assessed remedial Works	-	200	(200)	-	200	(200)	-	200	(200)	-
SEN early years at 1 Dunsfold	-	600	(600)	-	-	-	-	-	-	-
SEN Norcot	-	100	(100)	-	-	-	-	-	-	-
Thameside SEN Expansion	-	100	(100)	-	-	-	-	-	-	-
The Heights Temporary School	-	370	(370)	-	-	-	-	-	-	-
DEGNS (Education Schemes) Total	185	20,899	(19,099)	1,800	16,544	(16,544)	0	6,608	(6,608)	0
Abbey Quarter restoration works	-	99	(99)	-	-	-	-	-	-	-

Accommodation Review - Phase 2A & B	33	100	-	100	-	-	-	-	-	-
Accommodation Review - Phase 2C (19 Bennet Road)	2,528	98	-	98	-	-	-	-	-	-
Active Travel Tranche 2	-	1,179	(1,179)	-	-	-	-	-	-	-
Additional Storage Capacity at Mortuary	15	-	-	-	-	-	-	-	-	-
Air Quality Monitoring	-	15	(15)	-	-	-	-	-	-	-
BFFC Accommodation Review	-	150	-	150	-	-	-	-	-	-
Annual Bridges and Carriage Way Works programme	410	1,842	(1,432)	410	1,842	(1,432)	410	1,842	(1,432)	410
Essential Bridge Works	200	-	-	-	4,000	-	4,000	3,000	-	3,000
Car Park Investment Programme	-	226	(226)	-	226	(226)	-	226	(226)	-
Car Parking - P&D, Red Routes, Equipment	74	100	(100)	-	100	(100)	-	100	(100)	-
Cattle Market Car Park	-	-	-	-	-	-	-	-	-	-
CCTV	-	-	-	-	-	-	-	-	-	-
Central Library - Reconfiguration/Refurbishment Feasibility	50	920	-	920	230	-	230	-	-	-
Central Pool Regeneration	292	-	-	-	-	-	-	-	-	-
Chestnut Walk Improvements	20	-	-	-	-	-	-	-	-	-
Christchurch Meadows Paddling Pool	35	-	-	-	-	-	-	-	-	-
CIL Local Funds - Community	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Heritage and Culture	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Leisure and Play	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Transport	-	-	-	-	-	-	-	-	-	-
CIL Local Funds -Neighbourhood Allocation	-	-	-	-	-	-	-	-	-	-
Corporate Office Essential Works	50	300	-	300	652	-	652	50	-	50
Defra Air Quality Grant - Bus Retrofit	-	150	(150)	-	-	-	-	-	-	-
Defra Air Quality Grant - Go Electric Reading	-	17	(17)	-	-	-	-	-	-	-

Transport Demand Management Scheme - Feasibility Work	-	50	-	50	-	-	-	-	-	-
Development of facilities at Prospect Park/Play	75	-	-	-	-	-	-	-	-	-
Digitised TRO's	-	300	-	300	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector)	-	1,055	(1,055)	-	1,055	(1,055)	-	1,055	(1,055)	-
Eastern Area Access Works	-	140	(140)	-	-	-	-	-	-	-
Electric Vehicle Charging Points	200	50	-	50	-	-	-	-	-	-
Purchase of food waste and smaller residual waste bins	1,300	189	-	189	-	-	-	-	-	-
Foster Carer Extensions	70	130	-	130	100	-	100	100	-	100
Green Homes Scheme - GF element	-	495	(495)	-	-	-	-	-	-	-
Construction of Green Park Station	-	2,169	(2,169)	-	-	-	-	-	-	-
Grounds Maintenance Workshop Equipment	26	-	-	-	-	-	-	-	-	-
Invest in Corporate buildings/Health & safety works	1,092	1,000	-	1,000	1,000	-	1,000	1,000	-	1,000
Invest to save energy savings - Street lighting	700	847	-	847	-	-	-	-	-	-
Investment portfolio - capital investment in existing portfolio	-	-	-	-	-	-	-	8,800	-	8,800
Leisure Centre Procurement	950	21,277	(750)	20,527	12,785	(750)	12,035	1,006	-	1,006
Local Traffic Management and Road Safety Schemes	-	150	(150)	-	150	(150)	-	150	(150)	-
Local Transport Plan Development	-	400	(400)	-	400	(400)	-	400	(400)	-
National Cycle Network Route 422	-	-	-	-	-	-	-	-	-	-
New Kit/Vehicles for Commercial Services Dvlpt	122	-	-	-	-	-	-	-	-	-
New Vehicle for Highways & Drainage Commercial Service	-	71	-	71	-	-	-	-	-	-
Oxford Rd Community Centre	-	147	-	147	-	-	-	-	-	-
Oxford Road Corridor Works	-	-	-	-	-	-	-	-	-	-
Playground equipment and Refreshment: Boroughwide	337	394	(44)	350	891	-	891	-	-	-
Private Sector Renewals	240	300	-	300	300	-	300	300	-	300

Provision of Gypsy & Traveller Accommodation	-	50	-	50	3,580	-	3,580	-	-	-
Pumping Station Upgrade Scheme (new)	250	-	-	-	-	-	-	-	-	-
re3 extending range of recyclables	-	84	(51)	33	-	-	-	-	-	-
Reading Football Club Social Inclusion Unit to SRLC	-	1,534	(1,534)	-	-	-	-	-	-	-
Reading Town Centre Design Framework	-	43	(43)	-	-	-	-	-	-	-
Reading West Station	-	2,039	(2,039)	-	-	-	-	-	-	-
Regeneration Projects	-	250	-	250	250	-	250	250	-	250
Renewable Energy	-	2,073	(450)	1,623	1,546	-	1,546	604	-	604
Replacement Vehicles	-	2,931	-	2,931	4,028	-	4,028	-	-	-
Rogue Landlord Enforcement	-	-	-	-	-	-	-	-	-	-
S106 individual schemes list	-	-	-	-	-	-	-	-	-	-
Salix Decarbonisation Fund	384	416	-	416	600	-	600	400	-	400
Small Leisure Schemes	-	150	(50)	100	300	(50)	250	300	-	300
Smart City Cluster project and C-ITS	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 1 & 2)	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 3 & 4)	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 5 & 6)	-	1,750	(1,750)	-	5,000	(5,000)	-	7,000	(5,000)	2,000
The Heights Permanent Site Mitigation	321	268	(268)	-	-	-	-	-	-	-
The Keep building works and improved arts/culture facilities	-	-	-	-	94	-	94	-	-	-
Town Centre Improvements	320	130	-	130	-	-	-	-	-	-
Town Centre Street Trading Infrastructure	34	-	-	-	-	-	-	-	-	-
Town Hall Equipment	-	205	-	205	-	-	-	-	-	-
Traffic Management Schools	-	100	(100)	-	-	-	-	-	-	-
Tree Planting	30	50	-	50	50	-	50	50	-	50

