

To: Councillor Brock (Chair)
Councillors Page, Barnett-Ward, Emberson,
Ennis, Hoskin, McElroy, McEwan, Mitchell,
O'Connell, Pearce, Robinson, Rowland,
Skeats, Terry and White

Direct: ☎ 0118 9372303

4 February 2022

Your contact is: **Simon Hill - Committee Services (simon.hill@reading.gov.uk)**

NOTICE OF MEETING - POLICY COMMITTEE 14 FEBRUARY 2022

A meeting of the Policy Committee will be held on Monday, 14 February 2022 at 6.30 pm in the Council Chamber, Civic Offices, Reading, RG1 2LU. The Agenda for the meeting is set out below.

1. CHAIR'S ANNOUNCEMENTS
2. DECLARATIONS OF INTEREST
3. MINUTES 5 - 10
4. PETITIONS AND QUESTIONS

To receive any petitions from the public and any questions from the public and Councillors.
5. DECISION BOOKS
6. 2022/23 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY BOROUGH
2022/23 - 2024/25 WIDE 11 - 156

This report sets out the 2022/23 General Fund and Housing Revenue Account budgets, Capital Programme and Medium Term Financial Strategy for recommendation to Full Council.
7. CAPITAL STRATEGY 2022/23 BOROUGH
WIDE 157 -
188

This report sets out the Draft Capital Strategy 2022/23 for recommendation to Full Council.

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8.	TREASURY MANAGEMENT STRATEGY STATEMENT (2022/23); MINIMUM REVENUE PROVISION POLICY (2022/23); ANNUAL INVESTMENT STRATEGY (2022/23)	BOROUGH WIDE	189 - 226
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This report sets out the Treasury Management Strategy Statement & Policy, Minimum Revenue Provision Policy and Annual Investment Strategy for recommendation to Full Council.

9.	ESSENTIAL PLAYGROUND REFURBISHMENT WORKS 2022/23	BOROUGH WIDE	227 - 232
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This report sets out proposals to allocate the approved capital budget of £891,000 in 2022/23 for essential playground works.

10.	LIQUID FUEL PROCUREMENT	BOROUGH WIDE	233 - 238
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This report seeks approval to enter into and award a new contract for fuel supplies.

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Present: Councillor Brock (Chair);

Councillors Page (Vice-Chair), Ennis, Barnett-Ward, Hoskin, McEwan, Mitchell, Pearce, Robinson, Rowland, Skeats, Terry, White and O'Connell

62. CHAIR'S ANNOUNCEMENTS

The Monitoring Officer reported that he had exercised his delegation, on the recommendation of the Liberal Democrat Group Leader, to replace Councillor Duveen with Councillor O'Connell on the Committee. He also noted that Councillor Stevens had stood down from the Committee.

63. MINUTES

The Minutes of the meeting held on 13 December 2021 were agreed as a correct record and signed by the Chair.

64. THAMES VALLEY POLICE

Matthew Barber, Thames Valley Police (TVP) Police & Crime Commissioner (PCC), John Campbell, TVP Chief Constable and Superintendent Steve Raffield, Reading LPA Commander attended the meeting to give presentations and answer questions from members of the Committee.

The presentation by the PCC set out the priorities included in the Police & Criminal Justice Plan of strong Local Policing, fighting serious organised crime, fighting fraud and cyber-crime, improving the criminal justice system and tackling illegal encampments. He also outlined changes to the funding of Community Safety Partnerships (CSPs), current work on fly-tipping and speeding, police officer recruitment, support services for victims of crime, a new violence reduction unit and the Community Fund.

The presentation by the Chief Constable covered subjects including the response to and effects of the COVID-19 pandemic, bringing more offenders to justice, protecting the vulnerable, improving satisfaction among victims of crime and maximising the benefits of digital technology.

The Committee asked questions on subjects including prioritising Violence and Women and Girls, reductions in funding for Reading's CSP, decriminalisation of speeding offences so that they could be enforced by local authorities, Stop and Search policies, the impact of lockdowns on domestic abuse offending and the number of officers engaged in Neighbourhood Policing.

Resolved -

That the Thames Valley Police PCC, Chief Constable and LPA Commander be thanked for their presentations.

65. ADOPTION OF THE DESIGN GUIDE FOR SHOPFRONTS SUPPLEMENTARY PLANNING DOCUMENT

Further to Minute 22 of the meeting held on 12 July 2021, the Executive Director of Economic Growth and Neighbourhood Services submitted a report on the proposed adoption of the Design Guide for Shopfronts Supplementary Planning Document (SPD), for use in determining planning applications for development in Reading. Attached to the report at Appendix 1 was a Statement of Consultation on the Draft Design Guide to Shopfronts SPD and at Appendix 2 the Draft Design Guide to Shopfronts SPD (with changes tracked following consultation).

The report noted that the Draft Design Guide for Shopfronts SPD gave further detail to supplement the policies in the Reading Borough Local Plan to ensure that shopfronts contributed positively to the streetscene throughout the Borough. A draft had been approved at the meeting on 12 July 2021 (Minute 22 refers) and consultation had taken place during July to September 2021, with a total of 15 responses received. A Statement of Consultation summarising the process and the responses was included as Appendix 1. Following the consultation, a revised version of the SPD had been prepared taking account of the responses received, which was attached to the report at Appendix 2 for approval.

Resolved -

- (1) That the results of the consultation on the Draft Design Guide to Shopfronts Supplementary Planning Document, undertaken during July to September 2021, as set out in the Consultation Statement at Appendix 1, be noted;**
- (2) That the Design Guide to Shopfronts SPD (Appendix 2) be adopted as a Supplementary Planning Document.**

66. MAIN MODIFICATIONS TO THE CENTRAL AND EASTERN BERKSHIRE JOINT MINERALS AND WASTE LOCAL PLAN

The Executive Director of Economic Growth and Neighbourhood Services submitted a report on the Central and Eastern Berkshire Joint Minerals and Waste Local Plan (CEBJMWP), which was being prepared on behalf of Reading, Bracknell Forest, Royal Borough of Windsor and Maidenhead and Wokingham Councils to fulfil their responsibility for the planning of future production of minerals and the management of waste disposal within the Berkshire area. Attached to the report at Appendix 1 was an Equality Impact Assessment and at Appendix 2 a Schedule of Main Modifications.

The report noted that the CEBJMWP had been through several stages of community involvement and had been submitted to the Secretary of State on 2 March 2021. This had marked the beginning of a public examination held by an independent Planning Inspector, including public hearings in September and October 2021. The Inspector had identified a number of main modifications that were needed to make sure that the plan was sound

POLICY COMMITTEE MEETING MINUTES - 17 JANUARY 2022

and legally compliant. These main modifications needed to be subject to consultation, and a consultation document was set out at Appendix 2. A six-week consultation was proposed to take place during February and March 2022. Representations received would be passed to the Inspector who would then produce a final report on the soundness and legal compliance of the plan, incorporating the main modifications. If the plan was found sound and legally compliant, it could proceed to adoption.

Resolved -

- (1) That the Main Modifications to the Central and Eastern Berkshire Joint Minerals and Waste Local Plan (Appendix 2) be approved;**
- (2) That community involvement on the Central and Eastern Berkshire Joint Minerals and Waste Local Plan be authorised.**

67. SOCIAL VALUE POLICY - ANNUAL UPDATE REPORT

Further to Minute 68 of the meeting held on 14 December 2020, the Deputy Chief Executive submitted the first annual report on the adoption of the Social Value Policy within the Council and the progress on delivering measurable Social Value outcomes. Attached to the report at Appendix 1 was a summary of the social value obtained in six major contracts and at Appendix 2 a summary of the previously agreed Social Value Priority Focus for Reading.

The report noted that the Council wanted to ensure best value from all its procurement and contracts, including the attainment of social value which supported the Council's Corporate Plan priorities and added value to Reading residents. The Council had therefore adopted a Social Value Policy to provide a framework for commissioners and contract managers across the Council setting out how to derive social value from procurement and contract management activity, as well as provide clarity for suppliers on how it would be measured. The report outlined how it was intended to measure and monitor social value that was obtained to ensure that the desired outcomes were being delivered, and the level of achievement to date.

The report noted that it had previously been proposed to carry out an annual review of the Council's Social Value Priorities, in order to ensure that they remained relevant and appropriate to the Reading community. In the context of the current Corporate Plan priorities and the focus upon Covid recovery it was proposed that the existing priorities, as set out at Appendix 2, be retained for the coming year.

Resolved -

- (1) That the progress made to date on the implementation of the Social Value Policy, including the amount and type of social value obtained to date through procurement and contracts, be noted;**
- (2) That the existing Social Value priorities as set out in Appendix 2 of the report be retained.**

68. APPROVAL OF LOCAL COUNCIL TAX REDUCTION SCHEME 2022/23

Further to Minute 37 of the meeting held on 23 September 2021, the Director of Finance submitted a report setting out the results of consultation on the proposed Local Council Tax Reduction Scheme for 2022/23 and asking the Committee to recommend the Scheme to full Council. An equality impact assessment was set out in Appendix One, results of the consultation at Appendix Two and a table of neighbouring local authorities scheme characteristics at Appendix Three.

The report explained that the proposed changes to the Scheme benefitted residents by providing an increase in support from the current 65% maximum to 70% maximum, removing minimum Council Tax Support award of £5 per month, increasing the upper capital limit from £3,000 to £6,000, allowing a maximum of one month backdating provision and setting a standard rate of £10 Non-Dependant Deduction to apply for non-dependants irrespective of whether engaged and not engaged in remunerative work.

The report also noted that the Department for Levelling Up, Housing and Communities (DLUHC) would complete an annual update of various allowances and those changes would be incorporated where appropriate.

Resolved -

- (1) That the proposed changes to the Local Council Tax Reduction Scheme, taking into account the results of the public consultation as set out in Appendix Two, be agreed and recommended to full Council;
- (2) That it be noted that the 2022/23 Council Tax Reduction Scheme allowances would be updated in line with Regulations.

69. EXCLUSION OF THE PRESS AND PUBLIC

Resolved -

That pursuant to Section 100A of the Local Government Act 1972 (as amended), members of the press and public be excluded during consideration of item 70 below as it was likely that there would be a disclosure of exempt information as defined in the relevant paragraphs specified in Part 1 of Schedule 12A to that Act.

70. DIGITAL TRANSFORMATION STRATEGY - DELIVERY UPDATE

The Deputy Chief Executive submitted a report summarising the work undertaken so far to implement the Connected Reading Digital Transformation Strategy and seeking endorsement of the next steps planned. The report focussed on four workstreams of Casework and Customer Management Platform, Mosaic Data, Independent Living and Digital Inclusion, and sought authority to award contract(s) for the Casework and Customer Platform requirements.

POLICY COMMITTEE MEETING MINUTES - 17 JANUARY 2022

Resolved -

- (1) That the progress made to date and what has been learned be noted;
- (2) That the proposed focus of work over the next five months, including the procurement of a solution or solutions for the Casework (Civica APP replacement) and Customer Platform requirements be endorsed;
- (3) That the Deputy Chief Executive, in consultation with the Lead Councillor for Corporate and Consumer Services, the Chief Digital & Information Officer and the Assistant Director for Corporate Procurement, be authorised to award contract(s) for the Casework and Customer Platform requirements;
- (4) That it be noted that a progress report on the procurement and broader Strategy implementation would be submitted to the June 2022 meeting of the Committee.

(Exempt information as defined in Paragraph 3).

(The meeting started at 6.30 pm and closed at 8.55 pm)

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READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	14 FEBRUARY 2022		
TITLE:	2022/23 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY 2022/23 - 2024/25		
LEAD COUNCILLOR:	COUNCILLOR BROCK	PORTFOLIO:	LEADER OF THE COUNCIL
SERVICE:	ALL	WARDS:	BOROUGHWIDE
LEAD OFFICER:	STUART DONNELLY	TEL:	01889 373468
JOB TITLE:	FINANCIAL PLANNING & STRATEGY MANAGER	E-MAIL:	stuart.donnelly@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. Policy Committee at its meeting on 13th December 2021 agreed a Draft 2022/23 Budget for consultation and Medium-Term Financial Strategy (MTFS) for the three years 2022/23 - 2024/25. 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 Department for Levelling Up, Housing and Communities (DLUHC) is due to publish the Final Local Government Financial Settlement in early February 2022. This report will be updated prior to the Council meeting on 23rd February 2022 as appropriate. Members will be updated should any new issues emerge prior to the Policy Committee meeting.
- 1.3. The underpinning rationale of the Medium-Term Financial Strategy is to deliver a balanced and affordable 2022/23 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 themes:
 - Healthy Environment;
 - Thriving Communities; and
 - Inclusive Economy.
- 1.4. The preparation of the 2022/23 Budget and MTFS 2022/23 - 2024/25 has again been challenging due to the continuing uncertainty caused by the wide-ranging implications of the Covid-19 pandemic and, despite a multi-year Spending Review announcement, yet another one-year Local Government funding settlement from Central Government.

1.5. The budget assumptions include:

- a) Council Tax increases of 1.99% plus an Adult Social Care precept of 1.0% for all three years of the MTFs (2022/23 to 2024/25);
- b) Delivery of £19.940m (£19.690m services and £0.250m corporate) of efficiencies and increased income across the period;
- c) A contingency provision over the three years (£3.6m 2022/23; £4.8m 2023/24; and £6.3m 2024/25) to mitigate possible slippage or non-achievement of higher risk savings and/or income targets over the period;
- d) A housing rent increase of 3.1% (Sept 21 CPI only) in 2022/23, returning to a rent increase in line with approved policy of CPI + 1% in subsequent years.
- e) General Fund capital investment of £171m and Housing Revenue Account (HRA) capital investment of £140m over the period 2022/23 to 2024/25; and
- f) £5.706m of transformation funding (over the period 2022/23 to 2024/25) to support delivery of efficiency savings assumed within the MTFs, taking the total transformation funding to £21.729m across the whole life of the Delivery Fund.

1.6. This report has been prepared with reference to the following documents:

- 2021/2022 Budget & Medium Term Financial Strategy 2021/22 - 2023/24 Report approved by Full Council (23rd February 2021)
- Spending Review 2021 - HM Treasury (27th October 2021)
- Provisional Local Government Finance Settlement 2022/23 - DLUHC (16th December 2021)
- Medium-Term Financial Strategy 2022/23- 2024/25 Update Report approved by Policy Committee (13th December 2021).

2. RECOMMENDED ACTION

That Policy Committee:

- 2.1 taking due regard of the results of the budget consultation exercise and resident's survey (as outlined in Appendices 11 and 12), recommend that Council approve the 2022/23 General Fund and Housing Revenue Account budgets, Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-10, noting the following:
- a) the Council's General Fund Budget Requirement of £149.990m for 2022/23 and an increase in the band D Council Tax for the Council of 1.99% plus an additional 1.00% Adult Social Care Precept, or £84.44 per annum, representing a band D Council Tax of £1,829.72 per annum, excluding precepts from Police and Fire, as set out in paragraph 4.3;
 - b) the proposed efficiency and invest to save savings of £6.471m together with additional income of £1.682m in 2022/23 required to achieve a balanced budget for that year as set out in Appendices 2 and 3
 - c) the overall savings proposed within the MTFs of £19.940m (of which increases to income, fees and charges is £3.853m) and three-year growth changes to service budgets of £25.186m as set out in Appendices 3 and 4;

- d) the budgeted contribution to earmarked reserves totalling £0.695m, as set out in paragraph 3.25 of Appendix 1;
- e) the Housing Revenue Account budget for 2022/23 of £46.033m as set out in Appendix 5 and the average increase of 3.1% in social dwelling rents from April 2022;
- f) the allocation of Dedicated Schools Grant (DSG) as set out in Appendix 6
- g) the General Fund and Housing Revenue Account Capital Programmes as set out in Appendices 7a and 7b;
- h) the Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 8;
- i) the Fees and Charges set out in Appendix 9 of the report; and
- j) the Equalities Impact Assessment as set out in Appendix 10.

3. POLICY CONTEXT

- 3.1. The Council's Budget and Medium Term Financial Strategy (MTFS) provide the financial framework to support the delivery of the Council's vision and Corporate Plan priorities.

4. OVERVIEW

- 4.1. Attached to this summary report are a series of appendices which together provide a comprehensive overview of the Council's financial position in the short to medium term subject to the constraints outlined in paragraph 1.4. Those appendices are as follows:

Appendix 1 - The Medium Term Financial Strategy (MTFS) 2022/23 - 2024/25
 Appendix 2 - Summary of the General Fund (GF) budget proposals 2022/23 - 2024/25
 Appendix 3 - General Fund Revenue Budget by Service 2022/23 - 2024/25
 Appendix 4 - Detailed General Fund Budget Changes 2022-23 to 2024-25
 Appendix 5 - The Housing Revenue Account (HRA) budget proposals 2022/23 - 2024/25
 Appendix 6 - The Dedicated Schools Budget proposals 2022/23 - 2024/25
 Appendix 7 - The General Fund and HRA Capital Programmes 2022/23 - 2024/25
 Appendix 8 - The Flexible Use of Capital Receipts Strategy 2022/23 - 2024/25
 Appendix 9 - Fees and Charges proposals from April 2022
 Appendix 10 - Equality Impact Assessment of the budget proposals
 Appendix 11 - Summary of the Response to the Budget Consultation
 Appendix 12 - Summary of the Results of the Residents Survey 2021

General Fund

- 4.2. Appendix 1 sets out the Council's Medium Term Financial Strategy (MTFS) and is supported in respect of the General Fund (GF) by Appendices 2, 3 and 4 which set out the financial figures for the 2022/23 Budget and the indicative budgets for 2023/24 and 2024/25. As illustrated in Appendix 2, this provides for a balanced budget in 2022/23 and a Net Budget Requirement of £149.990m, which after allowing for other funding streams leaves a Council Tax Requirement of £104.403m. The indicative budgets for 2023/24 and 2024/25 are not currently in a balanced position with an ongoing budget gap of £5.828m.

- 4.3. The 2022/23 budget proposals assume a Council Tax increase of 1.99% and an Adult Social Care Precept of 1.0%. This results in a Band D Council Tax of £1,829.72 for 2022/23 an increase of £84.44 per annum or £1.62 Per week. Similar percentage uplifts are assumed for 2023/24 and 2024/25.

Housing Revenue Account

Appendix 5 sets out the Housing Revenue Account (HRA) budget proposals. Although the current rent standard allows a rent increase of up to CPI +1% for the Housing Revenue Account (HRA), the proposal is to increase rents by just CPI of 3.1% (Sept 2021) in view of what is anticipated to be a short term peak in inflation. The proposed expenditure budget for 2022/23 is £46.033m. A balanced budget is delivered across all three years with a drawdown from reserves of £2.1m in 2022/23, £1.4m in 2023/24 and £2.0m in 2024/25. Appendix 5 also sets out the full 30 Year Plan.

Dedicated Schools Budget

- 4.4. Appendix 6 sets out the Dedicated Schools Budget proposals for 2022/23 - 2024/25. Dedicated Schools Grant (DSG) is split into four blocks, for which the allocations for 2022/23 were published by the Government on 17th December 2021. Overall, the DSG for schools will increase by £5.6m (3.9%) from £142.3m to £147.9m. Details of the allocations are provided at Appendix 6.
- 4.5. Appendix 6 includes details of the deficit on the High Needs Block that is anticipated to be £2.8m by 31st March 2022, before reducing to £1.0m by 31st March 2025. Funding for the High Needs Block is proposed to increase by £2.2m in 2022/23 and this will contribute to addressing the ongoing deficit. An updated deficit recovery plan will be presented to Schools Forum in March.

Capital

- 4.6. The overarching Capital Strategy is set out in a separate report elsewhere on this agenda, with the specific details of projects laid out in the Capital Programme at Appendix 7 for both the General Fund and the HRA. Over the three years of the MTFs the General Fund Capital Programme totals £171.5m, which will require the support of £159.8m of additional borrowing. Over the same period the HRA Capital Programme stands at £140.3m.
- 4.7. The Capital Programme, attached as Appendix 7, identifies schemes where the commitment to proceed has already been made. All other schemes remain in the Programme but approval to proceed will only be given when the Director of Finance confirms the availability of funds including that sufficient revenue budget is available to meet the ongoing capital financing costs of schemes.
- 4.8. All schemes included in the approved capital programme, including those planned to start in 2022/23 shall remain subject to:
- (i) spending approval in detail by the responsible Committee or Policy Committee or Council, as appropriate, for all schemes
 - (ii) the Director of Finance confirming the availability of funds, including that sufficient revenue budget is available to meet the ongoing capital financing costs of schemes.
- 4.9. The Council's transformation programme supported by the extension to the flexible use of capital receipts permitted by regulation is detailed at Appendix 8.

Fees & Charges

- 4.10. The schedule of Fees and Charges assumed within the budget proposals and effective from 1 April 2022 is included at Appendix 9.

Consultation

- 4.11. The Council is required by legislation to consider the impact of its budget proposals upon all groups within the local community. This is demonstrated by the Equalities Impact Assessment statement at Appendix 10.
- 4.12. A summary of the results of the Budget Consultation held from 21st December 2021 to 14th January 2022 and the Residents Survey carried out in the summer of 2021 are provided at Appendices 11 and 12 respectively.
- 4.13. The consultation analysis highlights that the top service areas for suggested spend were children's services and adult social care. Another key theme was transport. The proposed Revenue Budget and Capital Programme responds to this feedback by investing in these services.

5. RISK

- 5.1. 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.
- 5.2. Whilst the budget proposals include some provision for risk and contingency, primarily in relation to the non-achievement of income targets and efficiency savings, risk remains that demographic, inflationary or other demand pressures may exceed budget uplifts and place pressures on those available provisions.
- 5.3. The MTFs assumes £19.940m 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.
- 5.4. Business Rates income in particular is subject to considerable volatility in the current economic climate.
- 5.5. 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. Passenger numbers remain significantly below pre-Covid levels and the company has been reliant on Central Government grant funding to mitigate the impact of reduced income. The Council continues to work 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 children's company has requested an increase in the contract sum of £1.1m compared to the figure that was previously included in the MTFs. This largely relates to a reduction in the planned savings against placement costs and the non-delivery of previously agreed transformation savings.

- 5.6. The current global and national economic position has the potential to impact the Council in a variety of ways, particularly in the current Covid-19 environment, these include, increases in demand for social care, 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 within adults and children's social care budgets.
- 5.7. 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 will be presented to Full Council on 22 February alongside the MTFs and Budget Report.

6. CONTRIBUTION TO STRATEGIC AIMS

- 6.1. 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 three themes which contribute to delivering this vision. These themes are:
- Healthy Environment;
 - Thriving Communities; and
 - Inclusive Economy.
- 6.2. 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.
- 6.3. Full details of the Council's Corporate Plan are available on the website.

7. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 7.1. 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.
- 7.2. The Council's proposed Capital Programme for the next three years includes investment of £5.543 million in energy saving measures in buildings and renewable energy infrastructure to contributing to the Council's net zero carbon ambitions. Of this, £2.646m is allocated for 2022/23.
- 7.3. 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 £0.997m is included in the Capital Programme across the next three years which will enable additional projects in the pipeline to go ahead.
- 7.4. 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. £1.800m has been allocated over the following MTFs period. The

second will support further investment in renewable energy. In 2022/23, £1.543m has been allocated for this purpose with a further £2.176 in 2023/24 and £0.024m in 2024/25. This will enable a number of more ambitious projects to be progressed, including ground-source heat pumps, solar arrays and potentially district heating systems.

7.5. 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.

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

- £9.000m for the South Reading MRT (2022/23-2024/25)
- £3.743m for renewable energy (2022/23-2024/25)
- £2.797m for energy saving measures via the Salix Decarbonisation and Recirculation funds (2022/23-2024/25)
- £0.250m for additional electric vehicle charging points (2022/23)
- £0.100m for tree planting programmes (2022/23-2024/25)

8. COMMUNITY ENGAGEMENT AND INFORMATION

8.1. The public budget consultation ran from 21st December 2021 until 14th January 2022. The feedback from this consultation, alongside the feedback from the Resident's Survey 2021 is set out in Appendices 11 and 12.

9. EQUALITY IMPACT ASSESSMENT

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

- 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.

9.2. An initial Assessment of the proposals as set out in the MTFs has been undertaken and Appendix 10 sets out the individual savings proposals where specific equality impact assessments will need to be undertaken prior to implementation.

9.3. 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.

10. LEGAL IMPLICATIONS

- 10.1. The Council must set its budget in accordance with the provisions of the Local Government Finance Act 1992. Approval of a balanced budget each year is a statutory responsibility of the Council.
- 10.2. The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance (s.151) Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The report will be formally made to the Council's budget setting meeting in February.

11. FINANCIAL IMPLICATIONS

- 11.1. The financial implications are set out in the body of this report and associated appendices.
- 11.2. The proposed 2022/23 Budget is balanced without the requirement to drawdown on reserves and in fact proposes to bolster earmarked reserves. Further savings to close the budget gap in 2023/24 and beyond will need to be identified as part of the 2023/24 budget setting process.
- 11.3. The Council's General Fund balance remains at £7.5m over the plan period.

12. BACKGROUND PAPERS

- 12.1. None.

The Medium Term Financial Strategy

1. BACKGROUND

- 1.1. This Medium Term Financial Strategy (MTFS) pulls together in one place all known factors affecting the financial position and financial sustainability of Reading Borough Council over the medium term. The MTFS balances the financial implications of objectives and policies against constraints in resources and provides the basis for decision making.
- 1.2. The MTFS is central to the delivery of our priorities in an affordable and sustainable way over a 3-year period. It aids robust and methodical planning as it forecasts the Council's financial position, taking into account known pressures and major issues affecting the Council's finances. The MTFS recognises the key role that financial resources play in the future delivery of outcomes and in enabling the effective planning, management and delivery of services.
- 1.3. The key overriding aim of the MTFS is to provide a financial framework within which financial stability can be achieved and sustained in the medium term to deliver the Council's key strategic priorities.
- 1.4. This updated MTFS has been developed to reflect the changing landscape in which Councils are now operating. The Covid-19 pandemic has had a significant impact on Council budgets, with increased costs and reduced levels of income. As we approach the end of the second year of the pandemic there is still huge uncertainty around how long these will continue to impact on budgets.

2. THE CURRENT ECONOMIC AND FINANCIAL ENVIRONMENT

- 2.1 The Council's future financial position, the demand for services and ability to recover previous and generate new income streams is significantly affected by the wider economic, political and financial environment. The following paragraphs set out some of the more significant factors that have the potential to impact on the Council.

Brexit

- 2.2 The UK officially left the EU on 1st January 2020 and entered into a one-year transition period which has now ended. Whilst it was possible for the UK to strike a trade deal with the EU, there remain a number of controversial issues between the two sides. As predicted by many on both sides of the debate Brexit has created some economic turbulence, although it is difficult to be clear on the precise extent given other significant issues. It is likely that this will continue, at least in the short term, and may even get worse if differences of view cannot be resolved amicably. This is likely to have some impact on key drivers such as interest rates, inflation, public sector finances and Council Tax and Business Rates income.

Coronavirus Pandemic

- 2.3 The current financial year, as last year, has been dominated by the Coronavirus pandemic, albeit to a lesser extent. The social and economic impact has been immense with significant knock-on consequences for both public sector and local government finances. At the time of writing this report the numbers of those directly affected by the disease continue to grow both nationally and across the world, although some of the worst impacts have been mitigated by the roll-out of the vaccination programme. It is clear that there has already been significant economic damage caused across the world and that this continues without a clear picture of the final overall impact. Just as with Brexit this will have a wide-ranging impact on the financial drivers impacting public finances.
- 2.4 The consequences of the virus have put enormous pressure on public services. Many public services beyond just the NHS, such as Social Care, Education and Public Transport have also been significantly impacted. For care and welfare services there has been a substantial increase in demand, whilst for others such as transport, demand has dropped, challenging future viability of services. Of particular concern to local authorities is the adverse impact on income streams which have been built up in recent years to compensate for declining Central Government funding. Last financial year, and the early part of this, Central Government provided compensation for lost income, but this support has now ceased. Whilst things have improved from the lockdown scenario, they are certainly not back to pre-pandemic levels. There continues to be much turbulence, making it difficult to predict with accuracy what the on-going consequences might be. Indeed, the increased lack of planning certainty is a significant challenge in itself; as outlined above.

Environmental Challenges

- 2.5 Whilst Brexit and the Coronavirus pandemic have presented more immediate challenges in recent years, there can now be little doubt that the greatest challenge faced by humanity is that of climate change. The Council itself has recognised a Climate Emergency, but there are other related issues such as waste management, particularly plastics, as well as the spread of pests and diseases and a significant reduction in biodiversity which threaten our food and water supplies and are likely to lead to substantial political instability across the world.
- 2.6 The UK has just hosted the UN Climate Summit (COP26), postponed from 2020 due to the Coronavirus pandemic. This has demonstrated the enormous political challenges of tackling such a complex issue. Whilst further steps forward have been made the scientists suggest that this is far from enough. Indeed, this was largely acknowledged by the summit itself, as they have agreed to hold the next summit in a year's time where they "must try harder". The behavioural changes required are likely to have significant impacts upon economic activity. This suggests that the relatively short-term challenges presented by Brexit and Covid-19 are unlikely to be replaced by much better times ahead, but rather that the operational environment is likely to remain

challenging in the medium to long term. It is unclear exactly what this will mean, but it is probable that the Council will need to show both flexibility and leadership in response.

Demographic Forecasts

- 2.7 One of the key drivers of demand for Council services, and hence cost pressures, is demographic growth, principally in terms of resident and customer numbers but additionally in net daily inflows of visitors. Whilst general central government funding has seen real-terms decreases over the last decade, service demand and demographic pressures have risen, not fallen, in comparison. Since 2011, the Office of National Statistics [ONS] estimate Reading's population has risen by 3.0% (2020 mid-year estimates), though has decreased slightly since 2018. Whilst the average increase is 3%, the rise in 0 - 18-year olds is 10% and the rise in over 65s is 12.5% - both higher than the overall average.
- 2.8 The ONS produce future forecasts of population and predict an overall population increase of 3.2% by 2043. However, within this total the percentage of residents aged 65+ is projected to increase by 40.7%. Whereas, 0-19 year olds are projected to decrease by 5.6%.

Adult Social Care

- 2.9 There are also significant pressures in the social care system that have been exacerbated by the impact of Covid-19. This updated MTFs includes a proposed increase of £5m in the budget for Adult Social Care services for next year to fund the impact of those cost pressures, including the ongoing commitment to fund care providers at a level that allows them to pay staff at the rate recommended by the Living Wage Foundation rather than the lower national living wage rate set by central government.

Inflation Expectations

- 2.10 Inflationary pressures on the Council's employee and contractor costs represent a significant annual pressure that needs to be funded. Equally, inflation rates impact on fees and charges, Council Tax capping levels and business rate income through the nationally set Non-Domestic Rates Multiplier.
- 2.11 The annual inflation rate in the United Kingdom as measured by CPI stands at around 5% (CPIH 4.8%, CPI 5.4%) as at January 2022, up from around 3% (CPIH 2.9%, CPI 3.1%) in September. This is the highest it has been in since 2008. Inflation has climbed steadily since February 2021 as the restrictions due to the Pandemic have been eased leading to increased demand, but a range of supply side challenges. The latest Bank of England forecast is that inflation may stay at these levels for around 18 months. The Bank of England increased interest rates by 0.25% to 0.50% due to these inflationary pressures. It may feel it needs to do more in the light of continuing inflationary pressures, but at the same time it will not want to damage a fragile economic recovery.

Figure 1: Annual CPIH inflation rate highest since September 2008

CPIH, OOH component and CPI 12-month inflation rates for the last 10 years, UK, December 2011 to December 2021



Source: Office for National Statistics - Consumer price inflation

UK Unemployment

- 2.12 The headline rate of UK unemployment is 4.10% for the quarter ending November 2021, down from 4.5% a quarter earlier. Whilst this is slightly higher than the level immediately prior to the Coronavirus pandemic it is still one of the lowest levels in recent history. This position is also reflected in the figures for employment which has risen to 75.5% as at September, 1.0% lower than pre-pandemic, but 0.2% higher than the previous quarter. Job vacancy level are at a record high. Last year figures were distorted by the protection being offered by the Furlough scheme, but this has now ceased and so the current figures should give a true reflection of the position. However, there remains considerable uncertainty over the direction of travel due to the volatility in the wider economy.
- 2.13 It is hoped that falling unemployment will reduce the number of Local Council Tax Support Scheme claimants, thereby increasing the tax base and thus the amount of Council Tax income collectable.

Deprivation

- 2.14 One of the key outcomes for the Council is to improve the well-being of its residents and to address the needs of those most in need. The degree to which assessed need and inequality might be measured is by reference to the national Index of Multiple Deprivation [IMD].

2.15 IMD scores and weightings are based on seven domains of deprivation and are weighted individually to provide an overall IMD score. There are also two additional indices as set out below:

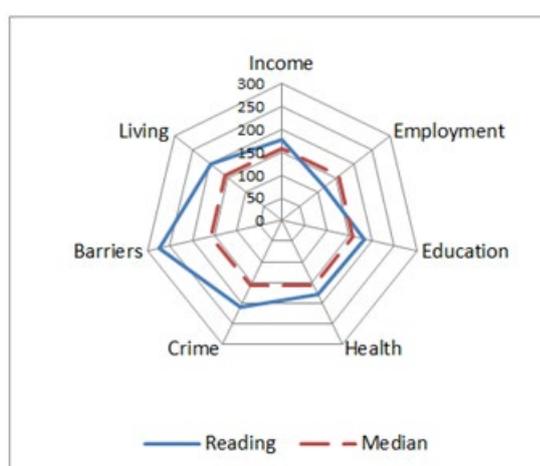
- Income Deprivation (22.5%)
- Employment Deprivation (22.5%)
- Education, Skills and Training Deprivation (13.5%)
- Health Deprivation and Disability (13.5%)
- Crime (9.3%)
- Barriers to Housing and Services (9.3%)
- Living Environment Deprivation (9.3%)
- Index of income deprivation affecting children
- Index of income deprivation affecting older people

2.16 Key Headlines are:

- Reading as a whole is ranked the 141st most deprived out of 317 local authorities in the country;
- Reading now has 5 LSOAs (Lower Super Output Areas) within the most deprived 10% nationally, compared with only 2 in 2015 (indicating increased disparity across the borough);
- Reading has 4 LSOAs in the most deprived 5% in the country on the Education, Skills and Training domain (3 according to IMD 2015).

2.17 The chart below illustrates the 2019 IMD statistics for each of the above seven indicators relative to the (median) average across all 317 local authority areas, showing that Reading has a higher deprivation score than the median on 6 of the 7 indicators, but has a better level of employment than the median:

Figure 2. Index of Multiple Deprivation (2019)



2.18 The Government announced in the Spending Review an additional £4bn of funding nationally for its Levelling Up agenda to improve the standard of living across disadvantaged areas of the country. This funding is accessible via a bidding process which will require local support including from the local MP.

Interest Rates

- 2.19 The coronavirus outbreak has done huge economic damage to economies around the world including the UK's. The Bank of England took emergency action in March 2020 to cut Bank Rate to first 0.25%, and then to 0.10%.
- 2.20 The Bank of England's Monetary Policy Committee (MPC) voted to increase the Bank Rate from 0.10%, where it has been since March 2020, to 0.25% at its meeting on 16th December 2021 and again to 0.50% at its meeting on 3rd February 2022. The MPC has also indicated that in the short term, interest rates may need to rise a little further, but that the medium to long term view is that rates will remain at historically low levels.
- 2.21 Current UK interest rate forecasts (including the 20-basis point certainty rate reduction) are outlined in the following table:

Table 1. Interest Rate Forecasts

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	%	%	%	%	%	%	%	%
Bank Rate	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75
5-year PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80
10-year PWLB	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00
25-year PWLB	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30
50-year PWLB	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10

Summary Financial Position

- 2.22 The Quarter 2 Performance and Monitoring Report that was presented to Policy Committee in December 2021 set out a forecast overspend on service expenditure of £8.176m. The report recommended that this overspend was funded through the use of the Covid-19 support grant that is available for 2021/22 but was previously unallocated. It is also proposed to utilise £3.844m of corporate contingencies and to use £1.838m of the £2.776m of earmarked reserves that was agreed in the 2021/22 budget.
- 2.23 The use of this combination of contingencies and one-off resources means that a break-even position is now projected for 2021/22. Such an approach is not sustainable in the medium to longer term and the 2022/23 Budget and 2022/23-2024/25 MTFs have sought to address any ongoing impact through the removal and/or re-profiling of non-deliverable savings targets.

The Spending Review and Autumn Budget 2021

2.24 The Spending Review and Autumn Budget 2021 was delivered by the Chancellor on 27th October 2021. For the first time since 2018 this was a multi-year plan. The announcement included the following matters that are pertinent to the Council's finances and the wider environment in which it operates:

- The Government is providing local councils with £4.8bn of additional grant funding for social care and other services over the SR21 spending period;
- An additional £200m nationally in 2022/23 to fund the implementation of Social Care reforms, with indicative figures of £1.4bn in 2023/24 and £2.0bn in 2024/25 to recognise the increased costs of the reforms themselves. These additional resources are funded by the new Health and Social Care Levy;
- The public sector pay freeze for those earning above £24,000 announced last year has now been removed. It should be noted, however, that Central Government does not control Local Government pay anyway, but this does set the tone. It remains to be seen how the National Employers and local government unions respond to this. The National Living Wage was also increased by 6.6% to £9.50 p/h from 1 April 2022, which will affect some employees of both local government and its contractors;
- A proposed basic Council Tax referendum limit of 2% (indicative for 2023/24 and 2024/25);
- The ability to levy an additional adult social care precept of up to 1% (indicative for 2023/24 and 2024/25);
- Increasing Revenue Support Grant in line with inflation;
- The current New Homes Bonus scheme ends in 2022/23. Whilst the Government have indicated that they will introduce a new scheme, no details of this have yet been made available. It has therefore been assumed that 2023/24 and 2024/25 allocations will remain in the system and have been estimated based on Readings historic proportion of national funding
- There will be an additional £37.8m to support modernisation of local authorities' cyber security systems which is included within the overall £4.8bn increase;
- £2.6bn nationally to support children with Special Educational Needs and Disabilities (SEND);
- £208m by 2024/25 for Early Years provision;
- £620m for public charging points for electric vehicles;
- The business rates multiplier will again be frozen for 2022/23.

Future Changes to the Local Government Finance System

- 2.25 The Chancellor did not make any announcements about the future of the Fair Funding Review (also known as the Review of Relative Needs and Resources), the move to further business rates retention, the business rates reset or new homes bonus reform as part of the Spending Review 2021.
- 2.26 Following the Spending Review, the Secretary of State for Levelling Up, Housing and Communities announced to Parliament that the government has abandoned plans to allow Councils to retain 75% of their business rates, which was due to be introduced from April 2022 and which had been the policy intention for the past six years, as it goes against the broader principle of levelling up.
- 2.27 Central Government published the Levelling Up White Paper on 2nd February 2022, setting out in more detail the framework and next steps towards levelling up opportunities and boosting livelihoods across the country.
- 2.28 A consultation on the formula for allocating funding to councils is now set to take place in early 2022.

3. PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2022/23 & OTHER CHANGES FROM THE DECEMBER 2021 MTFS UPDATE

- 3.1 Despite the multi-year Spending Review announcement, a one-year provisional Local Government Finance Settlement was published on 16th December 2021. Whilst no specific reason for this has been provided by Government this is likely to be due to either the new Secretary of State giving himself the space to review how things can support the 'Levelling Up' agenda, or simply that the Government intend to implement the reforms to the local government funding mechanism which have been stalled for several years now. In either event announcing funding allocations at specific Council level prior to announcing any reformed mechanism would be misleading. Whatever the reason, the single year settlement does make medium term planning more challenging.
- 3.2 Nonetheless, the Provisional Local Government Finance Settlement does provide more detail for 2022/23, which for Reading is as follows:

New Homes Bonus

- 3.3 The provisional settlement has provided specific allocations for 2022/23 only. The Council's 2022/23 allocation was announced as £2.038m; £1.069m higher than the £0.969m assumed in the draft budget. Whilst the Government have indicated that they will introduce a new scheme in the near future, no details of this have yet been made available. It has therefore been assumed that 2023/24 and 2024/25 allocations will remain in the system and have been estimated based on Reading's historic proportion of national funding

Lower Tier Services Grant

- 3.4 The Government have announced a continuation of the Lower Tier Services Grant, but again on a one year only basis. It is likely that this funding stream will be absorbed into any Relative Needs Formula (RNF) which the Government are indicating will be the basis of local government funding reforms. Therefore, the additional funding of £0.288m has been included within the MTFS on an on-going basis but it is recognised that this may not be an explicit separate grant in future years.

Social Care Grant

- 3.5 Another grant continued for a further year, but on a one year only basis. The Social Care Grant too is likely to be absorbed into the new funding reforms when implemented although it is clear that the funding remains within the national control totals and given the pressures on social care will need to be directed, by whatever means, to authorities with those responsibilities. For this reason, the MTFS assumes that this funding will continue. The increase in grant from the allocation assumed in the December 2021 MTFS update is £1.311m.

2022/23 Services Grant

- 3.6 The Services Grant is a new grant introduced for 2022/23 and is also announced as a one year grant. At a national level the Chancellor announced a 'real terms' increase in funding for local government and in simple terms this grant is the short term mechanism for delivering that. However, this grant has to cover the additional financial burden placed on all large employers, including local government, of the Health and Social Care Levy. Furthermore, this funding is also likely to be absorbed within the new funding arrangements for local government and the Government have been explicit in stating that this funding stream will not be included in any transition protection arrangements. Thus, this grant represents a welcome boost in 2022/23, but a medium term risk, as the cost of the levy will continue, but the grant may not do so. Given that the funds remain in the overall system the working assumption here is that the grant will continue, albeit it is unlikely to remain in its current form.
- 3.7 This grant is in part to compensate local government for the additional financial burden of the Health and Social Care Levy to pay for the Adult Social Care reforms. The draft budget had assumed income to cover these costs of £0.994m. The new grant totalling £2.116m, therefore represents a net increase in funding of £1.122m in each year of the MTFS.

Revenue Support Grant

- 3.8 Revenue Support Grant (RSG) has been the core general purpose grant from Central Government for some years now. For 2022/23 it has been increased in line with inflation and the MTFS assumes that this inflationary increase will continue over the planning period. However, if the Government do make changes to the funding mechanism for local government this grant may be

replaced altogether, or its distribution between authorities radically altered, making accurate prediction difficult. It tends to be the case that when Governments make changes to funding systems that they are phased in using transitional protection arrangements to avoid causing too great a disturbance. On this basis and given that the RSG is a relatively small source of funding now, the assumption of maintaining the status quo over the planning period is reasonable. There is an increase in Revenue Support Grant for 2022/23 of £0.066m over the level assumed in the draft budget.

Section 31 Grant (Compensation for Additional Business Rate Relief)

- 3.9 Due to the Business Rate Retention Scheme not being rest in 2022/23, Section 31 Grants to provide compensation for additional business rate reliefs announced by Central Government will continue for 2022/23. The amount of Section 31 Grants that the Council estimates it will receive for 2022/23 is £5.385m, which is £1.886m higher than previously assumed. Central Government has not ruled out reform to the Business Rate Retention Scheme for 2023/24, therefore the MTFs assumes that the rest will occur in 2023/24 and therefore future Section 31 Grants cease.

Improved Better Care Fund

- 3.10 An increase in the Improved Better Care Fund of £0.080m that was not previously assumed in the draft budget which is offset by match funded additional expenditure.

Market Sustainability and Fair Cost of Care Fund

- 3.11 A new grant called 'Market Sustainability and Fair Cost of Care Fund', being the funding available to support the Adult Social Care reforms. The draft budget had assumed funding to match anticipated expenditure from 2023/24 onwards, but the Provisional Settlement has provided Reading with £0.384m to cover set up costs not previously reflected in the draft budget. Estimates for 2023/24 and 2024/25 have been included within the MTFs but it is assumed that these will be required to match fund additional expenditure.

Public Health Grant

- 3.12 The Provisional Local Government Finance Settlement included no announcements on the national total nor individual council allocations in respect of Public Health Grant. As the grant is ringfenced and any increase/decrease to the Council's grant allocation would be offset by a corresponding increase/decrease in expenditure, the MTFs assumes a nil impact on the budget gap.

Summary of Changes

3.13 The changes outlined in paragraphs 3.3-3.12 are summarised in Table 2 below:

Table 2. Changes Arising from the Provisional Local Government Finance Settlement

	2022/23 £'000	2023/24 £'000	2024/25 £'000
Net Budget (Surplus)/Deficit as at December 2021 Policy Committee	3,316	6,053	3,248
New Homes Bonus	(1,069)	(30)	0
Lower Tier Services Grant	(288)	0	0
Social Care Grant	(1,464)	0	0
Services Grant (incl. funding for Social Care Levy)	(2,116)	0	0
Extra Social Care Levy Funding - Remove	994	0	0
Revenue Support Grant	(66)	(166)	(12)
Section 31 Grant	(1,886)	1,886	0
Improved Better Care Fund - Income	(80)	0	0
Improved Better Care Fund - Expenditure	80	0	0
Market Sustainability and Fair Cost of Care Fund Income	(384)	(1,877)	(924)
Market Sustainability and Fair Cost of Care Fund Expenditure	384	1,877	924
Sum of Changes from Provisional Settlement	(5,895)	1,690	(12)
Cumulative Impact of Changes	(5,895)	(4,205)	(4,217)
Net Budget (Surplus)/Deficit after Provisional Settlement	(2,579)	1,848	(969)

Other Changes from the December 2021 MTFS Update

Council Tax

- 3.14 The Chancellor announced in the Spending Review 2021 that the level of increase in Council Tax requiring a local referendum will be 2.00% for 2022/23, with indicatively a similar figure for 2023/24 and 2024/25. The MTFS proposes to increase Council Tax by 1.99% for all three years covered, subject to confirmation of the referendum limit in subsequent years, which is line with the assumptions included in the December 2021 MTFS update.
- 3.15 The Chancellor also announced as part of the Spending Review 2021 that Councils can raise an Adult Social Care (ASC) Precept at a maximum of 1.00% of the Council Tax rate for 2022/23, with an indication of similar allowance in the next two years. Given the considerable pressures on social care spending, the MTFS proposes to utilise the ability to increase the ASC Precept by 1.00% for all three years covered, subject to confirmation of the referendum limit in subsequent years, which is line with the assumptions included in the December 2021 MTFS update.
- 3.16 At its meeting on 27th January 2022, Council approved a revised Council Tax Base of 57,059.55 for 2022/23. The approved tax base is higher than that assumed at the time of the draft budget and thus leads to an increased Council Tax yield. The increase in tax base is due to a combination of actual new build exceeding the forecasts built into the 2021/22 tax base and the number of eligible Local Council Tax Reduction Scheme claimants reducing to near 2020/21 levels following a temporary peak in 2021/22 as a result of the Covid-19 pandemic. The cumulative increase totals £1.986m across the MTFS period.

Business Rates

- 3.17 The budget has been updated to reflect the latest available information and assumptions included in the NNDR1 return made to Central Government in January 2022. The overall impact is an improvement of £0.989m in 2022/23 when compared to the Draft Budget.

Council Tax & Business Rates Collection Fund Deficits and Release from Collection Fund Smoothing Reserve

- 3.18 The Council Tax Base report also declared the estimated balance on the Council Tax Collection Fund. The estimated deficit balance is an additional pressure of £0.157m from that which was assumed in the Draft Budget.
- 3.19 The revised estimated Business Rates Collection Fund Balance is a reduced pressure of £0.806m from that which was assumed in the Draft Budget.
- 3.20 The revised total Collection Fund Deficit for 2022/23 is £3.219m which is partially funded by the Collection Fund Smoothing Reserve. The revised draw from this reserve in 2022/23 is £1.780m which is £2.088m less than was assumed in the Draft Budget.

Detailed Savings Proposals and New Bids

- 3.21 Since December a number of new and revised business cases have been submitted, reviewed and included within the revised figures presented here. This adds a further £1.142m net pressures to the 2022/23 budget, but a net reduction of £0.125m in 2023/24 and an increase of £0.115m in 2024/25.

Pension Contributions

- 3.22 The next triennial valuation of the Berkshire Pension Fund is due to take place as at 31st March 2022 with provisional results expected in November 2022. There will therefore be no financial impact resulting from this triennial valuation in 2022/23. It is recognised that secondary employer rate will need to increase in order to close the funding gap on the fund which has an aim to be 100% funded by 2041. An increase of 1.0% to this secondary employer rate has been assumed for both 2023/24 and 2024/25. An additional pressure of £0.804m has therefore been included within the MTFs for 2024/25.

Capital Financing

- 3.23 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 £3.572m across the MTS period.

Contingency

- 3.24 The Contingency provision has been reviewed in order to ensure that any possible slippage or non-achievement of higher risk savings and/or income targets over the period are mitigated against.

Contribution to/(from) Reserves

- 3.25 After accounting for all of the above changes, there is a £0.695m budget surplus for 2022/23. This one-off surplus has subsequently been budgeted for to be transferred into Earmarked Reserves to balance the 2022/23 budget. This is a prudent approach given that the current forecast financial position for 2021/22 assumes a one-off draw from Earmarked Reserves.
- 3.26 The residual budget gaps in 2023/24 and 2024/25 will need to be closed as part of the 2023/24 budget setting process, and work has already commenced in this regard to identify new savings proposals for these future years.

Summary of Changes

- 3.27 The changes outlined in paragraphs 3.14-3.26 are summarised in Table 3 below:

Table 3 - Local Changes Arising Since the December Policy Committee Meeting

	2022/23 £'000	2023/24 £'000	2024/25 £'000
Net Budget (Surplus)/Deficit after Provisional Settlement	(2,579)	1,848	(969)
Changes to Council Tax Base	(1,188)	(329)	(469)
Changes to Business Rate Base*	(989)	928	(123)
Council Tax Collection Fund Deficit	157	(157)	0
Business Rates Collection Fund Deficit	(806)	806	0
Release from Collection Fund Smoothing Reserve	2,088	(2,088)	0
Business Rates Redistribution	0	(190)	(41)
Additional/Revised Service Business Cases	1,142	(125)	115
Actuarial Review of Employers Pension Contributions	0	0	804
Adjustment to Capital Financing Costs	603	1,829	1,140
Increase/(Decrease) to Contingency	877	1,313	1,500
Additional Contribution to/(from) Reserves	695	(695)	0
Sum of Local Changes	2,579	1,292	2,926
Cumulative Impact of Changes	2,579	3,871	6,797
Net Budget (Surplus)/Deficit after All Changes	0	5,719	5,828

*Includes NNDR Local Share, Section 31 Grant, Business Rates Covid Reliefs and Section 31 Grants Released from Reserves

4. EXPENDITURE ASSUMPTIONS

Pay Award

- 4.1 2.0% per annum has been budgeted for over the three-year period. However, with inflation currently running higher than this there may be pressure on the National Employers to agree a higher figure, at least in the short term.

National Living Wage

- 4.2 In the Autumn budget the Chancellor announced that the National Living Wages for the over 23's will increase by 6.6% from £8.91 to £9.50 per hour from April 2022.

General Inflation

- 4.3 There is no general allowance for inflation assumed in the budget. Where services are experiencing specific inflationary pressures, these are included as bids supported by a business case.

Pension Fund

- 4.4 The next triennial valuation of the Berkshire Pension Fund is due to take place as at 31st March 2022 with provisional results expected in November 2022. There will therefore be no financial impact resulting from this triennial valuation in 2022/23. It is recognised that secondary employer rate will need to increase in order to close the funding gap on the fund which has an aim to be 100% funded by 2041. An increase of 1.0% to this secondary employer rate has been assumed for both 2023/24 and 2024/25.

Health & Social Care Levy

- 4.5 Central Government have introduced a new Health and Social Care Levy from 1 April 2022/23 to substantially increase funding for Health & Social Care over the next 3 years. This will be delivered through a 1.25% increase in National Insurance contributions. The Government have committed to funding the additional cost to Councils via additional grant.

Capital Financing

- 4.6 Capital Financing cost include Minimum Revenue Provision (MRP), notionally the repayment of debt, as set out in the Council's MRP Policy within the Treasury Management Strategy included elsewhere on this agenda. Additionally, these costs include any interest on external borrowing.

5. RISKS

- 5.1 The main risks to delivering the proposals set out within this MTFs include:
- The ability to contain demographic demand pressures;
 - The speed of recovery and buoyancy of the general and local economy from COVID 19;
 - Adverse interest rate movements;
 - Increased inflationary pressures;
 - Delivery of capital receipts to fund the flexible use for transformation purposes and avoid prudential borrowing charges;
 - Future local government financing settlements from central government and potential impacts from changes to the Fair Funding Review;
 - The capacity of Officers to deliver the savings and income projections in line with assumptions whilst still managing the impact of the pandemic; and
 - Slippage in the Capital Programme adversely impacting savings assumed within the MTFs.

- 5.2 Additionally, the Council's 2019/20 and 2020/21 accounts are still subject to audit which may mean there could be some movement in the assumed baseline level of reserves.
- 5.3 However, in setting the new three-year MTFs, contingency provisions of £3.627m in 2022/23; £4.848m in 2023/24 and £6.348m 2024/25 have been provided for to allow for slippage or non-delivery of higher risk savings and income targets. The contingency provision increases in the latter years of the MTFs due to the increased level of risk in delivering future savings.

6. RESERVE LEVELS

- 6.1 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. Many authorities are currently struggling to manage their pressures with two Local Authorities issuing s114 notices since November 2020 and a number of others requesting exceptional financial support during 2020/21 and/or 2021/22. In light of previous high-profile failures and funding concerns raised by authorities, CIPFA launched a financial resilience index which uses a basket of indicators to measure individual Local Authorities' financial resilience compared to their comparators.
- 6.2 The Council drew heavily on its reserves in 2016/17. Since then the Council has contributed to reserves in each year between 2017/18 and 2020/21 but did have to budget for a small use of reserves in order to balance the 2021/22 budget. As a result, reserves have been returned to a more sustainable level.
- 10.1 Based on the latest data available (2019/20), the Council's reserves position is now marginally above the average compared to all unitary authorities, which is a significant improvement from the 2017/18 position and continues the trend from the previously published data (2018/19).

7. SAVINGS

- 7.1 Savings required to balance the 2022/23 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 4 and 5 below. Further detail is provided in Appendices 2 and 3:

Table 4. General Fund Savings Summary 2022/23 to 2024/25 by Directorate

	2022/23	2023/24	2024/25	Total
	(£'000)	(£'000)	(£'000)	(£'000)
Adult Social Care & Health Services	(1,435)	(1,416)	(1,450)	(4,301)
Economic Growth & Neighbourhood Services	(5,144)	(3,038)	(1,260)	(9,442)
Resources & Chief Executive	(399)	(631)	(313)	(1,343)

Corporate	0	(250)	0	(250)
Total Council Services	(6,978)	(5,335)	(3,023)	(15,336)
Children's Services (BFfC)	(1,175)	(1,702)	(1,727)	(4,604)
Total	(8,153)	(7,037)	(4,750)	(19,940)

Table 5. General Fund Savings Summary 2022/23 to 2024/25 by Type

	Efficiency Savings	Invest to Save Schemes	Income, Fees & Charges	Total
	(£'000)	(£'000)	(£'000)	(£'000)
Council Services	(11,033)	(350)	(3,953)	(15,336)
Children's Services (BFfC)	(4,704)	0	100	(4,604)
Total Savings	(15,737)	(350)	(3,853)	(19,940)

- 7.2 In order to Balance the MTFs across the latter two years of the plan on a sustainable basis further savings of £5.719m need to be identified as part of the 2023/24 budget setting process, which in turn will close the underlying budget gap of £5.828m in 2024/25.

Summary of General Fund Budget 2022/23 to 2024/25

Directorate/Service	Approved Budget 2021/22 £'000	Proposed Budget 2022/23 £'000	Proposed Budget 2023/24 £'000	Proposed Budget 2024/25 £'000
Adult Social Care and Health Services				
Commissioning & Improvement	877	1,067	1,096	1,127
Adult Social Care Operations	35,520	40,545	41,353	41,993
Public Health Services	(300)	(507)	(557)	(557)
Preventative Services	623	629	635	643
Directorate Other	1,227	1,293	1,359	1,408
Adult Social Care and Health Services	37,947	43,027	43,886	44,614
Economic Growth & Neighbourhood Services				
Transportation	777	328	(470)	(665)
Planning & Regulatory Services	2,401	2,350	2,301	2,226
Housing and Communities	1,457	1,304	1,231	1,312
Culture	5,082	3,729	2,691	2,283
Environmental and Commercial Services	13,564	14,123	14,339	15,977
Property and Asset Management	(3,199)	(4,087)	(3,948)	(3,782)
Management & Sustainability	723	907	936	965
Economic Growth & Neighbourhood Services	20,805	18,654	17,080	18,316
Resources				
Corporate Improvement & Customer Services	1,664	2,513	2,410	2,239
Human Resources & Organisational Development	1,674	1,808	1,885	1,962
Procurement & Contracts	559	479	395	411
Finance	4,278	4,243	4,148	4,265
Legal & Democratic Services	2,426	2,459	2,607	2,755
IT & Digital	5,762	5,561	5,771	5,981
Resources	16,363	17,063	17,216	17,613
Chief Executive				
Chief Executive	853	878	903	928
Communications	715	650	664	678
Chief Executive	1,568	1,528	1,567	1,606
Children's Services				
Brighter Futures for Children	47,392	48,251	47,751	47,251
Retained by Council	724	781	838	895
Children's Services	48,116	49,032	48,589	48,146
Total Service Expenditure	124,799	129,304	128,338	130,295

Summary of General Fund Budget 2022/23 to 2024/25

Directorate/Service	Approved Budget 2021/22 £'000	Proposed Budget 2022/23 £'000	Proposed Budget 2023/24 £'000	Proposed Budget 2024/25 £'000
Corporate Budgets				
Capital Financing Costs	13,155	16,824	19,857	20,997
Contingency	3,844	3,627	4,848	6,348
Movement to / (from) Reserves	(2,776)	695	0	0
Other Corporate Budgets	7,144	(460)	767	2,071
Corporate Budgets	21,367	20,686	25,472	29,416
Net Budget Requirement	146,166	149,990	153,810	159,711
Financed By:				
Council Tax Income	(99,220)	(104,403)	(109,045)	(114,005)
NNDR Local Share	(32,095)	(26,510)	(31,802)	(32,540)
New Homes Bonus	(2,108)	(2,038)	(1,099)	(1,099)
Section 31 Grant	(3,549)	(12,580)	0	0
Revenue Support Grant	(2,040)	(2,108)	(2,311)	(2,364)
Other Government Grants	(6,739)	(2,404)	(2,404)	(2,404)
One-off Collection Fund (Surplus)/Deficit	(415)	3,219	1,883	0
One-off Collection Fund (Surplus)/Deficit - Business Rates (Covid Reliefs)	0	16,762	0	0
Section 31 Grants Released from Reserves	0	(18,148)	0	0
Business Rates Re-Distribution	0	0	(1,430)	(1,471)
NHB Re-Distribution	0	0	0	0
Release from Collection Fund Smoothing Reserve	0	(1,780)	(1,883)	0
Total Funding	(146,166)	(149,990)	(148,091)	(153,883)
Over/(Under) Budget	0	0	5,719	5,828

General Fund Revenue Budget by Service 2022/23

	Original Budget 2021/22 £'000	Virements £'000	Approved Budget 2021/22 * £'000	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Proposed Budget 2022/23 £'000
Adult Social Care and Health Services									
Commissioning and Improvement	877	0	877	29	161	0	0	0	1,067
Adult Social Care Operations	35,399	121	35,520	1,835	4,325	(902)	(233)	0	40,545
Public Health Service	(300)	0	(300)	0	93	(300)	0	0	(507)
Preventative Services	744	(121)	623	6	0	0	0	0	629
Directorate Other	1,227	0	1,227	66	0	0	0	0	1,293
Adult Social Care and Health Services	37,947	0	37,947	1,936	4,579	(1,202)	(233)	0	43,027
Economic Growth & Neighbourhood Services									
Transportation	730	47	777	54	517	(350)	0	(670)	328
Planning & Regulatory Services	2,401	0	2,401	149	178	(113)	0	(265)	2,350
Housing and Communities	1,457	0	1,457	106	(125)	(130)	0	(4)	1,304
Culture	5,082	0	5,082	363	0	(1,181)	0	(535)	3,729
Environmental and Commercial Services	13,564	0	13,564	883	233	(405)	(27)	(125)	14,123
Property and Asset Management	(5,533)	2,334	(3,199)	281	170	(1,310)	0	(29)	(4,087)
Management & Sustainability	790	(67)	723	184	0	0	0	0	907
Economic Growth & Neighbourhood Services	18,491	2,314	20,805	2,020	973	(3,489)	(27)	(1,628)	18,654
Resources									
Corporate Improvement & Customer Services	1,609	55	1,664	74	862	(38)	0	(49)	2,513
Human Resources & Organisational Development	1,760	(86)	1,674	77	62	0	0	(5)	1,808
Procurement & Contracts	557	2	559	16	4	(100)	0	0	479
Finance	4,361	(83)	4,278	127	0	(162)	0	0	4,243
Legal & Democratic Services	2,423	3	2,426	135	(57)	(45)	0	0	2,459
IT & Digital	5,760	2	5,762	124	(325)	0	0	0	5,561
Resources	16,470	(107)	16,363	553	546	(345)	0	(54)	17,063
Chief Executive									
Chief Executive	893	(40)	853	25	0	0	0	0	878
Communications	661	54	715	10	(75)	0	0	0	650
Chief Executive	1,554	14	1,568	35	(75)	0	0	0	1,528
Children's Services									
Brighter Futures for Children	47,469	(77)	47,392	1,364	670	(1,175)	0	0	48,251
Retained by Council	724	0	724	57	0	0	0	0	781
Children's Services	48,193	(77)	48,116	1,421	670	(1,175)	0	0	49,032
Total Budget at Service Level	122,655	2,144	124,799	5,965	6,693	(6,211)	(260)	(1,682)	129,304

*Approved Budget 2021/22 includes in year budget virements (the net £2.144m virements on Service budgets is balanced via an offsetting £2.144m credit against Corporate Budgets)

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 Services									
Commissioning and Improvement	1,067	0	1,067	29	0	0	0	0	1,096
Adult Social Care Operations	40,545	0	40,545	1,429	745	(1,288)	(78)	0	41,353
Public Health Service	(507)	0	(507)	0	0	(50)	0	0	(557)
Preventative Services	629	0	629	6	0	0	0	0	635
Directorate Other	1,293	0	1,293	66	0	0	0	0	1,359
Adult Social Care and Health Services	43,027	0	43,027	1,530	745	(1,338)	(78)	0	43,886
Economic Growth & Neighbourhood Services									
Transportation	328	0	328	53	18	(89)	0	(780)	(470)
Planning & Regulatory Services	2,350	0	2,350	148	0	(102)	0	(95)	2,301
Housing and Communities	1,304	0	1,304	85	(125)	(29)	0	(4)	1,231
Culture	3,729	0	3,729	245	0	(910)	0	(373)	2,691
Environmental and Commercial Services	14,123	0	14,123	816	0	(270)	(12)	(318)	14,339
Property and Asset Management	(4,087)	0	(4,087)	195	0	(32)	0	(24)	(3,948)
Management & Sustainability	907	0	907	29	0	0	0	0	936
Economic Growth & Neighbourhood Services	18,654	0	18,654	1,571	(107)	(1,432)	(12)	(1,594)	17,080
Resources									
Corporate Improvement & Customer Services	2,513	0	2,513	83	133	(312)	0	(7)	2,410
Human Resources & Organisational Development	1,808	0	1,808	77	0	0	0	0	1,885
Procurement & Contracts	479	0	479	16	0	(100)	0	0	395
Finance	4,243	0	4,243	117	0	(212)	0	0	4,148
Legal & Democratic Services	2,459	0	2,459	148	0	0	0	0	2,607
IT & Digital	5,561	0	5,561	205	5	0	0	0	5,771
Resources	17,063	0	17,063	646	138	(624)	0	(7)	17,216
Chief Executive									
Chief Executive	878	0	878	25	0	0	0	0	903
Communications	650	0	650	14	0	0	0	0	664
Chief Executive	1,528	0	1,528	39	0	0	0	0	1,567
Children's Services									
Brighter Futures for Children	48,251	0	48,251	1,202	0	(1,802)	0	100	47,751
Retained by Council	781	0	781	57	0	0	0	0	838
Children's Services	49,032	0	49,032	1,259	0	(1,802)	0	100	48,589
Total Budget at Service Level	129,304	0	129,304	5,045	776	(5,196)	(90)	(1,501)	128,338

General Fund Revenue Budget by Service 2024/25

	Proposed Budget 2023/24	Virements	Proposed Budget 2023/24	Contractual Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Proposed Budget 2024/25
Adult Social Care and Health Services									
Commissioning and Improvement	1,096	0	1,096	31	0	0	0	0	1,127
Adult Social Care Operations	41,353	0	41,353	1,690	400	(1,450)	0	0	41,993
Public Health Service	(557)	0	(557)	0	0	0	0	0	(557)
Preventative Services	635	0	635	8	0	0	0	0	643
Directorate Other	1,359	0	1,359	49	0	0	0	0	1,408
Adult Social Care and Health Services	43,886	0	43,886	1,778	400	(1,450)	0	0	44,614
Economic Growth & Neighbourhood Services									
Transportation	(470)	0	(470)	42	0	0	0	(237)	(665)
Planning & Regulatory Services	2,301	0	2,301	140	0	0	0	(215)	2,226
Housing and Communities	1,231	0	1,231	85	0	0	0	(4)	1,312
Culture	2,691	0	2,691	245	0	(590)	0	(63)	2,283
Environmental and Commercial Services	14,339	0	14,339	776	989	0	0	(127)	15,977
Property and Asset Management	(3,948)	0	(3,948)	190	0	0	0	(24)	(3,782)
Management & Sustainability	936	0	936	29	0	0	0	0	965
Economic Growth & Neighbourhood Services	17,080	0	17,080	1,507	989	(590)	0	(670)	18,316
Resources									
Corporate Improvement & Customer Services	2,410	0	2,410	83	59	(313)	0	0	2,239
Human Resources & Organisational Development	1,885	0	1,885	77	0	0	0	0	1,962
Procurement & Contracts	395	0	395	16	0	0	0	0	411
Finance	4,148	0	4,148	117	0	0	0	0	4,265
Legal & Democratic Services	2,607	0	2,607	148	0	0	0	0	2,755
IT & Digital	5,771	0	5,771	210	0	0	0	0	5,981
Resources	17,216	0	17,216	651	59	(313)	0	0	17,613
Chief Executive									
Chief Executive	903	0	903	25	0	0	0	0	928
Communications	664	0	664	14	0	0	0	0	678
Chief Executive	1,567	0	1,567	39	0	0	0	0	1,606
Children's Services									
Brighter Futures for Children	47,751	0	47,751	1,227	0	(1,727)	0	0	47,251
Retained by Council	838	0	838	57	0	0	0	0	895
Children's Services	48,589	0	48,589	1,284	0	(1,727)	0	0	48,146
Total Budget at Service Level	128,338	0	128,338	5,259	1,448	(4,080)	0	(670)	130,295

Detailed General Fund Budget Changes 2022/23 to 2024/25

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 Services						
Commissioning and Improvement	89	161	0	0	0	250
Adult Social Care Operations	4,954	5,470	(3,640)	(311)	0	6,473
Public Health Service	0	93	(350)	0	0	(257)
Preventative Services	20	0	0	0	0	20
Directorate Other	181	0	0	0	0	181
Adult Social Care and Health Services	5,244	5,724	(3,990)	(311)	0	6,667
Economic Growth & Neighbourhood Services						
Transportation	149	535	(439)	0	(1,687)	(1,442)
Planning & Regulatory Services	437	178	(215)	0	(575)	(175)
Housing and Communities	276	(250)	(159)	0	(12)	(145)
Culture	853	0	(2,681)	0	(971)	(2,799)
Environmental and Commercial Services	2,475	1,222	(675)	(39)	(570)	2,413
Property and Asset Management	666	170	(1,342)	0	(77)	(583)
Management & Sustainability	242	0	0	0	0	242
Economic Growth & Neighbourhood Services	5,098	1,855	(5,511)	(39)	(3,892)	(2,489)
Resources						
Corporate Improvement & Customer Services	240	1,054	(663)	0	(56)	575
Human Resources & Organisational Development	231	62	0	0	(5)	288
Procurement & Contracts	48	4	(200)	0	0	(148)
Finance	361	0	(374)	0	0	(13)
Legal & Democratic Services	431	(57)	(45)	0	0	329
IT & Digital	539	(320)	0	0	0	219
Resources	1,850	743	(1,282)	0	(61)	1,250

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	(75)	0	0	0	(37)
Chief Executive	113	(75)	0	0	0	38
Children's Services						
Brighter Futures for Children	3,793	670	(4,704)	0	100	(141)
Retained by Council	171	0	0	0	0	171
Children's Services	3,964	670	(4,704)	0	100	30
Service Total	16,269	8,917	(15,487)	(350)	(3,853)	5,496

Appendix 4a

Detailed General Fund Budget Changes 2022/23-2024/25 - 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	161	-	-	-	250
2	Adult Social Care Operations	4,954	5,470	(3,640)	(311)	-	6,473
3	Public Health Services	-	93	(350)	-	-	(257)
4	Preventative Services	20	-	-	-	-	20
5	Directorate Other	181	-	-	-	-	181
6	Directorate Total	5,244	5,724	(3,990)	(311)	-	6,667

Summary of MTFs Position		Total Movement Per Year			Total
<u>Service Pressures</u>		2022/23	2023/24	2024/25	All Years
		£'000	£'000	£'000	£'000
7	Commissioning & Improvement	190	29	31	250
8	Adult Social Care Operations	6,160	2,174	2,090	10,424
9	Public Health Services	93	-	-	93
10	Preventative Services	6	6	8	20
11	Directorate Other	66	66	49	181
12	Directorate Total	6,515	2,275	2,178	10,968

		Total Movement Per Year			Total
<u>Service Savings</u>		2022/23	2023/24	2024/25	All Years
		£'000	£'000	£'000	£'000
13	Commissioning & Improvement	-	-	-	-
14	Adult Social Care Operations	(1,135)	(1,366)	(1,450)	(3,951)
15	Public Health Services	(300)	(50)	-	(350)
16	Preventative Services	-	-	-	-
17	Directorate Other	-	-	-	-
18	Directorate Total	(1,435)	(1,416)	(1,450)	(4,301)
19	Directorate Total	5,080	859	728	6,667

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Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>Commissioning and Improvement</u>				
20		Pay inflation	23	23	24	70
21		Staff pay increments	6	6	7	19
22		Total Contractual Inflation	29	29	31	89
23	DACHS-2021-08	Reducing Adult Social Care contracts spend (Commissioning Delivery Model)	161	-	-	161
24		Total Budget Pressures	161	-	-	161
25	DACHS-2122-NEW-06	DACHS Commissioning, Transformation & Performance Workforce Review	-	-	-	-
26		Total Efficiency Savings	-	-	-	-
27			-	-	-	-
28		Total Invest to Save	-	-	-	-
29			-	-	-	-
30		Total Income, Fees & Charges	-	-	-	-
31		Total	190	29	31	250

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Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		Adult Social Care Operations				
32		Pay inflation	202	202	216	620
33		Staff pay increments	65	65	65	195
34	DACHS-2122-01	PPE requirement due to Covid (care providers)	(237)	(238)	-	(475)
35	DACHS-2021-01	Care costs inflation	1,805	1,400	1,409	4,614
36		Total Contractual Inflation	1,835	1,429	1,690	4,954
37	DACHS-2122-02	PPE requirement due to covid (staff)	(65)	(65)	-	(130)
38	DACHS-2021-02	Increased service demand due to population growth	236	227	200	663
39	DACHS-2021-04	Transforming Care	42	-	-	42
40	DACHS-2021-05	Supporting young people into adulthood (pressure)	900	583	200	1,683
41	DACHS-2223-04	Adult Social Care Funding Reforms	384	2,938	1,424	4,746
42	DACHS-2223-04a	Adult Social Care Funding Reforms - assumed grant funding	(384)	(2,938)	(1,424)	(4,746)
43	DACHS-2021-22/22a	Additional DACHS Staffing Efficiencies	350	-	-	350
44	DACHS-2021-53	Mental Health and Locality Team Restructure	145	-	-	145
45	DACHS-2021-54	Extension of Provider Services	100	-	-	100
46	DACHS-2021-56	Increased usage of Direct Payments	250	-	-	250
47	DACHS-2021-57	Increased usage of Assistive Technology and Equipment	200	-	-	200
48	DACHS-2021-51	Extension of Front Door Project; Stretch for Front Door Project	50	-	-	50
49	DACHS-2021-55	Additional Contract Reductions	179	-	-	179
50	DACHS-2021-19/19a	Supporting young people into adulthood (savings target)	116	-	-	116
51	DACHS-2021-11	Asset Review (property)	200	-	-	200
52	DACHS-2122-NEW-01	Alternative to Residential and Nursing Care for 18 to 64 Year Olds	47	-	-	47
53	DACHS-2122-NEW-04	Strengthening DACHS Decision Making & Supporting Practice Change	378	-	-	378
54	DACHS-2021-23	Enhanced Reablement for Mental Health & Learning Disability Service Users	250	-	-	250
55	DACHS-2021-24	Development of the Dementia Carers Offer	75	-	-	75
56	DACHS-2021-09	Ensuring appropriate charging for services	301	-	-	301
57	DACHS-2021-10	Promoting the use of Assistive Technology - Removal of prior year saving	170	-	-	170
58	DACHS-2021-07	Development of the Personal Assistant Market - Removal of prior year saving	109	-	-	109
59	DACHS-2122-NEW-05/05a	Review and Rightsizing of Care Packages (2021/2022) - Removal of prior year saving	292	-	-	292
60		Total Budget Pressures	4,325	745	400	5,470
61	DACHS-2021-18	Removal of agreed 3 year Voluntary Care Service funding	(250)	-	-	(250)
62	DACHS-2223-06	Development of an Accommodation Pathway for Vulnerable Working Age Adults	(25)	(25)	-	(50)

63	DACHS-2223-07	Closing the DACHS Budget Gap	(627)	-	-	(627)
64		Additional DACHS Savings Target	-	(1,263)	(1,450)	(2,713)
65		Total Efficiency Savings	(902)	(1,288)	(1,450)	3,768

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>Adult Social Care Operations Continued</u>				
66	DACHS-2021-10	Promoting the use of Assistive Technology	(78)	(78)	-	(156)
67	DACHS-2021-07	Development of the Personal Assistant Market	(50)	-	-	(50)
68	DACHS-2021-21	Outcome based delivery support (promoting independent living)	(75)	-	-	(75)
56	DACHS-2122-NEW-05/05a	Review and Rightsizing of Care Packages (2021/2022)	(30)	-	-	(30)
57		Total Invest to Save	(233)	(78)	-	(311)
43		Total Income, Fees & Charges	-	-	-	-
44		Total	5,025	808	640	6,473

Schedule of Detailed Budget Change Proposals

		Total Movement Per Year			Total
		2022/23	2023/24	2024/25	All Years
		£'000	£'000	£'000	£'000
	Public Health Services				
45	Pay inflation	-	-	-	-
46	Staff pay increments	-	-	-	-
47	Total Contractual Inflation	-	-	-	-
48	DACHS-2021-59 Public Health Grant Reduction and Alternate Delivery Model	93	-	-	93
49	Total Budget Pressures	93	-	-	93
50	DACHS-2223-05 Efficiency savings secured through Public Health re-procurements	(300)	(50)	-	(350)
51	Total Efficiency Savings	(300)	(50)	-	(350)
52		-	-	-	-
53	Total Invest to Save	-	-	-	-
54	DACHS-2021-16 rev Review of Public Health Expenditure	(100)	(250)	-	(350)
55	DACHS-2021-16 rev Review of Public Health Expenditure	100	250	-	350
56	Total Income, Fees & Charges	-	-	-	-
57	Total	(207)	(50)	-	(257)

Schedule of Detailed Budget Change Proposals

		Total Movement Per Year			Total
		2022/23	2023/24	2024/25	All Years
		£'000	£'000	£'000	£'000
	<u>Preventative Services</u>				
58	Pay inflation	6	6	6	18
59	Staff pay increments	-	-	2	2
60	Total Contractual Inflation	6	6	8	20
61		-	-	-	-
62	Total Budget Pressures	-	-	-	-
63		-	-	-	-
64	Total Efficiency Savings	-	-	-	-
65		-	-	-	-
66	Total Invest to Save	-	-	-	-
67		-	-	-	-
68	Total Income, Fees & Charges	-	-	-	-
69	Total	6	6	8	20

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>DACHS Directorate Other</u>				
70		Pay inflation	39	39	38	116
71		Staff pay increments	27	27	11	65
72		Total Contractual Inflation	66	66	49	181
73			-	-	-	-
74		Total Budget Pressures	-	-	-	-
75			-	-	-	-
76		Total Efficiency Savings	-	-	-	-
77			-	-	-	-
78		Total Invest to Save	-	-	-	-
79			-	-	-	-
80		Total Income, Fees & Charges	-	-	-	-
81		Total	66	66	49	181
82		Directorate Total	5,080	859	728	6,667

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Appendix 4b

Detailed General Fund Budget Changes 2022/23-2024/25 - 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	149	535	(439)	-	(1,687)	(1,442)
2	Planning & Regulatory Services	437	178	(215)	-	(575)	(175)
3	Housing and Communities	276	(250)	(159)	-	(12)	(145)
4	Culture	853	-	(2,681)	-	(971)	(2,799)
5	Environmental and Commercial Services	2,475	1,222	(675)	(39)	(570)	2,413
6	Property & Asset Management	666	170	(1,342)	-	(77)	(583)
7	Management & Sustainability	242	-	-	-	-	242
8	Directorate Total	5,098	1,855	(5,511)	(39)	(3,892)	(2,489)

Summary of MTFs Position		Total Movement per Year			Total
		2022/23	2023/24	2024/25	All Years
	Service Pressures	£'000	£'000	£'000	£'000
9	Transportation	571	71	42	684
10	Planning & Regulatory Services	327	148	140	615
11	Housing and Communities	(19)	(40)	85	26
12	Culture	363	245	245	853
13	Environmental and Commercial Services	1,116	816	1,765	3,697
14	Property & Asset Management	451	195	190	836
15	Management & Sustainability	184	29	29	242
16	Directorate Total	2,993	1,464	2,496	6,953
17		Total Movement per Year			Total
		2022/23	2023/24	2024/25	All Years
	Service Savings	£'000	£'000	£'000	£'000
18	Transportation	(1,020)	(869)	(237)	(2,126)
19	Planning & Regulatory Services	(378)	(197)	(215)	(790)
20	Housing and Communities	(134)	(33)	(4)	(171)
21	Culture	(1,716)	(1,283)	(653)	(3,652)
22	Environmental and Commercial Services	(557)	(600)	(127)	(1,284)
23	Property & Asset Management	(1,339)	(56)	(24)	(1,419)
24	Management & Sustainability	-	-	-	0
25	Directorate Total	(5,144)	(3,038)	(1,260)	(9,442)
26	Directorate Total	(2,151)	(1,574)	1,236	(2,489)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total All Years £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	
		Transportation				
27		Pay Inflation	41	41	37	119
28		Staff pay increments	10	10	3	23
29	DEGNS-2223-22	Energy Inflation	1	-	-	1
30		Contract Inflation - Intelligent Transport System maintenance (Urban Traffic Control, Traffic Signal & CCTV)	2	2	2	6
31		Contract Inflation - Business Rates (Car Parks)	-	-	-	-
32		Total Contractual Inflation	54	53	42	149
33	DEGNS-2223-01	DfT Introduction of Street Manager software	10	-	-	10
34	DEGNS-2223-02	Strategic Transport Apprenticeship	18	18	-	36
35	DEGNS-2223-03	Greenwave Bus service - remove budget impact of service transfer to RTL	89	-	-	89
36	DEGNS-2122-NEW-14	Concessionary Fares	400	-	-	400
37		Total Budget Pressures	517	18	-	535
38	DEGNS-2122-02	Workforce Review	(200)	(14)	-	(214)
39	DEGNS-2021-26	Fundamental Service Review - Parking	(150)	(75)	-	(225)
40		Total Efficiency Savings	(350)	(89)	-	(439)
41			-	-	-	-
42		Total Invest to Save	-	-	-	-
43	DEGNS-2021-24	Increased income from On-Street Pay and Display	-	(5)	(150)	(155)
44	DEGNS-2021-37	Increased income from Off Street Parking charges	-	-	(87)	(87)
45	DEGNS-2021-55	Extend parking permit zones	-	(10)	-	(10)
46	DEGNS-2122-04 (2)	Reduced parking income due to Covid-19*	(650)	(650)	-	(1,300)
47	DEGNS-2021-22	Borough wide Car Parking and Air Quality Management Strategy (BCAMS)	-	-	-	-
48	DEGNS-2021-58	Electric Vehicle Charging	26	(26)	-	-
49		Increase in other transport fees and charges	(3)	(3)	-	(6)
50	DEGNS-2122-NEW-01	Increase parking permit charges	(43)	(86)	-	(129)
51		Total Income, Fees and Charges	(670)	(780)	(237)	(1,687)
52		Total	(449)	(798)	(195)	(1,442)