Western Area Access Works	-	-	-	-	-	-	-	-	-	-
Highway Infrastructure Works	800	3,750	-	3,750	3,750	-	3,750	-	-	-
Harden Public Open Spaces to Prevent Incursion	51	25	-	25	25	-	25	25	-	25
Salix Re-Circulation Fund	288	300	-	300	250	-	250	250	-	250
Sun Street - Final Phase	190	-	-	-	-	-	-	-	-	-
Re-wilding highways, parks and open space verges	-	76	-	76	-	-	-	-	-	-
DEGNS Total	11,487	50,584	(14,706)	35,878	43,204	(9,163)	34,041	26,908	(8,363)	18,545
Customer Digital Experience	400	1,350	-	1,350	750	-	750	-	-	-
Universal Digital Systems	815	1,709	-	1,709	910	-	910	-	-	-
IT Future Operating Model	5,964	666	-	666	538	-	538	543	-	543
Re-Procurement / Reimplementation of Finance System	-	600	-	600	-	-	-	-	-	-
Cemeteries and Crematorium	60	34	-	34	-	-	-	-	-	-
Cremator Procurement	-	200	-	200	1,300	-	1,300	-	-	-
Cremator	350	-	-	-	-	-	-	-	-	-
DoR Total	7,589	4,559	0	4,559	3,498	0	3,498	543	0	543
Grand Total	25,068	88,153	(33,805)	54,348	69,032	(25,707)	43,325	42,838	(14,971)	27,867

Appendix F - Housing Revenue Account (HRA) Capital Programme 2021/22 - 2023/24

Scheme Name	2020/21 Forecast			2021/22 Forecast			2022/23 Forecast			2023/24 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	9,212	9,212	-	9,212	9,212	-	9,212	9,212	-	9,212
Hexham Road	1,178	-	-	-	-	-	-	-	-	-
Disabled Facilities Grants	519	500	-	500	500	-	500	500	-	500
Fire Safety Works	1,033	1,033	-	1,033	1,033	-	1,033	1,033	-	1,033
Green Homes Project - HRA element	-	831	(60)	771	-	-	-	-	-	-
New Build & Acquisitions - Phase 1	213	-	-	-	-	-	-	-	-	-
New Build & Acquisitions - Phase 2	2,774	10,682	(2,000)	8,682	1,103	(685)	418	-	-	-
New Build & Acquisitions - Phase 3	2,776	15,200	(4,085)	11,115	6,800	(3,000)	3,800	-	-	-
New Build & Acquisitions - Phase 4	-	-	-	-	-	-	-	1,400	-	1,400
New Build & Acquisitions - (Ex General Fund)	70	-	-	-	-	-	-	-	-	-
Local authority new build programme for Older people and vulnerable adults	355	1,940	-	1,940	4,767	-	4,767	25,567	-	25,567
Housing Mngt System	327	277	-	277	-	-	-	-	-	-
Grand Total	18,457	39,675	(6,145)	33,530	23,415	(3,685)	19,730	37,712	-	37,712

This page is intentionally left blank

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO:	COUNCIL		
DATE:	23rd FEBRUARY 2021		
TITLE:	TREASURY MANAGEMENT STRATEGY STATEMENT (2021/22); MINIMUM REVENUE PROVISION POLICY (2021/22); ANNUAL INVESTMENT STRATEGY (2021/22)		
LEAD COUNCILLOR:	COUNCILLOR EMBERSON	PORTFOLIO:	COUNCIL WIDE
SERVICE:	FINANCIAL SERVICES	WARDS:	BOROUGHWIDE
LEAD OFFICER:	PETER ROBINSON	TEL:	
JOB TITLE:	ASSISTANT DIRECTOR OF FINANCE	E-MAIL:	Peter.robinson@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 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 2021/22 under which the Council's Treasury Team will manage day to day activity. The TMSS reflects the Council's Draft Capital Programme 2021/22 - 2023/24.
- 1.3 The successful identification, monitoring and control of financial risk are central to the Strategy.
- 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.
- 1.6 In light of the current levels of uncertainty in the economy and the reform of PWLB lending terms, the Council's Policy Committee approved the removal of all commercial property investment from its Capital Programme at its meeting on 14th December 2020.

- 1.7 It is proposed in the Annual Investment Strategy attached at Appendix 1 that the Council's cash investment limit for Non-Specified Investments which include pooled property funds is increased from £20m to £30m to provide the Council with additional investment flexibility given the significant uncertainty within the market.

2. RECOMMENDED ACTION

That Full Council approve:

- 2.1. The Treasury Management Strategy Statement for 2021/22 as set out in Appendix A;
- 2.2. The Treasury Management Policy for 2021/22 as set out in Appendix A;
- 2.3. The Minimum Revenue Provision (MRP) Policy for 2021/22 as set out in Appendix A;
- 2.4. The Annual Investment Strategy for 2021/22 as set out in Appendix A, noting the revised total limit for Non-Specified Investments; and
- 2.5. The Prudential and Treasury Management indicators as set out in Appendix A.

APPENDICES:

Appendix A - Treasury Management Strategy Statement 2021/22 (including the Borrowing & Investment Strategy, Treasury Management Indicators and Prudential Indicators); Treasury Management Policy (2021/22); Minimum Revenue Provision Policy (2021/22); Annual Investment Strategy (2021/22).