* Phased recovery of temporary income reduction due to Covid-19

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total All Years £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	
		<u>Planning & Regulatory Services</u>				
53		Pay Inflation	106	106	115	327
54		Staff pay increments	42	42	25	109
55	DEGNS-2223-22	Energy Inflation	1	-	-	1
56		Total Contractual Inflation	149	148	140	437
57	DEGNS-2122-05	Unachievable taxi licensing income (due to Covid-19)	10	-	-	10
58	DEGNS-2122-NEW-04	Planning fee income reprofiled (due to Covid-19)	100	-	-	100
59	DEGNS-2223-04	Termination of Primary Authority Partnerships (Food & Safety)	8	-	-	8
60	DEGNS-2223-05	Remove proceeds of crime Act income target	60	-	-	60
61		Total Budget Pressures	178	-	-	178
62	DEGNS-2021-33	Fundamental Service Review - Planning and Regulatory Services	(66)	(64)	-	(130)
63	DEGNS-2122-02	Workforce Review	(47)	(38)	-	(85)
64		Total Efficiency Savings	(113)	(102)	-	(215)
65			-	-	-	-
66		Total Invest to Save	-	-	-	-
67	DEGNS-2021-38	Reprofiled pre planning application income (due to covid)	(110)	-	(135)	(245)
68	DEGNS-2021-36	Reprofiled Reading Festival income (due to covid)	(50)	(25)	-	(75)
69	PDRS6&9	Reprofiled taxi licensing income (due to covid)	(10)	-	-	(10)
70		Other Planning fees and charges increase	(20)	(20)	-	(40)
71	DEGNS-2021-18	Mandatory Houses in Multiple Occupation (HMO) licensing	(75)	-	-	(75)
72	DEGNS-2021-20	Discretionary Houses in Multiple Occupation (HMO) licensing	-	(50)	(80)	(130)
73		Total Income, Fees and Charges	(265)	(95)	(215)	(575)
74		Total	(51)	(49)	(75)	(175)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>Housing and Communities</u>				
75		Pay Inflation	69	69	69	207
76		Staff pay increments	16	16	16	48
77	DEGNS-2223-22	Energy Inflation	21	-	-	21
78		Total Contractual Inflation	106	85	85	276
79	DEGNS-2122-06	Anticipated increased demand on emergency accommodation due to private evictions*	(125)	(125)	-	(250)
80		Total Budget Pressures	(125)	(125)	-	(250)
81	DEGNS-2021-40	Housing - Fundamental Service Review	(50)	-	-	(50)
82	DEGNS-2122-02	Workforce Review	(50)	(29)	-	(79)
83	DEGNS-2223-23	On Going Pension Costs Savings	(30)	-	-	(30)
84		Total Efficiency Savings	(130)	(29)	-	(159)
85			-	-	-	-
86		Total Invest to Save	-	-	-	-
87		Increase in fees and charges	(4)	(4)	(4)	(12)
88		Total Income, Fees and Charges	(4)	(4)	(4)	(12)
89		Total	(153)	(73)	81	(145)

* Phased reduction of temporary expenditure increase due to Covid-19

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total All Years £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	
		Culture				
90		Pay Inflation	121	121	121	363
91		Staff pay increments	55	55	55	165
92	DEGNS-2223-22	Energy Inflation	118	-	-	118
93		Contract Inflation	69	69	69	207
94		Total Contractual Inflation	363	245	245	853
95			-	-	-	-
96		Total Budget Pressures	-	-	-	-
97		Contribution from Public Health Grant	(250)	-	-	(250)
98	DEGNS-2021-17 (2)	Revenue impact of new contract for borough leisure facilities	(830)	(858)	(590)	(2,278)
99	DEGNS-2122-02	Workforce Review	(1)	(52)	-	(53)
100	DEGNS-2021-16	Fundamental service review in cultural services	(100)	-	-	(100)
101		Total Efficiency Savings	(1,181)	(910)	(590)	(2,681)
102			-	-	-	-
103		Total Invest to Save	-	-	-	-
104		Increase in fees and charges	(33)	(33)	(33)	(99)
105	DEGNS-2122-08	Covid19 income pressure on the Town Hall and recovery plan*	(247)	(250)	(30)	(527)
106	DEGNS-2122-18	Covid19 income pressure on the Hexagon and South Street Theatres and recovery plan*	(150)	(70)	-	(220)
107	DEGNS-2122-NEW-06	Arts Fundraising campaign	(60)	(20)	-	(80)
108	DEGNS-2122-NEW-13	Visa Verification	(45)	-	-	(45)
109		Total Income, Fees and Charges	(535)	(373)	(63)	(971)
110		Total	(1,353)	(1,038)	(408)	(2,799)

* Phased recovery of temporary income reduction due to Covid-19

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
<u>Environmental and Commercial Services</u>						
111		Pay Inflation	154	154	154	462
112		Staff pay increments	61	61	61	183
113		Contract Inflation - (FCC) Waste Management Contract (RE3)	501	501	501	1,503
114		Business Rates - Small Mead	-	-	-	-
115		Payments to Grundon	2	2	2	6
116		Street Lighting Energy	58	58	58	174
117	DEGNS-2223-22	Energy Inflation	67	-	-	67
118		Street Cleansing Materials	12	12	-	24
120		Waste Collection Materials / Tipping charges	28	28	-	56
121		Total Contractual Inflation	883	816	776	2,475
122	DEGNS-2021-06	Recycling and Enforcement Team*	(16)	-	-	(16)
123	DEGNS-2223-20	Legislation (Environment Bill): Waste Management	-	-	989	989
124	DEGNS-2223-08	Free Bulky Waste Collection Service	249	-	-	249
125		Total Budget Pressures	233	-	989	1,222
126	DEGNS-2122-NEW-15	Rewilding highway verges	(15)	-	-	(15)
119	DEGNS-2122-01	Reduced fuel costs due to increase in electrical vehicles	(44)	(88)	-	(132)
127	DEGNS-2122-11	Waste Contract - Budget realignment inline with anticipated expenditure	(100)	(100)	-	(200)
128	DEGNS-2122-02	Workforce Review	(196)	(82)	-	(278)
129	DEGNS-2021-13	Fundamental Service review of Highways	(50)	-	-	(50)
130		Total Efficiency Savings	(405)	(270)	-	(675)
131	DEGNS-2122-NEW-07	Continued commercial growth of Highways service	(5)	(2)	-	(7)
132	DEGNS-2122-NEW-08	In-sourcing of Highways Structures Consultancy	(10)	(10)	-	(20)
133	DEGNS-2223-11	Highways operational resilience	(12)	-	-	(12)
134		Total Invest to Save	(27)	(12)	-	(39)
135		Increase income on green waste due to additional uptake in years 1-3 and fee increase in years 2-3	(50)	(50)	-	(100)
136	DEGNS-2021-35	Fundamental Service Review - Parks and Street Cleansing	(100)	-	-	(100)
137	DEGNS-2021-78	Commercialisation Direct Services	(100)	(135)	-	(235)
138		Increase in fees and charges	(5)	(5)	(5)	(15)
139	DEGNS-2122-NEW-09	Maximising income from digital advertising (roadside)	-	(63)	(57)	(120)
140	DEGNS-2021-76	Increase in savings- waste operations	130	(65)	(65)	-
141		Total Income Fees and Charges	(125)	(318)	(127)	(570)

142

Total

* Phased reduction of temporary expenditure increase

559	216	1,638
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2,413

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		Property and Asset Management				
143		Pay Inflation	95	95	90	280
144		Staff pay increments	10	10	10	30
145	DEGNS-2223-22	Energy Inflation	86	-	-	86
146		Contract Inflation	90	90	90	270
147		Total Contractual Inflation	281	195	190	666
148	DEGNS-2122-14	Climate Change Manager made permanent	-	-	-	-
149	DEGNS-2223-14	Revenue maintenance works to Education land	40	-	-	40
155	DEGNS-2122-NEW-11	Energy savings in office space due to reduced occupation under Covid-19*	100	-	-	100
150	DEGNS-2223-16	Asset Management Strategy & Software	30	-	-	30
151		Total Budget Pressures	170	-	-	170
152	DEGNS-2122-02	Workforce Review	(62)	(32)	-	(94)
153	DEGNS-2122-13	Review of office and workspace requirements	(162)	-	-	(162)
154	DEGNS-2021-34	Building Cleaning - Fundamental Service Review	-	-	-	-
156	DEGNS-2223-18	Investment property rental income increase	(1,086)	-	-	(1,086)
157		Total Efficiency Savings	(1,310)	(32)	-	(1,342)
158			-	-	-	-
159		Total Invest to Save	-	-	-	-
160	DEGNS-2021-04	Review of Rents on Garages and Shops	(5)	-	-	(5)
161		Increase in fees and charges	(24)	(24)	(24)	(72)
162		Total Income, Fees and Charges	(29)	(24)	(24)	(77)
163		Total	(888)	139	166	(583)

* Reinstatement of temporary expenditure reduction due to Covid-19

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>Management & Sustainability</u>				
164		Pay Inflation	21	21	21	63
165		Staff pay increments	13	8	8	29
166		Business Rates on Council Properties	150	-	-	150
167		Total Contractual Inflation	184	29	29	242
168	DEGNS-2122-14	Climate Change Manager made permanent	-	-	-	-
169		Total Budget Pressures	-	-	-	-
170	DEGNS-2122-02	Workforce Review	-	-	-	-
171		Total Efficiency Savings	-	-	-	-
172			-	-	-	-
173		Total Invest to Save	-	-	-	-
174			-	-	-	-
175		Total Income, Fees and Charges	-	-	-	-
176		Total	184	29	29	242
177		Directorate Total	(2,151)	(1,574)	1,236	(2,489)

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Appendix 4c

Detailed General Fund Budget Changes 2022/23-2024/25 - 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	Corporate Improvement & Customer Services	240	1,054	(663)	-	(56)	575
2	Human Resources & Organisational Development	231	62	-	-	(5)	288
3	Procurement & Contracts	48	4	(200)	-	-	(148)
4	Finance	361	-	(374)	-	-	(13)
5	Legal & Democratic Services	431	(57)	(45)	-	-	329
6	IT & Digital	539	(320)	-	-	-	219
7	Chief Executive	75	-	-	-	-	75
8	Communications	38	(75)	-	-	-	(37)
9	Directorate Total	1,963	668	(1,282)	-	(61)	1,288

Summary of MTFS Position		Total Movement Per Year			Total
		2022/23	2023/24	2024/25	All Years
		£'000	£'000	£'000	£'000
10	<u>Service Pressures</u>				
	Corporate Improvement & Customer Services	936	216	142	1,294
11	Human Resources & Organisational Development	139	77	77	293
12	Procurement & Contracts	20	16	16	52
13	Finance	127	117	117	361
14	Legal & Democratic Services	78	148	148	374
15	IT & Digital	(201)	210	210	219
16	Chief Executive	25	25	25	75
17	Communications	(65)	14	14	(37)
18	Directorate Total	1,059	823	749	2,631
		Total Movement Per Year			Total
		2022/23	2023/24	2024/25	All Years
		£'000	£'000	£'000	£'000
19	<u>Service Savings</u>				
	Corporate Improvement & Customer Services	(87)	(319)	(313)	(719)
20	Human Resources & Organisational Development	(5)	-	-	(5)
21	Procurement & Contracts	(100)	(100)	-	(200)
22	Finance	(162)	(212)	-	(374)
23	Legal & Democratic Services	(45)	-	-	(45)
24	IT & Digital	-	-	-	-
25	Chief Executive	-	-	-	-
26	Communications	-	-	-	-
27	Directorate Total	(399)	(631)	(313)	(1,343)
28	Directorate Total	660	192	436	1,288

Directorate of Resources
Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total All Years £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	
<u>Corporate Improvement & Customer Services</u>						
29		Pay inflation	58	63	63	184
30		Staff pay increments	16	20	20	56
31		Business Rates inflation (Crematorium and Register Office)	-	-	-	-
32		Total Contractual Inflation	74	83	83	240
33	DOR-2021-03	Corporate Programme and customer experience improvement plan - phase 1	240	-	-	240
34	DOR-2223-01	Bereavement Services Restructure	177	8	9	194
35	DOR-2223-07	Voluntary and Community Sector Partnership Development	150	-	-	150
36	DOR-2223-08	Memorial Stone Testing	45	-	-	45
37	DOR-2223-09	Increase to Small Grants Fund	100	-	-	100
38	DOR-2223-10	Increase to VCS Commissioning Budget	75	-	-	75
39	DOR-2223-11	Social Inclusion budget	75	125	50	250
40		Total Budget Pressures	862	133	59	1,054
41	DOR-2021-06	New customer services model (Phase 2)	(38)	(312)	(313)	(663)
42	DOR-2122-NEW-04	Reprocurement of online payments system	-	-	-	0
43		Total Efficiency Savings	(38)	(312)	(313)	(663)
44			-	-	-	-
45		Total Invest to Save	-	-	-	-
46	DOR-2122-NEW-01	Additional Service Proposals for Registrar Services	(10)	-	-	(10)
47	DOR-2122-NEW-02	Additional Service Proposals for Bereavement Services	-	(7)	-	(7)
48		Increase in fees & charges	(39)	-	-	(39)
49		Total Income, Fees and Charges	(49)	(7)	-	(56)
50		Total	849	(103)	(171)	575

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>Human Resources & Organisational Development</u>				
51		Pay inflation	58	58	58	174
52		Staff pay increments	17	17	17	51
53		Contract Inflation (Health and Safety Team - Software licenses)	2	2	2	6
54		Total Contractual Inflation	77	77	77	231
55	DOR-2223-03	Re-procurement of the Council's HR system	6	-	-	6
56	DOR-2021-13	Remove Executive Recruitment Search Fees Saving	56	-	-	56
57		Total Budget Pressures	62	-	-	62
58			-	-	-	-
59		Total Efficiency Savings	-	-	-	-
60			-	-	-	-
61		Total Invest to Save	-	-	-	-
62	DOR-2122-NEW-07	Increase in Fees and Charges (Kennet Day Nursery)	(5)	-	-	(5)
63		Total Income, Fees and Charges	(5)	-	-	(5)
64		Total	134	77	77	288

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>Procurement & Contracts</u>				
65		Pay inflation	13	13	13	39
66		Staff pay increments	3	3	3	9
67		Total Contractual Inflation	16	16	16	48
68	DOR 2122-01	One-off training to support new Hub & Spoke operating model*	(50)	-	-	(50)
69	DOR-2223-05	Additional Post - Supplier & Contracts Data Assistant	27	-	-	27
70	DOR-2223-06	Additional Post - Procurement & Contracts Apprentice	27	-	-	27
71		Total Budget Pressures	4	-	-	4
72	DOR-2122-NEW-13	Procurement & Contracts savings - Resources Directorate	(100)	(100)	-	(200)
73		Total Efficiency Savings	(100)	(100)	-	(200)
74			-	-	-	-
75		Total Invest to Save	-	-	-	-
76			-	-	-	-
77		Total Income, Fees and Charges	-	-	-	-
78		Total	(80)	(84)	16	(148)

* Removal of temporary expenditure increase

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>Finance</u>				
79		Pay inflation	90	90	90	270
80		Staff pay increments	27	27	27	81
81		Contract Inflation for Systems	10	-	-	10
82		Total Contractual Inflation	127	117	117	361
83			-	-	-	-
84		Total Budget Pressures	-	-	-	-
85	DOR-2021-07	Efficiencies from procuring new finance system	(112)	(212)	-	(324)
86	DOR-2122-NEW-14	Finance workforce review	(50)	-	-	(50)
87		Total Efficiency Savings	(162)	(212)	-	(374)
88			-	-	-	-
89		Total Invest to Save	-	-	-	-
			-	-	-	-
90		Total Income, Fees and Charges	-	-	-	-
			-	-	-	-
91		Total	(35)	(95)	117	(13)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>Legal & Democratic Services</u>				
92		Pay inflation	85	93	93	271
93		Staff pay increments	50	55	55	160
94		Total Contractual Inflation	135	148	148	431
95	DOR-2021-15	Flexible Retirement*	(57)	-	-	(57)
96		Total Budget Pressures	(57)	-	-	(57)
97	DOR-2122-NEW-15	Procurement of Case Management system	(45)	-	-	(45)
98		Total Efficiency Savings	(45)	-	-	(45)
99			-	-	-	-
100		Total Invest to Save	-	-	-	-
101			-	-	-	-
102		Total Income, Fees and Charges	-	-	-	-
103		Total	33	148	148	329

* Removal of temporary expenditure increase

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>IT & Digital</u>				
104		Pay inflation	18	33	30	81
105		Staff pay increments	6	12	12	30
106	DOR-2021-18	Contract Inflation	100	160	168	428
107		Total Contractual Inflation	124	205	210	539
108	DOR-2122-02	Reprocurement of Council's principle Information & Communication Technology Support and Maintenance contract*	(325)	5	-	(320)
109		Total Budget Pressures	(325)	5	-	(320)
110			-	-	-	-
111		Total Efficiency Savings	-	-	-	-
112			-	-	-	-
113		Total Invest to Save	-	-	-	-
114			-	-	-	-
115		Total Income, Fees and Charges	-	-	-	-
116		Total	(201)	210	210	219
117		Directorate Total (Directorate of Resources)	700	153	397	1,250

* Phased reduction of temporary expenditure increase

Chief Executive

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total All Years £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	
		<u>Chief Executive</u>				
118		Pay inflation	17	17	17	51
119		Staff pay increments	8	8	8	24
120		Total Contractual Inflation	25	25	25	75
121			-	-	-	-
122		Total Budget Pressures	-	-	-	-
123			-	-	-	-
124		Total Efficiency Savings	-	-	-	-
125			-	-	-	-
126		Total Invest to Save	-	-	-	-
127			-	-	-	-
128		Total Income, Fees and Charges	-	-	-	-
129		Total	25	25	25	75

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23 £'000	2023/24 £'000	2024/25 £'000	All Years £'000
		<u>Communications</u>				
130		Pay inflation	10	10	10	30
131		Staff pay Staff pay increments	-	4	4	8
132		Total Contractual Inflation	10	14	14	38
133	CEX-2021-02	Resident Engagement*	(75)	-	-	(75)
134		Total Budget Pressures	(75)	-	-	(75)
135			-	-	-	-
136		Total Efficiency Savings	-	-	-	-
137			-	-	-	-
138		Total Invest to Save	-	-	-	-
139			-	-	-	-
140		Total Income, Fees and Charges	-	-	-	-
141		Total	(65)	14	14	(37)
142		Directorate Total (Chief Executive)	(40)	39	39	38

* Removal of temporary expenditure increase

Appendix 4d

Detailed General Fund Budget Changes 2022/23-2024/25 - 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	-	326	(250)	-	-	76
2	Corporate Total	-	326	(250)	-	-	76

Summary of MTFs Position		Total Movement Per Year			Total
		2022/23	2023/24	2024/25	All Years
		£'000	£'000	£'000	£'000
3	<u>Service Pressures</u>				
	Corporate	326	-	-	326
4	Directorate Total	326	-	-	326
		Total Movement Per Year			Total
		2022/23	2023/24	2024/25	All Years
		£'000	£'000	£'000	£'000
5	<u>Service Savings</u>				
	Corporate	-	(250)	-	(250)
6	Corporate Total	-	(250)	-	(250)
7	Corporate Total	326	(250)	-	76

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2022/23	2023/24	2024/25	All Years
			£'000	£'000	£'000	£'000
		<u>Corporate</u>				
8			-	-	-	-
9		Total Contractual Inflation	-	-	-	-
10	COR-2122-NEW-01	Reprofile Corporate Contractual Savings - removal of prior year saving	326	-	-	326
11		Total Budget Pressures	326	-	-	326
12	COR-2122-NEW-01	Reprofile Corporate Contractual Savings	-	(250)	-	(250)
13		Total Efficiency Savings	-	(250)	-	(250)
14			-	-	-	-
15		Total Invest to Save	-	-	-	-
16			-	-	-	-
17		Total Income, Fees and Charges	-	-	-	-
18		Total	326	(250)	-	76
19		Corporate Total	326	(250)	-	76

30 Year Housing Revenue Account (HRA) Business Plan

1. BACKGROUND

- 1.1. The HRA is a ring-fenced account which deals with the finances of the Council's social housing stock. Budgets have been prepared in accordance with the budget guidelines and planned programmes of works to housing stock have been updated to take account of progress during 2021/22. The HRA budget must avoid a deficit on reserves over the 30-year HRA Business Plan.
- 1.2. Following the abolition of the statutory limit on HRA borrowing known as the debt cap in October 2019, the HRA is able to undertake prudential borrowing to support the creation and acquisition of long-term assets, as long as it is prudent, affordable and sustainable within the context of its overall Business Plan. The Current 30-year Business Plan allows for £75.0m of new borrowing under the prudential code in 2022/23-2024/25. The Plan shows that the HRA is able to fund the proposed capital investment which will raise the peak debt in the HRA from £197.1m to £272.1m in 2024/25. However, the Plan demonstrates that the proposed borrowing is prudent, affordable and sustainable as the HRA has the capacity to repay £135m of this in later years and that the projected outstanding debt level at year 30 is forecast to be £271m.

2. HRA 2022/23 REVENUE BUDGET & MEDIUM TERM FINANCIAL STRATEGY (MTFS)

- 2.1. The HRA revenue budget for 2022/23 & MTFS for 2023/24 and 2024/25 is shown in Table 1 below and in more detail in Appendix 5 - Annex A.

Table 1. Proposed 2022/23 HRA Budget & MTFS

	2022/23	2023/24	2024/25
	£000	£000	£000
Total Income	(43,950)	(45,885)	(47,477)
Total Expenditure	46,033	47,313	49,488
Net (Surplus)/Deficit	2,083	1,428	2,011
Opening HRA Balances	(45,575)	(43,492)	(42,064)
Net (Surplus)/Deficit	2,083	1,428	2,011
Closing HRA Balances	(43,492)	(42,064)	(40,053)

PLANNING ASSUMPTIONS

Rents

- 2.2. In 2022/23 the proposal is to increase rents by CPI only (CPI September 2021 3.1%). In all future years, rent levels are assumed to increase by CPI plus 1.0%. The long-term expectation for CPI is 2.0%.
- 2.3. Void Rates & Bad Debts are assumed at 2.0%.

- 2.4. The Council needs to consider its rent policy each financial year in the context of the HRA's financial viability. The anticipated effect of the 2022/23 rent proposals is therefore expected to be as follows:

Table 2. Average Weekly HRA Rents

	Bedrooms	Forecast 2021/22	Proposed 2022/23	Change	Change
		£	£	£	%
Average Rent per Week	1 Bed (Shared)	80.51	83.01	2.50	3.1
Average Rent per Week	1 Bed	91.99	94.84	2.85	3.1
Average Rent per Week	2 Bed	104.48	107.72	3.24	3.1
Average Rent per Week	3 Bed	117.05	120.68	3.63	3.1
Average Rent per Week	4 Bed	134.05	138.21	4.16	3.1

- 2.5. For historic reasons current rents are, on average across the stock 4.5% below the social housing formula rent set by Government, known as 'Target Rent'. As previously agreed by the Council, rent levels will be set in line with Target Rent whenever a property is re-let.
- 2.6. Rent collection performance remains top quartile compared with the Council's comparator group. Rent collection has continued to hold slightly above the budgeted collection rate of 97.50% throughout 2021/22 so far
- 2.7. Temporary accommodation is included in the General Fund. Rents are set at 90% of the Local Housing Allowance rate for the relevant unit size.

Right to Buy

- 2.8. 17 property sales assumed per annum.

Service Charges

- 2.9. Service charges are assumed to increase by CPI +1% year-on-year but cannot exceed full cost recovery.

PFI Credit

- 2.10. Provision of £4.0m relating to 1,280 properties in North Whitley and managed by Infinity until 2034 has been included.

2.11. Interest on Balances

- 2.12. Interest on balances is assumed at 1.85%.

Inflation

- 2.13. Inflation is assumed RPI at 4.9% on costs, reflecting the share of costs within the HRA which typically increase above CPI rates (e.g. repairs and maintenance costs) and RPI at 4.9% on income for 2022/23. It is assumed RPI will decrease to 3.0% from 2023/24.

Expenditure

- 2.14. Expenditure costs reflect a similar base cost to the 2021/22 forecast position, allowing for inflationary increases in 2022/23 and in future years.
- 2.15. The 2022/23 budget includes a revenue bid for £0.488m in relation to 11 new posts (10 FTE) that are required to improve income recovery and health & safety compliance. The new posts will ensure the housing service is adequately resourced to manage the current and newly emerging societal and regulatory challenges resulting in better services for tenants tackling issues of poverty and social deprivation, improving neighbourhoods, providing safe, warm sustainable homes and addressing fuel poverty.

3. RISK IMPLICATIONS

- 3.1. Many of the risks identified in respect of the General Fund revenue budget also have relevance for the Housing Revenue Account. Particular risks that pertain additionally to the HRA include:
- Rent collection levels that may be affected by any downturn in the local economy, for example as a consequence of the Covid-19 pandemic;
 - Further extension and full roll-out of Universal Credit which may impact on rent collection levels;
 - Increases in debt financing costs arising from inflationary cost increases in relation to the new build programme; and
 - Maintenance cost increases - potentially additionally impacted by any change to workforce demographics that might arise due to Brexit.

4. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

- 4.1. The currently proposed HRA Capital Programme is contained within Annex A.

New Build & Acquisitions

- 4.2. The local authority new build programme for the 2022/23 Budget and MTFS covering 2023/24 and 2024/25 is outlined in table 3 below. This includes investment to develop adult social care assets that are being appropriated into the HRA to deliver joint adults and housing needs:

Table 3. Local Authority New Build Programme (LANB)

	2022/23	2023/24	2024/25		
	£000	£000	£000	Units	Location
LANB Phase 2	3,564	170	0	76	North Street & Norcot Community + Others
LANB Phase 3	10,938	431	0	101	Wensley Road & Arthur Hill
LANB Phase 4	2,200	13,000	13,000	101	Amerthyst Lane & Dwyer Road + Others
LANB Extra Care	1,350	22,000	21,000	130	Battle Street & Hexham Road
Total	18,052	35,601	34,000	408	

- 4.3. The HRA business plan assumes an additional 408 properties are delivered during the 3 years from 2022/23 to 2024/25.
- 4.4. The business plan benefits from the additional rental income derived from the new properties, at either social rent (target) for properties part funded by grant and adjusted social rent for all other properties, in line with the 2018 policy decision.

Major Repairs

- 4.5. The Council also plans to continue to invest £52.0m in its existing housing stock over the next three years. This includes £31.1m on Major Repairs (including Fire Safety Works) and Disabled Adaptations. The major repairs and disabled facility programme (DFG) for the 2022/23 Budget and MTFS covering 2023/24 and 2024/25 are outlined in table 2 below:

Table 4. Major Repairs & DFG Programme

	2022/23	2023/24	2024/25
	£000	£000	£000
Major Repairs	16,190	17,655	16,286
Disabled Facility Grant	600	625	649
Total	16,790	18,280	16,935

- 4.6. The building sector is currently experiencing increases in material costs and labour shortages following Brexit. This might be a short term issue, but it will put pressure on the major works and new build programme, as capital programmes may need to be restricted around available funding. It is important therefore that we maximise rental income and available funding to support the capital programmes.

Zero Carbon Retrofit Works

- 4.7. The housing service is investing £20.9m in moving towards zero carbon options both in terms of new build properties and in retrofitting existing housing stock in line with the Council's Climate Change ambitions. The existing housing stock benefits from past initiatives which have ensured that most properties are above EPC level C. As such the

Council is currently not benefitting from any extra Government funding towards zero carbon initiatives which are predominantly targeted at EPC level D and below. The Council is therefore reliant on the Housing Revenue Account to continue to pursue zero carbon options and therefore any reduction in income will limit the impact on what can be achieved.

4.8. The major repairs zero carbon retrofit programme includes the following works:

- **Wensley Road £10.2m**- Phase 2 regeneration, including replacement of external fabric, new windows and internal amenities.
- **Hexham Road Crosswalls £15.8m** - Refurbishment of external fabric, replacement heating systems and new windows.
- **Woodley Crosswalls £1.2m** - External fabric replacement.
- **Granville Road £7.1m** - External fabric replacement.

Other HRA Capital Schemes

4.9. The HRA is investing an additional £0.6m to purchase a new Housing Management System.

4.10. A structural survey of the Whitley Wood Community Centre was undertaken in December 2022 in anticipation of improvement works to the building. The structural survey was carried out by structural engineers and a full report was provided to officers in January 2022. The conclusion of the report states that the building appears to have surpassed its intended life and the precast concrete elements have deteriorated to a point where they could collapse. To keep the centre functional, it is recommended that a scaffold tube type fall protection mechanism is installed between steel trusses to prevent steel posts from falling inwards. This is a short-term solution (maximum 2 years), funded from the HRA revenue budget for Responsive Repairs, which would keep the building in use. Further remedial work may require a temporary replacement building whilst feasibility and a plan is worked on for a permanent replacement. A permanent replacement would require approval of a new HRA Capital Programme business case as part of future budget setting processes.

5. RISK IMPLICATIONS

5.1. The main risks to the Council's Capital Programme are summarised below:

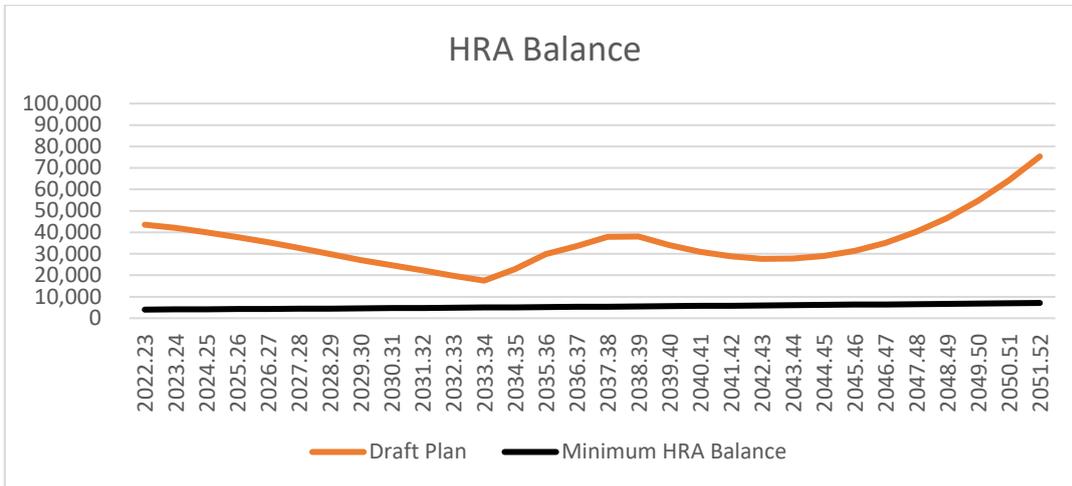
- Cost overruns would impose additional borrowing costs (and associated financing charges to revenue) if unable to be met from scheme contingencies or other mitigating actions;
- Slippage in realisation of capital receipts impacts on available financing sources, with the potential to lead to additional capital borrowing. In particular, significant slippage could leave insufficient receipts to fully finance the transformation costs - which impacts pound for pound on the revenue account;
- Slippage in delivery of spend to save initiatives results in associated revenue savings not being delivered as anticipated; and
- The cost of delivering the capital projects increases due to inflationary pressures.

6. HRA 30 YEAR BUSINESS PLAN

- 6.1. The HRA Business plan assumes major repair investment in the existing housing stock, covering planned component replacements (e.g. Kitchens & Bathrooms) and zero carbon initiatives.
- 6.2. The plan assumes increased investment of £34.3m in zero carbon initiatives up to 2030, based on available funding.
- 6.3. As mentioned in 4.2 above, as the majority of our homes are rated above EPC C, we are not eligible for available government funding at the present time. If funding does become available this would enable more zero initiatives to be carried out.
- 6.4. Increasing the rental income in line with CPI + 1% from 2023/24 will ensure there is maximum available funding to support the capital programme. Lesser increases will result in less funding being available.
- 6.5. The current HRA balance is assumed to be £45.3m at the beginning of 2022/23. The base plan assumes that annual deficits will continue to arise whilst the PFI scheme is in place.
- 6.6. The PFI scheme is due to end in 2034/35, at which point the properties return to Reading Borough Council. The business plan assumes that the operating costs of the PFI fall away at this point resulting in a return to annual surpluses.
- 6.7. Additional borrowing is required to part fund the capital programmes. At the beginning of the plan the capital finance requirement is forecast to be £197m, additional borrowing of £84m is required (including £75m during the MTFS period of 2022/23 to 2024/25), taking peak borrowing to £281m.
- 6.8. The plan assumes a loans repayment from 2038/39 once there is a sufficient build up of the HRA balance. Total repayments in the plan are £135m, which reduces the loan balance to £146m at the end of the plan.
- 6.9. The local authority new build programme continues in the plan until 2024/25, after which the plan assumes there is no further investment in new build. Right to Buy sales are projected to continue at the level of 17 per annum, which results in a gradual reduction in the number of units from 2025/26.
- 6.10. The business plan long term assumptions for CPI & RPI follow the latest OBR (Office for Budget Responsibility) forecasts.
- 6.11. Repair and build costs are assumed to increase by BCIS (Building cost information service) forecast rates.
- 6.12. Rent & Service charges increases in the plan are assumed to increase at CPI + 1% from 2023/24 for the duration of the plan.

- 6.13. The long term Bank of England prediction on CPI & RPI is 2% and 3% respectively. As the long term assumption of CPI + 1% is used on Rent & Service charges income, the overall long term impact in the plan is 3% for both CPI & RPI.
- 6.14. The HRA balance, as shown below, is maintained above the minimum level throughout the duration of the plan. The minimum balance is adjusted in line with CPI annually.

Figure 1. Projected HRA Balance in 30 Year Business Plan



APPENDIX 5 - ANNEX A

Housing Revenue Account - Revenue Budget 2022/23 to 2024/25 & Reserves

	2022/23 £000	2023/24 £000	2024/25 £000
Dwelling Rents	(37,863)	(39,797)	(41,389)
Service Charges	(965)	(1,004)	(1,034)
PFI Credit	(3,997)	(3,997)	(3,997)
Other Income	(309)	(310)	(312)
Interest on Balances	(816)	(777)	(745)
Total Income	(43,950)	(45,885)	(47,477)
Management & Supervision	9,379	9,629	9,887
Special Services	3,304	3,382	3,467
Provision for Bad Debts	753	784	807
Responsive Repairs	3,440	3,581	3,715
Planned Maintenance	2,403	2,413	2,357
Major Repairs/Depreciation	12,216	12,701	13,162
Debt Costs	6,741	7,410	8,458
PFI Costs	7,197	7,413	7,635
Revenue Contribution to Capital (RCCO)	600	0	0
Total Expenditure	46,033	47,313	49,488
Net (Surplus) / Deficit	2,083	1,428	2,011
Forecast Opening HRA Balances	(45,575)	(43,492)	(42,064)
Net (Surplus) / Deficit	2,083	1,428	2,011
Forecast Closing HRA Balances	(43,492)	(42,064)	(40,053)

DEDICATED SCHOOLS GRANT 2022-23

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.
- The allocations for 2022/23 were published by the Government on 17th December 2021. Most are now fixed for the year; part of the high needs block will be confirmed later in the year (July 2022), and the early years block will be based on data from future census', although the funding rates are now confirmed.

1.2 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).

1.3 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.

1.4 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: [Schools Forum meeting papers - Reading Borough Council](#)

2. Overall DSG Allocation for 2022/23

- 2.1 Table 1 sets out the DSG funding allocations for 2022/23 as published by the Government on 17th December 2021 and compares to 2021/22 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.
- 2.2 3.6. 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 2022/23 allocation. On this basis, the allocation for the high needs block is increasing by £2.240m (9.1%). The total funding for this block will be £26.880m including grants. Most of this is already confirmed funding; the import/export adjustment of -£1.956m will be confirmed in July 2022. If there are any adjustments to place funding these will be made in March.

Table 1. DSG allocations per block

BLOCK	2021/22 ACTUAL (£'000)	2022/23 ORIGINAL (£'000)	Change (£'000)	Change (%)
Schools Block	103,481	108,373	4,892	+4.7
Central Schools Services Block	1,167	1,134	(33)	-2.8
Early Years Block	142,270	147,873	5,603	+3.9
High Needs Block	24,640	26,880	2,240	+9.1
TOTAL (Gross)	142,270	147,873	5,603	+3.9
Less Recoupment - schools	-54,699	-57,952	-3,253	
Less Recoupment - High Needs	-4,177	-4,477	-300	
TOTAL (Net)	83,394	85,444	2,050	

- 2.3 Overall, the DSG will increase by £5.6m (3.9%) from £142.3m to £147.9m. This compares to 4.3% increase last year (adjusted for the teachers' pay and pension grants part), the main difference being that pupil numbers have increased.

3. Schools Block Budget for 2022/23

- 3.1 The Schools Block allocation has increased by £4.9m to £108.4m, although excluding the ring-fenced growth funding and transfer to HNB, the increase is just over £4.6m (4.5%). Of this increase, approximately £2.1m is due to overall increases in pupil numbers - an additional £1.732m in secondary for an

additional 285 pupils, and an additional £0.366m for an additional 79 pupils. The rest of the increase is additional funding on a per pupil level (2.5%), allocated through an increase to the funding values. Growth funding has increased by £0.089m (+10.5%)

- 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 2021 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 2021 and January 2022 meetings of the Schools' Forum.
- 3.4 At the December 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 £0.933m for growth funding. Part of the growth funding allocation (£154k) is proposed to be used in the school formula for new/expanding schools (Green Park), £0.551m for budgeted bulge classes the remainder surplus being ring-fenced and set aside for bulge classes and other expansions in the future.
- 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 2021 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).
 - 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 growth funding.

- 3.7 Bearing this in mind, the approach to setting the school formula for 2022/23 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 2021 Schools' Forum meeting:
- Start with all factors and values mirroring the 2022/23 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 2021/22 position.
 - 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 1.75%.
 - 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.
- All Factors at the NFF rate (excluding lump sum) including the Area Cost Adjustment (ACA) for Reading, A lump sum of £105,000 and the Minimum Funding Guarantee at 1.75%
- Annex 2 shows all the formula factors and their final values compared to the previous year.
- 3.9 Annex 3 shows the formula allocations for each individual school and compares this to the 2021/22. On average, primary schools have gained by 2.43% per pupil and secondary by 2.95% per pupil, though there is a large range with some schools receiving more than 4% or less than 2%. Ten schools are receiving the Government's minimum per pupil funding level of £4,265 primary (8 schools) and £5,525 secondary (2 schools). Seven schools (compared to 14 last year) are on the minimum funding guarantee increase of 1.75% per pupil (for pupil led funding only, this excludes the lump sum and business rates).
- 3.10 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 third year running of funding increases.
- 3.11 The Pupil Premium Grant for schools will continue in 2022/23, with a small change (increase) to funding rates.

3.12 In addition to the usual funding allocations, in the autumn spending review the government announced supplementary funding for 2022/23. Schools are set to receive £1.2b of this funding whilst High Needs has been allocated £325m. Of this Reading has been allocated indicative amounts of £3m for schools and £1m of high needs, this funding is separate to allocations shown in appendix 3.

4. Central Schools Services Block Budget for 2022/23

4.1 The central school services block allocation has gone down overall by £0.033m to £1.134m, 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 2022/23

5.1 The hourly funding rates in the early years block for 3 & 4 year olds will increase by 17 pence (3.2%), and for 2 year olds an increase of 21 pence (3.6%). The early year's pupil premium rate will also see an increase of 7 pence and disabled access fund an increase of £185. Based on January 2021 census recorded hours, this is an overall increase of £0.383m (3.5%). The government have also confirmed that the funding allocations will revert to its original method of allocations. This will be January 2022 hours (5/12) and January 2023 hours (7/12). The maintained nursery school lump sum will also continue in 2022-23 and see an increase in rates of 3.5%.

5.2 It is intended to pass on the full increase to providers by increasing the provider funding rates by at least 17p.

5.3 The budgets for the early years block cannot be determined until the draft January 2022 census data is available. The government have confirmed that the funding allocations for 2022/23 will revert to the previous allocation basis and will use January 2022 (5/12) and January 2023 (7/12) census data. Details on the proposed early years budget will therefore be brought to the Schools' Forum in March 2022.

5.4 Central budgets funded by this block will remain virtually the same as in 2021/22. Central budgets can be no greater than 5% of the total early years block allocation. The decision on these budgets was taken to January 2022 Schools' Forum and approved.

6. High Needs Block Budget for 2022/23

- 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 2022/23 allocation. On this basis, the allocation for the high needs block is increasing by £2.2m (9.1%). The total funding for this block will be £26.9m including grants. Most of this is already confirmed funding; the import/export adjustment of -£1.9m will be confirmed in July 2022.
- 6.2 The additional high needs funding will be £2.2m yet the deficit to be carried forward at the end of the 2022/23 financial year is currently forecast at around £2.8m. 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 stated in paragraph 3.12 there will be an additional 1m from supplementary funding to be confirmed in Spring 2022.
- 6.4 Top up funding makes up the greatest proportion of expenditure in this block (at around 82%). The budget will be based on the current actual average cost of each type of placement (as at February 2022) with an average inflation rate added and an annual increase in number of placements according to current trends. The top up banding system for Reading schools is due to be reviewed in 2022/23
- 6.5 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 £300k.
- 6.6 The deficit recovery plan will also be refreshed, and a projection made using the same base data and assumptions. As it is likely that most if not all of the additional £2.2m will offset increases in costs there may not be a decrease to the deficit in 2022/23, though it is hoped that in year the budget will balance.
- 6.7 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.
- 6.8 Note that the DSG regulations changed in 2020 and the deficit is now 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

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
21/22: December 2021	1,572	110

- 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 31/3/21 of £2.132m. The 2021/22 plan assumed a closing deficit of £2.4m. However, the top up budget is currently overspending by approximately £0.5m and it is likely the closing position for 31/3/22 will be nearer £2.8m 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 opened in September 2021). A new special school located in Wokingham is being built and the opening has been deferred from September 2022 until September 2023. We are also increasing the number of places in The Avenue, 30 in 2021-22 and a proposed 30 in 2022-23.
- 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 2021/22 this cost is being met by a top slice from the schools' block DSG, and for 2022/23 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 £3.1m in 2021/22, and a similar amount in 2022/23 has been key to meeting the increase in demand and contain 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 2022/23 has not changed from previously and the LA will continue to produce a recovery plan that is reviewed and challenged by the DfE. 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.

7.6 The impact of the November 2021 budget monitoring forecast on the 2021/22 recovery plan is shown in Table 3. The assumptions are as follows:

- End of year High Needs Block deficit for 2021/22 will be 2.8m.
- High Needs Block DSG will increase by £2m in 2022/23 and by £2m 2023/24.
- We have not reflected the supplementary grant of £1m in the figures below.

- We are treating all other blocks as committed spend and will not form part of our deficit recovery plan.
- The 2021/22 overspend is built into the base budget for 2022/23.
- Top up costs rise by an average of 2% annually (note most increases are from September, on an academic year basis). This will be updated in the next edition of the recovery plan.
- 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 November 2021)

	2021/22 Original Budget £m	2021/22 Current Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
High Needs Expenditure	21.204	21.643	22.927	24.085	25.376
High Needs Income	(20.965)	(20.947)	(22.921)	(24.941)	(26.393)
High Needs In-Year Deficit/(surplus)	0.239	0.695	0.006	(0.855)	(1.017)
Add High Needs B/F Deficit	2.189	2.132	2.827	2.834	1.978
Current Year End Position	2.429	2.827	2.834	1.978	0.961
Original Year End Position in 2021/22 Plan	2.429		1.914	1.483	1.079

7.8 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 2021/22 and 2022/23

Annex 2 - Final Formula Factors and Values 2020/21 to 2022/23

Annex 3 - Final 2022/23 School Formula Allocations for Primary and Secondary Schools

Annex 1 - DSG Allocations 2021/22 and 2022/23

	2021/22 ACTUAL		2022/23 ESTIMATE		YEAR ON YEAR CHANGE		
		Funding £'000		Funding £'000	£'000	%	Notes
Schools Block (SB):							
Primary Unit of Funding (PUF)	£4,500.65		£4.631.68		+£131.03		Confirmed
<i>Primary Pupil numbers & funding</i>	13,013.0	58,567	13,092.0	60.638	+2,071	+3.5%	Confirmed
Secondary Unit of Funding (SUF)	£5,924.46		£6.077.00		+£152.54		Confirmed
<i>Secondary Pupil numbers & funding</i>	7,202.50	42,671	7.487.50	45.502	+2,831	+6.6%	Confirmed
Premises		1,399		1,300	-99	-7.0%	Confirmed
TOTAL SB excl. Growth		102,637		107.440	+4,803	+4.7%	
Growth Funding Factor		844		933	+89	+10.5%	Confirmed
TOTAL SB		103,481		108,373	+4,892	+4.7%	
Central School Services Block (CSSB):							
Unit of Funding	£36.20		£38.21		+£2.01		Confirmed
<i>Pupil Numbers</i>	20,215.50	732	20,579.50	786	+54	+7.4%	Confirmed
Historic Commitments		435		348	-87	-20.0%	Confirmed (Planned reduction by ESFA)
TOTAL CSSB		1,167		1,134	-33	+2.8%	
High Needs Block (HNB):							
Formula		24,688		26,666	+1,978	+8.0%	Confirmed
Hospital & AP pay grants		279		296	+17	+6.1%	Confirmed
Place Funding Unit of Funding	£4,907.98		£4,912.49		+£4.51		Confirmed
<i>Place Numbers</i>	332	1,629	381.5	1,874	+245	+15%	Confirmed
Import/Export Adjustment		-1,956		-1,956			Based on Oct 21 census & Jan 22 ILR
Total HNB		24,640		26,880	+2,240	+9.1%	

Early Years Block (EYB):							
3 & 4 Year Old Funding Rate	£5.28		£5.45		+£0.17		Confirmed
3 & 4 year olds numbers & funding	3,786	11,394	3,254	10,111	-1,283	-11.3%	To be based on Jan 22 & Jan 23 census
2 Year Old Funding Rate	£5.90		£6.11		+£0.21		Confirmed
2 Year old numbers & funding	351.7	1,183	300.8	1,045	-138	-11.7%	To be based on Jan 22 & Jan 23 census
Pupil Premium		103		127	+24		To be based on Jan 22 & Jan 23 census
Disabled Access Fund		41		50	+9		
Maintained Nursey Grant		260		153	-107		To be based on Jan 22 census
Total EYB		12,981		11,486	-1,495	-11.5%	
TOTAL ALL BLOCKS		142,270		147,873	+5,603	+3.9%	

Annex 2 - Proposed Formula Factors and Values 2020/21 to 2022/23

Formula Values	2020/21			2021/22			2022/23			Notes to 2022/23 actual values (Reading ACA is 1.03475)
	NFF	Reading NFF with ACA	Reading Actual	NFF	Reading NFF with ACA	Reading PROPOSED	NFF	Reading NFF with ACA	Reading PROPOSED	
Basic Entitlement:										
Primary	£2,857.00	£2,954.31	£2,954.00	£3,123.00	£3,231.31	£3,231.00	£3,217.00	£3,328.79	£3,328.00	as per NFF with ACA
Secondary - KS3	£4,018.00	£4,154.85	£4,154.00	£4,404.00	£4,556.73	£4,556.00	£4,536.00	£4,693.63	£4,693.00	as per NFF with ACA
Secondary - KS4	£4,561.00	£4,716.35	£4,716.00	£4,963.00	£5,135.12	£5,135.00	£5,112.00	£5,289.64	£5,289.00	as per NFF with ACA
Deprivation:										
Free School Meals - Primary	£450.00	£465.33	£465.00	£460.00	£475.95	£475.00	£470.00	£486.33	£486.00	as per NFF with ACA
Free School Meals - Secondary	£450.00	£465.33	£465.00	£460.00	£475.95	£475.00	£470.00	£486.33	£486.00	as per NFF with ACA
Free School Meals Ever 6 - Primary	£560.00	£579.07	£579.00	£575.00	£594.94	£594.00	£590.00	£610.50	£610.00	as per NFF with ACA
Free School Meals Ever 6 - Secondary	£815.00	£842.76	£842.00	£840.00	£869.13	£869.00	£865.00	£895.06	£895.00	as per NFF with ACA
IDACI Band A (over 0.6) - Primary	£600.00	£620.44	£620.00	£620.00	£641.50	£641.00	£640.00	£662.24	£662.00	as per NFF with ACA
IDACI Band A (over 0.6) - Secondary	£840.00	£868.61	£868.00	£865.00	£895.00	£895.00	£890.00	£920.93	£920.00	as per NFF with ACA
IDACI Band B (0.5 - 0.6) - Primary	£435.00	£449.82	£449.00	£475.00	£491.47	£491.00	£490.00	£507.03	£507.00	as per NFF with ACA
IDACI Band B (0.5 - 0.6) - Secondary	£625.00	£646.29	£646.00	£680.00	£703.58	£703.00	£700.00	£724.33	£724.00	as per NFF with ACA
IDACI Band C (0.4 - 0.5) - Primary	£405.00	£418.79	£418.00	£445.00	£460.43	£460.00	£460.00	£475.99	£476.00	as per NFF with ACA
IDACI Band C (0.4 - 0.5) - Secondary	£580.00	£599.75	£599.00	£630.00	£651.85	£651.00	£650.00	£672.59	£672.00	as per NFF with ACA
IDACI Band D (0.3 - 0.4) - Primary	£375.00	£387.77	£387.00	£410.00	£424.22	£424.00	£420.00	£434.60	£434.00	as per NFF with ACA
IDACI Band D (0.3 - 0.4) - Secondary	£535.00	£553.22	£553.00	£580.00	£600.11	£600.00	£595.00	£615.68	£615.00	as per NFF with ACA
IDACI Band E (0.25 - 0.3) - Primary	£250.00	£258.52	£258.00	£260.00	£269.02	£269.00	£270.00	£279.38	£279.00	as per NFF with ACA
IDACI Band E (0.25 - 0.3) - Secondary	£405.00	£418.79	£418.00	£415.00	£429.39	£429.00	£425.00	£439.77	£439.00	as per NFF with ACA
IDACI Band F (0.2 - 0.25) - Primary	£210.00	£217.15	£217.00	£215.00	£222.46	£222.00	£220.00	£227.65	£227.00	as per NFF with ACA
IDACI Band F (0.2 - 0.25) - Secondary	£300.00	£310.22	£310.00	£310.00	£320.75	£320.00	£320.00	£331.12	£331.00	as per NFF with ACA
Prior Attainment:										
Primary	£1,065.00	£1,101.27	£1,101.00	£1,095.00	£1,132.97	£1,132.00	£1,130.00	£1,169.27	£1,169.00	as per NFF with ACA
Secondary	£1,610.00	£1,664.84	£1,664.00	£1,660.00	£1,717.57	£1,717.00	£1,710.00	£1,769.42	£1,769.00	as per NFF with ACA
English as an Additional Language:										
Primary	£535.00	£553.22	£553.00	£550.00	£569.07	£569.00	£565.00	£584.63	£584.00	as per NFF with ACA
Secondary	£1,440.00	£1,489.05	£1,489.00	£1,485.00	£1,536.50	£1,536.00	£1,530.00	£1,583.17	£1,583.00	as per NFF with ACA
Mobility										
Primary	£875	£904.80	£904.00	£900	£931.21	£931.00	£925	£957.14	£957.00	as per NFF with ACA
Secondary	£1,250	£1,292.58	£1,292.00	£1,290	£1,334.74	£1,334.00	£1,330	£1,376.22	£1,376.00	as per NFF with ACA
Lump Sum	£114,400.00	£118,296.46	£114,600.00	£117,800.00	£121,885.30	£116,595.00	£121,300.00	£125,515.18	£105,000.00	Balancing value
Business Rates (Actual - locally set)	£1,283,350		£1,322,787	£1,322,787		£1,283,350	£1,283,350		£1,283,350.00	Actual estimate - as per APT
Exceptional Circumstances (locally set):										
Rents	£59,826		£0	£59,046		£0	£0		£0.00	Local factor - No longer eligible
Split Site	£17,149		£17,149	£17,149		£17,149	£17,149		£17,149.00	Local factor
Minimum Per Pupil Level										
Primary	£3,750		£3,750	£4,180		£4,180	£4,265		£4,265.00	as per actual NFF
Secondary	£5,000		£5,000	£5,415		£5,415	£5,525		£5,525.00	as per actual NFF
(KS3 only school)				£5,215		£5,215	£5,321		£5,321.00	as per actual NFF
(KS4 only school)			£5,300	£5,715		£5,715	£5,831		£5,831.00	as per actual NFF
Minimum Funding Guarantee	1.84%		1.84%	2.00%		2.00%	2.00%		1.75%	Local Decision between 0.5% & 2%

Annex 3 - School Formula allocations for Primary and Secondary Schools 2022/23

LAESTAB	SCHOOL	2021/22 ACTUAL ALLOCATION			2022/23 INDICATIVE ALLOCATION - before deduction of NNDR and de-delegations			Overall Change between 2021/22 and 2022/23			
		Formula Allocation	Pupil No's (Oct 2020)	Per Pupil Funding	Formula Allocation	Pupil No's (Oct 2021)	Per Pupil Funding	Total	%	Per Pupil	%
8702000	Alfred Sutton Primary School	2,630,172	619	4,249.07	2,716,907	627	4,333.19	86,735	3.30%	84.12	1.98%
8702003	Caversham Primary School	1,757,656	414	4,245.55	1,797,111	415	4,330.39	39,455	2.24%	84.84	2.00%
8702005	Coley Primary School	1,084,215	222	4,883.85	992,289	196	5,062.70	-91,925	-8.48%	178.85	3.66%
8702006	E P Collier Primary School	1,387,793	298	4,657.02	1,459,117	305	4,783.99	71,323	5.14%	126.96	2.73%
8702007	Geoffrey Field Junior School	1,654,286	348	4,753.70	1,725,174	356	4,846.00	70,888	4.29%	92.30	1.94%
8702008	Geoffrey Field Infant School	1,320,819	265	4,984.22	1,350,839	267	5,059.32	30,020	2.27%	75.10	1.51%
8702016	Oxford Road Community School	1,019,750	208	4,902.64	1,049,499	211	4,973.93	29,749	2.92%	71.28	1.45%
8702018	Redlands Primary School	949,991	206	4,611.61	976,559	207	4,717.68	26,569	2.80%	106.07	2.30%
8702019	The Hill Primary School	1,739,232	406	4,283.82	1,731,092	396	4,371.44	-8,140	-0.47%	87.62	2.05%
8702020	The Ridgeway Primary School	2,068,184	421	4,912.55	2,093,938	419	4,997.47	25,754	1.25%	84.91	1.73%
8702021	Park Lane Primary School	1,751,704	406	4,314.54	1,777,684	404	4,400.21	25,980	1.48%	85.67	1.99%
8702024	Wilson Primary School	1,775,137	408	4,350.83	1,821,592	412	4,421.34	46,455	2.62%	70.51	1.62%
8702026	Emmer Green Primary School	1,725,496	406	4,249.99	1,781,331	411	4,334.14	55,835	3.24%	84.15	1.98%
8702027	Southcote Primary School	2,561,508	597	4,290.63	2,625,048	600	4,375.08	63,540	2.48%	84.45	1.97%
8702029	St Michael's Primary School	1,850,262	412	4,490.93	1,858,310	397	4,680.88	8,048	0.43%	189.96	4.23%
8702034	Moorlands Primary School	1,729,489	363	4,764.43	1,658,827	335	4,951.72	-70,662	-4.09%	187.29	3.93%
8702036	Thameside Primary School	1,734,932	393	4,414.59	1,766,844	390	4,530.37	31,912	1.84%	115.78	2.62%
8702226	Katesgrove Primary School	2,638,714	588	4,487.61	2,781,389	605	4,597.34	142,675	5.41%	109.73	2.45%
8702233	Caversham Park Primary School	814,261	185	4,401.41	693,346	148	4,684.77	-120,914	-14.85%	283.36	6.44%
8702234	Micklands Primary School	1,601,040	372	4,303.87	1,649,720	376	4,387.55	48,680	3.04%	83.68	1.94%
8702253	Manor Primary School	1,300,591	267	4,871.13	1,266,435	252	5,025.53	-34,156	-2.63%	154.41	3.17%
8703000	All Saints Church of England Aided Infant School	357,682	60	5,961.37	362,092	60	6,034.86	4,410	1.23%	73.49	1.23%
8703302	St Anne's Catholic Primary School	826,358	181	4,565.51	849,774	181	4,694.88	23,416	2.83%	129.37	2.83%
8703304	English Martyrs' Catholic Primary School	1,768,742	404	4,378.07	1,789,850	402	4,452.36	21,108	1.19%	74.29	1.70%
8703305	Christ The King Catholic Primary School	1,477,132	308	4,795.88	1,489,966	297	5,016.72	12,834	0.87%	220.84	4.60%
8703360	St Martin's Catholic Primary School	703,879	156	4,512.04	706,532	154	4,587.87	2,653	0.38%	75.82	1.68%
8703361	Whitley Park Primary and Nursery School	2,527,264	519	4,869.49	2,662,250	529	5,032.61	134,987	5.34%	163.12	3.35%
8705411	Blessed Hugh Faringdon Catholic School	4,880,857	829	5,887.64	5,275,500	868	6,077.77	394,643	8.09%	190.12	3.23%
8702002	All Saints Junior School	463,516	93	4,984.04	474,262	94	5,045.34	10,747	2.32%	61.31	1.23%
8702004	Meadow Park Academy	1,557,361	329	4,733.62	1,605,013	334	4,805.43	47,652	3.06%	71.81	1.52%
8702011	Battle Primary Academy	1,824,612	404	4,516.37	1,861,016	400	4,652.54	36,403	2.00%	136.17	3.02%
8702012	The Palmer Primary Academy	1,755,504	373	4,706.45	1,842,329	385	4,785.27	86,825	4.95%	78.82	1.67%
8702015	Civitas Academy	1,498,582	328	4,568.85	1,603,557	342	4,688.76	104,976	7.01%	119.92	2.62%
8702017	The Heights Primary School	1,479,892	353	4,192.33	1,497,102	350	4,277.43	17,210	1.16%	85.11	2.03%
8702025	Ranikhet Academy	912,843	177	5,157.31	930,422	173	5,378.16	17,579	1.93%	220.85	4.28%
8702028	New Town Primary School	1,264,709	272	4,649.67	1,583,106	338	4,683.75	318,397	25.18%	34.08	0.73%
8702031	Churchend Primary Academy	1,826,558	416	4,390.77	1,890,057	424	4,457.68	63,498	3.48%	66.92	1.52%
8702035	St Mary and All Saints Church of England Voluntary Aided Pr	1,334,647	279	4,783.68	1,377,586	279	4,937.58	42,939	3.22%	153.90	3.22%
8702254	New Christ Church Church of England (VA) Primary School	864,400	176	4,911.36	908,156	183	4,962.60	43,756	5.06%	51.24	1.04%
8703300	St John's Church of England Primary School	1,671,249	387	4,318.47	1,696,231	377	4,499.29	24,982	1.49%	180.81	4.19%
8702039	Green Park Village Primary Academy	380,382	66	5,763.37	535,158	97	5,517.09	154,775	40.69%	-246.28	-4.27%
8704000	UTC Reading	1,550,238	242	6,405.94	1,682,871	248	6,785.77	132,633	8.56%	379.83	5.93%
8704001	Maiden Erlegh School in Reading	5,316,004	891	5,966.33	5,504,694	887	6,205.97	188,690	3.55%	239.63	4.02%
8704002	The WREN School	5,206,547	847	6,147.04	5,347,958	850	6,291.72	141,411	2.72%	144.67	2.35%
8704003	Reading Girls' School	3,520,718	555	6,343.64	4,391,006	686	6,400.88	870,288	24.72%	57.25	0.90%
8704020	Highdown School and Sixth Form Centre	6,622,872	1,216	5,446.44	7,008,958	1,257	5,575.94	386,087	5.83%	129.50	2.38%
8705401	Reading School	4,075,486	746	5,463.12	4,168,596	748	5,572.99	93,110	2.28%	109.87	2.01%
8705410	Prospect School	5,628,002	885	6,359.32	5,633,014	855	6,588.32	5,012	0.09%	229.00	3.60%
8705413	Kendrick School	2,840,569	521	5,452.15	3,069,154	552	5,560.06	228,585	8.05%	107.91	1.98%
8706905	John Madejski Academy	3,217,640	474	6,788.27	3,792,647	541	7,010.44	575,007	17.87%	222.17	3.27%
	PRIMARY TOTAL	59,590,543	13,085	4,554.11	61,237,510	13,128	4,664.65	1,646,967	2.76%	110.54	2.43%
	SECONDARY TOTAL	42,858,932	7,206	5,947.67	45,874,398	7,492	6,123.12	3,015,466	7.04%	175.44	2.95%
	TOTAL ALL SCHOOLS	102,449,476	20,291	5,049.01	107,111,908	20,620	5,194.56	4,662,433	4.55%	145.55	2.88%

General Fund Capital Programme 2022/23 - 2024/25

Scheme Name	2021/22 Forecast			2022/23 Forecast			2023/24 Forecast			2024/25 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
Delivery Fund (Pump priming for Transformation projects)*	4,287	-	4,287	2,126	-	2,126	1,798	-	1,798	1,782	-	1,782
Loan To RTL (Bus replacement programme)*	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000	-	-	-
Oracle Shopping Centre capital works*	100	-	100	100	-	100	100	-	100	-	-	-
Minster Quarter - Brownfield Land Grant Element*	2,000	(2,000)	-	-	-	-	-	-	-	-	-	-
Minster Quarter*	-	-	-	1,000	-	1,000	-	-	-	-	-	-
Corporate Total	11,387	(2,000)	9,387	8,226	-	8,226	6,898	-	6,898	1,782	-	1,782
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*	867	-	867	686	-	686	3,679	-	3,679	823	-	823
DACHS Total	1,272	(93)	1,179	686	-	686	3,679	-	3,679	823	-	823
Additional School Places - Contingency*	210	(210)	-	1,500	(1,500)	-	1,500	(1,500)	-	1,500	(1,500)	-
SEN Provision - Avenue Centre*	487	(487)	-	4,342	(4,342)	-	76	(76)	-	-	-	-
Asset Management*	279	(279)	-	350	(350)	-	350	(350)	-	350	(350)	-
Children in care Emergency Provision *	35	-	35	-	-	-	-	-	-	-	-	-
Civitas- Synthetic Sports Pitch*	28	(28)	-	-	-	-	-	-	-	-	-	-
Contribution to SEN School Wokingham*	-	-	-	500	(500)	-	-	-	-	-	-	-
Crescent Road Playing Field Improvements*	316	(316)	-	-	-	-	-	-	-	-	-	-
Critical Reactive Contingency: Health and safety* (Schools)	954	(954)	-	500	(500)	-	500	(500)	-	500	(500)	-
Fabric Condition Programme*	2,300	(2,300)	-	1,700	(1,700)	-	2,000	(2,000)	-	2,000	(2,000)	-
Green Park Primary School*	459	(459)	-	-	-	-	-	-	-	-	-	-
Heating and Electrical Programme - Manor Pry Power*	141	(141)	-	5	(5)	-	-	-	-	-	-	-
Heating and Electrical Renewal Programme*	1,300	(1,300)	-	1,000	(1,000)	-	1,000	(1,000)	-	1,000	(1,000)	-
Initial Viability work for the Free School at Richfield Avenue*	40	(40)	-	40	(40)	-	20	(20)	-	-	-	-
Low Carbon Skills Fund - Bid Development*	5	(5)	-	-	-	-	-	-	-	-	-	-
Low Carbon Skills Fund - Schools Estate Project Delivery*	24	(24)	-	-	-	-	-	-	-	-	-	-
Katesgrove Primary Trooper Potts Building*	119	(119)	-	9	(9)	-	-	-	-	-	-	-
Meadway Early Years Building Renovation*	200	(200)	-	11	(11)	-	-	-	-	-	-	-
Modular Buildings Review*	-	-	-	3,000	(3,000)	-	-	-	-	-	-	-
New ESFA funded schools - Phoenix College*	5,800	(4,197)	1,603	169	(169)	-	-	-	-	-	-	-
New ESFA funded schools - St Michaels*	274	(274)	-	-	-	-	-	-	-	-	-	-
Pineroft-Children who have complex health, physical,sensory,disabilities & challenging behaviour*	150	-	150	-	-	-	-	-	-	-	-	-

General Fund Capital Programme 2022/23 - 2024/25

Scheme Name	2021/22 Forecast			2022/23 Forecast			2023/24 Forecast			2024/25 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
Dee Park Regeneration - Housing Infrastructure Fund (school)*	300	(300)	-	5,700	(5,700)	-	5,052	(5,052)	-	-	-	-
Public Sector Decarbonisation Funds - School Estate Double Glazing Programme*	1,293	(1,293)	-	-	-	-	-	-	-	-	-	-
SCD Units*	473	(473)	-	-	-	-	-	-	-	-	-	-
School Estate Solar PV Programme*	560	(560)	-	-	-	-	-	-	-	-	-	-
Schools - Fire Risk Assessed remedial Works*	385	(385)	-	497	(497)	-	400	(400)	-	100	(100)	-
SEN early years at 1 Dunsfold*	600	(600)	-	-	-	-	-	-	-	-	-	-
SEN Norcot*	100	(100)	-	-	-	-	-	-	-	-	-	-
Thameside SEN Expansion*	110	(110)	-	66	(66)	-	-	-	-	-	-	-
The Heights Temporary School*	367	(367)	-	-	-	-	-	-	-	-	-	-
DEGNS (Education Schemes) Total	17,308	(15,521)	1,788	19,389	(19,389)	-	10,898	(10,898)	-	5,450	(5,450)	-
Abbey Quarter restoration works*	50	(50)	0	100	(100)	-	25	(25)	-	25	(25)	-
Accommodation Review - Phase 2A & B*	133	-	133	-	-	-	-	-	-	-	-	-
Accommodation Review - Phase 2C (19 Bennet Road)*	1,701	-	1,701	-	-	-	-	-	-	-	-	-
Active Travel Tranche 2*	100	(100)	(0)	1,079	(1,079)	-	-	-	-	-	-	-
Additional Storage Capacity at Mortuary*	15	-	15	-	-	-	-	-	-	-	-	-
Air Quality Monitoring*	16	(16)	(0)	-	-	-	-	-	-	-	-	-
BFFC Accommodation Review*	150	-	150	-	-	-	-	-	-	-	-	-
Annual Bridges and Carriage Way Works programme & Highway Infrastructure Works*	5,854	(1,546)	4,308	5,592	(1,432)	4,160	1,842	(1,432)	410	-	-	-
Essential Bridge Works*	200	-	200	-	-	-	-	-	-	-	-	-
Car Park Investment Programme (inc P&D, Red Routes & Equipment)*	(0)	-	(0)	357	(357)	-	326	(326)	-	326	(326)	-
Cattle Market Car Park*	300	(300)	(0)	223	(223)	-	-	-	-	-	-	-
CCTV*	11	(11)	(0)	-	-	-	-	-	-	-	-	-
Central Library - Reconfiguration/Refurbishment Feasibility	50	-	50	1,000	-	1,000	150	-	150	-	-	-
Central Pool Regeneration*	373	(147)	226	-	-	-	-	-	-	-	-	-
Chestnut Walk Improvements*	35	(15)	20	-	-	-	-	-	-	-	-	-
Christchurch Meadows Paddling Pool*	2	-	2	-	-	-	-	-	-	-	-	-
CIL Local Funds - Community*	504	(504)	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Heritage and Culture*	315	(315)	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Leisure and Play*	1,103	(1,103)	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Transport*	392	(392)	-	-	-	-	-	-	-	-	-	-
CIL Local Funds -Neighbourhood Allocation*	477	(477)	-	-	-	-	-	-	-	-	-	-
Corporate Office Essential Works*	350	-	350	652	-	652	50	-	50	-	-	-
Defra Air Quality Grant - Bus Retrofit*	388	(388)	-	-	-	-	-	-	-	-	-	-

General Fund Capital Programme 2022/23 - 2024/25

Scheme Name	2021/22 Forecast			2022/23 Forecast			2023/24 Forecast			2024/25 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
Defra Air Quality Grant - Go Electric Reading*	30	(30)	0	-	-	-	-	-	-	-	-	-
Transport Demand Management Scheme - Feasibility Work*												
Development of facilities at Prospect Park/Play	50	-	50	-	-	-	-	-	-	-	-	-
Digitised TRO's	715	(606)	109	20	-	20	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector)*	-	-	-	300	-	300	-	-	-	-	-	-
Eastern Area Access Works*	1,197	(1,197)	0	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-
Electric Vehicle Charging Points	0	-	0	199	(199)	-	-	-	-	-	-	-
Electric Vehicle Charging Points	-	-	-	250	-	250	-	-	-	-	-	-
Purchase of food waste and smaller residual waste bins*	1	-	1	-	-	-	-	-	-	-	-	-
Foster Carer Extensions*	200	-	200	100	-	100	100	-	100	-	-	-
Green Homes Scheme - GF element*	495	(495)	-	-	-	-	-	-	-	-	-	-
Construction of Green Park Station*	8,197	(8,197)	(0)	-	-	-	-	-	-	-	-	-
Grounds Maintenance Workshop Equipment*	3	-	3	-	-	-	-	-	-	-	-	-
High Street Heritage Action Zone*	165	(165)	-	740	(740)	-	280	(280)	-	-	-	-
Invest in Corporate buildings/Health & safety works*	1,185	-	1,185	1,000	-	1,000	1,000	-	1,000	-	-	-
Invest to save energy savings - Street lighting*	1,371	-	1,371	-	-	-	-	-	-	-	-	-
Maintenance & Enhancement of Council Properties	-	-	-	-	-	-	8,800	-	8,800	-	-	-
Leisure Centre Procurement*	13,895	(750)	13,145	21,814	(750)	21,064	1,519	-	1,519	346	-	346
Local Traffic Management and Road Safety Schemes*	(0)	-	(0)	458	(292)	166	150	(150)	-	150	(47)	103
Local Transport Plan Development*	50	(50)	0	1,146	(1,146)	-	400	(400)	-	400	(400)	-
National Cycle Network Route 422*	157	(157)	(0)	-	-	-	-	-	-	-	-	-
New Kit/Vehicles for Commercial Services Dvlpt*	84	-	84	-	-	-	-	-	-	-	-	-
New Vehicle for Highways & Drainage Commercial* Service	71	-	71	-	-	-	-	-	-	-	-	-
Oxford Rd Community Centre*	147	-	147	-	-	-	-	-	-	-	-	-
Oxford Road Corridor Works*	0	-	0	298	(298)	-	-	-	-	-	-	-
Playground equipment and Refreshment: Boroughwide*	619	(44)	575	891	-	891	-	-	-	-	-	-
Private Sector Renewals*	300	-	300	300	-	300	300	-	300	300	-	300
Provision of Gypsy & Traveller Accommodation*	150	-	150	500	-	500	2,936	-	2,936	-	-	-
Pumping Station Upgrade Scheme (new)*	250	-	250	-	-	-	-	-	-	-	-	-
re3 extending range of recyclables*	94	(61)	33	-	-	-	-	-	-	-	-	-
Reading Football Club Social Inclusion Unit to SRLC*	1,534	(1,534)	-	-	-	-	-	-	-	-	-	-
Reading Town Centre Design Framework*	86	(86)	-	-	-	-	-	-	-	-	-	-
Reading West Station*	1,000	(539)	461	2,599	-	2,599	-	-	-	-	-	-
Regeneration Projects	250	-	250	2,600	-	2,600	200	-	200	200	-	200
Renewable Energy	480	-	480	1,543	-	1,543	2,176	(450)	1,726	24	-	24
Replacement Vehicles	2,931	-	2,931	4,028	-	4,028	-	-	-	-	-	-
Rogue Landlord Enforcement*	75	(75)	-	-	-	-	-	-	-	-	-	-

General Fund Capital Programme 2022/23 - 2024/25

Scheme Name	2021/22 Forecast			2022/23 Forecast			2023/24 Forecast			2024/25 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
S106 individual schemes list*	213	(213)	-	121	(121)	-	-	-	-	-	-	-
Salix Decarbonisation Fund	-	-	-	573	-	573	1,227	-	1,227	-	-	-
Small Leisure Schemes*	349	(249)	100	300	(50)	250	300	-	300	-	-	-
South Reading MRT (Phases 1 & 2)*	400	(400)	0	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 3 & 4)*	3,477	(3,477)	0	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 5 & 6)*	-	-	-	1,000	(1,000)	-	1,000	(1,000)	-	7,000	(5,000)	2,000
The Heights Permanent Site Mitigation*	130	(20)	110	285	(195)	90	100	(100)	-	100	(100)	-
The Keep building works and improved arts/culture facilities	-	-	-	94	-	94	-	-	-	-	-	-
Town Centre Improvements*	450	-	450	-	-	-	-	-	-	-	-	-
Town Centre Street Trading Infrastructure*	28	-	28	-	-	-	-	-	-	-	-	-
Town Hall Equipment	-	-	-	205	-	205	-	-	-	-	-	-
Traffic Management Schools*	0	-	0	431	(431)	-	-	-	-	-	-	-
Tree Planting*	30	-	30	50	-	50	50	-	50	-	-	-
Western Area Access Works*	-	-	-	128	(128)	-	-	-	-	-	-	-
Harden Public Open Spaces to Prevent Incursion*	40	-	40	25	-	25	25	-	25	-	-	-
Salix Re-Circulation Fund*	0	-	0	530	-	530	467	-	467	-	-	-
Sun Street - Final Phase*	76	-	76	-	-	-	-	-	-	-	-	-
Re-wilding highways, parks and open space verges*	76	-	76	-	-	-	-	-	-	-	-	-
Hexagon lighting & emergency lighting replacement	-	-	-	270	(120)	150	-	-	-	-	-	-
1 Dunsfold Fitout for BFFC Family Contact Centre - Development for Community Use	-	-	-	350	-	350	-	-	-	-	-	-
Park Lane Primary School Annexe Replacement*	-	-	-	1,000	(1,000)	-	1,500	(1,500)	-	-	-	-
Katesgrove Community and YOS Refurbishment - Development for Community Use	-	-	-	750	-	750	-	-	-	-	-	-
Berkshire Record Office - extension of storage space	-	-	-	232	-	232	-	-	-	-	-	-
Highways Operational Resilience _ Capital Bid	-	-	-	74	-	74	-	-	-	-	-	-
Carriageways & Pavements Investment Programme	-	-	-	2,000	-	2,000	3,000	-	3,000	3,900	(900)	3,000
Highways Structures Capital Bid	-	-	-	2,650	(600)	2,050	2,650	(600)	2,050	600	(600)	-
Highway Signals_Capital Bid	-	-	-	200	-	200	200	-	200	-	-	-
Air Quality Grant - AQ sensors awareness & behaviour change*	-	-	-	106	(106)	-	114	(114)	-	-	-	-
Transport Demand Management Scheme	-	-	-	200	-	200	200	-	200	200	-	200
New Capital Bid - S106 Kenavon Drive Landscape*	153	(153)	-	-	-	-	-	-	-	-	-	-
Free bulky waste service - collection vehicle	-	-	-	64	-	64	-	-	-	-	-	-
DEGNS Total	53,723	(23,862)	29,861	60,624	(11,564)	49,060	32,284	(7,574)	24,710	14,768	(8,595)	6,173

General Fund Capital Programme 2022/23 - 2024/25

Scheme Name	2021/22 Forecast			2022/23 Forecast			2023/24 Forecast			2024/25 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
Customer Digital Experience*	1,731	-	1,731	750	-	750	-	-	-	-	-	-
Universal Digital Systems*	2,303	-	2,303	910	-	910	-	-	-	-	-	-
IT Future Operating Model*	2,387	-	2,387	538	-	538	543	-	543	-	-	-
Re-Procurement / Reimplementation of Finance System*	600	-	600	-	-	-	-	-	-	-	-	-
Cemeteries and Crematorium*	85	-	85	-	-	-	-	-	-	-	-	-
Cremator Procurement	200	-	200	800	-	800	800	-	800	-	-	-
Cremator*	103	-	103	-	-	-	-	-	-	-	-	-
Burial Land Acquisition	-	-	-	150	-	150	1,000	-	1,000	500	-	500
DoR Total	7,409	-	7,409	3,148	-	3,148	2,343	-	2,343	500	-	500
Grand Total	91,100	(41,476)	49,624	92,073	(30,953)	61,120	56,102	(18,472)	37,630	23,323	(14,045)	9,278

*These schemes are committed.

Uncommitted schemes are still subject to approval and it is confirmed that funding is in place.

HRA Capital Programme 2022/23 - 2024/25

Scheme Name	2021/22 Forecast			2022/23 Forecast			2023/24 Forecast			2024/25 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)									
Major Repairs - expansion of existing programmes	7,660	-	7,660	8,950	-	8,950	9,595	-	9,595	10,686	-	10,686
Major Repairs - Zero Carbon Retrofit works	-	-	-	7,240	-	7,240	8,060	-	8,060	5,600	-	5,600
Disabled Facilities Grants	645	-	645	600	-	600	625	-	625	649	-	649
Fire Safety Works	550	-	550	-	-	-	-	-	-	-	-	-
Green Homes Project - HRA element	809	-	809	-	-	-	-	-	-	-	-	-
New Build & Acquisitions - Phase 2	5,678	(1,753)	3,925	3,564	(584)	2,980	170	-	170	-	-	-
New Build & Acquisitions - Phase 3	10,250	(2,970)	7,280	10,938	(990)	9,948	431	-	431	-	-	-
New Build & Acquisitions - Phase 4	1,357	-	1,357	2,200	-	2,200	13,000	(2,550)	10,450	13,000	(850)	12,150
Local authority new build programme for Older people and vulnerable adults	857	-	857	1,350	-	1,350	22,000	(4,875)	17,125	21,000	(1,625)	19,375
Housing Mngt System	286	-	286	600	-	600	-	-	-	-	-	-
Grand Total	28,092	(4,723)	23,369	35,442	(1,574)	33,868	53,881	(7,425)	46,456	50,935	(2,475)	48,460

1. Background

- 1.1 Local authorities are limited in their ability to utilise capital receipts (the disposal proceeds from the sale of fixed assets or repayment of loans for capital purposes). Statutory guidance issued under s15(1) of the Local Government Act 2003 by the Ministry of Housing, Communities and Local Government (as amended) generally precludes capital receipts being used to fund revenue expenditure and requires them to be applied to either fund capital expenditure or repay debt. The Act also requires local authorities to have regard to other guidance as directed by the Secretary of State - this currently includes the following guidance issued by the Chartered Institute of Public Finance and Accountancy [CIPFA]:
- The Prudential Code for Capital Finance in Local Authorities; and
 - The Code of Practice on Local Authority Accounting.
- 1.2 The Spending Review 2015 included a relaxation to the above regulations allowing the use of capital receipts for a limited period; between 2016/17 and 2018/19, to fund revenue expenditure *“that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or improve the quality of service delivery in future years”*. This announcement was implemented by the issuing of regulations in March 2016. The period over which these amended regulations applied was extended to 2021/22 in the 2018/19 Local Government Finance Settlement and further extended by 3 years to 2024/25 in 2021.
- 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 2021 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 MTFS (to which this Strategy is attached as an appendix) contains £19.440m 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 flexible use of capital receipts used to support those investments are fully reflected within the General Fund Capital Programme presented to Council in February 2022.

3. Delivery Fund

- 3.1 A report to Council on 26 June 2018 established the Delivery Fund and set out in detail how the £13.6m then allocated for the 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 of each subsequent year have 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 2020/21 of £3.3m compared to the budgeted spend of £4.1m. 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 forecasts for 2021/22 and the proposed budget for 2022/23 to 2024/25 (the final year the extended capital receipts flexibility can be applied).
- 3.4 The table below summarises the forecast budgets and historic actual spend by the Delivery Fund from positions previously presented to members.

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

	Prior Years Actual/Bud (£,000's)	2021/22 Budget (£,000's)	2022/23 Budget (£,000's)	2023/24 Budget (£,000's)	2024/25 Budget (£,000's)	Total (£,000's)
<u>December 2020</u>						
Capital Receipts Strategy	12,200	1,236				13,436
Contingency/Unallocated	140	0				140
		1,236	0	0	0	13,576
<u>February 2021</u>						
Capital Receipts Strategy Supported by Revenue Funding	11,844	1,732				13,576
	0	1,213				1,213
Contingency/Unallocated	0	1,920	2,510	2,510		6,940
		4,865	2,510	2,510	0	21,729
<u>December 2021</u>						
Capital Receipts Strategy Supported by Revenue Funding	11,044	4,460	417	16		15,937
						0
Contingency/Unallocated		446	1,782	1,782	1,782	5,792
		4,906	2,199	1,798	1,782	21,729
<u>February 2022</u>						
Capital Receipts Strategy Supported by Revenue Funding	11,044	4,287	818	16		16,165
		342				342
Contingency/Unallocated		350	1,308	1,782	1,782	5,222
		4,979	2,126	1,798	1,782	21,729

- 3.5 The change in forecast spend between February 2021 and December 2021 includes the roll forward of underspends from 2020/21, and further re-phasing of 2021/22 budgets together with new spend proposals being approved and others being identified as no longer required.
- 3.6 The changes between December 2021 and February 2022 reflect the fact that upon reviewing the available capital receipts in the current year there are insufficient available to fully fund the forecast list of projects. Therefore, the February 2022 position reflects some additional revenue funding, which is consistent with the principles agreed when the original budget was set in February 2021.
- 3.7 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. Any further requests approved by the S151 Officer will be reported to the June 2022 Policy Committee's.
- 3.8 If all the new bids listed in Table 2 are approved this will leave £5,222k left unallocated in the contingency.
- 3.9 Annexe A to this Strategy contains a list of all Delivery Fund projects illustrating the changes to Delivery Fund allocations since those agreed in February 2021 and the latest forecast projections and budget proposals.