3. ECONOMIC BACKGROUND

- 3.1 The Bank of England's Monetary Policy Committee (MPC) kept Bank Rate unchanged at 0.10% on 16th December 2020 and warned that Covid-19 restrictions were likely to hit economic activity in early 2021. The MPC also voted unanimously to keep the Bank's programme of bond buying, known as Quantitative Easing, unchanged at £895bn.
- 3.2 The MPC's long-term outlook for the UK had improved slightly since its last meeting in November 2020, thanks to the positive news around Covid-19 vaccine rollout. However, it should be noted that the MPC meeting took place prior to Central Government announcements of tighter and wider tier and Christmas restrictions on 17th December 2020 and the subsequent national lockdown announced on the 4th January 2021.

- 3.3 The Bank of England's forward guidance in its policy statement in August 2020 was that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% (inflation) target sustainably". Which in effect means that even if inflation rises to 2% in over time, the MPC are unlikely to raise Bank Rate - until they can clearly see that level of inflation is going to be persistently above target. The Bank Rate forecast currently shows no increase through to March 2024, but it will depend on the speed of economic recovery and the current debt to Gross Domestic Product (GDP) ratio falling significantly. Inflation is expected to briefly peak at around 2% towards the end of 2021 but is unlikely to pose a threat requiring increases in Bank Rate during this period as there is expected to be spare capacity in the economy for a considerable time.
- 3.4 Public borrowing is now forecast by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. Ordinarily, such an increase in gilt issuance would lead to a rise in gilt yields, and hence PWLB rates. However, the Quantitative Easing (QE) has depressed yields to historically low levels, (consistent with QE measures in the US, the EU and Japan). This means that new UK debt issued across the yield curve, is locking in those low levels. In addition, the UK has one of the longest average maturities for its entire debt portfolio of any country in the world. This means that the total interest bill paid by the Government is manageable despite the huge increase in the total amount of debt.

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 (the net borrowing requirement) for capital purposes is measured by the Capital Financing Requirement (CFR). 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. As at 31st December 2020, the Council had £407m of loans outstanding in respect of these assets for both the General Fund and the Housing Revenue Account (HRA).
- 4.4 The Council has not taken out any borrowing (short or long-term) in 2020/21 to 31 December 2020.
- 4.5 Market projections, per Table 12 in Appendix A, indicate that long-term borrowing costs will increase gradually, but remain relatively low for some time (at least until March 2024) compared to historic averages. Consequently, the Council intends to use lower cost temporary borrowing in the coming year. This strategy will be kept under review with the Council's Treasury Management advisors. Longer term borrowing will not be taken out until necessary, 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 The Capital Programme 2021/22-2023/24 totals £300.825m (£200.023m General Fund and £100.802m HRA) as set out in Table 1 of Appendix A. The Programme aims to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading.
- 4.7 After accounting for specific grants, s106 contributions and capital receipts, the total borrowing requirement is £156.543m per Table 2 of Appendix A (£98.331m General Fund and £58.212m HRA). The cost of borrowing together with any associated revenue savings is included within the Council's Medium-Term Financial Strategy 2021/22 - 2023/24.
- 4.8 After reducing the borrowing requirement by a total Minimum Revenue Provision charge of £28.123m across the period, the Council has a projected increase in its CFR of £128.420m, as set out in Table 4 of Appendix A.
- 4.9 The Executive Director of Resources has delegated responsibility for borrowing and works closely with the Council's treasury management team and advisors, Link Group, 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
- 4.10 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.
- 4.11 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. 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.
- 4.12 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. INVESTMENTS

- 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 £95.596m at the end of December 2020 (per Table 7 in Appendix A), which is higher than usual due to the volume of Covid related grants received from Central Government in advance of need. The average interest was 3.24% and the average weighted rate of return of 1.35%.
- 5.3 The Council can legally invest in the following funds and instruments:
- Fixed Term Deposits (Government, public sector bodies, 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 The revised PWLB borrowing terms announced in November 2020, prevent Local Authorities from borrowing from the PWLB for any purpose should their ongoing Capital Programme contain commercial schemes that are primarily investments to generate a financial yield. Consequently, Policy Committee approved the removal of the Capital budget for the Purchase of Commercial Property from its Capital Programme at its meeting in December 2020.

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. Although the UK has now left the EU, the MiFID II Directive continues to apply until at least 31st March 2022.
- 6.2 Local authorities are 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 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 Group. 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 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 Group 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. CONTRIBUTION TO STRATEGIC AIMS

- 9.1 The Council's vision is to ensure that Reading realises its potential - and to ensure that everyone who lives and works in Reading can share the benefits of its success. The Council has six priorities which contribute to delivering this vision. The priorities are:
- 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; and
 - Ensuring the Council is fit for the future.
- 9.2 Delivery of the Council's revenue and capital budgets is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward. The treasury management functions are crucial in ensuring that the Council has access to funds when required and in investing surplus funds in secure investments.

10. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

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

11. COMMUNITY ENGAGEMENT AND INFORMATION

- 11.1 Budget-related communications and consultations will continue to be a priority over the next three years as we work to identify savings.

12. FINANCIAL IMPLICATIONS

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

13. LEGAL IMPLICATIONS

- 13.1 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.

14. BACKGROUND INFORMATION

- CIPFA Code of Practice for Treasury Management in the Public Services 2017
- CIPFA The Prudential Code 2017
- MHCLG Statutory Guidance on Local Government Investments (February 2018)
- CIPFA Bulletin Treasury and Capital Management Update (October 2018)

Reading Borough Council

Treasury Management Strategy Statement

2021/22

February 2021

CONTENTS

1. Introduction
2. Treasury Management Strategy 2021/22
3. Capital Prudential Indicators 2021/22 - 2023/24
4. Minimum Revenue Provision (MRP) Policy Statement 2021/22
5. Borrowing Strategy
6. Annual Investment Strategy
7. Annexes
 - Annexe 1 - Prudential and Treasury Indicators
 - Annexe 2 - Treasury Management Scheme of Delegation
 - Annexe 3 - List of Approved Countries for Investment

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 counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management function 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 or repaid to meet Council risk or cost objectives.
- 1.3 The contribution the treasury management function makes to the authority is critical, 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 operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available 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 loans to third parties will impact on the treasury function, they 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.

Treasury Management

- 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. A forward looking report (this report) covering:
 - 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 are to be organized), 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 indicating whether any policies require revision.
- c. An annual treasury outturn report, this is a backward-looking review 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 Treasury Management Strategy; 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);
 - The risks associated with each activity.

Non-Treasury Investments

- 1.10 Where the Council has borrowed to fund any non-treasury investment, there should be an explanation of why borrowing was required.

- 1.11 If any non-treasury investment is found to have sustained a loss during the preparation of the final accounts or audit process, the implications will be reported through the same procedure as the Capital Strategy.
- 1.12 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.
- 1.13 The Council has no plans to invest in property primarily for yield in the period 2021/22-2023/24.

2. TREASURY MANAGEMENT STRATEGY FOR 2021/22

2.1 The strategy for 2021/22 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;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers.

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 staff regularly to ensure they receive the necessary training to properly discharge their duties.

Treasury Management Consultants

2.5 The Council uses Link Group 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 made with due regard to all available information, including, but not solely, that provided by our treasury advisers.

2.7 The Council 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.

3. THE CAPITAL PRUDENTIAL INDICATORS 2021/22 - 2023/24

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 (2020/21 - 2023/24)

	Estimate 2020/21 £m	2021/22-2023/24 Estimate			
		2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Adult Social Care & Health Services	1.073	0.279	0.686	3.679	4.644
Economic Growth & Neighbourhood Services	44.492	50.584	43.204	26.908	120.696
Economic Growth & Neighbourhood Services - Education Schemes	6.957	20.899	16.544	6.608	44.051
Resources	7.589	4.559	3.498	0.543	8.600
Corporate	4.827	11.832	5.100	5.100	22.032
Non-HRA	64.938	88.153	69.032	42.838	200.023
HRA	20.457	39.675	23.415	37.712	100.802
Total	85.395	127.828	92.447	80.550	300.825

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 (net borrowing requirement).

Table 2. Financing of Capital Expenditure (2020/21 - 2023/24)

General Fund & HRA	Estimate 2020/21 £m	2021/22-2023/24 Estimate			
		2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Capital Expenditure	85.395	127.828	92.447	80.550	300.825
Capital receipts	(6.954)	(2.362)	(4.850)	(0.801)	(8.013)
Capital grants	(49.103)	(50.995)	(34.543)	(17.971)	(103.509)
Capital reserves (HRA)	(8.064)	(10.710)	(10.920)	(11.130)	(32.760)
Revenue	(0.327)	0.000	0.000	0.000	0.000
Net Borrowing Requirement	20.947	63.761	42.134	50.648	156.543

3.4 It should be noted that previously agreed investment in new commercial property purchases totalling £180.000m has been removed from the Capital Programme in 2020/21 following the approval of Policy Committee on 14th December 2020.

Capital Financing Requirement

- 3.5 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the Council's underlying need to borrow, or net borrowing requirement.
- 3.6 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.
- 3.7 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.
- 3.8 The CFR projections are set out in Table 4 below:

Table 4. CFR Projections

Capital Financing Requirement	Estimate 2020/21 £m	2021/22-2023/24 Estimate			
		2021/22 £m	2022/23 £m	2023/24 £m	Total £m
CFR - General Fund	409.801	442.444	466.481	480.009	
CFR - HRA	195.969	218.516	227.326	253.908	
Total CFR	605.497	660.960	693.807	733.917	
Movement in CFR	12.909	55.463	32.847	40.110	128.420
Movement in CFR represented by:					
Net financing need for year	20.947	63.761	42.134	50.648	156.543
Less MRP/VRP and other financing movements	(8.038)	(8.298)	(9.287)	(10.538)	(28.123)
Movement in CFR	12.909	55.463	32.847	40.110	128.420

4. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

- 4.1 The Council is required 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).

Table 5. Standard Expected Asset Lives

Asset Type	Expected Life (Years)
Major New Builds	40-50
Freehold Land	50
Major Extensions	20-40
Major Refurbishments	20
Major Transport Infrastructure / Regeneration	30
Other Transport Schemes	20
Other Small Capital Schemes	10
Large Vehicles (Refuse Freighters/Buses etc.)	7-9
Other Vehicles	5
Software Licenses	Length of License
Share Capital	20
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 including regeneration sites undergoing development, 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 historic individual and specific investment in 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 either let, or a strategy determined to change the asset use or dispose of the asset and thus generate a capital receipt is agreed. 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 until 31st March 2022, which allows capital 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 (VRP) 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 31st March 2020 nil overpayments were made, and there is no expectation that any VRP contributions will be made in the period 2020/21-2023/24.

5. BORROWING STRATEGY

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 31st March 2020 and for the position as at 31st December 2020 are shown below for both borrowing and investments.

Table 6. Treasury Portfolio

General Fund & HRA	31 st March 2020		31 st December 2020	
	Principal (£m)	Average Rate %	Principal (£m)	Average Rate %
Debt Portfolio				
Fixed Rate Loans				
PWLB	362.160	3.26	360.890	3.28
Local Authorities	10.000	0.90	0.000	N/A
Market	30.000	4.18	30.000	4.18
Variable Rate Loans				
PWLB	4.821	0.48	4.821	0.23
Total Debt	406.981	3.27	395.711	2.56
Total Investments	75.536	3.42	95.596	3.24*
Net Debt	331.445		300.115	

*The weighted average rate of return was 1.35%

5.3 The Council's investment portfolio summary as at 31st March 2020 together with the position as at 31st December 2020 is summarised below:

Table 7. Investment Portfolio Summary

	31 st March 2020 (£m)	31 st March 2020 (%)	31 st December 2020 (£m)	31 st December 2020 (%)
Treasury Investments				
Banks	1.000	2%	19.275	33%
Building Societies - rated	0.000	0%	0.000	0%
Building Societies - unrated	0.000	0%	0.000	0%
Local Authorities	0.000	0%	0.000	0%
DMADF (HM Treasury)	0.000	0%	0.000	0%
Money Market Funds (MMF)	23.915	60%	25.000	42%
Total Managed In-house	24.915	62%	44.275	75%
Total Managed Externally - Property Funds	15.000	38%	15.000	25%
Total Treasury Investments	39.915	100%	59.275	100%
Non-Treasury Investments				
Reading Transport Ltd	6.121	17%	6.821	19%
Homes for Reading Ltd	24.500	69%	24.500	67%
Brighter Future for Children Ltd	5.000	14%	5.000	14%
Total Non-Treasury Investments	35.621	100%	36.321	100%
Total - All Investments	75.536	100%	95.596	100%