Table 2 – New Delivery Fund Requests

Directorate	Project	Saving Identified (£'000's)	2021/22 (£'000's)	2022/23 (£'000's)	2023/24 (£'000's)	Total Spend (£'000's)	
DOR	Digital Services Developer x2	858	80			80	
DOR	Senior Project Manager, Business Analyst x3	920		337		337	
DACHS	Transitions Top Up - Transitions Practitioner	947	31			31	
DACHS	Outcome based Service Delivery - Locum Worker and OT	894	133			133	
DACHS	PM for outcomes, decision making and outreach.	1,650	48	64	16	128	
DACHS	PM for Front Door, Reading Services Guide and Digital Front Door.	50	48	16		64	
DACHS	Reducing the number of overdue reviews	Transform	143			143	
DACHS	Reduce people waiting for Mental Capacity Assessments to move from Appointee to Court Appointed Deputy	Transform	49			49	
DACHS	Physiotherapist for community rehabilitation post rapid hospital discharge	Transform	57			57	
DACHS	Relaunch & expand NHS Health Checks Programme	Transform	56			56	
DACHS	CHC Resource	Transform	87			87	
DACHS	Commissioning Quality Assurance	Transform	44			44	
BFFC	Transformation of SEND system	Transform	109	221		330	
BFFC	Reduction in demand of statutory children's social care	Transform	60	180		240	
			<u>5,319</u>	<u>945</u>	<u>818</u>	<u>16</u>	<u>1,779</u>

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Housing Benefit Overpayment Recovery	Housing Benefit Overpayment Recovery Officer	72	43	(43)	-	-	-	-	-	-	-	72
Service restructure and reconfiguration	Recruitment Costs	61	-	-	-	-	-	-	-	-	-	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	54	-	-	-	-	-	-	-	-	-	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	-	120	120	-	-	-	-	-	-	178
Service restructure and reconfiguration	SOLACE Recruitment Fees For Future Finance Function	45	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	119	-	-	-	-	-	-	-	-	-	119
Revenues and Benefits market testing	Associated project costs, supplies and services	4	-	-	-	-	-	-	-	-	-	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	-	-	-	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	(107)	1	102	(94)	8	-	-	-	33
New Customer Experience Model	Pilot Thoughtonomy - Virtual workers	-	-	55	55	-	66	66	-	-	-	121
New Customer Experience Model	Pilot Thoughtonomy - Develop role	-	-	-	-	-	41	41	-	-	-	41
Capacity and leadership to deliver change and savings across programme	Corporate Programme Manager	269	-	-	-	-	-	-	-	-	-	269

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Working across Corporate Programme. Capacity and leadership to deliver change and savings across programme	NMT - Corporate Support	86	-	-	-	-	-	-	-	-	-	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	288	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	128	-	-	-	-	-	-	-	-	-	128
	Finance Specialist	161	-	-	-	-	-	-	-	-	-	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)	206	115	(61)	54	-	-	-	-	-	-	260
Capacity to support delivery of change and savings across programme	Programme Officer x2	76	46	(46)	-	-	-	-	-	-	-	76
Capacity to support delivery of change and savings across programme	Senior Project Manager x 2	11	245	(131)	114	125	3	128	-	-	-	253
Capacity to support delivery of change and savings across programme	Business Analyst	10	-	51	51	-	48	48	-	-	-	109

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Capacity to support delivery of change and savings across programme	Project Officer	8		44	44		41	41	-	-	-	93
	Contribution to Team Reading costs	10		-			-		-	-	-	10
Management and Staffing Review	OD upskilling	-	12	(1)	11	-	-	-	-	-	-	11
	Business Analysts x 2	-	30	(3)	27	112	3	115	-	-	-	142
Executive Recruitment Search Fees	Psychometric Assessment Training	-	20	(20)	-	-	20	20	-	-	-	20
	Finance system implementation lead and support	-	55	(43)	12	140	43	183	-	-	-	195
	ICT Accelerator	-	250	(163)	87	-	163	163	-	-	-	250
	Modern Workplace Project	-	73	(1)	72	-	-	-	-	-	-	72
	Finance Transformation	-	174	13	187	-	-	-	-	-	-	187
	PMO Training	-	14	(14)	-	-	14	14	-	-	-	14
<i>*Making the Customer Service and Corporate Improvement more efficient</i>	<i>Staff and implementation costs</i>	-	250	(51)	199	250	51	301	-	-	-	500
Total: Director of Resources (DOR)		2,243	1,435	(401)	1,034	729	414	1,143	-	-	-	4,420

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Working across workstream of Corporate Programme to deliver savings and transformation	Programme Manager	318		-	-	-	-	-	-	-	-	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	2	81	21	(21)	-	-	-	-	81
	Family Group Conferencing	-	75	(75)	-	-	75	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	(10)	33	2	(2)	-	-	-	-	37
	Family Reunification Team. 18/19 start up	-	20	(4)	16	5	(5)	-	-	-	-	16
	Edge of Care Team, Adolescents. 18/19 start up	37	102	(14)	88	-	50	50	-	-	-	175
	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	15	197	550	-	550	-	-	-	757
	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)					-	-	-	-
	Strengthen Commissioning Function (provide senior Commissioning and Contract Management capacity) 18/19 start up. Savings linked to Improved Contract Management	50	249	(31)	218	-	-	-	-	-	-	268
	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

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Work stream E: Consolidating Corporate Resilience	Enhanced utilisation of capacity at Pinecroft & Cressingham Children's Homes. 18/19 capital equipment	29	48	(27)	21	2	(2)	-	-	-	-	50
	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	132	10	142	-	-	-	-	-	-	206
	Business Improvement	-	107	(4)	103	13	(13)	-	-	-	-	103
	Digitalisation	-	227	(120)	107	-	75	75	-	-	-	182
	Development of traded services	418	70	(70)	-	-	-	-	-	-	-	418
	Transformation Programme Team	580	462	5	467	28	54	82	-	-	-	1,129
	Short Breaks	-	20	-	20	5	(5)	-	-	-	-	20
	Funds to be allocated	-	392	(392)	-	-	-	-	-	-	-	-
		-										-
	<i>Children in Need Team</i>	-				350	-	350	-	-	-	350
	<i>End to end mapping and digitisation of processes</i>	-				120	-	120	-	-	-	120
	<i>End to end demand management</i>	-				125	-	125	-	-	-	125
	<i>SEND Transport Review</i>	-				100	-	100	-	-	-	100
	<i>Improve Traded Services</i>	-				75	-	75	-	-	-	75
	<i>Use AI for referral triage</i>	-				250	-	250	-	-	-	250
	Total: Childrens (BFFC)	1,877	2,528	(1,035)	1,493	1,646	206	1,852	-	-	-	5,222

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Resources used for the facilitation of the delivery of the Programme wide savings	Strategic Lead for Transformation	261	-	-	-	-	-	-	-	-	-	261
	Project Support	16		-	-	-	-	-	-	-	-	16
	Programme Officer	103		-	-	-	-	-	-	-	-	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	197		-	-	-	-	-	-	-	-	197
Transformation of wellbeing; ASC Restructure	Transformation Project Manager 2	112		-	-	-	-	-	-	-	-	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	144		-	-	-	-	-	-	-	-	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	102		-	-	-	-	-	-	-	-	102
Review and Right Sizing Care Packages & Stretch Targets Investment to secure ongoing savings	Social Workers X6 (S117, LDX2, MH, OP, PD)	676		-	-	-	-	-	-	-	-	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	191	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	30		-	-	-	-	-	-	-	-	30
Delivery Models for Commissioning, Prevention & Quality Services	Senior Transformation Manager	53	36	40	76	48	-	48	-	-	-	177

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
	Workforce consultancy & Training Programmes (Partners for change)	123		-	-	-	-	-	-	-	-	123
	Transitions - operational consultant	-		21	21		-		-	-	-	21
	Direct Payments - 2x PA Officers	-	15	(2)	13	79	2	81	-	-	-	94
	Locum Social Workers x4 Reviewing Team Project	-	64	(55)	9	188	55	243	-	-	-	252
Investment in Technology Enabled Care at home	Funding for TECH Team	-	35	(35)	-	104	35	139	-	-	-	139
Enhanced reablement for mental health and learning disability service users	Transformation Partner MH/LD	-	60	(60)	-	-	60	60	-	-	-	60
Total: Directorate of Adults Social Care and Health (DACHS)		2,107	292	(173)	119	419	152	571	-	-	-	2,797

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Working across workstream of Corporate Change Programme to deliver savings and transformation	Project Officer 1	51		-	-	-	-	-	-	-	-	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	189		-	-	-	-	-	-	-	-	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	89		-	-	-	-	-	-	-	-	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	12		-	-	-	-	-	-	-	-	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	53		-	-	-	-	-	-	-	-	53
	Communications Officer	10		-	-	-	-	-	-	-	-	10
	Consultant Support	11		-	-	-	-	-	-	-	-	11
	Consultant Support (Car park surveys / database set-up)	107		-	-	-	-	-	-	-	-	107
	Project Delivery	273		-	-	-	-	-	-	-	-	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	2	18	19	(2)	17	-	-	-	51
Alternative delivery models - identify and prioritise those services that are most likely to yield a significant saving	General resource	173	74	(31)	43			-	-	-	-	216
	Project Manager	37		-	-	-	-	-	-	-	-	37
	Cost Consultant	-	59	(59)				-	-	-	-	-

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
most likely to yield a significant saving with the 3-year MTFS period	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	5	80	-	-	-	-	-	-	148
Car Park management processes through IT improvements and staff reductions	Car parking equipment and capital	337	63	9	72	-	-	-	-	-	-	409
		-		-					-	-	-	-
Review enforcement contract	Consultancy support	-	50	(50)					-	-	-	-
	Project Manager	17	65	1	66				-	-	-	83
	Consultants to carry out modelling	8		-					-	-	-	8
Food Waste	Stickers and Leaflets (Phases 1 & 2)	-	36	(11)	25	-	11	11	-	-	-	36
	Mailout to all residents	-	32	(10)	22	-	10	10	-	-	-	32
	Communications time and production	-	47	(15)	32	-	15	15	-	-	-	47
	Marketing	-	110	(25)	85	-	24	24	-	-	-	109
Maximising Income from the Town Hall & Museum	One-off investment - equipment, marketing, consultancy	-		-	-	-	41	41	-	-	-	41
Transport and Parking Review	Consultant Support	-	156	1	157							157
Total: Directorate of Economic Growth and Neighbourhoods (DEGNS)		1,561	783	(183)	600	19	99	118	-	-	-	2,279
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	(1,570)	350	1,308	1,782	1,782	5,222
Total: Unallocated / Contingency		-	843	(843)	-	1,920	(1,570)	350	1,308	1,782	1,782	5,222

Changes to Delivery Fund Projects Since February 2021

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2020/21 Budget (£,000's)	2020/21 Change (£,000's)	2020/21 Actual (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Forecast (£,000's)	2022/23 Proposed Budget (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)	
				-			-		-	-	-	-	
Digitisation - cross cutting savings and redesign of Council-wide services	Digital Services Developer x2	-				-	80	80				80	
<i>Customer Service and Corporate Improvement Service</i>	<i>Senior Project Manager, Business Analyst x3</i>	-							337	-	-	337	
	Modernising CIPSC's	-	-	10	10					-	-	10	
	Transitions Top Up - Transitions Practitioner	-				-	31	31		-	-	31	
	Outcome based Service Delivery - Locum Worker and OT	-				-	133	133		-	-	133	
	PM for outcomes, decision making and outreach.	-				-	48	48	64	16		128	
	PM for Front Door, Reading Services Guide and Digital Front Door.	-					48	48	16	-		64	
	Reducing the number of overdue reviews	-					143	143		-		143	
	Reduce people waiting for Mental Capacity Assessments to move from Appointee to Court Appointed Deputy	-						49	49		-	-	49
	Physiotherapist for community rehabilitation post rapid hospital discharge	-						57	57		-	-	57
	Relaunch & expand NHS Health Checks Programme	-						56	56		-	-	56
	CHC Resource	-						87	87		-	-	87
	Commissioning Quality Assurance	-						44	44		-	-	44
Transformation of SEND system	SEND Placements Officer, Project Manager, Data Analyst						109	109	221			330	
Reduction in demand of statutory children's social care	Project Manager, Data Analyst, Consultancy						60	60	180			240	
Total: New Projects		-	-	10	10	-	945	945	818	16	-	1,789	
Total: All Projects		7,788	5,881	(2,625)	3,256	4,733	246	4,979	2,126	1,798	1,782	21,729	
	Available Capital Receipts	(7,788)			(3,256)			(4,287)	(2,126)	(1,798)	(1,782)	(21,037)	
	Additional Revenue Resources							(692)				(692)	
	Total Funding	(7,788)			(3,256)			(4,979)	(2,126)	(1,798)	(1,782)	(21,729)	

Proposed Fees and Charges from 1st April 2022 - Directorate of Adults Care and Health Services

Service	Category	Charge Unit	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
SOCIAL CARE SERVICES						
Whitley Wood Hostel - Respite LD Day Services	Weekday - 1:1 Bed	Night	581.70		27.20	4.9%
	1:4 Service	Day	85.80		4.10	5.0%
	1:2 Service	Day	134.70		6.30	4.9%
	1:1 Service	Day	232.80		10.90	4.9%
Maples Resource Centre (Day Care)		Day	48.00		2.30	5.0%
Day Centre Meals		Meal				6.4%
			5.00	6.00	0.30	
Home Care Services - CRT	Use of Reading Borough Council services after reablement period Rate 1	Hour	20.20		1.00	5.2%
	Use of Reading Borough Council services after reablement period Rate 2	Hour	41.10		2.00	5.1%
OTHER CHARGES						
Self Funder	Set up charge	Once	325.20		15.20	4.9%
	Annual Fee	Year	267.50		12.50	4.9%
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		-	0.0%
	Admin set up Fee (Other administrative set-up costs)	Once	162.40		7.60	4.9%
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	260.00		12.20	4.9%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
CONCESSIONARY FARES								
Concessionary Fares Replacement Pass	Market Rate	Each	£10.42	£12.50	£10.42	£12.50	£0.00	0.0%
Car Park Charge at Mere oak Park & Ride Site	Concession Rate	Each	£0.83	£1.00	£0.83	£1.00	£0.00	0.0%
Access Fee for the Reading Transport Model	Market Rate	Each	£433.33	£520.00	£433.33	£520.00	£0.00	0.0%
Access Fee for the Reading Transport Model	Buzz 42 Bus Ticket	Each	£0.83	£1.00	£0.92	£1.10	£0.09	10.8%
PARKS								
Mooring	Standard	24 hrs	£7.92	£9.50	£7.92	£9.50	£0.00	0.0%
	Standard	up to 4hrs	£3.33	£4.00	£3.33	£4.00	£0.00	0.0%
Allotments	Site Category A Standard	Per year Per 25 sqm	£7.80		£7.80		£0.00	0.0%
	Site Category A YRP discount	Per year Per 25 sqm	£7.00		£7.00		£0.00	0.0%
	Site Category A Concession	Per year Per 25 sqm	£1.25		£1.25		£0.00	0.0%
	Site Category B Standard	Per year Per 25 sqm	£5.80		£5.80		£0.00	0.0%
	Site Category B YRP discount	Per year Per 25 sqm	£5.30		£5.30		£0.00	0.0%
	Site Category B Concession	Per year Per 25 sqm	£0.95		£0.95		£0.00	0.0%
	Site Category C Standard	Per year Per 25 sqm	£3.90		£3.90		£0.00	0.0%
	Site Category C YRP discount	Per year Per 25 sqm	£3.50		£3.50		£0.00	0.0%
	Site Category C Concession	Per year Per 25 sqm	£0.65		£0.65		£0.00	0.0%
	Start Up Fees Standard	Each	£35.80		£35.80		£0.00	0.0%
	Start Up Fees Your Reading Passport General	Each	£27.80		£27.80		£0.00	0.0%
	Start Up Fees Your Reading Passport Concession	Each	£9.00		£9.00		£0.00	0.0%
	Shed Rental	Each	£14.50		£14.50		£0.00	0.0%
Chickens	Per year Per 25 sqm	£14.50		£14.50		£0.00	0.0%	

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
HIGHWAYS								
Drainage Works	Rodding - Daytime	Each	Price on Application	Price on Application	Price on Application	Price on Application	Price on Application	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	Price on Application	Price on Application	Price on Application	Price on Application	Price on Application	
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						
Solicitor Enquiries	Map Reproduction	first plan	£53.40	£64.08	£56.00	£67.20	£2.60	4.9%
	Map Reproduction	Each additional plan	£25.00	£30.00	£26.25	£31.50	£1.25	5.0%
	Supervision Of Works (Project <£250k)	cost of works	Price on Application	Price on Application	Price on Application	Price on Application	Price on Application	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	£110.00	£132.00	£0.00	0.0%
	Annual Licence fee	Each	£80.00	£96.00	£80.00	£96.00	£0.00	0.0%
	Recovery of A board from store	Each	£57.50	£69.00	£60.50	£72.60	£3.00	5.2%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %	
HIGHWAYS									
Miscellaneous Income	Scaffold / Hoarding Licence Fee - Resident	Up to 4 weeks	£175.00	£210.00	£183.58	£220.30	£8.58	4.9%	
	Scaffold / Hoarding Licence Fee - Commercial	Up to 4 weeks	£290.00	£348.00	£304.17	£365.00	£14.17	4.9%	
	Scaffold / Hoarding Licence Fee - Renewal	Further period of up to 4 weeks.	£133.75	£160.50	£140.33	£168.40	£6.58	4.9%	
	Stopping up of the public highway applications	Each	£820.00	£984.00	£860.00	£1,032.00	£40.00	4.9%	
	S171 Licence (e.g. works on highway or store building material on the highway)	Up to 4 weeks	£415.00	£498.00	£435.00	£522.00	£20.00	4.8%	
		each additional week or part week	£26.67	£32.00	£28.00	£33.60	£1.33	5.0%	
	S142 Licence to plant on highway	Each	£200.90	£241.08	£210.83	£253.00	£9.93	4.9%	
	S177 Projection over highway	Each	£415.00	£498.00	£435.33	£522.40	£20.33	4.9%	
	Consenting on ordinary waterCourse	Each	£50.00	£60.00	£50.00	£60.00	£0.00	0.0%	
	Swapouts	Each	£398.75	£478.50	£418.33	£502.00	£19.58	4.9%	
	Application fee for access protection markings to existing footway crossings	Each	Price on Application			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 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
STREETCARE								
Special Collections	Collection of 3 Items	Each	£50.00		£52.50		£2.50	5.0%
	Collection of 3 Items - Concession	Each	£37.50		£39.40		£1.90	5.1%
	Each additional item	Each	£8.00		£8.40		£0.40	5.0%
	Fridge freezers - Domestic fridge/freezer (tall)	Each	£48.00		£50.40		£2.40	5.0%
	Fridge freezers - Concession	Each	£36.00		£37.80		£1.80	5.0%
	Cancellation charge (less than 3 days before collection)	Each	£11.20		£11.80		£0.60	5.4%
	- Half load	1/2 load	Price on Application		Price on Application			
- Full load	1 Load	Price on Application		Price on Application				
Trade Waste	Trade General sack in multiples of 50	Per 50	£142.50		£150.00		£7.50	5.3%
	Trade recycling sack in multiples of 50	Per 50	£97.50		£102.50		£5.00	5.1%
Bins (Wheeled/other)	240 litre new (plastic) - Domestic residual	Each	£49.70		£60.00		£10.30	20.7%
	240 litre replacement - recycling (new developments)	Each	£49.70		£60.00		£10.30	20.7%
	140 litre new or replacement bin	Each	£0.00		£24.00		New Charge	N/A
	23 litre food waste caddies	Each	N/a		£0.00		New Charge	N/A
	5 litre food caddies	Each	N/a		£0.00		New Charge	N/A
	180 litre food waste bin for managing agents and new developments	Each	N/a		£36.00		New Charge	N/A
	240l litre food waste bins for managing agents and new developments	Each	N/a		£60.00		New Charge	N/A
	240 litre replacement - recycling (Resident)	Each	£0.00		£0.00		£0.00	0.0%
	360 litre new (plastic) - Domestic	Each	£73.20		£80.00		£6.80	9.3%
	1100 litre (steel) - Trade Waste	Each	Price on Application		Price on Application			
	1100 litre (Plastic) - Trade Waste	Each	Price on Application		Price on Application			
	Delivery of 1100ltr Bin	Each	£15.70		£8.00		£-7.70	-49.0%
Green Waste	Green Waste Service Bin	Per annum	£61.50		£64.60		£3.10	5.0%
	Green Waste Service Bin (Concession)	Per annum	£46.15		£48.50		£2.35	5.1%
	Green Waste Service Bag	Per annum	£20.50		£23.00		£2.50	12.2%
	Green Waste Service Bag (Concession)	Per annum	£15.40		£17.20		£1.80	11.7%
	New/Replacement Green Waste Bin	Each	£38.95		£47.80		£8.85	22.7%
	New/Replacement Green Waste Bag	Each	£12.30		£14.50		£2.20	17.9%
Skip Licences	Skip permit application and first 2 weeks	Each	£80.00		£84.00		£4.00	5.0%
	Skip permit fee for each additional week	Each	£36.00		£38.00		£2.00	5.6%
	Labour cost (clean up team) per hour	Each	Price on Application		Price on Application			
	Tipping waste (transportation and disposal cost) per tonne	Each	Price on Application		Price on Application			
	Hazardous Clinical Waste Collections - per property per collection	Each	Price on Application		Price on Application			
Exterior Cleansing and Graffiti Removal	Graffiti removal - call out and first hour	Each	Price on Application		Price on Application			
	Each additional hour of graffiti removal	Each	Price on Application		Price on Application			
	Emergency biohazard clearance	minimum per job	Price on Application		Price on Application			
	Machine sweeping	minimum per job + tipping	Price on Application		Price on Application			
	Fly tip removal	minimum per job + tipping	Price on Application		Price on Application			
	+ additional labour	minimum per job	Price on Application		Price on Application			

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
HOUSING								
Temporary Accommodation Charges - B&B	One Room	Each	Rent + variable service charge per property is charged				Rent + variable service charge per property is charged	
	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 Rental (Weekly)								
Category A	Council Tenant	Each	£15.64		£15.64		£0.00	0.0%
	Disabled Council Tenant	Each	£14.63		£14.63		£0.00	0.0%
	Other Borough Resident	Each	£15.64	£18.77	£15.64	£18.77	£0.00	0.0%
	Disabled Borough Resident	Each	£14.63	£17.56	£14.63	£17.56	£0.00	0.0%
Category B	Council Tenant	Each	£11.48		£11.48		£0.00	0.0%
	Disabled Council Tenant	Each	£10.46		£10.46		£0.00	0.0%
	Other Borough Resident	Each	£11.48	£13.78	£11.48	£13.78	£0.00	0.0%
	Disabled Borough Resident	Each	£10.46	£12.55	£10.46	£12.55	£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
LIBRARIES								
Overdue Charges	Adult Book - daily (to a maximum of £10.00)	Item	£0.29		£0.30		£0.01	3.4%
	Children's Book - Daily (to a maximum of £3.00)	Item	£0.12		£0.15		£0.03	25.0%
	Children's CD - Story/Teen (to a maximum of £4.00)	Item	£0.12		£0.15		£0.03	25.0%
	CD - SINGLE (to a maximum of £12.00)	Item	£0.50		£0.50		£0.00	0.0%
	CD - Set (to a maximum of £15.00)	Item	£0.60		£0.50		-£0.10	-16.7%
	DVD (to a maximum of £15.00)	Item	£1.20		£1.50		£0.30	25.0%
Hire Charges	Children's CD - Story/Teen	21 Days	£0.00		£0.00		£0.00	N/A
	CD - Single	21 Days	£0.50		£1.00		£0.50	100.0%
	CD Set 2-6	21 Days	£2.00		£1.00		-£1.00	-50.0%
	CD Set 7+	21 Days	£3.00		£1.00		-£2.00	-66.7%
	DVD - 1-2	7 Days	£2.50		£2.00		-£0.50	-20.0%
	DVD Set 3-6	7 Days	£4.00		£4.50		£0.50	12.5%
	DVD Set 7+	7 Days	£4.00		£4.00		£0.00	0.0%
	Children's DVDS	7 Days	£1.00		£2.00		£1.00	100.0%
Audio Visual Subscription (unlimited)	per year	£50.00		£60.00		£10.00	20.0%	
Children's activity Sessions	Cost recovery fee	Per child	£1.00		£1.00		£0.00	0.0%
Reservations	Selms requests	Item	£3.50		£3.50		£0.00	0.0%
	In stock	Item	£0.70		£0.75		£0.05	7.1%
	From the British Library	Item	£10.00		£10.00		£0.00	0.0%
	Periodical Articles	Item	£10.00		£10.00		£0.00	0.0%
Photocopies	A4	per sheet	£0.15		£0.15		£0.00	0.0%
	A3	per sheet	£0.30		£0.30		£0.00	0.0%
Printing from Public Computers	A4 - Black & White	per sheet	£0.15		£0.15		£0.00	0.0%
	A4 - Colour	per sheet	£0.30		£0.30		£0.00	0.0%
Replacement Cards	Library Card Replacement or Provision of pin for Library Card	Item	£3.00		£3.00		£0.00	0.0%
Local Studies Camera Licence		per day	£5.00		£5.00		£0.00	0.0%
Local Studies High Res Scanning		per image	£2.00		£2.00		£0.00	0.0%
Fee for postal item lost notice		per letter	£1.00		£1.00		£0.00	0.0%
Admin fee for lost/damaged stock		per item	£5.00		£5.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
LIBRARIES								
Overdue Charges	Toy - Small - Daily (To a max of 6.00)	Item	£0.15		£0.50		£0.35	233.3%
	Toy - Large - Daily (To a max of 15.00)	Item	£0.40		£0.50		£0.10	25.0%
Vocal Sets Service (RBC Residents)	Borrowing from Reading stock	Set	£5.00		£6.00		£1.00	20.0%
	Overdue charges	Set	£5.00		£6.00		£1.00	20.0%
Vocal Sets Service (Non-RBC Residents)	Borrowing from Reading stock	Set	£10.00		£11.00		£1.00	10.0%
Orchestral Set Service	Booking fee	Set	£10.00		£11.00		£1.00	10.0%
	Overdue charges	Set	£5.00		£6.00		£1.00	20.0%
Drama Sets Service	Borrowing from Reading stock	Set	£5.00		£6.00		£1.00	20.0%
	Overdue charges	Set	As per Adult Book		As per Adult Book			
Book Club Service (RBC Residents)	Annual subscription for group	Group	£20.00		£20.00		£0.00	0.0%
	Borrowing from Reading stock	Set	£0.00		£0.00		£0.00	N/A
	Overdue charges	Set	As per Adult Book		As per Adult Book			
Book Club Service (Non-RBC Residents)	Annual subscription for group	Group	£30.00		£30.00		£0.00	0.0%
	Borrowing from Reading stock	Set	£7.50		£8.00		£0.50	6.7%
	Overdue charges	Set	As per Adult Book		As per Adult Book			
	Lost (in print items)	Full cost of replacement + £5 admin fee	Item	Full cost of replacement +		Varies by item		
Lost (out of print items)	£20 + £5 Admin fee	Item	£20.00		£25.00		£5.00	25.0%
Damaged Items	Varies by item	Item	Varies by item		Varies by item			
Withdrawn Stock	Varies by item	Item	Varies by item		Varies by item			
Photocopying (serviced)	A4 black and white	Sheet	£0.50		£0.50		£0.00	0.0%
	A4 colour	Sheet	£0.50		£0.50		£0.00	0.0%
Photocopying (serviced)	A3 black and white	Sheet	£0.50		£0.50		£0.00	0.0%
	Service charge (does not include postage)	Transaction	£6.00		£6.50		£0.50	8.3%
	Printing from microform	A4 print	Sheet	£1.00		£1.00		£0.00
Printing from microform (serviced)	A3 print	Sheet	£1.00		£1.00		£0.00	0.0%
	A4 print	Sheet	£1.00		£1.00		£0.00	0.0%
	A3 print	Sheet	£1.00		£1.00		£0.00	0.0%
Copies of Local Studies Images	Service charge (does not include postage)	Service	£5.00		£6.00		£1.00	20.0%
	Email	Image	£3.00		£3.00		£0.00	0.0%
Printed - glossy paper	Printed - glossy paper	Image	£5.00		£5.00		£0.00	0.0%
	Study Carrels	10:00-13:00	Session	£3.00		£4.00		£1.00
Study Carrels	13:00-closing time (17:00/19:00)	Session	£3.00		£4.00		£1.00	33.3%
	Library Display Panels	Booking	£6.00		£10.00		£4.00	66.7%
Toy Library	Membership childminders/playgroups	Annual	£15.00		£15.00		£0.00	0.0%
	Membership parents	Annual	£5.00		£5.00		£0.00	0.0%
	Membership schools/nurseries/providers	Annual	£75.00		£75.00		£0.00	0.0%
Hire Charges	Toy Small item	Item	£0.50		£1.00		£0.50	100.0%
	Toy Large item	Item	£1.50		£1.00		-£0.50	-33.3%
	Toy Large/Very large item	Item	£3.00		£1.00		-£2.00	-66.7%
Libraries - gallery fee	Libraries	fortnight	£50.00		£50.00		£0.00	0.0%
Libraries - room hire	Hire of a library space	Per Hour	£30.00		£30.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
PRIVATE SECTOR HOUSING								
Licence for house in multiple occupancy	Band A Licence Fee (Accredited Landlord - proof required)	per application	£690.00		£690.00		£0.00	0.0%
	Band B Licence Fee (Non accredited landlords)	per application	£770.00		£770.00		£0.00	0.0%
	Charge per additional sleeping room over 5	per application	£25.00		£25.00		£0.00	0.0%
	Band A Renewal Fee	per application	£395.00		£395.00		£0.00	0.0%
	Band B Renewal Fee	per application	£475.00		£475.00		£0.00	0.0%
Non Statutory Charge	Assistance with completing the on line HMO Licence application	Hourly	New Fee	New Fee	£83.33	£100.00	New Charge	N/A
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	£490.30	£588.36	£22.90	4.9%
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	£163.33	£196.00	£7.53	4.8%
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	£30.50	£36.60	£1.46	5.0%
Provision of Factual Statement	Factual Statement	per statement	£321.16	£385.39	£336.90	£404.28	£15.74	4.9%
Reading Rent with Confidence Scheme	inspection of each dwelling	per application	£180.00	£216.00	TBA	TBA	N/A	N/A
Non Statutory Inspection Charge	Inspection and schedule of works for empty homes	up to 4 hours	£311.60	£373.92	£326.87	£392.24	£15.27	4.9%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
LICENSING								
PREMISES LICENCES								
Gambling - Adult Gaming Centre Premises Licence	new application - 1st time of licencing	per licence	£1,391.00		£1,459.00		£68.00	4.9%
	annual fee	per licence	£876.00		£919.00		£43.00	4.9%
	variation	per licence	£988.00		£1,000.00		£12.00	1.2%
	transfer	per licence	£1,200.00		£1,200.00		£0.00	0.0%
	re-instatement	per licence	£1,000.00		£1,000.00		£0.00	0.0%
	provisional statement	per statement	£1,350.00		£1,350.00		£0.00	0.0%
	provisional statement - holder	per licence	£1,000.00		£1,000.00		£0.00	0.0%
	copy of licence	per licence	£22.00		£23.00		£1.00	4.5%
Gambling - Betting (Other) Premises licence	notification of change	per licence	£22.00		£23.00		£1.00	4.5%
	new	per licence	£1,236.00		£1,296.00		£60.00	4.9%
	annual fee	per licence	£494.00		£518.00		£24.00	4.9%
	variation	per licence	£824.00		£864.00		£40.00	4.9%
	transfer	per licence	£876.00		£919.00		£43.00	4.9%
	re-instatement	per licence	£876.00		£919.00		£43.00	4.9%
	provisional statement	per statement	£1,236.00		£1,296.00		£60.00	4.9%
	provisional statement - holder	per licence	£824.00		£864.00		£40.00	4.9%
Gambling - Bingo Premises licence	copy of licence	per licence	£22.00		£23.00		£1.00	4.5%
	notification of change	per licence	£22.00		£23.00		£1.00	4.5%
	new	per licence	£2,287.00		£2,399.00		£112.00	4.9%
	annual fee	per licence	£876.00		£919.00		£43.00	4.9%
	variation	per licence	£1,133.00		£1,189.00		£56.00	4.9%
	transfer	per licence	£1,236.00		£1,200.00		£36.00	-2.9%
	re-instatement	per licence	£1,236.00		£1,200.00		£36.00	-2.9%
	provisional statement	per statement	£2,266.00		£2,377.00		£111.00	4.9%
Gambling - Casino Premises licence	provisional statement - holder	per licence	£1,133.00		£1,189.00		£56.00	4.9%
	copy of licence	per licence	£22.00		£23.00		£1.00	4.5%
	notification of change	per licence	£22.00		£23.00		£1.00	4.5%
	new - 1st time licence	per licence	£1,183.00		£1,241.00		£58.00	4.9%
	annual fee	per licence	£1,442.00		£1,513.00		£71.00	4.9%
	variation	per licence	£1,545.00		£1,621.00		£76.00	4.9%
	transfer	per licence	£1,350.00		£1,416.00		£66.00	4.9%
	re-instatement	per licence	£1,300.00		£1,364.00		£64.00	4.9%
Gambling - Family Entertainment Centre Premises Licence	copy of licence	per licence	£22.00		£23.00		£1.00	4.5%
	notification of change	per licence	£22.00		£23.00		£1.00	4.5%
	new	per licence	£1,751.00		£1,836.80		£85.80	4.9%
	annual fee	per licence	£773.00		£750.00		£23.00	-3.0%
	variation	per licence	£876.00		£919.00		£43.00	4.9%
	transfer	per licence	£876.00		£919.00		£43.00	4.9%
	re-instatement	per licence	£876.00		£919.00		£43.00	4.9%
	provisional statement	per statement	£1,854.00		£1,945.00		£91.00	4.9%
Gambling - Family Entertainment Centre Premises Licence	provisional statement - holder	per licence	£824.00		£864.00		£40.00	4.9%
	copy of licence	per statement	£22.00		£23.00		£1.00	4.5%
	notification of change	per statement	£22.00		£23.00		£1.00	4.5%
	notification of change	per statement	£22.00		£23.00		£1.00	4.5%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
LICENSING								
Gambling - Track premises licence	new	per statement	£1,751.00		£1,837.00		£86.00	4.9%
	annual fee	per statement	£1,030.00		£1,000.00		-£30.00	-2.9%
	variation	per statement	£876.00		£919.00		£43.00	4.9%
	transfer	per licence	£876.00		£919.00		£43.00	4.9%
	re-instatement	per licence	£876.00		£919.00		£43.00	4.9%
	provisional statement	per statement	£1,854.00		£1,945.00		£91.00	4.9%
	provisional statement - holder	per licence	£824.00		£864.00		£40.00	4.9%
	copy of licence	per licence	£22.00		£23.00		£1.00	4.5%
	notification of change	per licence	£22.00		£23.00		£1.00	4.5%
Unlicensed Family Entertainment Centre	New	per permit	£300.00		£300.00		£0.00	0.0%
	Renewal	per permit	£300.00		£300.00		£0.00	0.0%
	Change of Name	per permit	£25.00		£25.00		£0.00	0.0%
	Copy of Permit	per permit	£15.00		£15.00		£0.00	0.0%
Prize Gaming Permit	Permit	per permit	£300.00		£300.00		£0.00	0.0%
	Renewal	per permit	£300.00		£300.00		£0.00	0.0%
	Change of Name	per permit	£25.00		£25.00		£0.00	0.0%
	Copy of Permit	per permit	£15.00		£15.00		£0.00	0.0%
Sex Shop Licence	Grant/Renewal of Licence	per licence	£1,082.00		£1,135.00		£53.00	4.9%
Sex Entertainment Licence (SEV)	Grant of Licence	per licence	£2,575.00		£2,701		£126.18	4.9%
	Renewal of Licence	per licence	£1,947.00		£2,042		£95.40	4.9%
	Variation	per licence	£1,011.00		£1,061		£49.54	4.9%
	Transfer	per licence	£124.00		£130.00		£6.00	4.8%
Film Classification	Film Classification (local film festivals)	per 15 mins or part thereof (of the film)	£15.00		£15.00		£0.00	0.0%
Street Trading Outside Town Centre	OUT OF TOWN - Grant/ Renewal (Fast Food)	per stall/per application	£2,421.00		£2,421.00		£0.00	0.0%
	OUT OF TOWN - Grant/Renewal (sandwich/Ice cream/retail food)	per stall/per application	£901.00		£901.00		£0.00	0.0%
	OUT OF TOWN - Grant/Renewal (Non Food)	per stall/per application	£464.00		£464.00		£0.00	0.0%
	OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up 3m (Trading dates listed on licence)	up to 3 x3 m single trader stall per day	£129.00		£129.00		£0.00	0.0%
	OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up 3m (Trading dates listed on licence)	up to 3 x3 m single trader stall per day	£98.00		£98.00		£0.00	0.0%
	OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up to 6 m (Trading dates listed on licence)	up to 6 x6 m single trader stall per day	£206.00		£206.00		£0.00	0.0%
	OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up to 6 m (Trading dates listed on licence)	up to 6 x6 m single trader stall per day	£144.00		£144.00		£0.00	0.0%
	OUT OF TOWN - Occasional (9-14 days per year) (Trading dates listed on licence)	Single trader	£26.00		£26.00		£0.00	0.0%
	OUT OF TOWN - Occasional (15-45 days per year) (Trading dates listed on licence)	Single trader	£15.00		£15.00		£0.00	0.0%
	OUT OF TOWN - Occasional (46-60 days per year) (Trading dates listed on licence)	Single trader	£8.00		£8.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
LICENSING								
Street Trading Town Centre	Town Centre - Grant/ Renewal (Broad Street)	per stall	£6,129.00		£6,129.00		£0.00	0.0%
	Town Centre - Grant/ Renewal (Bridge Street)	per stall	£6,129.00		£6,129.00		£0.00	0.0%
	Town Centre - Grant/ Renewal (Reading Station)	per stall	£6,129.00		£6,129.00		£0.00	0.0%
	Town Centre - Market not under charter 1-14 days per yr	up to 3 x3 m single trader stall per day	£12.00		£12.00		£0.00	0.0%
	Town Centre - Market not under charter 15-60 days per yr	up to 3 x3 m single trader stall per day	£4.00		£4.00		£0.00	0.0%
	Town Centre - Market not under charter 1-14 days per yr	>over3x3m single trader stall per day	£15.00		£15.00		£0.00	0.0%
	Town Centre - Market not under charter 15-60 days per yr	>over3x3m single trader stall per day	£6.00		£6.00		£0.00	0.0%
	All Street Traders - Variation	per stall	£247.00		£247.00		£0.00	0.0%
	All Street Traders - Additional Street Trading Assistant	per assistant	£15.00		£15.00		£0.00	0.0%
	All Street Traders - fee for paying by direct debit - no other instalment system allowed	per application	£52.00		£52.00		£0.00	0.0%
Scrap Metal	Site Licence - new/renewal	per 3 year licence	£876.00		£876.00		£0.00	0.0%
	Collectors Licence -new/renewal	per 3 year licence	£577.00		£577.00		£0.00	0.0%
	Variation of Site Licence /Collectors Licence	per licence	£260.00		£260.00		£0.00	0.0%
	Simple Variation (ie. admin changes) for site Licence or Collector	per licence	£76.00		£76.00		£0.00	0.0%
	Replacement Licence or badge for collector	per licence	£15.00		£15.00		£0.00	0.0%
Pavement Café	Town Centre/Out of Town - Initial Charge (up to Sept 2022)	per annum	£100.00		£100.00		£0.00	0.0%
	Town Centre/Out of Town - Initial Charge (from Oct 2022)	per annum	£268.00		£268.00		£0.00	0.0%
	Town Centre - Plus payment per table	per annum	£77.00		£77.00		£0.00	0.0%
	Out of Town - Plus payment per table	per annum	£39.00		£39.00		£0.00	0.0%
Caravan Site Licence	Grant	per site	£714.00		£714.00		£0.00	0.0%
	Transfer	per site	£328.00		£328.00		£0.00	0.0%
	Variation	per site	£489.00		£489.00		£0.00	0.0%
	Annual Fee (less than 10 units)	per site	£258.00		£258.00		£0.00	0.0%
	Annual fee (less than 30 units)	per site	£288.00		£288.00		£0.00	0.0%
	Annual fee (more than 30 Units)	per site	£318.00		£318.00		£0.00	0.0%
	copies of site licence	per site	£15.00		£15.00		£0.00	0.0%
	Application to be included on the Fit & Proper Person Register	per site every 5 years	£0.00		£176.00		New Charge	N/A
Other Fees	Check & Submit Service	Each	£100.45		£103.00		£2.55	2.5%
	Pre-application advice and site visit	Each	£160.93		£165.00		£4.07	2.5%
	DBS Standard	per person	£32.00		£32.00		£0.00	0.0%
	Door Safe log Book	per book	£15.00		£15.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
LICENSING								
TRANSPORT LICENCES								
Hackney Carriage	Hackney carriage Vehicle grant or renewal	per operator	£400.00		£400.00		£0.00	0.0%
	3 Year Hackney carriage driver new/ renewal (not including disclosure fee)	per operator	£328.00		£328.00		£0.00	0.0%
Private Hire Operators - 1 Year Grant	Each additional applicant	per operator	£245.00		£245.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£806.00		£806.00		£0.00	0.0%
	4-10 Vehicles	per operator	£1,292.00		£1,292.00		£0.00	0.0%
	11-40 Vehicles	per operator	£2,572.00		£2,572.00		£0.00	0.0%
	41-100 Vehicles	per operator	£4,314.00		£4,314.00		£0.00	0.0%
	101+ Vehicles	per operator	£5,181.00		£5,181.00		£0.00	0.0%
Private Hire Operators - 1 Year Renewal	Each additional applicant	per operator	£185.00		£185.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£561.00		£561.00		£0.00	0.0%
	4-10 Vehicles	per operator	£892.00		£892.00		£0.00	0.0%
	11-40 Vehicles	per operator	£1,977.00		£1,977.00		£0.00	0.0%
	41-100 Vehicles	per operator	£3,583.00		£3,583.00		£0.00	0.0%
	101+ Vehicles	per operator	£4,333.00		£4,333.00		£0.00	0.0%
Private Hire Operators - 5 Year Grant	Each additional applicant	per operator	£245.00		£245.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£2,125.00		£2,125.00		£0.00	0.0%
	4-10 Vehicles	per operator	£3,150.00		£3,150.00		£0.00	0.0%
	11-40 Vehicles	per operator	£8,020.00		£8,020.00		£0.00	0.0%
	41-100 Vehicles	per operator	£15,241.00		£15,241.00		£0.00	0.0%
	101+ Vehicles	per operator	£18,851.00		£18,851.00		£0.00	0.0%
Private Hire Operators - 5 Year Renewal	Each additional applicant	per operator	£185.00		£185.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£2,065.00		£2,065.00		£0.00	0.0%
	4-10 Vehicles	per operator	£3,092.00		£3,092.00		£0.00	0.0%
	11-40 Vehicles	per operator	£7,917.00		£7,917.00		£0.00	0.0%
	41-100 Vehicles	per operator	£15,191.00		£15,191.00		£0.00	0.0%
	101+ Vehicles	per operator	£18,730.00		£18,730.00		£0.00	0.0%
Private Hire Vehicle and Driver	Private Hire Vehicle grant or renewal	per application	£315.00		£315.00		£0.00	0.0%
	Executive vehicle grant or renewal	per application	£352.00		£352.00		£0.00	0.0%
	3 Year driver new/renewal (not including disclosure fee)	per application	£319.00		£319.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
TRANSPORT LICENCES								
School Transport	School Transport vehicle (Class IV) vehicle	per application	£100.00		£100.00		£0.00	0.0%
	3 year ST driver grant/renewal (not incl disclosure fee)	per application	£240.00		£240.00		£0.00	0.0%
School Transport - 1 Year Grant	Each additional applicant	per operator	£245.00		£245.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£445.00		£445.00		£0.00	0.0%
	4-10 Vehicles	per operator	£836.00		£836.00		£0.00	0.0%
	11-40 Vehicles	per operator	£1,727.00		£1,727.00		£0.00	0.0%
	41-100 Vehicles	per operator	£2,251.00		£2,251.00		£0.00	0.0%
	101+ Vehicles	per operator	£3,141.00		£3,141.00		£0.00	0.0%
School Transport - 1 Year Renewal	Each additional applicant	per operator	£145.00		£145.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£345.00		£345.00		£0.00	0.0%
	4-10 Vehicles	per operator	£570.00		£570.00		£0.00	0.0%
	11-40 Vehicles	per operator	£1,132.00		£1,132.00		£0.00	0.0%
	41-100 Vehicles	per operator	£1,513.00		£1,513.00		£0.00	0.0%
	101+ Vehicles	per operator	£2,290.00		£2,290.00		£0.00	0.0%
School Transport - 5 Year Grant	Each additional applicant	per operator	£245.00		£245.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£1,245.00		£1,245.00		£0.00	0.0%
	4-10 Vehicles	per operator	£2,324.00		£2,324.00		£0.00	0.0%
	11-40 Vehicles	per operator	£4,955.00		£4,955.00		£0.00	0.0%
	41-100 Vehicles	per operator	£6,763.00		£6,763.00		£0.00	0.0%
	101+ Vehicles	per operator	£10,351.00		£10,351.00		£0.00	0.0%
School Transport - 5 Year Renewal	Each additional applicant	per operator	£145.00		£145.00		£0.00	0.0%
	1 -3 Vehicles	per operator	£1,145.00		£1,145.00		£0.00	0.0%
	4-10 Vehicles	per operator	£2,058.00		£2,058.00		£0.00	0.0%
	11-40 Vehicles	per operator	£4,620.00		£4,620.00		£0.00	0.0%
	41-100 Vehicles	per operator	£6,333.00		£6,333.00		£0.00	0.0%
	101+ Vehicles	per operator	£9,890.00		£9,890.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
TRANSPORT LICENCES								
Other Charges - Vehicle	Vehicle Transfer of ownership -(admin only + issue licence)	per application	£48.00		£48.00		£0.00	0.0%
	Replace vehicle plate (4 new tags+plate+30 mins)	per vehicle	£58.00		£58.00		£0.00	0.0%
	temporary replacement Hackney Carriage or Private Hire Vehicle Plate	per application	£47.00		£47.00		£0.00	0.0%
	HC Taxi livery design + 1 vehicle	per application	£136.00		£136.00		£0.00	0.0%
	HC Livery - Additional vehicle check	per vehicle	£38.00		£38.00		£0.00	0.0%
	HC Taxi livery renewal +1 vehicle	per application	£89.00		£89.00		£0.00	0.0%
	<3 YEAR COMPLIANCE TEST - PH, EXEC, HC OR ST	per application	£35.00		£35.00		£0.00	0.0%
	AGED VEHICLE CHECK - PH, ST or Executive Vehicles over age 10 years +	per vehicle	£35.00		£35.00		£0.00	0.0%
	ULEV VEHICLE	per vehicle	25% of Standard fee for a HC, PH, EXEC, ST vehicle		25% of Standard fee for a HC, PH, EXEC, ST vehicle as appropriate			
	100% ELECTRIC VEHICLE	per vehicle	50% of Standard fee for a HC, PH, EXEC, ST vehicle		50% of Standard fee for a HC, PH, EXEC, ST vehicle as appropriate			
Other Charges - Driver	Driver knowledge test	per driver	£43.00		£43.00		£0.00	0.0%
	Rescheduled new driver interview/ (no shows)	per driver	£15.00		£15.00		£0.00	0.0%
	Change of Application HC to PH or PH to HC	per application	£33.00		£33.00		£0.00	0.0%
	Replacement badge or licence (incl change of address)	per driver	£15.00		£15.00		£0.00	0.0%
	Basic DBS (PHO, STO)	per applicant	£34.40		£34.40		£0.00	0.0%
	DBS Enhanced (HC, PH, ST driver)	per driver	£52.40		£52.40		£0.00	0.0%
	Driver - Visa Expiry (2 Badges, 1 cert+admin fee)	per driver	£77.00		£77.00		£0.00	0.0%
Other Charges - Operator	Operator logbook	Per logbook	£3.50		£3.50		£0.00	0.0%
	Admin charge + copy of the licence	per operator	£48.00		£48.00		£0.00	0.0%
	Copy of the licence	Per Operator	£15.00		£15.00		£0.00	0.0%
Other Charges - General	Bounced Cheque	Each	£33.00		£33.00		£0.00	0.0%
	Admin Charge	Each	£33.00		£33.00		£0.00	0.0%
	Factual Statement	Each	£140.00		£140.00		£0.00	0.0%
	Check and submit taxi application form	Each	£98.00		£98.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
FOOD & SAFETY								
Courses	Level 2 Food Safety & Hygiene Course (One day)	per candidate	£74.00		£78.00		£4.00	5.4%
	Level 2 Food Safety in Catering Exam- re-sit fee	per candidate	£42.00		£44.00		£2.00	4.8%
	Level 2 Food Safety - replacement certificate	Each	£86.00		£90.00		£4.00	4.7%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£825.00		£865.00		£40.00	4.8%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£1,070.00		£1,122.00		£52.00	4.9%
	Additional candidates for level 2 Course on clients premises	Each	£82.00		£86.00		£4.00	4.9%
	Level 3 Supervising food hygiene & safety (min 6 candidates)	Each	£332.00		£348.00		£16.00	4.8%
	Level 3 Supervising food hygiene & safety (2 or more candidates)	Each	£300.00		£315.00		£15.00	5.0%
	Level 3 Supervising food hygiene & safety (up to 10 candidates)	Each	£2,640.00		£2,769.00		£129.00	4.9%
	Preparation & delivery of bespoke Training	Each	£152.00		£159.00		£7.00	4.6%
Food Hygiene Visits	Fee for missed Food Hygiene premises inspection visit where appointment made	Each	£38.00	£45.60	£40.00	£48.00	£2.00	5.3%
	Food Hygiene Rating Scheme re-inspection	Each	£200.00	£240.00	£210.00	£252.00	£10.00	5.0%
Food Hygiene Miscellaneous	Fishery Product Inspections per tonne (set by statute) - 1 Euro/ £0.90	Each	£0.90				-£0.90	0.0%
	Approved Cold Store inspection per hour per Officer	Each	£78.00		£82.00		£4.00	5.1%
	Export Health Certificate/Endorsement + additional fee based on hourly rate for food inspection	Each	£165.00		£173.00		£8.00	4.8%
	Condemned Food Certificate	Each	£142.00		£149.00		£7.00	4.9%
	Administration Fee/Cancellation Fee	Each	£34.00		£36.00		£2.00	5.9%
	Factual Statement to solicitors & others	Each	£161.00		£169.00		£8.00	5.0%
	Additional documents	Each	£106.00		£111.00		£5.00	4.7%
Special treatments	Single treatment Premises (premises +1 operator) One Off payment. (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	per premises +1 operator	£268.00		£281.00		£13.00	4.9%
	Single treatment Operator (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	per operator - One Off payment	£47.00		£49.00		£2.00	4.3%
	Special Treatment Operator/premises Replacement Certificate (no changes)	per certificate	£32.00		£34.00		£2.00	6.3%
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	£222.00	£266.00	£10.00	4.7%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
PRIMARY AUTHORITY AND BUSINESS ADVICE								
Primary Authority Business Advice	Commercial property search		£74.00		£78.00		£4.00	5.4%
	Mini Primary Authority fee / minimum annual PA fee	less than 7 hours advice per year	£575.00		£603.00		£28.00	4.9%
	Medi Primary Authority Fee	less than 25 hours advice per year	£1,950.00		£2,046.00		£96.00	4.9%
	Pay as You Go standing charge (PAYG)	per profession	£1,600.00		£1,678.00		£78.00	4.9%
	Primary Authority Advice (Admin Officer)	per hour			£67.00		New Charge	N/A
	Primary Authority Partnership advice (EHO, TSO, Lice Officer)	per hour	£78.00		£82.00		£4.00	5.1%
	Primary Authority Set up fee	per business	£270.00		£283.00		£13.00	4.8%
Business Advice - Regulation Services	Start Up advisory /Reg Services Health Check (Option 2)	per premises	£156.00		£164.00		£8.00	5.1%
	Bespoke Service (Option 3) then hourly rate	per business	£820.00		£860.00		£40.00	4.9%
Business Advice	Outside a Primary Authority Partnership	per hour	£78.00		£82.00		£4.00	5.1%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %	
TRADING STANDARDS & Coroners									
Petroleum Spirits (set by statute)	Up to 2500 litres	per licence	£44.00		£45.00		£1.00	2.3%	
	2500-50,000 litres	per licence	£60.00		£61.00		£1.00	1.7%	
	Over 50,000 litres	per licence	£125.00		£128.00		£3.00	2.4%	
	Transfer of Licence	per licence	£8.00		£8.00		£0.00	0.0%	
	Petroleum Search	per search	£74.00		£74.00		£0.00	0.0%	
Weights and Measures Verification Fees	Technical Officer Hourly Rate	Per Hour	£36.74		£39.00		£2.26	6.2%	
	Weights and Measures Inspector Hourly Rate	Per Hour	£61.32		£64.00		£2.68	4.4%	
Explosives (Set by statute)	Licence to store explosives no min separation							£0.00	0.0%
	1 year	per Licence	£109.00		£111.00		£2.00	1.8%	
	2 year	per Licence	£141.00		£144.00		£3.00	2.1%	
	3 Year	per Licence	£173.00		£177.00		£4.00	2.3%	
	4 Year	per Licence	£206.00		£211.00		£5.00	2.4%	
	5 Year	per Licence	£238.00		£243.00		£5.00	2.1%	
	Renewal to store explosives no minimum separation							£0.00	0.0%
	1 Year	per Licence	£54.00		£55.00		£1.00	1.9%	
	2 Year	per Licence	£86.00		£88.00		£2.00	2.3%	
	3 Year	per Licence	£120.00		£123.00		£3.00	2.5%	
	4 Year	per Licence	£152.00		£155.00		£3.00	2.0%	
	5 Year	per Licence	£185.00		£189.00		£4.00	2.2%	
	Variation/Transfer/Replacement	per Licence	£36.00		£37.00		£1.00	2.8%	
	Year round to sell fireworks	per Licence	£500.00		£500.00		£0.00	0.0%	
Courses British Institute of Inn keeping Awarding Body Courses		per person	£75.00		£79.00		£4.00	5.3%	
Coroner (Set by Statute)	Paper copy of document under 10 pages	First 10	£5.00		£5.00		£0.00	0.0%	
	Additional pages	Each	£0.50		£0.50		£0.00	0.0%	
	Document other than email or paper	Each	£5.00		£5.00		£0.00	0.0%	
	Inquest transcript of not more than 360 words	Each	£6.20		£6.20		£0.00	0.0%	
	for a copy of 361 to 1440 words	Each	£13.10		£13.10		£0.00	0.0%	
	for a of the first 1440 of a document exceeding 1440 words	Each	£13.10		£13.10		£0.00	0.0%	
	for each 72 words after the first 1440 words or part thereof	Each	£0.70		£0.70		£0.00	0.0%	