5.4 The Council's forward projections for borrowing are summarised in Table 8 below which shows actual external debt compared to the underlying need to borrow (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 8. Borrowing Estimates

	2020/21 Forecast £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
External Debt				
Debt at 1 st April	406.981	417.928	479.149	514.022
Net Change in Debt	10.947	61.221	34.873	48.038
Debt at 31 st March	417.928	479.149	514.022	562.330
PFI Liabilities at 1 st April	26.244	25.270	24.261	23.147
Net Change in PFI Liabilities	(0.974)	(1.009)	(1.114)	(1.304)
PFI Liabilities at 31 st March	25.270	24.261	23.147	21.843
Total Gross Debt at 31 March	443.198	503.410	537.169	584.173
Capital Financing Requirement	605.497	660.960	693.807	733.917
(Under)/Over Funding of CFR	(162.299)	(157.550)	(156.638)	(149.744)
(Under)/Over Borrowing (exc PFI)	(187.569)	(181.811)	(179.785)	(171.587)

- 5.5 Within the above figures the level of debt relating to historic (pre 1st April 2020) commercial property investment activity / non-financial investment is:

Table 9. Analysis of Non-Financial Investment Borrowing

	2020/21 Forecast £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
External Debt for Non-Financial Investments				
Actual Debt at 31 March	75.667	75.667	75.667	75.667
Percentage of Total External Debt	17%	15%	14%	13%

- 5.6 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 its CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the subsequent 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.

- 5.7 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

- 5.8 **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.

Table 10. Operational Boundary

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Capital Financing Requirement	605.497	660.960	693.807	733.917
Headroom	20.000	20.000	20.000	20.000
Total	625.497	680.960	713.807	753.917

- 5.9 **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. 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 Authorised Borrowing limits are set out below:

Table 11. Authorised Limit

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Operational Boundary	625.497	680.960	713.807	753.917
Headroom	40.000	40.000	40.000	40.000
Total	665.497	720.960	753.807	793.917

Prospects for Interest Rates

5.11 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 9th November 2020, which have been amended to include the 1% reduction in PWLB rates announced on 25th November 2020. These are forecasts for certainty rates (gilt yields plus 80bps).

Table 12. Interest Rate Projections (%)

	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23	Mar 24
Bank Rate	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3m av earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6m av earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
1yr av earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

5.12 The Coronavirus Pandemic has had a significant economic impact on the UK and on economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16th November 2020, although some forecasters had suggested that a cut into negative territory could happen. No increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.

5.13 Gilt yields had already been on a generally falling trend up until the Coronavirus crisis hit western economies during March 2020, following which we have seen them fall to unprecedented lows as investors in anticipation of impending recessions in western economies moved cash into safe haven assets i.e. government bonds. Massive quantitative easing by western central banks has also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply.

5.14 As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum lost caused by the Coronavirus pandemic. However, gilt yields, and therefore PWLB rates are subject to volatility due to geo-political,

sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful Covid-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and Borrowing Rates

- 5.15 Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- 5.16 Borrowing interest rates fell to historically low rates as a result of the Covid-19 crisis and the quantitative easing operations of the Bank of England. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure.
- 5.17 On 25th November 2020, the Chancellor announced the conclusion to the review of PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows:
- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
 - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
- 5.18 **Borrowing for capital expenditure.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is currently value in borrowing from the PWLB where there is a need to borrow. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.
- 5.19 While the Council will not be able to completely avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of internal cash balances, there will be a cost of carry in the current market (the difference between higher borrowing costs and lower investment returns) associated with any new borrowing that causes a temporary increase in cash balances. The Council's borrowing strategy is outlined below.

Borrowing Strategy

- 5.20 The Council is currently maintaining an under-borrowed position. 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 as a temporary measure. This strategy is

prudent as investment returns are low and counterparty risk is an issue that needs to be considered.

- 5.21 The most cost effective borrowing currently is internal borrowing which involves running down cash balances and foregoing interest earned (at historically low rates), in lieu of taking out new borrowing at a higher rate. The Council will look to utilise temporary and short term borrowing, if a borrowing need arises, as this is a cheaper option than long term borrowing at present. 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, temporary and short term borrowing against potential longer term costs if the opportunity is missed for taking loans at rates which will be higher in future years.
- 5.22 Against this background and the risks within the economic forecast, the Treasury Team will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. If during the period there was a significant risk of a sharp rise in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised.
- 5.23 Any decisions will be reported subsequently to the Audit & Governance Committee.

Policy on Borrowing in Advance of Need

- 5.24 The Council will not borrow more than or in advance of its needs purely 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.
- 5.25 Risks associated with any borrowing in advance will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt Rescheduling

- 5.26 The reasons for any debt re-scheduling to take place will include:
- The generation of cash savings and/or discounted cashflow savings
 - Helping to fulfill the treasury management strategy
 - Enhancing the balance of the portfolio (the maturity profile and/or the balance of volatility)
- 5.27 It is not anticipated that the Council will carry out any debt rescheduling in the near future due to the high cost premiums outweighing any potential savings. Any rescheduling will be reported to Members in a treasury report at the earliest meeting following its action.
- 5.28 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 Council

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

Approved Sources of Long and Short-term Borrowing

5.29 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). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council’s risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will consider the value available in periods over 12 months with high credit rated financial institutions, as well as wider range fund options.
- 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 :
- i. The application of minimum acceptable **credit criteria** to generate a list of creditworthy counterparties. This also enables diversification and the avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
 - ii. Continually monitoring and assessing at both a micro and macro level; the financial sector 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. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
 - iii. Reviewing other information sources including the financial press, share price etc. pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
 - iv. The Council defining the **types of investment instruments** that the Treasury Management Team are authorised to use as follows:
 - **Specified investments** - those with a high level of credit quality and subject to a maturity limit of one year.