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %	
ENVIRONMENTAL PROTECTION									
Environmental Protection & Nuisance Team	Contaminated Land/Environmental Information Request (Residents)	per hour	£43.99	£52.79	£46.17	£55.40	£2.17	4.9%	
	Contaminated Land/Environmental Information Request (Commercial)	per hour	£63.38	£76.06	£66.50	£79.80	£3.12	4.9%	
	Sound check consultancy	per hour	£63.38	£76.06	£66.50	£79.80	£3.12	4.9%	
	Officer charge	per hour	£63.38	£76.06	£66.50	£79.80	£3.12	4.9%	
Dog Warden	Statutory Stray Fee	Each	£25.00		£25.00		£0.00	0.0%	
	Dog picked up but not kennelled	Each	£63.55	£76.26	£66.50	£79.80	£2.95	4.6%	
	Dog picked up taken to kennels and returned to owner (new fee)	Each	£102.10	£122.52	£136.00	£163.20	£33.90	33.2%	
	Daily Kennel charge	Each	£25.00		£25.00		£0.00	0.0%	
	Animal Warden Initial Response fee	per call out	New Service			£111.00		New Charge	N/A
	Animal Warden Hourly rate	hourly	New Service			£66.70		New Charge	N/A
	Veterinary fees will be charged on a cost basis	Fee	At cost			At cost			
Animal Establishments	Kennels & Catteries (exclusive of vets' fees) - New	Per Licence	£350.00		£652.00		£302.00	86.3%	
	Kennels & Catteries (exclusive of vets' fees) - Renewal	Per Licence	New Fee		£575.00		New Charge	N/A	
	Pet Shop small annual licence (exclusive of vets' fees) New	Per Licence	£168.33		£477.00		£308.67	183.4%	
	Pet Shop small annual licence (exclusive of vets' fees) Renewal	Per Licence	New Fee		£370.00		New Charge	N/A	
	Pet Shop large (exclusive of vets' fees) - more than 75m2 New	Per Licence	£473.00		£652.00		£179.00	37.8%	
	Pet Shop large (exclusive of vets' fees) - more than 75m3 Renewal	Per Licence	New Fee		£575.00		New Charge	N/A	
	Pet shop/boarding/breeding licence amendment	Per Licence	£99.75		£99.75		£0.00	0.0%	
	small home boarder 1-6 dogs (annual fee) New	Per Licence	£91.50		£440.00		£348.50	380.9%	
	small home boarder 1-6 dogs (annual fee) Renewal	Per Licence	New Fee		£321.00		New Charge	N/A	
	larger home boarder 7 + Dogs (annual fee) New	Per Licence	£195.67		£477.00		£281.33	143.8%	
	larger home boarder 7 + Dogs (annual fee) Renewal	Per Licence	New Fee		£370.00		New Charge	N/A	
	Animal Breeding Establishments (exclusive of vets' fees) New	Per Licence	£288.42	£346.10	£477.00		£188.58	65.4%	
	Animal Breeding Establishments (exclusive of vets' fees) Renewal	Per Licence	New Fee	N/a	£370.00		New Charge	N/A	
	Horse Riding Establishment Licence - New	Per Licence	£335.42	£402.50	£652.00		£316.58	94.4%	
	Horse Riding Establishment Licence - Renewal	Per Licence	New Fee	N/a	£575.00		New Charge	N/A	
	Keeping or training animals for exhibition (3 year Licence)	Per Licence	£41.17	£49.40	£652.00		£610.83	1483.7%	
Dangerous Wild Animals Licence or Zoo Licence	Per Licence	£370.83	£445.00	Price on Application		N/a	N/a		

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
LOCAL AIR POLLUTION PREVENTION AND CONTROL (LAPPC)								
Annual Subsistence Charge	Standard process Low	per Licence	£772.00		£772.00		£0.00	0.0%
	Standard process Medium	per Licence	£1,161.00		£1,161.00		£0.00	0.0%
	Standard process High	per Licence	£1,747.00		£1,747.00		£0.00	0.0%
	Permit for Vapour Recovery Part I and Dry Cleaners L	per Licence	£79.00		£79.00		£0.00	0.0%
	Permit for Vapour Recovery Part I and Dry Cleaners M	per Licence	£158.00		£158.00		£0.00	0.0%
	Permit for Vapour Recovery Part I and Dry Cleaners H	per Licence	£237.00		£237.00		£0.00	0.0%
	Permit for Vapour Recovery Part I & II combined L	per Licence	£113.00		£113.00		£0.00	0.0%
	Permit for Vapour Recovery Part I & II combined M	per Licence	£226.00		£226.00		£0.00	0.0%
	Permit for Vapour Recovery Part I & II combined H	per Licence	£341.00		£341.00		£0.00	0.0%
	Vapour Recovery and other Reduced Fees L	per Licence	£228.00		£228.00		£0.00	0.0%
	Vapour Recovery and other Reduced Fees M	per Licence	£365.00		£365.00		£0.00	0.0%
	Vapour Recovery and other Reduced Fees H	per Licence	£548.00		£548.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
PLANNING								
PLANNING - PRE APPLICATION FEES								
Level 1	Householders advice on house extensions	Each	160.00	£192.00	£160.00	£192.00	£0.00	0.0%
	Follow up Meetings	Each	93.00	£111.60	£93.00	£111.60	£0.00	0.0%
	Small business and developers: advice on building works and change of use where the floor area involved is up to 200sqm.	Each	£160.00	£192.00	£160.00	£192.00	£0.00	0.0%
	Follow up Meetings	Each	£93.00	£111.00	£93.00	£111.00	£0.00	0.0%
	Proposals for local community uses - (Free of charge for up to 200sqm)	Each	£148.60	£178.30	£148.60	£178.30	£0.00	0.0%
	Follow up Meetings	Each	£93.00	£111.00	£93.00	£111.00	£0.00	0.0%
	Advertisements	Each	£250.00	£300.00	£250.00	£300.00	£0.00	0.0%
	Follow up Meetings	Each	£93.00	£111.00	£93.00	£111.00	£0.00	0.0%
	Telecommunication installations	Each	£155.00	£186.00	£155.00	£186.00	£0.00	0.0%
	Follow up Meetings	Each	£93.00	£111.00	£93.00	£111.00	£0.00	0.0%
	Listed Building consent /conservation area consent.	Each	£148.60	£178.30	£148.60	£178.30	£0.00	0.0%
	Follow up Meetings	Each	£93.00	£111.00	£93.00	£111.00	£0.00	0.0%
	Trees and Landscaping	Each	£148.60	£178.30	£148.60	£178.30	£0.00	0.0%
	Follow up Meetings	Each	£93.00	£111.00	£93.00	£111.00	£0.00	0.0%
	Works to trees covered by tree preservation orders.	Each	£148.60	£178.30	£148.60	£178.30	£0.00	0.0%
	Follow up Meetings	Each	£93.00	£111.00	£93.00	£111.00	£0.00	0.0%
Level 2	201 - 499sqm	Each	£370.00	£444.00	£370.00	£444.00	£0.00	0.0%
	500 - 1000sqm	Each	£690.00	£828.00	£690.00	£828.00	£0.00	0.0%
Business, commercial or other development of 201 sqm to 1000 or up to 19 dwellings.	1 - 3 dwellings	Each	£370.00	£444.00	£370.00	£444.00	£0.00	0.0%
	4 - 9 dwellings	Each	£690.00	£828.00	£690.00	£828.00	£0.00	0.0%
	10 - 15 dwellings	Each	£860.00	£1,032.00	£860.00	£1,032.00	£0.00	0.0%
	15 - 19 dwellings	Each	£1,150.00	£1,380.00	£1,150.00	£1,380.00	£0.00	0.0%
	One Meeting included in above fee, additional Meetings charged by hour.	Each	£118.00	£1,416.00	£118.00	£1,416.00	£0.00	0.0%
Level 3	Pre-application fee	Each	£3,000.00	£3,600.00	£3,000.00	£3,600.00	£0.00	0.0%
Development > 1,001 sqm or 20+ dwellings or other proposals	Additional Meetings and advice thereafter by negotiation.	Each	By Negotiation		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		By Negotiation			

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
PLANNING ADMINISTRATION CHARGES								
Planning History Search	Where more complicated or several addresses	per application	£28.20		£29.60		£1.40	5.0%
Copies of Section 106 Agreements	per agreement	per application	£28.20		£29.60		£1.40	5.0%
Copies of Planning Decision Notices	A list given of decision notices required	per application	£13.50		£14.20		£0.70	5.2%
	One decision notice from Microfiche slide	per application	£13.50		£14.20		£0.70	5.2%
	One decision notice from Microfiche slide plus plans (all on One slide)	per application	£28.20		£29.60		£1.40	5.0%
	Scanning more than One slide	per application	£28.20		£29.60		£1.40	5.0%
	Plans and documents for an application that need redacting	per application	£13.50		£14.20		£0.70	5.2%
Enquiries for evidence that conditions have been discharged (statutory Fee)	Householders	per application	£34.00		£35.70		£1.70	5.0%
	All others	per application	£116.00		£121.70		£5.70	4.9%
S106 and Community Infrastructure Levy obligation enquiries		per application	£28.20		£29.60		£1.40	5.0%
Returning Invalid	Refunds processed and advice given	per application	£0.00		£0.00		£0.00	N/A
Tree Preservation Order Documents		per application	£28.20		£29.60		£1.40	5.0%
PUBLIC CONVENIENCES								
	charge for entry to automated toilets	Each	£0.40		£0.00		-£0.40	-100.0%
COMMUNITY SAFETY								
Town Safe Radio Membership daytime		Annual membership	£450.00	£540.00	£450.00	£540.00	£0.00	0.0%
Town Safe Associate member		Annual membership	£225.00	£270.00	£225.00	£270.00	£0.00	0.0%
Town Safe External member		Annual membership	£250.00	£300.00	£250.00	£300.00	£0.00	0.0%
Town Safe Night-time full membership		Annual membership	£400.00	£480.00	£400.00	£480.00	£0.00	0.0%
Internal partners		Annual membership	£250.00		£250.00		£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
Leisure								
Cricket - Weekend	Adult One Off Game	Session	£135.00	£162.00	£141.75	£170.10	£6.75	5.0%
	Adult Block 10+ Games	Session	£115.00	£138.00	£120.75	£144.90	£5.75	5.0%
	Junior One Off Game	Session	£67.50	£81.00	£70.88	£85.05	£3.38	5.0%
	Junior Block 10+ Games	Session	£58.33	£70.00	£61.25	£73.50	£2.92	5.0%
Tennis (Artificial-turf)	Adult Standard	Session	£7.50	£9.00	£7.92	£9.50	£0.42	5.6%
	Adult Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	£0.00	£0.00	N/A
	Junior Standard	Session	£3.75	£4.50	£3.92	£4.70	£0.17	4.5%
	Junior Your Reading Passport Concession	Session	£0.00	£0.00	£0.00	£0.00	£0.00	N/A
Bowls	Adult Standard	Session	£4.08	£4.90	£4.08	£4.90	£0.00	0.0%
	Junior Standard	Session	£2.04	£2.45	£2.04	£2.45	£0.00	0.0%
	Hire of woods and mats	Session	£3.25	£3.90	£3.25	£3.90	£0.00	0.0%
Football	Adult One Off Game Standard	Match	£100.83	£121.00	£105.83	£127.00	£5.00	5.0%
	Adult Block 10+ Games Standard	Match	£86.25	£103.50	£90.58	£108.70	£4.33	5.0%
	Adult Block 5+ Teams Standard	Match	£77.08	£92.50	£80.96	£97.15	£3.88	5.0%
	Senior League discounts	Match	£20.83	£25.00	£21.88	£26.25	£1.04	5.0%
	Senior League discounts	Match	£15.75	£18.90	£16.54	£19.85	£0.79	5.0%
	Senior League discounts	Match	£10.50	£12.60	£11.04	£13.25	£0.54	5.1%
	Junior One Off Game Standard	Match	£55.00	£66.00	£57.75	£69.30	£2.75	5.0%
	Junior Block 10+ Games Standard	Match	£40.00	£48.00	£42.00	£50.40	£2.00	5.0%
	Junior Block 5+ Teams standard	Match	£35.00	£42.00	£36.75	£44.10	£1.75	5.0%
	Mini Soccer per Game	Match	£16.67	£20.00	£17.50	£21.00	£0.83	5.0%
	Mini Soccer 10+ Games	Match	£14.17	£17.00	£14.88	£17.85	£0.71	5.0%
	Mini Soccer 5+ Teams	Match	£12.58	£15.10	£13.17	£15.80	£0.59	4.7%
	Australian Rules & Gaelic	One Off	Match	£91.67	£110.00	£96.25	£115.50	£4.58
Block 10+ Games		Match	£75.83	£91.00	£79.63	£95.55	£3.79	5.0%
5-a-side football	Adult Peak - single	Per Hour	£46.67	£56.00	£49.00	£58.80	£2.33	5.0%
	Adult Peak - Block	Per Hour	£38.75	£46.50	£40.71	£48.85	£1.96	5.1%
	Junior Peak - single	Per Hour	£24.17	£29.00	£25.38	£30.45	£1.21	5.0%
	Junior Peak - Block	Per Hour	£20.42	£24.50	£21.46	£25.75	£1.04	5.1%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
MUSEUM								
School Sessions	(Session, loan, membership, talk etc)	per event	£150.00	£180.00	£155.00	£186.00	£5.00	3.3%
School session (virtual)		per event	£75.00	n/a	£80.00		£5.00	6.7%
Welcome and wow talks (schools)	(Session, loan, membership, talk etc)	per event	£40.00	£48.00	£40.00	£48.00	£0.00	0.0%
Membership 1 box per half term		membership	n/a	n/a	£100.00		New Charge	N/A
Membership 5 boxes RBC non academy		membership	£389.00	£466.80	£300.00	£360.00	-£89.00	-22.9%
Membership 3 boxes RBC non academy		membership	£335.00	£402.00	£225.00	£270.00	-£110.00	-32.8%
Membership 5 boxes academy schools		membership	£412.00	£494.40	£300.00	£360.00	-£112.00	-27.2%
Membership 3 boxes RBC academy		membership	£357.00	£428.40	£225.00	£270.00	-£132.00	-37.0%
Membership 5 boxes non RBC schools		membership	£459.00	£550.80	£300.00	£360.00	-£159.00	-34.6%
Membership 3 boxes non rbc schools		membership	£409.00	£490.80	£225.00	£270.00	-£184.00	-45.0%
Individual box loan		per box	£45.00	£54.00	£45.00	£54.00	£0.00	0.0%
Reminiscence		membership	£95.00	£114.00	£95.00	£114.00	£0.00	0.0%
Museum introduction (adult)		per occasion	£50.00	£60.00	£50.00	£60.00	£0.00	0.0%
Talks - Booked privately		per talk	£80.00	£96.00	£80.00	£96.00	£0.00	0.0%
Long talks - booked privately		per talk	£150.00	£180.00	£150.00	£180.00	£0.00	0.0%
photography/filming		per image/hour	From £17.50		From £18.50			
Archaeology		per deposit	From £120	From £140.40	From £130	From £156	£10.00	8.4%
Corporate loans		membership	£1,000.00	£1,200.00	£1,000.00	£1,200.00	£0.00	0.0%
Family activities		per event	from £2		From £2.50		£0.50	25.0%
Talks - Public		per event	£5.00		From £5.50		£0.50	10.0%
BERKSHIRE ARCHEOLOGY								
Charges for provision of Historic Environment Record data to commercial users	Berkshire Archaeology, DENS	Per Hour	£47.00	£56.40	£50.00	£60.00	£3.00	6.4%
ARTS VENUES								
Reading Arts - Membership scheme for The Hexagon	Charged at the discretion of customers, and along the booking pathway.	Per Transaction	£29.17	£35.00	£29.17	£35.00	£0.00	0.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
BUSINESS DEVELOPMENT								
Lamp Column Banner Advertising (Broad Street West)	Single (3 months)	each	£750.00	£900.00	£750.00	£900.00	£0.00	0.0%
	Renewal (additional 3 months)	each	£650.00	£780.00	£650.00	£780.00	£0.00	0.0%
	Pair (3 Months)	each	£1,300.00	£1,560.00	£1,300.00	£1,560.00	£0.00	0.0%
	Renewal (additional 3 months)	each	£1,000.00	£1,200.00	£1,000.00	£1,200.00	£0.00	0.0%
	Single (6 months)	each	£1,300.00	£1,560.00	£1,300.00	£1,560.00	£0.00	0.0%
	Renewal (additional 6 months)	each	£1,000.00	£1,200.00	£1,000.00	£1,200.00	£0.00	0.0%
	Pair (6 months)	each	£2,300.00	£2,760.00	£2,300.00	£2,760.00	£0.00	0.0%
Roundabout Advertising	Renewal (additional 6 months)	each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00	0.0%
	Imperial Way - A33	each	£6,000.00	£7,200.00	£6,000.00	£7,200.00	£0.00	0.0%
	Castle Street - IDR	each	£6,000.00	£7,200.00	£6,000.00	£7,200.00	£0.00	0.0%
	Caversham Road - Richfield Ave	each	£5,200.00	£6,240.00	£5,200.00	£6,240.00	£0.00	0.0%
	Chatham Street - IDR	each	£8,000.00	£9,600.00	£8,000.00	£9,600.00	£0.00	0.0%
	Forbury Reservation	each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00	0.0%
	Forbury / Kenavon Drive	each	£4,500.00	£5,400.00	£4,500.00	£5,400.00	£0.00	0.0%
	Hartland / Northumberland	each	£4,000.00	£4,800.00	£4,000.00	£4,800.00	£0.00	0.0%
	Honiton / Northumberland	each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00	0.0%
	Norcot / Oxford Road	each	£8,000.00	£9,600.00	£8,000.00	£9,600.00	£0.00	0.0%
	Liebenrood / Tilehurst Rd	each	£3,600.00	£4,320.00	£3,600.00	£4,320.00	£0.00	0.0%
	Queens Road reservation	each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00	0.0%
	Vastern / Caversham road	each	£3,600.00	£4,320.00	£3,600.00	£4,320.00	£0.00	0.0%
	Vastern / Forbury Road	each	£4,500.00	£5,400.00	£4,500.00	£5,400.00	£0.00	0.0%
	Vastern / George Street	each	£8,000.00	£9,600.00	£8,000.00	£9,600.00	£0.00	0.0%
	Whitley / Christchurch	each	£4,000.00	£4,800.00	£4,000.00	£4,800.00	£0.00	0.0%
	Whitley Wood Lane/Road	each	£4,000.00	£4,800.00	£4,000.00	£4,800.00	£0.00	0.0%
	Welcome to Reading Signage	Circuit / Southcote Lane	each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00
Southcote Lane / Virginia Way		each	£3,000.00	£3,600.00	£3,000.00	£3,600.00	£0.00	0.0%
Gillette Way / Rosekilm		each	£4,000.00	£4,800.00	£4,000.00	£4,800.00	£0.00	0.0%
Discretionary discount <25%								
Single 12 months		each	£1,200.00	£1,440.00	£1,200.00	£1,440.00	£0.00	0.0%
Single 6 months	each	£800.00	£960.00	£800.00	£960.00	£0.00	0.0%	
All 6 months	each	£3,600.00	£4,320.00	£3,600.00	£4,320.00	£0.00	0.0%	
All 12 months	each	£6,000.00	£7,200.00	£6,000.00	£7,200.00	£0.00	0.0%	

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
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	£1.75	£2.10	£0.08	4.8%
Reading Arts - Membership scheme for The Hexagon	Charged at the discretion of customers, and along the booking pathway.	Per Transaction	£29.17	£35.00	£30.67	£36.80	£1.50	5.1%
Concert Hall Room Hire	Room Hire	Day From	£2,300.00	£2,760.00	£2,415.00	£2,898.00	£115.00	5.0%
Concert Hall plus Tech package	Room Hire & Equipment	Day From	£3,560.00	£4,272.00	£3,738.00	£4,485.60	£178.00	5.0%
Victoria Hall Room Hire	Room Hire	Half Day/Day From	£525.00	£630.00	£551.25	£661.50	£26.25	5.0%
Waterhouse Chamber Hire	Room Hire	Half Day/Day From	£220.00	£264.00	£231.00	£277.20	£11.00	5.0%
Soane Space	Room Hire	Half Day/Day From	£190.00	£228.00	£199.50	£239.40	£9.50	5.0%
Jane Austen/Oscar Wilde	Room Hire	Half Day/Day From	£92.50	£111.00	£97.17	£116.60	£4.67	5.0%
Marcus Adams	Room Hire	Day From	£87.50	£105.00	£91.92	£110.30	£4.42	5.0%
Concert Hall Daily Delegate Rate	Catering & room Hire	Day From	£47.50	£57.00	£49.92	£59.90	£2.42	5.1%
Victoria Hall Daily Delegate Rate	Catering & room Hire	Half Day/Day	£26.00	£31.20	£27.33	£32.80	£1.33	5.1%
Waterhouse Daily Delegate Rate	Catering & room Hire	Half Day/Day	£31.00	£37.20	£32.58	£39.10	£1.58	5.1%
Jane Austen/Oscar Wilde Daily Delegate Rate	Catering & room Hire	Half Day/Day	£31.00	£37.20	£32.58	£39.10	£1.58	5.1%
Soane Space Daily	Catering & room Hire	Half Day/Day	£25.00	£30.00	£26.25	£31.50	£1.25	5.0%
Lectern PA Hire	Equipment	Day	£90.00	£108.00	£94.50	£113.40	£4.50	5.0%
PA Hire	Equipment	Day	£75.00	£90.00	£78.75	£94.50	£3.75	5.0%
Microphone Hire	Equipment	Day	£67.50	£81.00	£70.92	£85.10	£3.42	5.1%
Tech time	Equipment	Per hour	£32.50	£39.00	£34.17	£41.00	£1.67	5.1%
Monitor Hire	Equipment	Day	£45.00	£54.00	£47.25	£56.70	£2.25	5.0%
Additional Projector Screen	Equipment	Day	£20.00	£24.00	£21.00	£25.20	£1.00	5.0%
LCD Projector	Equipment	Day	£62.50	£75.00	£65.67	£78.80	£3.17	5.1%
Laptop Hire	Equipment	Day	£62.50	£75.00	£65.67	£78.80	£3.17	5.1%
Piano Hire	Equipment	Day	£100.00	£120.00	£105.00	£126.00	£5.00	5.0%
Piano Tuned	Equipment	Day	£110.00	£132.00	£115.50	£138.60	£5.50	5.0%
Lectern Hire	Equipment	Day	£17.50	£21.00	£18.42	£22.10	£0.92	5.2%
Flip Chart	Equipment	Each	£17.50	£21.00	£18.42	£22.10	£0.92	5.2%
Speaker phone	Equipment	Day	£35.00	£42.00	£36.75	£44.10	£1.75	5.0%
Display Board	Equipment	Day	£35.00	£42.00	£36.75	£44.10	£1.75	5.0%
Dance Floor	Equipment	Day	£100.00	£120.00	£105.00	£126.00	£5.00	5.0%
Pads & Pens	Equipment	Per person	£4.00	£4.80	£4.17	£5.00	£0.17	4.2%
Photocopies	Equipment	Each	£0.15	£0.18	£0.17	£0.20	£0.02	11.1%
Late Bar	Equipment	Event	£150.00	£180.00	£157.50	£189.00	£7.50	5.0%
Serving Staff	Equipment	Per hour	£20.00	£24.00	£21.00	£25.20	£1.00	5.0%
Security Staff	Equipment	Per hour	£22.50	£27.00	£23.67	£28.40	£1.17	5.2%
DJ	Equipment	Per event	£450.00	£540.00	£472.50	£567.00	£22.50	5.0%
Stage - Victoria Hall	Equipment	Day	£87.50	£105.00	£91.92	£110.30	£4.42	5.0%

Proposed Fees and Charges from 1st April 2022 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Fee April 2021	Fee including VAT	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
BERKSHIRE RECORDS OFFICE								
Copy certificates (baptism, burial, pre 1837 marriage)		Each	£11.67	£14.00	£11.67	£14.00	£0.00	0.0%
Copy certificates (post 1837 marriage)		Each	£9.17	£11.00	£9.17	£11.00	£0.00	0.0%
Reprographics		Each	£1.67	£2.00	£1.67	£2.00	£0.00	0.0%
Self Service Photos		Each	£0.83	£1.00	£0.83	£1.00	£0.00	0.0%
Self-Service Printouts		Each	£0.83	£1.00	£0.83	£1.00	£0.00	0.0%
Digital Photos		Each	£8.33	£10.00	£8.33	£10.00	£0.00	0.0%
Restoration Service		Half Hour	£13.33	£16.00	£13.33	£16.00	£0.00	0.0%
Research		Half Hour	£13.33	£16.00	£13.33	£16.00	£0.00	0.0%
MODERN RECORDS								
Records Storage	Storage of records by box	Per Box	£9.00	£10.80	£9.00	£10.80	£0.00	0.0%
PLAY SERVICES								
School Support	1:1 Support Session	Per hour	£32.50		£34.10		£1.60	4.9%
	Lunchtime Support Session	Per hour	£25.00		£26.25		£1.25	5.0%
	STEPS - Travel Project	Per hour	£54.00		£56.70		£2.70	5.0%
Hire	Equipment Hire - Large	per Session	£110.00		£115.50		£5.50	5.0%
	Equipment Hire - Medium	per Session	£86.00		£90.30		£4.30	5.0%
	Equipment Hire - Small	per Session	£54.00		£56.70		£2.70	5.0%
Staff Support	0-5 Staff Support	Per hour	£17.00		£17.85		£0.85	5.0%
Events	Play in the Park	per Session	£4.00		£4.20		£0.20	5.0%
	Mini Kickers	Per hour	£2.50		£2.60		£0.10	4.0%
	Walking Football	Per hour	£4.50		£4.70		£0.20	4.4%
	Holiday Events	per Session	£7.00		£7.35		£0.35	5.0%
Discretionary	Archery for over 50's	per Session	£8.00		£8.40		£0.40	5.0%
	Bespoke Play education Attainment	Per session	New Fee	New Fee	£35.00		New Charge	N/A
	Team building	per Session	£70.00		£73.50		£3.50	5.0%
Holiday Clubs Age range 4- 12	8:30am to 1pm	per Session	£10.00	£12.00	£10.50	£12.60	£0.50	5.0%
	1pm to 5:30pm	per Session	£10.00	£12.00	£10.50	£12.60	£0.50	5.0%
	9am to 3:30pm	per Session	£15.00	£18.00	£16.67	£20.00	£1.67	11.1%
	8:30am to 5:30pm	per Session	£20.00	£24.00	£22.50	£27.00	£2.50	12.5%
After School Club	Regular Session (single)	per child	£10.00	£12.00	£10.50	£12.60	£0.50	5.0%
	Regular Session (siblings)	per child	£9.00	£10.80	£9.46	£11.35	£0.46	5.1%
	Short Session (single)	per child	£7.50	£9.00	£7.88	£9.45	£0.38	5.0%
	Short Session (siblings)	per child	£6.75	£8.10	£7.08	£8.50	£0.33	4.9%
Prospect Activity	Low Ropes	Per person	New Fee	New Fee	£3.75	£4.50	New Charge	N/A
Prospect Activity	Golf Course	Per Person	New Fee	New Fee	£3.75	£4.50	New Charge	N/A