- **Non-specified investments** - 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 £30m of the total investment portfolio.
 - vi. **Lending limits**, (amounts and maturity) for each counterparty will be set through applying the matrix in Table 13.
 - vii. This authority will set a £30m limit for the amount of its investments which are invested for **longer than 365 days**.
 - viii. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**.
 - ix. This authority has engaged **external consultants**, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
 - x. All investments will be denominated in **sterling**.
 - xi. As a result of the change in accounting standards for 2020/21 under IFRS 9, 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. 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 charge the General Fund with any adverse movement in the value of its investment in the CCLA pooled property fund, should one materialise. In 2019/20, the net unrealised loss relating to this investment was £0.541m, however due to the statutory override there was no impact on the General Fund.
- 6.5 However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year

- 6.6 The cash investment limit for Non-Specified Investments (which includes pooled property funds) is proposed to be increased from £20m to £30m to provide the Council with additional investment options given the uncertainty within the current market.

Creditworthiness Policy

- 6.7 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.
- 6.8 The Council's Section 151 Officer 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.
- 6.9 Credit rating information is supplied by the Council's 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 (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. Notification of a negative rating Watch applying to a counterparty with the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 6.10 The criteria for providing a pool of high quality investment counterparties, (both specified and non-specified investments) is set out in Table 12 below, as are the time and monetary limits for institutions on the Council's counterparty list:

Table 13. Investment Criteria

	Credit Rating	Counterparty Limit	Time Limit
Banks and organisations and securities whose lowest long-term credit rating published by Fitch, Moody's or Standard & Poor is:	AAA	£20m (each)	5 Years
	AA+		3 Years
	AA		2 Year
	AA-		
	A+		
	A		1 Year
	A-		
The Council's current account, Lloyds Bank Plc should circumstances arise when it does not meet above criteria	N/A	£1m (total)	Next Day
UK Building Societies without credit rating	N/A	£10m (each)	1 Year
UK Government (irrespective of credit rating)	N/A	Unlimited	50 Years
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 (each)	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 (each)	1 Year
	Fund rating	Cash Limit	Time
Money Market Funds	AAA	£20m (each)	liquid
Pooled Funds (including pooled property funds)	AAA	£30m (total)	liquid

6.11 The credit rating of counterparties is monitored regularly. The Council receives credit rating information including changes, rating watches and rating outlooks from Link Group as and when ratings change, following which the Council's schedule of approved counterparties is promptly updated - 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 and if required new counterparties which meet the criteria will be added to the list by the Council's Section 151 Officer.

Creditworthiness

6.12 Although the credit rating agencies changed their outlook on many UK banks from Stable to Negative during the quarter ended 30th June 2020 due to upcoming risks to banks' earnings and asset quality caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of major financial institutions, including UK banks. As we move into

future quarters, more information will emerge on actual levels of credit losses. Agencies may therefore adjust their ratings (negatively or positively), although it should also be borne in mind that banks went into this pandemic with strong balance sheets. This is predominantly a result of regulatory changes imposed on banks following the Great Financial Crisis. Indeed, the Financial Policy Committee (FPC) report on 6th August 2020 revised down their expected credit losses for the UK banking sector to “somewhat less than £80bn”. It stated that in its assessment, “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.

Credit Default Swap (CDS) Prices

6.13 Although bank CDS prices (these are market indicators of credit risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more normal levels. Nevertheless, prices are still elevated compared to end-February 2020. Pricing is likely to remain volatile as uncertainty continues. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its portal.

Other Limits

6.14 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 £30m 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.

6.15 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

6.16 **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the interest rate outlook. 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 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.

6.17 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)

Investment Return Expectations

6.18 Bank Rate is unlikely to rise from 0.10% for a considerable period, as set out in Table 12. It is very difficult to say when it may start rising but it may be assumed that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.

6.19 There is relatively little UK domestic risk of increases or decreases in Bank Rate or significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates) in the UK.

Negative Investment Returns

6.20 While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods.

6.21 Money market fund (MMFs) yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these

unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the Debt Management Account Deposit Facility (DMADF), offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

- 6.22 Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term.

Investment Treasury Indicator and Limit

- 6.23 The Investment treasury indicator and limit refer to the total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

- 6.24 Table 14 below sets out the limits on investments that can be longer than 365 days

Table 14. Upper limit for principal sums invested on fixed terms for longer than 365 days

	2021/22	2022/23	2023/24
Principal sums invested for longer than 365 days	£30m	£30m	£30m
Current investments as at 31.01.21 in excess of 1 year maturing in each year	Nil	Nil	Nil

- 6.25 As at 31st January 2021, the Council has £15.000m invested in pooled property funds which have no fixed maturity, as set out in Table 7.
- 6.26 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.

Policy on Apportioning Interest to the HRA

- 6.27 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 subsequently adopted a policy that it would continue to manage its debt as a single pool using a similar regime to that applied prior to self-financing and which would not result in a material change to the average interest rate paid by the Council.
- 6.28 During 2016/17 and 2017/18 the methodology was 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 charged to the HRA being less than the average rate on the remaining part of those loans.

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

End of Year Investment Report

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

External Fund Managers

- 6.31 The Council does not currently employ external fund managers for any part of its investment portfolio, other than for pooled property fund, 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.

7. ANNEXES

Annexe 1 - Prudential and Treasury Indicators

Annexe 2 - Treasury Management Scheme of Delegation

Annexe 3 - List of Approved Countries for Investment

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2021/22 - 2023/24

- 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.

Capital Expenditure

	Estimate 2020/21 £m	2021/22-2023/24 Estimate			
		2021/22 £m	2022/23 £m	2023/24 £m	Total £m
General Fund	64.938	88.153	69.032	42.838	200.023
HRA	20.457	39.675	23.415	37.712	100.802
Total	85.395	127.828	92.447	80.550	300.825

Affordability Prudential Indicators

- Section 5 in the main body of the Strategy cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of Financing Costs to Net Revenue Stream

- This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

	2020/21	2021/22	2022/23	2023/24
	Estimate	Estimate	Estimate	Estimate
General Fund	10.5	11.4	13.2	13.8
HRA	12.6	17.2	17.1	16.7
Total	10.9%	12.7%	14.1%	14.5%

Maturity Structure of Borrowing

4. 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. Council is asked to approve the following limits:

Maturity structure of fixed interest rate borrowing 2021/22		
	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.

APPROVED COUNTRIES FOR INVESTMENT

1. The below list of approved countries for investment is based on the lowest available rating from all ratings agencies (as at 1st December 2020).

AAA

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

AA+

- Canada
- Finland
- United States of America

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- United Kingdom

This page is intentionally left blank

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO: COUNCIL

DATE: 23rd FEBRUARY 2021

TITLE: COUNCIL TAX SETTING 2021/22

LEAD COUNCILLOR: COUNCILLOR BROCK

PORTFOLIO: LEADER OF THE COUNCIL

SERVICE: ALL

WARDS: BOROUGHWIDE

LEAD OFFICER: PETER ROBINSON

TEL:

JOB TITLE: ASSISTANT DIRECTOR OF FINANCE

E-MAIL:

Peter.Robinson@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 2021/22 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 Office of the Police & Crime Commissioner for Thames Valley and Royal Berkshire Fire & Rescue Service.

2. RECOMMENDED ACTION

Council is asked to:

- 2.1. Agree the following amounts that have been calculated for the year 2021/22 in accordance with Sections 31 to 36 of the Local Government Act 1992:
- (i) £457,986,350 **Gross Revenue Expenditure, including transfers to reserves and any collection fund deficit**
(being the estimated aggregate expenditure of the Council in accordance with section 31A (2) of the Act);
 - (ii) £358,767,273 **Gross Revenue Income, including transfers from reserves, general government grants and any collection fund surplus**
(being the estimated aggregate income of the Council for the items set out in section 31A (3) of the Act);
 - (iii) £99,219,077 **Net Revenue Expenditure**
(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 in the formula in section 31A (4) of the Act));
 - (iv) £1,776.60 **Reading Borough Council band D Council Tax**
(being the amount at (iii) above (Item R) divided by the Council's tax base 55,847.73 (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 4.99% in the Council's own tax).
- 2.2. Note that the net tax base of 55,847.73 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) for 2021/22 was agreed by Full Council on 26th January 2021 and;
- (i) that the band D charge for Reading Borough Council is £1,776.60 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 4.9 of the report.

3. POLICY CONTEXT

- 3.1. The Local Government Finance Act 1992 sets out the specific amounts to be calculated and approved when setting the Council Tax. 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 26th January 2021 approved the Council Tax Base for 2021/22 as 55,847.73 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 2021/22

(i) Council Tax Requirement	£99,219,077
(ii) Tax Base (Number of band D equivalent properties)	55,847.73
(iii) Basic Amount of Council Tax (band D) - (i) divided by (ii)	£1,776.60

4.3. Reading’s basic amount of Council Tax for a band D property for 2021/22 is £1,776.60 which represents an overall increase of 4.99% on the 2020/21 figure of £1,692.16; an increase of £84.44 (approximately £1.62 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 2021/22 is as shown in Table 2 below:

Table 2. Reading Borough Council - Council Tax by Property Valuation Band 2021/22

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,184.40	1,381.80	1,579.20	1,776.60	2,171.40	2,566.20	2,961.00	3,553.20

4.5. The Council’s band D charge of £1,776.60 for 2021/22 represents an overall increase of 4.99% on the equivalent £1,692.16 charge for 2020/21. Local authorities can increase Council Tax in 2021/22 by a core amount of up to 2.0%, without holding a local referendum. In addition, councils with adult social care responsibilities can increase their Council Tax by a further 3.0%, on top of the core amount, to be spent exclusively on adult social care. The 2021/22 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

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£	£
General Tax Requirement	1,392.29	1,447.97	1,535.27	1,627.23	1,659.62	1,725.84
Additional ASC Pressures	27.30	42.59	44.72	0.00	32.54	50.76
Total band D Charge	1,419.59	1,490.56	1,579.99	1,627.23	1,692.16	1,776.60
General Tax Change	1.99%	1.99%	2.99%	2.99%	1.99%	1.99%
ASC Pressures Change	2.00%	3.00%	3.00%	0.00%	2.00%	3.00%
Total band D Change	3.99%	4.99%	5.99%	2.99%	3.99%	4.99%

4.6. The Council's basic amount of Council Tax for 2021/22 is therefore not determined to be excessive in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992.

Major Preceptors

4.7. The Office of the Police and Crime Commissioner for Thames Valley and The Royal Berkshire Fire & Rescue Service set their precepts for 2021/22 at their respective meetings on Friday 29th January 2021 and Friday 17th February 2021.

4.8. The Police Precept is £12.916m and the Fire precept £3.851m, in accordance with Section 40 of the Local Government Finance Act 1992.

4.9. The basic amounts of Council Tax by property valuation band for 2021/22 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 2021/22

Valuation Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Council	1,184.40	1,381.80	1,579.20	1,776.60	2,171.40	2,566.20	2,961.00	3,553.20
Police	154.19	179.88	205.58	231.28	282.68	334.07	385.47	462.56
Fire	45.97	53.63	61.29	68.95	84.27	99.59	114.92	137.90
Total	1,384.56	1,615.31	1,846.07	2,076.83	2,538.35	2,999.86	3,461.39	4,153.66

4.10. The overall band D charge for 2021/22 (including major preceptors) of £2,076.83 represents an increase of £100.79 (5.10%) - the constituent elements are set out in Table 5 below:

Table 5. Change in Overall band D Charge

	2020/21	2021/22	Change	Percentage	Overall
	£	£	£	%	%
Council	1,692.16	1,776.60	84.44	4.99%	4.27%
Police	216.28	231.28	15.00	6.94%	0.76%
Fire	67.60	68.95	1.35	1.99%	0.07%
Total	1,976.04	2,076.83	100.79	5.10%	5.10%

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1. Council Tax is levied to fund service delivery as laid out in the Medium-Term Financial Strategy 2021-2024.

6. ENVIRONMENTAL AND CLIMATE 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 40.2% of properties classed as band C. The Reading element for this band for 2021/22 will be £1,579.20, an increase of £1.44 per week. The overall Council Tax charge for this band (including Police and Fire) will be £1,846.07.