Proposed Fees and Charges from 1st April 2022 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2022	Fee including VAT	Increase/ (decrease) £ Excl.VAT	Increase/ (decrease) %
BEREAVEMENT SERVICES						
Reading Crematorium						
Cremation Fee Cremation of the remains of:	Stillborn child or child under 18 years of age (includes use of chapel, strewing of any cremated remains or the provision of a container and medical referees fee)	Each	£0.00		£0.00	N/A
	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	£867.00		£17.00	2.0%
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	£658.00		£13.00	2.0%
	Cremation Fee without service including environmental levy (DIRECT Crem)	Each	£315.00		£10.00	3.3%
	Memorial service or service of double length in addition to usual cremation or interment fee	Each	£433.00		£13.00	3.1%
	Witness Direct Cremation	Each	£435.00		£10.00	2.4%
	Saturday Surcharge	Each	£440.00		£10.00	2.3%
	Sunday/ Bank Holiday Surcharge	Each	£635.00		£15.00	2.4%
	Public Health Cremation Fee including environmental levy	Each	£610.00		£10.00	1.7%
	Strewing of cremated remains	Remains received from another Crematorium	Each	£97.50		£2.00
Retention of remains on temporary deposit per month after the first month for a maximum of three months		Each	£88.00		£2.00	2.3%
To witness the strewing of remains		Each	£46.00		£1.00	2.2%
Unwitnessed strewing of remains		Each	£46.00		£1.00	2.2%
Certified extract from register		Each	£40.00		£1.00	2.6%
Book of remembrance	Two-line entry	Each	£69.17	£83.00	£1.46	2.2%
	Five-line entry	Each	£115.00	£138.00	£2.08	1.8%
	Five-line entry with illuminated capital	Each	£174.17	£209.00	£3.34	2.0%
	Five-line entry with floral motif, service badge etc.	Each	£195.83	£235.00	£4.58	2.4%
	Eight-line entry	Each	£155.83	£187.00	£3.33	2.2%
	Eight-line entry with illuminated capital	Each	£218.33	£262.00	£5.00	2.3%
	Eight-line entry with floral motif, service badge etc.	Each	£281.67	£338.00	£5.42	2.0%
	Full coat of arms 5-8 lines	Each	£359.17	£431.00	£6.67	1.9%
	Extra Lines upto a maximum of 11	Each	£25.63	£30.75	£0.41	1.6%
Remembrance card	Copy of a two-line entry	Each	£42.08	£50.50	£0.83	2.0%
	Copy of a five-line entry	Each	£71.00	£85.20	£1.42	2.0%
	Copy of a five-line entry with any type of motif	Each	£138.75	£166.50	£2.75	2.0%
	Copy of an eight-line entry	Each	£99.42	£119.30	£1.92	2.0%
	Copy of an eight-line entry with any type of motif	Each	£154.79	£185.75	£3.12	2.1%
Memorial vase and tablet	Purchase of vase and tablet	Each	£234.58	£281.50	£4.58	2.0%
	Renewal for period of 10 years	Each	£305.00		£5.00	1.7%
Memorial plaques	Replacement single plaque	Each	£93.75	£112.50	£8.33	9.8%
	Replacement single plaque with motif	Each	£112.92	£135.50	£10.42	10.2%
	Lease of single plaque space for 10 years *Fees are doubled in the case of a 12" x 4" double plaque	Each	£200.00		£5.00	2.6%
	Renewal of lease for baby plaque	Each	£24.00		£0.50	2.1%
	Photo Cameo on Plaque additional cost (added to normal plaque cost)	Each	£91.67	£110.00	£8.34	10.0%

BEREAVEMENT SERVICES						
Reading Crematorium						
Hall of Memory Tree Leaf	Lease for 5 years renewal	Each	£73.50		£1.50	2.1%
	Replacement leaf	Each	£63.33	£76.00	£2.91	4.8%
Memorial Tree	Provision of Tree, Surround and stem plaque	Each	£437.50	£525.00	£21.25	5.1%
	Lease for 10 years	Each	£633.00		£13.00	2.1%
Memorial bench	Replacement Bench	Each	£638.75	£766.50	£30.42	5.0%
	Lease for a 10 years	Each	£714.00		£14.00	2.0%
	Replacement plaque for tree or bench	Each	£142.50	£171.00	£12.92	10.0%
Wall Plaque	Purchase of memorial granite wall plaque	Each	£155.83	£187.00	£14.16	10.0%
	Lease of space for memorial granite wall plaque	Each	£305.00		£5.00	1.7%
Relocating plaque	Moving of Memorial Plaque to new location	Each	£55.83	£67.00	£3.33	6.3%
Administrative	Administration Fee	Each	£55.83	£67.00	£2.50	4.7%
Memorial Bed Garden	Replacement plaque and surround	Each	£437.50	£525.00	£21.25	5.1%
	Lease fee for 10 years	Each	£633.00		£13.00	2.1%
Birdbath Memorial Plaques	Replacement Plaque (row 1)	Each	£102.50	£123.00	£8.33	8.8%
	Replacement Plaque (row 2)	Each	£147.50	£177.00	£12.92	9.6%
	Replacement Plaque (row 3)	Each	£205.83	£247.00	£18.33	9.8%
	Replacement Plaque (row 4)	Each	£279.17	£335.00	£22.50	8.8%
	Replacement Plaque (row 5)	Each	£350.00	£420.00	£27.50	8.5%
	Renewal of Lease (10 years)	Each	£305.00		£5.00	1.7%
Sanctums	Granite Tablet (no motif)	Each	£407.50	£489.00	£36.67	9.9%
	Lease for further 25 years	Each	£705.00		£15.00	2.2%
Baby Grave Galvanised Sculpture	Plaque for baby grave	Each	£120.83	£145.00	£5.41	4.7%
	Replacement plaque	Each	£68.75	£82.50	£1.67	2.5%
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	£2,530.00		£120.00	5.0%
	Section D	Each	£2,020.00		£94.00	4.9%
	Section G & Mayfield Traditional	Each	£1,530.00		£30.00	2.0%
	* For details of the locations of Sections B, D and G please call at the					
	b) The lawn or park Cemetery in an earth grave 9 feet by 4 feet	Each	£ 1,120.00		£45.00	4.2%
	d) Desk Vase Tablet cremated remains plot for 2 set of ashes	Each	£ 592.00		£22.00	3.9%
e) Grave purchased/ reserved for future use (trebled if out of borough)	Each	£ 551.00		£11.00	2.0%	
* Please note the charges payable for exclusive right of burial in any grave or vault will be trebled in the case of any person who was not an inhabitant						

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	£225.00		£10.00	4.7%
	*Extension to lease for exclusive rights of burial for 15 yrs period on lawn graves	Each	£288.00		£13.00	4.7%
	*Extension to lease for exclusive rights of burial for 25yrs period on lawn graves	Each	£441.00		£21.00	5.0%
	*Extension to lease for exclusive rights of burial for 10 yrs period on traditional graves	Each	£299.00		£14.00	4.9%
	*Extension to lease for exclusive rights of burial for 15 yrs period on traditional graves	Each	£372.00		£17.00	4.8%
	*Extension to lease for exclusive rights of burial for 25yrs period on traditional graves	Each	£614.00		£29.00	5.0%
Vaulted or walled graves	Charges to be individually agreed with the Cemeteries Manager according to size and depth of graves where an exclusive right of burial has been purchased for 75 years					
Burials	Dig Fee to be claimed from Children's Funeral Fund (CFF) for interment of Stillborn to <5 years old.	Each	£125.00		£5.00	4.2%
	Dig Fee to be claimed from CFF for interment of a child aged 5-17yrs old	Each	£272.00		£12.00	4.6%
	c) If the body is that of a person aged 18 years or over	Each	£880.00		£40.00	4.8%
	d) Cremated remains in an existing grave or a cremated remains plot	Each	£150.00		£5.00	3.4%
	Dig Fee to be claimed from CFF for interment of cremated remains stillborn to <5 years old	Each	£16.00		£0.50	3.2%
	Dig Fee to be claimed from CFF for interment of cremated remains of a child aged 5-17yrs old	Each	£34.50		£1.50	4.5%
	f) Cremated Remains returned from elsewhere for Burial	Each	£53.00		£2.50	5.0%
	g) For any burial below 6 feet in depth an additional charge will be made per burial	Each	£311.00		£14.00	4.7%
	Additional depth for child under 18	Each	£185.00		£3.00	1.6%
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	N/A
	b) If the body is that of a person over 5 years old	Each	£148.00		£3.50	2.4%
	c) If the body is that of a person aged 18 years or over (Public Health)	Each	£880.00		£40.00	4.8%
* 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	£296.50		£6.00	2.1%
	b) Lawn, Park and Mayfield Cemetery	Each	£206.00		£4.00	2.0%
	c) Park cremated remains section flat stone & DVT's	Each	£76.00		£1.50	2.0%
	f) Cremated Remains Headstone Section	Each	£76.00		£1.50	2.0%
Other fees and charges	Transfer of grant of exclusive right of burial	Each	£78.33	£94.00	£1.66	2.2%
	Search Fee - up to 4 records per enquiry	Each	£14.17	£17.00	£0.42	3.0%
	Search Fee - for 1 record	Each	£4.17	£5.00	£0.09	2.1%
	Exhumation of Cremated Remains	Each	£271.50		£5.50	2.1%
	Use of chapel prior to burial for stillborn child or a child under 18 years old	Each	£68.50		£1.50	2.2%
	Chapel Fee Prior to a Burial for person over 18 years old	Each	£433.00		£8.00	1.9%
	Administration Fee for Public Health Funeral	Each	£236.25	£283.50	£4.58	2.0%
	Charge for provision of a Quran grave	Each	£880.00		£40.00	4.8%
	Bench Maintenance (Powerwash and treatment with teak oil)	Each	£72.50	£87.00	£1.67	2.4%
	Removal of trees from plots	Each	£0.00	£0.00	£0.00	N/A
	Grave Maintenance	Each	£72.50	£87.00	£1.67	2.4%

BEREAVEMENT SERVICES						
Reading Cemetery						
Webcast Services	Live Webcast (upto 20 viewers)	Each	£29.58	£35.50	£0.41	1.4%
	Live+On-Demand Webcast for up to 28 days and downloadable	Each	£42.08	£50.50	£0.83	2.0%
	Physical copy of Webcast recording on DVD, blu-ray or USB memory stick and audio cd	Each	£47.50	£57.00	£0.83	1.8%
	Additional Physiscal copy CD, DVD, Blu-ray or USB	Each	£22.71	£27.25	£0.42	1.9%
Visual Tributes	Single Photo	Each	£11.83	£14.20	£0.25	2.2%
	Slideshow (up to 25)	Each	£36.25	£43.50	£0.63	1.8%
	Photo Tribute (up to 25)	Each	£65.00	£78.00	£1.04	1.6%
	Additional 25 photos	Each	£22.71	£27.25	£1.25	5.8%
	Photos & Video Tribute (up to 2 minutes)	Each	remove fee	N/A	N/A	N/A
	Self Build Checking	Each	£19.17	£23.00	£0.42	2.2%
	Additional Time for tributes etc:					
	DVD of Pro Photo tribute only	Each	£22.71	£27.25	£0.42	1.9%
	Physical Copy of Webcast recording including the Pro Photo Tribute on DVD, Memory Stick, Blu-ray	Each	remove fee	N/A	N/A	N/A
	Downloadable copy of Pro Photo tribute	Each	£11.46	£13.75	£0.21	1.9%
	Extra Work required on tributes	Each	£22.71	£27.25	£0.42	1.9%
Reading Cemetery	*NO NEW GRAVE SPACE AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley Road Cemetery.					
Caversham Cemetery	*NO NEW GRAVE SPACES AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley Road Cemetery.					

REGISTRATION SERVICE						
Registration Service	Notice of marriage or partnership	Per Person	£35.00		£0.00	0.00%
Registration Service (Twice monthly - Tuesday Am only)	Registrar's attendance at Register Office marriage or civil partnership	Per couple	£46.00		£0.00	0.00%
Registration Service	Registrar's attendance at outside church	Per couple	£90.00		£0.00	0.00%
Registration Service	Attendance at place of detention or house for notice of marriage or partnership	Per couple	£300.00		£0.00	0.00%
Certificates	Registration Certificate at first time of registering the event	Per Certificate	£11.00		£0.00	0.00%
	Express Service Replacement Certificate	Per Certificate	£35.00		£0.00	0.00%
	Replacement certificate Closed Register -Postal/Telephone/web Incl. admin fee	Per Certificate	£11.00		£0.00	0.00%
Correction Fee	Correction completed by Register office	Per correction	£75.00		£0.00	0.00%
	Correction referred to GRO		£90.00		£0.00	0.00%
	Amendment to birth record with 12 months of registration		£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		£0.00	0.00%
Citizenship Ceremonies	Individual Citizenship Ceremony at The Town Hall (up to max of 10 people)	Per Person	£103.83	£124.60	£5.00	5.1%
	Friday & Saturday Individual Citizenship Ceremony at the Town Hall (up to max of 10 people)	Per Person	£142.50	£171.00	£5.00	3.6%
Approved Premises Marriages - (9am to 5pm)	Monday to Thursday (9am to 5pm)	Per Couple	£335.00	£402.00	£5.00	1.5%
	Friday & Saturday (9am to 5pm)	Per Couple	£385.00	£462.00	£5.00	1.3%
	Sunday & Bank Hols (9am to 5pm)	Per Couple	£414.17	£497.00	£5.00	1.2%
Approved Premises Marriages - After 5pm (Min of 2 -3 staff required. Registrar to conduct the	Venue: Monday to Thursday	Per Couple	£330.00	£396.00	£0.00	0.0%
	Venue: Friday & Saturday	Per Couple	£389.00	£466.80	£5.00	1.3%
	Venue: Sunday & Bank Hols	Per couple	£417.50	£501.00	£0.00	0.0%
New Ceremony Room: Reading Museum & Town Hall (Marriages / Civil Partnerships) (Only to 4pm as Town Hall closes) (Min of 2 -3 staff required. Registrar to conduct the	Monday to Thursday	Per Couple	£143.33	£172.00	£8.00	5.9%
	Friday & Saturday	Per Couple	£230.50	£276.60	£5.00	2.2%
	Sunday & Bank Hols	Per Couple	£414.17	£497.00	£5.00	1.2%
Renewal of Vows & Baby Naming (1 member of staff required)	Monday to Thursday	Per Ceremony	£139.00	£166.80	£7.00	5.3%
	Friday & Saturday	Per Ceremony	£168.50	£202.20	£8.00	5.0%
	Sunday & Bank Hols	Per Ceremony	£193.33	£232.00	£6.00	3.2%
Approval of venues for marriages or Civil Partnerships (up to 2 rooms)	Renewal of marriage or Civil Partnership licence	Per Venue	£1,441.67	£1,730.00	£25.00	1.8%
Administrative fee	For services offered on a Saturday such as Notices of Marriage	Per Person	£18.95	£22.74	£0.00	0.0%
	Changes to booking	Per Person	£21.20	£25.44	£2.25	11.9%

GIS - MAPPING						
Street Naming & Numbering	New addresses	Each	£46.00	£55.20	£0.00	0.0%
	New streets	Each	£264.00	£316.80	£0.00	0.0%
LEGAL SERVICES						
Right to Buy	Engrossment Fee (Freehold)	Per Transfer	£70.00	£84.00	£0.00	0.0%
	Engrossment Fee (Leasehold)	Per Lease	£80.00	£96.00	£0.00	0.0%
Requisition (LLC1) Postal	Search using LLC1 form only	per search	£33.00	£39.60	£3.00	10.0%
***Standard Enquiries (CON29) Postal	Search using CON29 form only	per search	£86.00	£103.20	£3.00	3.6%
Full Search LLC1 and CON29	Search using LLC1 and CON29 form	per search	£119.00	£142.80	£6.00	5.3%
Copy documents	Copy document	per request	£25.00	£30.00	£0.00	0.0%
Deferred Payment Agreement	Flat fee and hourly rate (commercial) for work in excess of 5 hours	per Agreement	£540.00	£648.00	New Charge	N/A
Legal Fess (Commercial)	Legal Services Manager	per Hour	£300.00	£360.00	New Charge	N/A
	Principal Lawyer / Team Leader	per Hour	£275.00	£330.00	New Charge	N/A
	Senior Lawyer	per Hour	£250.00	£300.00	New Charge	N/A
	Lawyer	per Hour	£200.00	£240.00	New Charge	N/A
	Trainees and Paralegals (Grade 6+)	per Hour	£125.00	£150.00	New Charge	N/A
	Trainees and Paralegals (Grade 4- 5)	per Hour	£95.00	£114.00	New Charge	N/A
Legal Fees (Community)*	Legal Services Manager	per Hour	£175.00	£210.00	New Charge	N/A
	Principal Lawyer / Team Leader	per Hour	£150.00	£180.00	New Charge	N/A
	Senior Lawyer	per Hour	£120.00	£144.00	New Charge	N/A
	Lawyer	per Hour	£95.00	£114.00	New Charge	N/A
	Trainees and Paralegals (Grade 6+)	per Hour	£70.00	£84.00	New Charge	N/A
	Trainees and Paralegals (Grade 4- 5)	per Hour	£50.00	£60.00	New Charge	N/A
* Community rates apply to voluntary organisations, charities and the like providing services to residents in Reading.						
INCOME & RECOVERY						
Council Tax Summons Cost		Per summons issued	£111.00		£0.00	0.0%
Business Rates Summons Cost		Per summons issued	£157.00		£0.00	0.0%
Civil Penalties Housing Benefits		per case identified	£50.00		£0.00	0.0%
Civil Penalties Council Tax		per case identified	£70.00		£0.00	0.0%
DEMOCRATIC SERVICES						
Admission Appeals - Charge per appeal		per admission appeal heard	£210.00	£252.00	£10.00	5.0%
School Exclusion Review Hearing		per review heard	£650.00	£780.00	£0.00	0.0%
Admission Appeals - Admin Charge	Withdrawn/ Settled (W/S) Appeals	per admission appeal W/S after papers circulated	£55.00	£66.00	£5.00	10.0%
CUSTOMER SERVICES						
Blue Badges (New & Renewals)	Disabled Parking Badge	Each	£10.00		£0.00	0.0%
COMMUNICATIONS						
Event pitch fee	Charity	Per event	£30.00	£36.00	£10.00	50.0%
Event pitch fee	Charity with 10% early bird discount	Per event	£27.00	£32.40	£9.00	50.0%
Event pitch fee	RBC affiliated charity	Per event	£10.00	£12.00	£0.00	0.0%
Event pitch fee	RBC affiliated charity with 10% early bird discount	Per event	£9.00	£10.80	£0.00	0.0%
Event pitch fee	Community	Per event	£40.00	£48.00	£10.00	33.3%
Event pitch fee	Community with 10% early bird discount	Per event	£36.00	£43.20	£9.00	33.3%
Event pitch fee	Commercial	Per event	£100.00	£120.00	£0.00	0.0%
Event pitch fee	Commercial with 10% early bird discount	Per event	£90.00	£108.00	£0.00	0.0%
Event pitch fee	Food trader	Per event	£150.00	£180.00	£0.00	0.0%
KENNET DAY NURSERY						
3 yrs and over - RBC		Daily rate (2 sessions)	£51.91		£2.47	5.0%
Under 3 yrs - RBC		Daily rate (2 sessions)	£54.01		£2.57	5.0%
3 yrs and over - Non RBC		Daily rate (2 sessions)	£56.95		£2.71	5.0%
Under 3 yrs - RBC		Daily rate (2 sessions)	£59.05		£2.81	5.0%
* AM or PM sessions are charged at half the daily rate.						
* Siblings are entitled to a £2 per day reduction						
* Grant Funding available for children a term after their 3rd birthday						
LEARNING AND WORKFORCE DEVELOPMENT						
Training	Places on training for school staff (1 day)	per place	£67.82		£0.00	0.0%
	Places on training for PVI sector	per place	£33.91		£0.00	0.0%

Equality Impact Assessment

Name of proposal/activity/policy to be assessed

2022/23 Provisional Budget and Three-Year Medium Term Financial Strategy

Directorate: RESOURCES

Service: Council-wide

Name and job title of person doing the assessment

Name: Clare Muir

Job Title: Policy and Voluntary Sector Manager

Date of assessment: 21st January 2022

What is the aim of your policy or new service?

The updated MTFS has been developed to reflect the changing landscape in which Councils are now operating. The Covid-19 pandemic has had a significant impact on Council budgets, with increased costs and reduced levels of income.

The updated MTFS proposes:

- a re-profiling of income from 2022/23 to later years on the assumption that the majority of that income will recover over time. The impact of lost income has previously been offset by grant funding from Central Government, but indications are that there will be no more funding available to Councils after the current financial year.
- an increase of almost £7m in the budget for Adult Social Care services for next year to fund the impact of cost pressures.
- that the Business Rate reset previously assumed to happen in 2022/23 will not now happen until 2023/24 at the earliest.

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.

Who are the main stakeholders and what do they want?

Residents, businesses, councillors and council staff in Reading.

Appendix 10

Assessment of Relevance and Impact

The Equality duty has been considered for each proposed budget business case. For the majority of these the Equality Duty is not relevant to the changes proposed.

The following proposals will require an Equality Impact Assessment as the proposals are developed.

Reference number	Title	Proposal	Equality Impact
DOR-2223-01	Bereavement Services Restructure	Restructure of the Bereavement Services Team to increase capacity and ensure the service is efficient, customer focussed and cost effective longer term. As well as ensure the effective and timely implementation of new rules & regulations.	Equality impact assessment is required in relation to impact on staff. Consultation with staff will commence in January 2022
DOR-2021-06	Customer Experience Programme Benefits delivery	Restructure to support Customer Experience strategy	Equality impact assessment is required in relation to impact on staff. Consultation with staff will take place between January and March 2022
DACHS-2021-22a	DACHS Staffing Efficiencies	A review of each team and their remits will be undertaken to achieve further staff efficiencies, this would need to be made in balance with current pressures across Health and Social Care and our response to the new COVID challenges and therefore at this stage the specific posts haven't been identified.	Equality impact assessment is required in relation to impact on staff. Consultation with staff will commence in January 2022
N2	1 Dunsfold Fitout for BFfC Family Contact Centre - Development for Community Use	To relocate The Family Contact Centre BFfC from the ground floor space at the Civic Offices to the council owned space at 1 Dunsfold Rd	Equality impact assessment is required in relation to impact on service users - Parents and foster carers
N14	Burial Land Acquisition	Place holder for both commissioning a land acquisition study, purchase of burial land, and development of land to convert to suitable burial ground.	Equality impact assessment is required in relation to impact on the public following options appraisal 01/10/2022

**‘Investing in Reading’s Recovery’
Reading Borough Council Budget Consultation 2022/23
Report on Results**

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.

At the time of the consultation the draft budget for 2022/23 consisted of:

- General Fund net revenue budget of £148.1m for 2022/23
- General Fund capital investment of £241m over three years 2021/22 to 2023/24
- Efficiency savings and increased income totalling £6.1m million in 2022/23 (£15.6m over three years 2022/23 to 2024/25)
- 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 2022/23 maintain current services and allow for £20.3 million in increased costs driven by inflation and Reading’s growing population.

There remained a gap of £3.3m between the planned income and the planned spend, which must be closed before the final proposals are agreed in February.

2. The Budget Consultation

We launched our budget consultation on 21st December 2021, inviting input from people who live and work in Reading, partners, local businesses, and people who come into Reading to use our services. The consultation ran until 14th January 2022.

The consultation comprised 5 key questions:

- Q1 What additional suggestions do you have for how we could make the savings required to balance the budget?
- Q2 What other areas could we look at for generating further income?
- Q3 What are the areas you would prioritise spend?
- Q4 Are there any investment proposals that you would consider?
- Q5 Do you have any additional comments about the budget?

3. Communication

The consultation was promoted as follows:

- In local media
- On the council’s website

- Social media channels - twitter, facebook and nextdoor
- Sent to nearly 100,000 people via the residents' newsletter.
- Emailed to the online citizens panel (750 residents)
- Shared with over 1500 staff via newsletters
- Shared with key partners and forums
- Face to face briefing with business partners and stakeholders

The majority of responses were received online through the Consultation Hub. One email was received.

4. Profile of Respondents

In total, 133 responses were received via the Council's consultation hub.

A broad range of people took part, however, compared to the 2011 Census population profile for Reading, a higher percentage of older people and a lower percentage of younger people responded. A lower number of people from Black and minority ethnic backgrounds responded.

Characteristic	Budget consultation responses		2011 Census
	No	%age	%age
Age			
Under 16	0	0%	19.3%
16-25	1	0.8%	16.5%
26-35	19	14.3%	19.2%
36-45	19	14.3%	14.6%
46-55	30	22.6%	11.3%
56-65	27	20.3%	8.2%
66+	31	23.3%	10.8%
Gender			
Male	46	34.6%	50.2%
Female	65	48.9%	49.8%
Prefer not to say	19	14.3%	n/a
Ethnicity			
White	96	72.2%	74.8%
Mixed	2	1.5%	3.9%
Asian	4	3.0%	12.6%
Black	2	1.5%	7.7%

The majority of respondents (94%) were residents.

Responding as	Total	Percent
Resident	125	94%
Service user	0	0%
Family or friend of service user	2	1.5%
Voluntary organisation	1	0.8%
Business	1	0.8%
Public Sector	0	0%
Employee of Reading Borough Council	2	1.5%
Other	2	1.5%
Not Answered	0	0%

5. Summary of Responses

Respondents were able to comment against each question and, as the questions were open-ended, could include as many or as few points as they chose, with the same points often repeated across each of the questions. The analysis has therefore been conducted across all 5 questions and has looked at the themes and suggestions provided by each respondent, regardless of the question.

The analysis of the responses has involved identification of key themes/ service areas and within these suggestions for:

- ways to increase income
- ways to make savings
- where to prioritise spending
- suggestions for improvements.

While all responses have been included in the analysis, the frequencies included should be considered indicative rather than absolute.

Key points from the analysis include:

- Top service areas for suggested spend were: children's services (26%) (education 11%) and adult social care (23%).
- While transport was a top theme (28% mentioned), a significant proportion of these (8%) responses suggested reducing or not spending more on cycle routes and bus lanes.
- 21% were keen to see more leisure and arts/cultural/entertainment facilities
- 18% of responses suggested spending more on roads and highways
- Respondents were fairly split on increasing/ introducing parking and traffic related charges; 12% suggested raising revenue this way
- 17% were keen to prioritise climate change and sustainability related and projects and activities.
- Almost 17% suggested streamlining staff (reducing posts or pay)
- 16% were keen on spending more or making improvements to waste management and recycling; there were a number of responses relating to flytipping in particular.
- 11% said reduce or don't increase Council Tax; 4% said do.
- 9% suggested raising money through fines (half of these related to flytipping)
- 7% suggested selling or re-using empty properties to raise income or make savings

BUDGET CONSULTATION 2022/23 - ANALYSIS OF RESPONSES

<i>Theme</i>	<i>No of responses</i>	<i>% total responses</i>	<i>Sub-theme</i>	<i>No of responses</i>	<i>% total responses</i>
Transport	37	27.8%	Review/reduce bus lanes, cycle lanes etc	10	7.5%
			Spend on sustainable transport	16	12.0%
			Spend on traffic management/schemes	11	8.3%
Children's services	34	25.6%	Spend on education	15	11.3%
			Spend on childrens services including schools	19	14.3%
Adult social care	31	23.3%	Spend on adult social care	30	22.6%
			Spend less on social care	1	0.8%
Highways	29	21.8%	Spend on roads/highways	24	18.0%
			Reduce spend on highways	5	3.8%
Leisure & culture	28	21.1%	Increase ticket prices/ more events/attractions	8	6.0%
			Spend on leisure	11	8.3%
			Spend on arts & culture	8	6.0%
			Reduce price entertainment	1	0.8%
Parking and traffic charges	27	20.3%	Reduce parking charges	11	8.3%
			Increase charges (e.g. parking, congestion charge etc)	16	12.0%
Climate change/ sustainability	26	19.5%	Spend on/prioritise climate change	20	15.0%
			Spend on pollution reduction	3	2.3%
			Spend less on green ideas	3	2.3%
Housing	23	17.3%	Spend on affordable housing	11	8.3%
			Reduce housing	4	3.0%
			Spend on homelessness	7	5.3%
			Reduce homeless support	1	0.8%
Streamline staff	22	16.5%			
Waste	21	15.8%	Spend on waste collection/mngmnt/recycling	13	9.8%
			Spend on flytipping	6	4.5%
			Income from recycling	2	1.5%
Council Tax	20	15.0%	Increase CT	5	3.8%
			Reduce/don't increase CT	15	11.3%
Better asset management	17	12.8%	Reduce office space	3	2.3%
			Sell/ re-use empty properties	9	6.8%
			Better property management	5	3.8%
Health	15	11.3%	Spend on health	10	7.5%

			Spend on mental health	5	3.8%
Other	15	11.3%			
Commissioning	12	9.0%	Don't outsource	6	4.5%
			Avoid external consultants	3	2.3%
			Better contract management/commissioning	3	2.3%
Increase fines	12	9.0%	Increase fines for flytipping	6	4.5%
			Increase fines (other)	6	4.5%
Parks, playgrounds, green spaces	11	8.3%			
Crime	9	6.8%			
Spend less on capital projects	9	6.8%			
Employment support/ getting people back into work	9	6.8%			
Reduce spend on city status	9	6.8%			
Cleansing	9	6.8%	Spend on cleansing	7	5.3%
			Reduce street cleansing	2	1.5%
Vulnerable/elderly/low income	9	6.8%			
Compliments	8	6.0%			
Improve environment/specific areas	8	6.0%			
Sign off accounts in time/get in order	7	5.3%			
Business rates	6	4.5%	Increase business rates	4	3.0%
			Reduce business rates	2	1.5%
Reduce spend on travellers	5	3.8%			
Review cost of childrens/adults services	5	3.8%			
Better consultation	5	3.8%			
More joined up thinking/increase efficiency	4	3.0%			
Income from property dev	4	3.0%			
Invest in voluntary and community sector	3	2.3%			
Business support	3	2.3%			
Libraries	3	2.3%	Reduce library buildings/hours	2	1.5%
			Spend on libraries	1	0.8%
Increase charges	3	2.3%			
Private sector/cross sector investment	3	2.3%			

RESIDENTS SURVEY 2021 SUMMARY OF RESULTS

Question	2021	2020	LGA OCT 2021¹
Local area			
Percentage satisfied with their local area as a place to live	83%	77%	78%
Factors most important in making somewhere a good place to live (top 5)	<ul style="list-style-type: none"> • the level of crime (32%) • public transport (29%) • parks and open spaces (25%) • job prospects (25%) • good schools (25%) 	<ul style="list-style-type: none"> • the level of crime • good schools • affordable, decent housing • road and pavement repairs • health services 	
Factors which most need improving (top 5)	<ul style="list-style-type: none"> • road and pavement repairs (38%) • the level of crime (26%) • affordable decent housing (26%) • parking (24%) • clean streets (22%) 	<ul style="list-style-type: none"> • road and pavement repairs • the level of crime • the level of traffic congestion • affordable decent housing • parking 	
Factors which are both most important in making a good place to live and in most need of improvement in the local area are	level of crime and affordable decent housing	road and pavement repairs the level of crime	
Percentage who felt strongly they belong to their immediate neighbourhood	76%	n/a	
Percentage who felt that people not treating each other with respect and consideration is a big problem	32%	n/a	
RBC			
Percentage satisfied with the way Reading Borough Council runs things overall	66%	64%	56%
Percentage who agreed that Reading Borough Council provides value for money	54%	44%	43%
Percentage who felt Reading Borough Council acts on the concerns of local residents	62%	58%	52%
Percentage who felt Reading Borough Council keeps them well informed about the services and benefits it provides	69%	62%	57%

¹ Local Government Association satisfaction survey of a random sample of 1000 respondents, carried out every 4 months; the Oct 2021 survey is the latest.

Question	2021		2020		Net change from 2020²	LGA OCT 2021
	<i>Satisfied</i>	<i>Dis-satisfied</i>	<i>Satisfied</i>	<i>Dis-satisfied</i>		
Percentage satisfaction with Council Services						
Parks and green spaces	75%	10%	81%	11%	-5%	75%
Waste collection service	73%	17%	79%	16%	-7%	75%
Street cleaning service	66%	19%	67%	22%	2%	65%
Town centre cleanliness	61%	13%	67%	14%	-5%	n/a
Schools	55%	7%	61%	9%	-4%	n/a
Customer service	53%	14%	54%	16%	1%	n/a
Cultural services	52%	14%	56%	15%	-3%	n/a
Library services	46%	12%	45%	19%	8%	53%
Sport and leisure services	41%	25%	49%	30%	-3%	58%
Road maintenance	39%	45%	34%	56%	16%	37%
Services and support for children and young people	37%	20%	40%	21%	-2%	41%
Services and support for older people	33%	13%	29%	19%	10%	38%
Action on climate change	27%	24%	33%	23%	-7%	n/a

² This is the net difference between 2020 and 2021 of changes in the % satisfied and % dissatisfied.

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READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	14 FEBRUARY 2022		
TITLE:	CAPITAL STRATEGY 2022/23		
LEAD COUNCILLOR:	COUNCILLOR BROCK	PORTFOLIO:	LEADER OF THE COUNCIL
SERVICE:	ALL	WARDS:	BOROUGHWIDE
LEAD OFFICER:	STUART DONNELLY	TEL:	01889 373468
JOB TITLE:	FINANCIAL PLANNING & STRATEGY MANAGER	E-MAIL:	stuart.donnelly@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.
- 1.2. This report has been prepared with reference to the following documents:
 - CIPFA Code of Practice for Treasury Management in the Public Services 2017
 - CIPFA The Prudential Code 2017
 - MHCLG guidance February 2018

2. RECOMMENDED ACTION

Policy Committee is asked to:

- 2.1 Recommend to Council the adoption of the Capital Strategy attached at Appendix 1; and
- 2.2 Note the updated Action Plan that forms Appendix C of the Capital Strategy (Appendix 1) together with the associated financial implications.

Appendices:

Appendix 1 - Draft Capital Strategy 2022/23

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 This year the Capital Strategy has been subject to relatively minor update. The figures in the various tables, most particularly the Capital Programme itself have been updated to reflect the latest position consistent with the MTFS report elsewhere on this agenda. Also, the Action Plan at Appendix C has been refreshed. It is likely that more radical revision will be needed in the year ahead following the publication of a revised Prudential Code by CIPFA later this year and the review of Capital governance arrangements planned by the Director of Finance.
- 4.6 Appendix A to the Strategy attached at Appendix 1 sets out a prioritisation matrix for new capital schemes.
- 4.7 The proposed Action Plan at Appendix C of the Strategy identifies four areas of ongoing work required for the Council to remain 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 Progress against actions still outstanding are reported on the face of the Action Plan along with revised target completion dates. Progress against the action plan has not been what was anticipated due to a range of issues, but most particularly staff shortages and turnover in key teams and the inevitable strain put on all teams due to coping with the continuing impact of the Coronavirus pandemic. Some recent appointments along with some further imminent additions should facilitate better progress in the year ahead.

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 three themes which contribute to delivering this vision, which are:
- Healthy Environment;
 - Thriving Communities; and

- Inclusive Economy.

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 2022/23 Budget and Medium-Term Financial Strategy 2022/23 - 2024/25.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1. The Council's budget consultation process ran from 20th December 2021 until 14th January 2022. The feedback from this consultation, alongside the feedback from the Resident's Survey 2021 is set in in the main body and appendices of the 2022/23 Budget and Medium-Term Financial Strategy 2022/23 - 2024/25 report which appears elsewhere on the agenda.

8. EQUALITY IMPACT ASSESSMENT

8.1. 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.

8.2. An initial Assessment of the proposals as set out in the MTFs (including the Capital Programme) has been undertaken and Appendix 10 to the 2022/23 Budget & Medium Term Financial Strategy 2022/23-2024/25 Report, which is elsewhere on the agenda, sets out the individual budget proposals where specific equality impact assessments will need to be undertaken prior to implementation.

8.3. 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.

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. FINANCIAL IMPLICATIONS

10.1. 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 2022/23 Budget and Medium-Term Financial Strategy

2022/23 - 2024/25 report and Treasury Management Strategy Statement which appear elsewhere on the agenda.

10.2. All schemes included in the approved capital programme, including those planned to start in 2022/23 shall remain subject to:

(i) spending approval in detail by the responsible Committee or Policy Committee or Council, as appropriate, for all schemes

(ii) the Director of Finance confirming the availability of funds.

10.3. The Capital Programme, attached as Appendix 7 to the 2022/23 Budget & Medium Term Financial Strategy 2022/23-2024/25 Report, identifies schemes where the commitment to proceed has already been made. All other schemes remain in the Programme but approval to proceed will only be given when the Director of Finance confirms the availability of funds including that sufficient revenue budget is available to meet the ongoing capital financing costs of schemes

11. BACKGROUND PAPERS

11.1. None.

Reading Borough Council

Capital Strategy

2022/23

February 2022

Contents

1. Introduction
2. Context
3. Approach to Capital Investments
4. Asset Management Planning
5. Capital Programme (2022/23 - 2024/25)
6. Financing the Capital Programme
7. Governance
8. Risk Management
9. Treasury Management
10. Action Plan

Appendix A - Prioritisation Matrix

Appendix B - Schedule of Properties Available for Disposal

Appendix C - Action Plan

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. CIPFA have just concluded a consultation on revisions to the Prudential Code. The stated time table is for a soft launch of the revised Code in 2022/23, with full implementation for 2023/24. It is likely, therefore, that this Capital Strategy will need to be amended in 2022/23 to reflect the provisions of the revised Prudential Code.
- 1.3. 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.
- 1.4. 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.
- 1.5. 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 (2022/23). The Capital Strategy will help shape Reading's future and facilitate the delivery of the Council's agreed Corporate Plan themes, which are:
 - Healthy Environment;
 - Thriving Communities; and
 - Inclusive Economy.
- 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 Plans, 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 Council's 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. 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 A.

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 2022/23-2023/24 is £1.0m p.a. It is primarily directed at operational buildings (non-Housing) and excludes ring fenced funding.

4.6. Under the Council's Asset Management Plan, any surplus properties are prioritised to be used to maximise revenue or capital resources which can be done in a number of ways on a case by case basis. For example, the Council may choose to seek offers on both a freehold or commercial leasehold basis. 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 £9.6m 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. This is summarised and updated in the Annual Status Options Report (ASOR) produced for the highways network.
- 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 and associated revenue budgets.

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 and its broader Digital Transformation Strategy was agreed by the Policy Committee in July 2021.
- 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 may 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. However, given the capitalisable costs associated with the acquisition and implementation of the solutions satisfying the transformation strategy, the effect of this trend is likely to be a medium-long term rather than short term one.

Capital Receipts

4.15. Below is the latest projection on capital receipts:

Table 1. Capital Receipts Projection

	2021/22	2022/23	2023/24	2024/25
	(£000)	(£000)	(£000)	(£000)
Prior Year (Brought Forward)	1,414	0	0	585
Receipts in Year:				
Property Disposals	2,873	2,126	2,951	2,951
Balance Available to be Applied	4,287	2,126	2,951	3,536
Applied to Fund Delivery Fund	(4,287)	(2,126)	(1,798)	(1,782)
Applied to Fund Other	0	0	(568)	(722)
Balance to Carry Forward	0	0	585	1,032

4.16. A schedule of properties anticipated to be available for disposal during the MTFS period is included at Appendix B.

Investment Assets

4.17. 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.

4.18. 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.

4.19. 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.

4.20. 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.

4.21. 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 relating to the Council's existing commercial assets will need to be subject to a thorough review.