- 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	7,565	10.3%	6/9
B	14,352	19.5%	7/9
C	29,665	40.2%	8/9
D	11,241	15.2%	9/9
E	5,704	7.7%	11/9
F	3,309	4.5%	13/9
G	1,868	2.5%	15/9
H	86	0.1%	18/9
Total	73,790	100.0%	

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. As well as the Council's current 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. Additionally, the 2021/22 Budget and Medium-Term Financial Strategy Report 2021/22-2023-24 contains a proposal to: a) provide a one-off grant in 2021/22 of £70 for residents in receipt of Council Tax Support to further mitigate the increase in Council Tax in the current circumstances and b) a review and subsequent consultation on the Council's Local Council Tax Support Scheme for 2022/23 with a view to providing greater support to Council Tax payers on very low incomes.

9. LEGAL IMPLICATIONS

9.1. Section 30 of the Local Government Act 1992 places a duty on the Council, as the billing authority, to set the Council Tax for all the property bands for 2021/22. 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

- Local Government Finance Act 1992;
- Approval of the Local Council Tax Support Scheme and the Council Tax Base for 2021/22 Report - Council Meeting, 26th January 2021;
- Referendums Relating to Council Tax Increases (Principles) (England) Report 2021/22; and
- 2021/22 Budget Setting and Council Tax Report - Policy Committee 15th February 2021 and this agenda.

READING BOROUGH COUNCIL

REPORT BY RETURNING OFFICER

TO:	COUNCIL		
DATE:	23 rd February 2021		
TITLE:	POLLING PLACE IN WHITLEY WARD		
LEAD COUNCILLOR:	CLLR BROCK	PORTFOLIO:	LEADERSHIP
SERVICE:	ELECTIONS	WARDS:	BOROUGH WIDE AND WHITLEY WARD
LEAD OFFICER:	CHRIS BROOKS	TEL:	0118 9372602 / 72602
JOB TITLE:	RETURNING OFFICER ELECTORAL REGISTRATION OFFICER	E-MAIL:	chris.brooks@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 Further to Minute 56 of the Council meeting of 26th March 2019 which considered the Review of Polling places 2018/2019 in accordance with the Electoral Administration Act 2006 (the 2006 Act), which requires the Council to undertake a review of its polling districts and polling places every five years to a national timetable this report relates to a change of polling place for Whitley Ward. This change will have effect for the Borough and Police & Crime Commissioner elections to be held on 6th May 2021.
- 1.2 This report also sets out the grant of a delegation regarding polling places outside of the compulsory review period due to the Covid pandemic which may require urgent changes to be made to polling places or polling stations. Following the guidance of the Electoral Commission it is proposed to grant a delegation to the Returning Officer in consultation with the Leader and relevant ward members.

2. RECOMMENDED ACTION

- 2.1 That with regard to Whitley ward, Geoffrey Field Junior school be designated as the polling place for Whitley ward (polling district SA) in place of the Geoffrey Field Infants School with immediate effect.

- 2.2 That the Returning Officer, in consultation with the Leader of the Council and the relevant ward members, be given delegated authority to be allowed to alter polling places or polling stations outside of the compulsory review periods, where changes were required to be made as a matter of urgency.

3. POLICY CONTEXT

- 3.1 The guidance for Returning Officers published by the Electoral Commission states that the local authority must make the decision if a polling place must be moved and that if this is at short notice that the council's own delegation procedures should be followed. At present there is no such delegation in place in the Reading Borough Council and there is a subsequent risk to the reputation of the council.
- 3.2 It is the Council's policy to encourage electors to exercise their right to vote and to locate polling places and polling stations in buildings which are suitable for the areas concerned and which assist voters in that area who wish to vote in person to reach their polling station and gain access in a manner which will encourage them to exercise their right to vote.
- 3.3 The Electoral Registration and Administration Act 2013 introduced a requirement for reviews of polling districts to be undertaken every five years, during each Parliament. The Council's last review was undertaken in 2019, and reported to full Council on 26th March 2019.

4. THE PROPOSAL

4.1 Whitley Ward

- 4.1.1 The polling place for Whitley ward district SA is the **Geoffrey Field Infants School**, which is not available as a Polling Station. The use of this school as a polling station has been the arrangement for many years and was as reported in the 2019 review of polling districts.
- 4.1.2 I have arranged to move the polling station to the adjacent **Geoffrey Field Junior school**, which is located on Exbourne Road, Whitley, Reading.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The Council seeks to achieve its strategic aims through promoting the participation of Reading people in local democracy.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 The changes to the Whitley ward polling place set out in this report have been made following consultation with the local ward Councillors.
- 6.2 The poll cards for both polling districts will show the new polling station. That for Whitley ward polling district SA will show **Geoffrey Field Junior school** with the additional words, “Replacement polling station”.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 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.
- 7.2 In this regard you **must** consider whether the decision will or could have a differential impact on: racial groups; gender; people with disabilities; people of a particular sexual orientation; people due to their age; people due to their religious belief.
- 7.3 The principal equality consideration for polling stations is access, in particular for electors with mobility or sight difficulties. **Geoffrey Field Junior school** is well lit and fully disability compliant, with ramped access to the polling place.

8. LEGAL IMPLICATIONS

- 8.1 The provisions of the Representation of the People Act 1983 require that every Parliamentary Constituency must be divided into polling districts and that each District Council must divide its area into polling districts for that part of the Constituency within its area. Reading falls within the area of two Parliamentary Constituencies - Reading East and Reading West.
- 8.2 In exercising its powers, the Council is required to give all electors “such reasonable facilities for voting as are practicable in the circumstances”. In addition, in choosing polling places, only places which are accessible to electors who are disabled must be chosen so far as is reasonably and practicable.
- 8.3 Unless there are special circumstances, the polling place for any polling district should be located in the district itself. **Geoffrey Field Junior**

school is located on the same road as the present polling station and is convenient for all parts of the ward, by foot, car or public transport.

8.4 A polling place is usually the building to which people go to vote and polling station is the location within the building at which electors obtain their voting papers.

8.5 The Returning Officer is required to provide a sufficient number of polling stations in each polling place and to allocate electors to the polling stations in such manner as he or she thinks most convenient.

9. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers). There are not considered to be any direct environmental and climate implications as regards to the recommendations in this report.

10. FINANCIAL IMPLICATIONS

10.1 The Electoral Registration service has a budget of £7,000 for the hire of polling places.

11. BACKGROUND PAPERS

Report to Council 26th March 2019, on the Review of Polling Places 2018/19.