- 4.22. 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 analysed and understood.
- 4.23. 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.
- 4.24. 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, with interim lease events or asset opportunities being assessed on a case by case basis to retain/increase value and reduce cost/risk.
- 4.25. 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	Capital Value as at 31st March 2020	Purchase Price	Net Annual Income after Financing Cost
	(£m)	(£m)	(£m)	(£m)
Kennet Wharf, Queens Road	1.295	17.075	21.276	0.589
Adelphi House, Friar Street	0.745	9.54	12.116	0.343
160 - 163 Friar Street Office	0.719	9.54	11.884	0.324
Four 10 TVP	2.173	34.475	39.968	0.846
Acre Business Park	0.018	2.69	N/A	0.018
Albury Close	0.005	0.61	N/A	0.005
16 & 18 Bennett Road	0.109	2.05	N/A	0.109
Total	5.064	75.98	85.244	2.234

- 4.26. 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

- 4.27. 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 (2022/23 - 2024/25)

- 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 A). 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 set out the Council's plan of capital expenditure for future years, including details on the funding of the schemes. The Capital Programme 2022/23 - 2024/25 is set out as part of the MTFS for Member approval. It identifies £312m to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading. The Programme has a borrowing requirement of £160m 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. Projected Capital Expenditure (2021/22 - 2024/25)

	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Adult Social Care & Health Services	1.272	0.686	3.679	0.823
Economic Growth & Neighbourhood Services	53.723	60.624	32.284	14.768
Economic Growth & Neighbourhood Services - Education Schemes	17.308	19.389	10.898	5.450
Resources	7.409	3.148	2.343	0.500
Corporate	11.387	8.226	6.898	1.782
General Fund	91.099	92.073	56.102	23.323
HRA	28.092	35.442	53.881	50.935
Total	119.191	127.515	109.983	74.258

5.5. Highlights of the Capital Programme 2022/23 - 2024/25 are:

- £53m on the school estate including Re-provisioning at Phoenix College and replacing Ranikhet School
- £38m on 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
- £51m on the re-provisioning of social care facilities supported by both the HRA and the General Fund.
- £28m Investment in the Council's local highways infrastructure (including Bridges) addressing feedback from the residents' survey
- £12m on the provisioning of Green Park station and Reading West Station
- £13m on South Reading MRT (All Phases) [*there are additional resources in future years*]
- £6m on schemes to help reduce Reading's carbon footprint
- £21m on retro-fitting carbon reduction measures to Council dwellings.
- 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 processes 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 revenue liabilities/costs of holding the asset
- 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 - 2024/25) 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 2022/23 - 2024/25 MTFs. The MTFs includes an allocation of capital receipts to support transformation and savings delivery (the Delivery Fund) in 2022/23 to 2024/25. 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	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital Expenditure	119.191	127.515	109.983	74.258
Capital Receipts	(5.144)	(3.041)	(4.426)	(3.544)
Capital Grants & Other Contributions	(65.007)	(45.119)	(30.108)	(19.520)
Capital Reserves (HRA)	(8.856)	(16.790)	(15.696)	(13.162)
Revenue Contributions	(0.286)	(0.600)	0.000	0.000
Net Borrowing Requirement	39.898	61.965	59.753	38.032

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.
- 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 property asset management activity. The Board has responsibility for delivery of the relevant part of the Capital Programme, considers service bids for capital resources and makes recommendations to Corporate Management Team as part of the annual budget setting process and provides strategic direction as to the development and use of property assets.
- 7.6. The LPD Steer Co. below the LPDB is an operational group responsible for managing property asset and estate strategy work streams 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 reporting to Policy Committee and Audit & Governance 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 requires project officers reporting to the LPDB at stages of the project and requires 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. Stages are as follows:
- Initial proposal
 - Feasibility
 - Business Case
 - Project initiation
 - Final design/Procurement
 - Contract Award
 - Project Review
- 7.12. As part of the 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 A. 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 dependant on the nature of the particular project and issue under review. Treasury Management is also subject to regular audit review.

Review of Governance Arrangements

- 7.21. In view of the very high levels of slippage in the delivery of the Capital Programme the Director of Finance will carry out a review of Governance arrangements in quarter 1 of 2022/23 with a view to tightening control and improving performance.

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 the 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. The Commercial Investment Strategy itself has yet to be reviewed and amended. However, following the decision of Policy Committee to cease further property investments an agent has been appointed to proactively manage and review the current portfolio and to make recommendation on retention or disposal in order to maximise income.
- 8.11. 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.
- 8.12. 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.
- 8.13. 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

- 8.14. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions (including treasury management).
- 8.15. 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.
- 8.16. 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 2022/23 - 2024/25 is forecast to be £30m. 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 C) is maintained that outlines actions, owners of those actions and timelines for delivery.

Appendix A - Prioritisation Matrix

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

Appendix B - Schedule of Properties Available for Disposal

The Capital receipts assumptions set out in paragraph 4.15 of the Strategy (Table 1) are planned to be delivered from the sale of the following assets that are considered to be surplus and available to be sold over the period of the MTFS. Some of the assets below would require further approval before sales could be realised.

Site	Further Information
London St Central Club	Vacant community building with ACV mural
200-202 Broad St	Leaseholder purchase of freehold
Market Passageway	Right or way reserved within existing building
Yeomanry House	Vacant Grade 2 Listed Building
Cemetery Arch	Vacant Grade 2 Listed Building
Gosbrook Rd Caversham Nursery	Cleared former nursery school currently used for temporary school accommodation
Southcote library	Vacant library
Bridge St, Caversham	Vacant land behind advert hoarding
Coley Place	Joint development opportunity 50% share
Hamilton Centre / Phoenix	Special School 0.76 acre site with various 1-3 stories totalling circa 11,850 sq ft
16/18 Bennet road	Cleared site of circa 1.84 areas leased for car storage
Crown St / Southampton St	Vacant cleared site in multiple ownership. Advert hoarding on part of RBC land
De Montford Road (1-9 Hallsmead Court)	Leaseholder purchase
Links Drive	Garage forecourt area
Donkin Hill/Lower Henley Road	Amenity land
10 Oak Tree Road	Back garden

Appendix C - 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 Property & Asset Management	The original work with Avison Young was put on hold as it was recognised that some further ground work was required such as developing a single asset register, before we are able to develop an asset strategy. Condition Surveys have been completed and are presently being analysed to establish priorities and agree how they will feed into the asset strategy.	30/04/2023

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>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 Council's Digital Transformation Strategy was approved by Policy Committee in July 2021 and is guiding future investment in Digital and ICT across the organisation.</p>	<p>Complete</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	Director of 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.	31/12/2022
Review working practices within Assets & Regeneration to identify skills and knowledge gaps.	AD Property & Asset Management	The peer review undertaken by Hampshire County Council has now been completed. RBC are now reviewing the recommendations and implementing agreed actions. A consultation on a revised structure to strengthen the team is being undertaken and is planned for implementation by summer 2022.	31/05/2022

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

Action	Lead	Progress update	Deadline
<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.</p> <p style="text-align: center;">Page 186</p>	AD Property & Asset Management	<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. A broader Digital Transformation Strategy was approved by the Policy Committee in July 2021 and a progress update is being submitted to the January 2022 Policy Committee. Current plans are assessed to be affordable within existing capital budgets.</p>	31/04/2022
Secure an asset management database	AD Property & Asset Management	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

- Governance

Action	Lead	Progress update	Deadline
Update the Constitution and related documents to provide clarity around the capital investment process (approval monitoring, virements, slippage)	Director of Finance	Will be picked up as part of a wider review of the Constitution being led by the Monitoring Officer.	31/03/2023
Review corporate governance arrangements for Capital across the organisation, including post project review and scheme monitoring arrangements.	Director of Finance	New Action	31/03/2023
Review and update the Commercial Investment Strategy in the light of new restrictions on borrowing from the PWLB	AD Property & Asset Management	The Commercial Investment Strategy itself has yet to be reviewed and amended. However, following the decision of Policy Committee to cease further property investments an agent has been appointed to proactively manage and review the current portfolio and to make recommendation on retention or disposal in order to maximise income.	31/03/2023

5. Review capacity within the organisation

Action	Lead	Progress update	Deadline
Review current capacity to deliver capital schemes and achieve the desired outcomes.	AD Property & Asset Management	<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>	31/06/2022

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.

Agenda Item 8

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	14 FEBRUARY 2022		
TITLE:	TREASURY MANAGEMENT STRATEGY STATEMENT (2022/23); MINIMUM REVENUE PROVISION POLICY (2022/23); ANNUAL INVESTMENT STRATEGY (2022/23)		
LEAD COUNCILLOR:	COUNCILLOR BROCK	PORTFOLIO:	COUNCIL WIDE
SERVICE:	FINANCE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	STUART DONNELLY	TEL:	01189 373468
JOB TITLE:	FINANCIAL PLANNING & STRATEGY MANAGER	E-MAIL:	stuart.donnelly@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 2022/23 under which the Council's Treasury Team will manage day to day activity. The TMSS reflects the Council's Draft Capital Programme 2022/23 - 2024/25.
- 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 This report has been prepared with reference to the following documents:
 - 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)

2. RECOMMENDED ACTION

That Policy Committee endorse and recommend that Full Council approve:

- 2.1. The Treasury Management Strategy Statement for 2022/23 as set out in Appendix A;
- 2.2. The Treasury Management Policy for 2022/23 as set out in Appendix A;
- 2.3. The Minimum Revenue Provision (MRP) Policy for 2022/23 as set out in Appendix A;
- 2.4. The Annual Investment Strategy for 2022/23 as set out in Appendix A; and
- 2.5. The Prudential and Treasury Management indicators as set out in Appendix A.

APPENDICES:

Appendix A - Treasury Management Strategy Statement 2022/23 (including the Borrowing & Investment Strategy, Treasury Management Indicators and Prudential Indicators); Treasury Management Policy (2022/23); Minimum Revenue Provision Policy (2022/23); Annual Investment Strategy (2022/23).

3. ECONOMIC BACKGROUND

- 3.1 In December 2021, the Bank of England increased bank rate from 0.10% to 0.25% as recovery progresses from the Covid recession of 2020. The Council's Treasury Management advisors, Link Group, Treasury Solutions are forecasting that bank rate will increase to 0.50% in June 2022 and then to 0.75% in March 2023.
- 3.2 With inflation expected to peak at around 6% in April 2022, the Bank of England Monetary Policy Committee (MPC) may want to be seen to be active in taking action to counter inflation on 5th May 2022, the release date for its Quarterly Monetary Policy Report. The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term. Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022.
- 3.3 Covid remains a major potential downside threat in all three years as there is a high likelihood that further mutations of the virus will develop.

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 2021, the Council had £393.171m 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 2021/22 to 31st December 2021.

- 4.5 Market projections, per Table 11 in Appendix A, indicate that long-term borrowing costs will increase gradually, but remain relatively low for some time (at least until March 2025) compared to historic averages. Consequently, the Council intends to use lower cost temporary borrowing in the coming year where required. 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 2022/23-2024/25 totals £311.756m (£171.498m General Fund and £140.258m 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 £160.750m per Table 2 of Appendix A (£85.729m General Fund and £75.021m HRA). The cost of borrowing together with any associated revenue savings is included within the Council's Medium-Term Financial Strategy 2022/23 - 2024/25.
- 4.8 All schemes included in the approved capital programme, including those planned to start in 2022/23 shall remain subject to:
- (i) spending approval in detail by the responsible Committee or Policy Committee or Council, as appropriate, for all schemes
 - (ii) the Director of Finance confirming the availability of funds, including that sufficient revenue budget is available to meet the ongoing capital financing costs of schemes. This is especially important given the budget gap in future years and the need to ensure affordability.
- 4.9 After reducing the borrowing requirement by a total Minimum Revenue Provision charge of £33.163m across the period, the Council has a projected increase in its CFR of £127.587m, as set out in Table 3 of Appendix A.
- 4.10 The Director of Finance 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
- 4.11 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.
- 4.12 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 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, that the costs of borrowing can be met and that the Council can ensure the security of such funds.

4.13 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 £156.750m at the end of December 2021 (per Table 6 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 2.88% and the average weighted rate of return 1.28%.

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 Department for Levelling Up, Housing and Communities (DLUHC) 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 European Union (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 has been formally adopted into UK legislation

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 responded by improving 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. MINIMUM REVENUE PROVISION (MRP) CONSULTATION

- 8.1 The Department for Levelling Up, Housing and Communities launched a consultation on 30th November 2021 until 8th February 2022, seeking views on proposed change to regulations to better enforce the duty of local authorities to make prudent Minimum Revenue Provision each year.

- 8.2 One of these proposals would, if implemented, require Council's to provide MRP on any capital loans given to third parties and wholly owned companies. The Council's current MRP policy would therefore need to be reviewed and additional budgetary provision made within the Council's revenue budget in order to comply with this change should it materialise.

- 8.3 The proposal is that the changes will first come into force for the financial year beginning 1st April 2023 therefore there will be no impact on 2022/23; it is not the government's intention that these changes are applied retrospectively. Based on the level of existing loans, the estimated additional MRP that the Council would need to provide in 2023/24 should the regulations change per the MRP consultation, would be approximately £1.3m. However, this would be mitigated downwards in future years when the capital loan repayments are received, and treated as capital receipts, and applied to fund the capital programme.

9. RISK CONTROLS

Investment Risk

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

Borrowing Risk

- 9.3 The main risks when deciding to borrow is around the timing of the decision and ensuring affordability. 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.
- 9.4 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.
- 9.5 The Treasury Management Policies deal with risk controls, decision making and reporting processes, along with high level administration of the Treasury Management activities.

10. 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 three inter-connected themes which contribute to delivering this vision. The themes are:

- Healthy environment;
- Thriving communities;
- Inclusive economy.

- 10.2 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.

11. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 11.1 There are no environmental implications arising directly from this report.
- 11.2 As set out in the Council's Annual Investment Strategy (Appendix A paragraph 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 environmentally harmful activities (e.g. pollution, destruction of habitat, fossil fuels).

12. COMMUNITY ENGAGEMENT AND INFORMATION

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

13. EQUALITY IMPACT ASSESSMENT

13.1 None arising directly from this report.

14. LEGAL IMPLICATIONS

14.1 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.

15. FINANCIAL IMPLICATIONS

15.1 Financial implications are contained in the body of this report.

16. BACKGROUND INFORMATION

16.1 None.

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Reading Borough Council

Treasury Management Strategy Statement

2022/23

February 2022

CONTENTS

1. Introduction
2. Treasury Management Strategy 2022/23
3. Capital Prudential Indicators 2022/23 - 2024/25
4. Minimum Revenue Provision (MRP) Policy Statement 2022/23
5. Borrowing Strategy
6. Annual Investment Strategy
7. Annexes
 - Annex 1 - Prudential and Treasury Indicators
 - Annex 2 - Treasury Management Scheme of Delegation
 - Annex 3 - List of Approved Countries for Investment

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, presented to Audit & Governance Committee, 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, presented to Audit & Governance Committee, 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.

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 undertake new investment in property primarily for yield in the period 2022/23-2024/25. However, the Council's expenditure plans include a capital scheme for the Maintenance & Enhancement of Council Properties. It is anticipated that this capital expenditure will include works to the existing portfolio of commercial properties. The Capital Programme also includes a scheme in respect of the regeneration of Minster Quarter. These types of expenditure remains allowable under the revised PWLB borrowing terms announced in November 2020.

TREASURY MANAGEMENT STRATEGY FOR 2022/23

1.1 The Strategy for 2022/23 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.

1.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Department for Levelling Up, Housing and Communities (DLUHC) MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

Training

1.3 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.

1.4 Officers regularly attend training courses and seminars provided by the Council's external treasury management advisers and CIPFA. They 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

1.5 The Council uses Link Group, Treasury Solutions as its external treasury management advisors.

1.6 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.

1.7 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 is assessed are properly agreed and documented, and subject to regular review.

THE CAPITAL PRUDENTIAL INDICATORS 2022/23 - 2024/25

- 1.8 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

- 1.9 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 (2021/22 - 2024/25)

	Estimate 2021/22 £m	2022/23-2024/25 Estimate			
		2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Adult Social Care & Health Services	1.272	0.686	3.679	0.823	5.188
Economic Growth & Neighbourhood Services	53.723	60.624	32.284	14.768	107.676
Economic Growth & Neighbourhood Services - Education Schemes	17.308	19.389	10.898	5.450	35.737
Resources	7.409	3.148	2.343	0.500	5.991
Corporate	11.387	8.226	6.898	1.782	16.906
Non-HRA	91.099	92.073	56.102	23.323	171.498
HRA	28.092	35.442	53.881	50.935	140.258
Total	119.191	127.515	109.983	74.258	311.756

- 1.10 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 (2021/22 - 2024/25)

General Fund & HRA	Estimate 2021/22 £m	2022/23-2024/25 Estimate			
		2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Capital Expenditure	119.191	127.515	109.983	74.258	311.756
Capital receipts	(5.144)	(3.041)	(3.426)	(3.544)	(10.001)
Capital grants	(65.007)	(45.119)	(30.108)	(19.520)	(94.747)
Capital reserves (HRA)	(8.856)	(16.790)	(15.696)	(13.162)	(45.648)
Revenue	(0.286)	(0.600)	0.000	0.000	(0.600)
Net Borrowing Requirement	39.898	61.965	60.753	38.032	160.750

Capital Financing Requirement

- 1.11 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.
- 1.12 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.

1.13 The CFR includes other long-term liabilities (e.g. PFI schemes and 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.

1.14 The CFR projections are set out in Table 3 below:

Table 3. CFR Projections

Capital Financing Requirement	Estimate 2021/22 £m	2022/23-2024/25 Estimate			
		2022/23 £m	2023/24 £m	2024/25 £m	Total £m
CFR - General Fund	421.391	463.003	482.801	473.957	
CFR - HRA	196.762	207.825	237.525	271.783	
Total CFR	618.153	670.828	720.326	745.740	
Movement in CFR	31.712	52.675	49.498	25.414	127.587
Movement in CFR represented by:					
Net financing need for year	39.898	61.965	60.753	38.032	160.750
Less MRP/VRP* and other financing movements	(8.188)	(9.290)	(11.255)	(12.618)	(33.163)
Movement in CFR	31.710	52.675	49.498	25.414	127.587

*Voluntary Revenue Provision

MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

- 1.15 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.
- 1.16 As part of the regulatory framework, Full Council is required to approve a Minimum Revenue Provision (MRP) Policy.
- 1.17 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.
- 1.18 If regulations change, e.g. as a result of the current MRP Consultation, then this MRP Policy will be updated and presented to Council for approval.

General

- 1.19 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 4. 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	15-30
Other Transport Schemes	20
Other Small Capital Schemes	10-15
Large Vehicles (Refuse Freighters/Buses etc.)	7-10
Other Vehicles	5
Software Licenses	Length of License
Share Capital	20
Capital Grants / Loans to Others	Expected Life of Asset Held by Third Party

- 1.20 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.

- 1.21 Assets acquired before 31 March 2011, and with a notional outstanding capital borrowing balance, will continue to have an annual MRP charge levied at 2% of the identified capital debt balance as at 31 March 2011.
- 1.22 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.
- 1.23 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.
- 1.24 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

- 1.25 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.
- 1.26 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.
- 1.27 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.
- 1.28 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.
- 1.29 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.

- 1.30 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.
- 1.31 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.
- 1.32 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). 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 eases pressure on HRA balances and enables 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.
- 1.33 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

- 1.34 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 2025 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.
- 1.35 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.
- 1.36 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

- 1.37 A change introduced by the revised DLUHC 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 2021 nil overpayments were made, and there is no expectation that any VRP contributions will be made in the period 2021/22-2024/25.

BORROWING STRATEGY

- 1.38 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

- 1.39 The overall treasury management portfolio as at 31st March 2021 and the position as at 31st December 2021 are shown below for both borrowing and investments.

Table 5. Treasury Portfolio

General Fund & HRA	31 st March 2021		31 st December 2021	
	Principal (£m)	Average Rate %	Principal (£m)	Average Rate %
Debt Portfolio				
Fixed Rate Loans				
PWLB	359.620	3.26	358.350	3.27
Local Authorities	0.000	N/A	0.000	N/A
Market	30.000	4.18	30.000	4.18
Variable Rate Loans				
PWLB	4.821	0.17	4.821	0.23
Total Debt	394.441	3.31	393.171	3.32
Total Investments	103.299	3.19	156.750	2.88*
Net Debt	291.142		236.421	

*The weighted average rate of return was 1.28%

- 1.40 The Council's investment portfolio summary as at 31st March 2021 together with the position as at 31st December 2021 is summarised below:

Table 6. Investment Portfolio Summary

	31 st March 2021 (£m)	31 st March 2021 (%)	31 st December 2021 (£m)	31 st December 2021 (%)
Treasury Investments				
Banks	20.467	31%	50.126	42%
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)	31.511	47%	55.303	46%
Total Managed In-house	51.978	78%	105.429	88%
Total Managed Externally - Property Funds	15.000	22%	15.000	12%
Total Treasury Investments	66.978	100%	120.429	100%
Non-Treasury Investments				

Reading Transport Ltd	6.821	19%	6.821*	19%
Homes for Reading Ltd	24.500	67%	24.500	67%
Brighter Future for Children Ltd	5.000	14%	5.000	14%
Total Non-Treasury Investments	36.321	100%	36.321	100%
Total - All Investments	103.299	100%	156.750	100%

*Values above do not include lease agreements with Reading Transport Ltd.

1.41 The Council's forward projections for borrowing are summarised in Table 7 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 7. Borrowing Estimates

	2021/22 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
External Debt				
Debt at 1 st April	394.441	427.078	486.703	545.116
Net Change in Debt	32.637	59.625	58.413	36.032
Debt at 31 st March	427.078	486.703	545.116	581.148
PFI Liabilities at 1st April	25.269	24.260	23.146	21.842
Net Change in PFI Liabilities	(1.009)	(1.114)	(1.304)	(1.364)
PFI Liabilities at 31 st March	24.260	23.146	21.842	20.478
Total Gross Debt at 31 March	451.338	509.849	566.958	601.626
Capital Financing Requirement	618.153	670.828	720.326	745.740
(Under)/Over Funding of CFR	(166.815)	(160.979)	(153.368)	(144.114)
(Under)/Over Borrowing (exc PFI)	(191.075)	(184.125)	(175.210)	(164.592)

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

Table 8. Analysis of Non-Financial Investment Borrowing

	2021/22 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
External Debt for Non-Financial Investments				
Actual Debt at 31 March	85.244	85.244	85.244	85.244
Percentage of Total External Debt	20%	18%	16%	15%

1.43 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 2022/23 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.

- 1.44 The Council has 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

- 1.45 **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 9. Operational Boundary

	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital Financing Requirement	618.153	670.828	720.326	745.740
Headroom	20.000	20.000	20.000	20.000
Operational Boundary	638.153	690.828	740.326	765.740

- 1.46 **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.

- 1.47 The Authorised Borrowing limits are set out below:

Table 10. Authorised Limit

	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Operational Boundary	638.153	690.828	740.326	765.74
Headroom	40.000	40.000	40.000	40.000
Authorised Limit	678.153	730.828	780.326	805.740

Prospects for Interest Rates

- 1.48 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 20th December 2021. These are forecasts for certainty rates (gilt yields plus 80bps).

Table 11. Interest Rate Projections (%)

	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23	Mar 24	Jun 24	Sep 24	Dec 24	Mar 25
Bank Rate	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3m av earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6m av earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
1yr av earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50

50yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30
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- 1.49 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 until raising it to 0.25% at its meeting on 16th December 2021.
- 1.50 As the interest forecast table for PWLB certainty rates above shows, the forecast for Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Investment and Borrowing Rates

- 1.51 Investment returns are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- 1.52 Borrowing interest fell to historically low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- 1.53 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)
- 1.54 **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.
- 1.55 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

- 1.56 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.

- 1.57 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.
- 1.58 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.
- 1.59 Any decisions will be reported subsequently to the Audit & Governance Committee.

Policy on Borrowing in Advance of Need

- 1.60 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.
- 1.61 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

- 1.62 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)
- 1.63 It is not anticipated that the Council will carry out any debt rescheduling in the near future as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilt yields was reduced by 100 bps in November 2020. Any rescheduling will be reported to Members in a treasury report at the earliest meeting following its action.
- 1.64 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

1.65 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	●	●

ANNUAL INVESTMENT STRATEGY

Investment Policy - Management of Risk

- 1.66 The DLUHC 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.
- 1.67 The Council’s Investment Policy has regard to the following:
- DLUHC’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
- 1.68 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.
- 1.69 The above guidance from the DLUHC 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 12.
 - vii. Setting a £30m limit for the amount of 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. Engaging **external consultants**, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of the Council 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 2022/23 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 ending 31st March 2023. 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 2020/21, the net unrealised loss relating to this investment was £0.104m, however due to the statutory override there was no impact on the General Fund.
- 1.70 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

- 1.71 The cash investment limit for Non-Specified Investments (which includes pooled property funds) was increased from £20m to £30m in 2021/22 to provide the Council with additional investment options given the uncertainty within the current market. There are no proposed changes for 2022/23.

Creditworthiness Policy

- 1.72 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.
- 1.73 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.
- 1.74 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.
- 1.75 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 12. 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		
	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

- 1.76 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

- 1.77 Significant levels of downgrades to Short- and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

Credit Default Swap (CDS) Prices

- 1.78 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. 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

- 1.79 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 its maximum total exposure to non-specified investments to £30m.
 - 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.

1.80 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

1.81 **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.

1.82 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

1.83 The current forecast shown in Table 11 includes a forecast for a first increase in Bank Rate in May 2022, though it could come in February.

Investment Treasury Indicator and Limit

1.84 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.

1.85 Table 13 below sets out the limits on investments that can be longer than 365 days.

Table 13. Upper limit for principal sums invested on fixed terms for longer than 365 days

	2022/23	2023/24	2024/25
Principal sums invested for longer than 365 days	£30m	£30m	£30m
Current investments as at 31.01.22 in excess of 1 year maturing in each year	Nil	Nil	Nil

1.86 As at 31st January 2022, the Council has £15.000m invested in pooled property funds which have no fixed maturity, as set out in Table 6.

1.87 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

1.88 Reform of the Housing Revenue Account Subsidy system was completed at the end of 2011/12, the Council was required to pay DLUHC £147.8m. Prior to 2012/13 The Council would recharge interest expenditure and income attributable to the HRA in accordance with determinations issued by DLUHC. 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.

1.89 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.

1.90 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

1.91 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

1.92 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.

ANNEXES

Annex 1 - Prudential and Treasury Indicators

Annex 2 - Treasury Management Scheme of Delegation

Annex 3 - List of Approved Countries for Investment

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2022/23 - 2024/25

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

Capital Expenditure

	Estimate 2021/22 £m	2022/23-2024/25 Estimate			
		2022/23 £m	2023/24 £m	2024/25 £m	Total £m
General Fund	91.099	92.073	56.102	23.323	171.498
HRA	28.092	35.442	53.881	50.935	140.258
Total	119.191	127.515	109.983	74.258	311.756

Affordability Prudential Indicators

2. 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

3. 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.

	2021/22	2022/23	2023/24	2024/25
	Estimate	Estimate	Estimate	Estimate
General Fund	9.0	11.2	12.9	13.1
HRA	17.2	14.6	15.7	17.1
Total	10.9%	12.0%	13.6%	14.1%

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 2022/23		
	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 2022/23		
	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 22nd December 2021).

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

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READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	14 FEBRUARY 2022		
TITLE:	ESSENTIAL PLAYGROUND REFURBISHMENT WORKS 2022/23		
LEAD COUNCILLOR:	COUNCILLOR ROWLAND	PORTFOLIO:	CULTURE, HERITAGE & RECREATION
SERVICE:	ENVIRONMENTAL & COMMERCIAL SERVICES	WARDS	BOROUGHWIDE
AUTHOR:	CAROLYN JENKINS	TEL:	0118 937 2773
JOB TITLE:	LANDSCAPE SERVICES MANAGER	E-MAIL:	carolyn.jenkins@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the proposal to allocate the approved capital budget of £891,000 in 2022/23 for essential playground works.
- 1.2 The Council carries out regular detailed playground inspections, which have highlighted H&S issues in respect of aging equipment. Spending to address these issues is proposed to refurbish the play areas highlighted in Appendix 1 in the 22/23 financial year.
- 1.3 Expenditure on new playground equipment also seeks to address current accessibility issues identified across the Council's play areas, to improve accessibility for all.
- 1.4 Of the sites identified in 2018 as requiring full or significant refurbishment, four remain: Christchurch Meadows, Coley Recreation Ground, Victoria Recreation Ground (Gt Knollys Street) and Westfield Road Recreation Ground. Other sites identified in need of investment to remedy specific issues are Hills Meadow skate park, John Rabsons Recreation Ground and Robert Hewett Recreation Ground.
- 1.5 £350,000 has already been allocated to replacing in its entirety the playground at Prospect Park. Since costs were estimated in 2019, raw materials costs have increased considerably, for both rubber (for safety surfacing) and steel. In addition, submission for Planning consent has highlighted issues with access. Further funding is proposed to be allocated from the 22/23 capital budget to complete this scheme.

2 RECOMMENDED ACTION

- 2.1 That the Committee approve spending the allocation of £891,000 capital on playgrounds as set out in this report in section 4 and in Appendix 1.

3 POLICY CONTEXT

- 3.1 The Council's Corporate Plan 2018 - 2021 'Shaping Reading's Future' sets out the Council's priorities which include keeping Reading's environment clean, green and safe and promoting great education, leisure and cultural opportunities for people in Reading.
- 3.2 Reading's Open Spaces Strategy includes objectives that together continue to protect and improve the choice, quality and accessibility of public open space.
- 3.3 The Council's Capital programme was approved as part of the Medium Term Financial Strategy in February 2019. The programme includes the allocation of £1.6 million over three years to carry out improvements to the open space and play provision in the Borough, with a particular focus on inclusive facilities.
- 3.4 A separate investment programme in leisure facilities sits alongside this investment in play programme as S.106 and CIL funded programmes, some of which are for play facilities.

4. THE DECISION

Current Position:

- 4.1 Reading Borough Council currently manages 58 equipped playgrounds.
- 4.2 An internal review of all playgrounds in the Borough in 2017, showed an estimated £3.8m capital investment was required in the medium term to refurbish the play areas reaching the end of their maintainable lifespan. A growing population is adding to the demands made on leisure infrastructure, increasing pressure to refresh and augment facilities, particularly in larger parks.
- 4.3 The Council is committed to providing accessible play areas for children with disabilities. Access to play equipment can also be a problem for able-bodied children with carers living with disability. The Council is aware of these issues and has been seeking to address this through its play area refurbishment programme.
- 4.4 In December 2018, a capital bid was submitted for £2.86 million investment in play facilities over 5 years. This was to be spent on the sites most urgently requiring refreshment and on providing better facilities for people with mobility issues.
- 4.5 To date, investment under this programme has resulted in the following schemes being completed or commenced:
Blagrave Recreation Ground junior and toddler play: £244,000
Palmer Park playground: £100,000
Amersham Road gym station: £24,000
- 4.6 Planning approval has been given for £350,000 to be spent on an entirely new playground in a new location at Prospect Park. Invitations to tender were sent out in December 2021.

Options Proposed

4.7 The approved capital budget for 2022/23 for essential playground works is £891,000. It is proposed that this is allocated as set out below.

- **Coley Recreation Ground (£200,000):** The last significant investment was Playbuilder funded in 2009. This site is well used and play equipment is aging. In particular, the loosefill safety surfacing needs to be replaced to improve access.
- **Victoria Recreation Ground (Gt Knollys St) (£275,000; £44,000 S.106 funding available, so £231,000 capital required):** The site is presently experiencing antisocial behaviour, and it is proposed to relocate the playground to the other side of the park close to the school to increase its visibility and security. There was some Playbuilder funded investment in 2009, but the older kit was installed in 2002 and is now 20 years old and has reached the end of its maintainable life.
- **Westfield Road (£200,000):** The existing equipment is in poor condition, offers low play value and is no longer maintainable. A complete overhaul is proposed.
- **Clayfield Copse skate park (£55,000):** This is a well-used teen facility, attracting users from all parts of Reading. One of the units is damaged and requires being replaced. The remainder of the facility is currently in good condition.
- **John Rabsons Recreation Ground (£25,000):** The safety surfacing requires replacement at this destination site. Equipment is currently in good condition.
- **Prospect Park (an additional £180,000):** £350,000 has already been allocated to replacing in its entirety the playground at Prospect Park. Since costs were estimated in 2019, raw materials costs have soared, for both rubber (for safety surfacing) and steel, in some cases by more than 50%. In addition, submission for Planning consent highlighted issues with access: the existing path needs to be resurfaced; a new link path is required, and a secure crossing from the car park needs to be made. The latter requirement requires removal of part of the bund to create a wider and level access point for buggies and wheelchairs, and then resealing of this access point against vehicles. In addition, it is not possible to re-use the fencing as originally intended, as consultees required a better-quality fencing in this Grade 2 listed landscape. For these reasons, further funding is required to complete this scheme.

Other options considered

4.8 Other playgrounds previously highlighted as being most urgently in need of investment, including Blagrove Recreation Ground, Dover Street, Lyon Square, Moriston Close, Oxford Road Recreation Ground, Palmer Park and Rivermead have now been refurbished or already have funds identified to achieve this. The playgrounds identified as priorities in this report are now equally in need of refurbishment as outlined above.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 Improving the quality of active play facilities supports a number of Corporate Plan aims mainly:

- Keeping Reading's environment clean, green and safe.

- Promoting great education, leisure and cultural opportunities for people in Reading.
- 5.2 Better quality play facilities have the potential to increase participation in children's physical activity with a direct impact on health and well-being of the population thereby contributing to improving achievement against the desired outcomes of the Public Health Outcomes Framework.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 An 'Accessible Play Task and Finish Group' was established following a focus workshop of the Access and Disabilities Working Group (ADWG) held on 26 June 2019. This group is composed of parents/carers of disabled children as well as disabled parents/carers of able-bodied children. Meetings are to be co-chaired by the Lead Member for Culture, Heritage and Recreation and the Chair of the ADWG, and will be attended by Council Officers charged with play provision in the Borough. The group will advise the Council during the five-year investment period planned for play improvements in Reading.
- 6.2 Consultation and engagement with local communities and interest groups will be undertaken prior to investment. Ward Councillors are consulted on all projects within their ward.

7. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 7.1 In general, the allocation of capital for outdoor recreational facilities includes features which will make a positive contribution to climate change and the local environment, including open space, tree planting, air quality, water absorption and sustainable transport.
- 7.2 The projects to which this proposal relates, although not directly addressing climate change, will promote physical activity within Reading and will provide facilities that reduce the need to travel for people in the local area.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 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.
- 8.2 The installation of a synthetic safety surface will not have a differential impact on people with any distinguishing characteristics. It is targeted at providing access for all. It is not considered that a further Equality Impact Assessment (EIA) is required related to the information presented in this report.

9 LEGAL IMPLICATIONS

- 9.1 All procurement of equipment will follow the Council's relevant standing orders

10 FINANCIAL IMPLICATIONS

10.1 In relation to play and open space, the Council's approved Capital Programme (February 2019) details funding to complete a programme of replacement and upgrade of playground equipment as well as a programme of improvement works to parks and open spaces planned for 2019/20 and future years.

10.2 The funds and allocations set out in this report is part of a larger programme spanning a number of capital years.

10.3 Funds reallocated from previous years include:
 Prospect Park: £32,000 spent and £318,000 carried forward
 Unallocated: £26,000

10.4 It is anticipated that any operational non-capital costs that are associated with individual schemes will be met within existing approved revenue budgets.

10.5 The financial implications arising from the proposals set out in this report are set out below:

Capital Programme reference from budget book: page line	2020/21 £000	2021/22 £000	2022/23 £000
Proposed Capital Expenditure	481	396	1,282
Of which new funding	394	250	891
Of which funds reallocated from previous year	87	146	347
Of which, allocated	481	370	321
Of which, S.106	-	-	44
Of which, unallocated	26	26	917
Funded by			
Grant (specify)			
Section 106 (specify)			44
Other services			
Capital Receipts/Borrowing	481	396	1,238
Spent	335	49	
Slipped forward	146	347	
Total Funding	481	396	1,238

11 BACKGROUND PAPERS

11.1 Minutes of the Council meeting of 26.2.2019 - minute 45 refers

11.2 Report to NHL 3 July 2019, 'Update on the approved capital improvements programme for Leisure, Parks and Open Spaces, 2018-20'

Appendix 1: Estimated cost of proposals

Playground	Ward	Proposal	Capital estimate	Other
Coley Park	Minster, LEAP	Refresh play equipment	£200,000	
Clayfield Copse	Peppard, skate	Replace damaged unit	£55,000	
John Rabsons Rec. Ground	Church, NEAP	Replace safety surfacing	£25,000	
Prospect Park	Southcote, NEAP, major destination park	Complete scheme, including Planning obligations and covering cost increases	£180,000	
Victoria Rec. Great Knollys St	Abbey, LEAP	Replace entire playground in a new location, closer to the Academy on Great Knollys Street	£275,000 £231,000 capital	£44,000 S.106
Westfield Road Rec. Ground	Caversham, LEAP	A complete overhaul is required	£200,000	
TOTAL			£891,000	

LEAP - Local Equipped Area for Play
 NEAP - Neighbourhood Equipped Area for Play

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ECONOMIC GROWTH AND NEIGHBORHOOD SERVICES

TO:	POLICY COMMITTEE	
DATE:	14 FEBRUARY 2022	
TITLE:	LIQUID FUEL PROCUREMENT	
LEAD COUNCILLOR:	CLLR MCEWAN CLLR BROCK	PORTFOLIO: CORPORATE & CONSUMER SERVICES COUNCIL LEADER
SERVICE:	PROPERTY & ASSET MANAGEMENT - FACILITIES	WARDS: BOROUGHWIDE
LEAD OFFICER:	CHARAN DHILLON	TEL: 07817 085309
JOB TITLE:	ASSISTANT DIRECTOR PROPERTY & ASSET MANAGEMENT	E-MAIL: charan.dhillon@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1.1 Reading Borough Council currently spends in the region of £450k per year on liquid fuel supplies to support the corporate fleet for the provision of council services.
- 1.1.2 The Council procures the majority of its fuel centrally through a framework agreement managed by Crown Commercial Services (CCS) reducing risks and ensuring lowest price, through aggregating purchasing with other CCS customers. The report seeks permission to enter into a new framework agreement with CCS in March 2022 to ensure best possible cost and supply is maintained.
- 1.1.3 The Council has been successful in reducing its fuel and oil consumption by 31% since 2019 as a result of the Council's programme to replace fuel powered vehicles with electric vehicles (EVs) and ending the use of oil to fuel heating in buildings. The last oil heated building Darwin Close has now been sold.
- 1.1.4 The Council's Carbon Plan 2020-2025 includes specific targets to reduce the fossil fuel consumption of the Council's vehicle fleets by 50% by 2025. The main means of achieving this will be by electrification of the council fleet towards carbon neutral operations by 2030, which is being taken forward via the Vehicle Replacement Programme.
- 1.1.5 This report seeks the Policy Committee's approval to enter into and award a new contract for fuel supplies based on the framework's mini tender outcome. Under the framework Reading Borough Council is not committed to purchasing a minimum amount of fuel. This is a flexible contract that enables the Council to reduce the amount of fuel procured as it moves to an electric fleet and electric heating.

2. RECOMMENDED ACTION

- 2.1** That Policy Committee to delegate authority to the Executive Director Economic Growth and Neighbourhood Services, in consultation with The Assistant Director of Property & Asset Management and the Assistant Director of Procurement to enter into and award the recommended fuel supply contracts for diesel petrol and gas oil for the period 31st March 2022 to 31st March 2025, through the Crown Commercial Services framework RM6177 Liquid Fuels.
- 2.2** The Committee supports the development of targets and policies to reduce the use of fossil fuels for powering vehicles in the Council's operations.

3. POLICY CONTEXT

- 3.1** Reading Borough Council's Carbon Plan 2020-25 sets out to reduce carbon dioxide emissions from its fleet, requiring significant reductions in fossil fuel use, the expectation of which is reflected in the contract.

The projected requirement for liquid fuels over the life of the contract has been reduced in the following ways -

- a) Ongoing initiatives set out in the Vehicle Replacement Programme (as approved by SEPT Committee on 23 September 2021) to ensure RBC moves to all electric vehicles and during the transition ensure that the fleet is fuel efficient fleet, has speed-limiting of vehicles to 62mph, optimises routes, fuel efficient driver training. RBC currently has 14 electric vehicle chargers and ten electric vehicles one of which is a refuse freighter and will increase the number of both chargers and electric vehicles. The plan includes purchasing a further 6 all electric refuse freighters in 2022.
- b) Since the last fuel procurement exercise and the refurbishment of Bennet Rd to an all-electric low carbon building, the council no longer needs to include heating oil in this procurement exercise.
- 3.2** There is no commitment to purchase a minimum amount of fuel in the procurement exercise as the council move to an electric fleet.

4. CURRENT POSITION

- 4.1** Reading Borough Council's liquid fuel expenditure for its corporate fleet and estate is currently approximately £450k per year. The authority procures the majority of its fuel centrally through a framework agreement Liquid Fuels RM3081 managed by Crown Commercial Services (CCS). CCS is a public sector Central Purchasing Organisation (CPO) and the CCS frameworks are established using a Government compliant process. The procurement risk strategy employs a flexible, advance purchase approach where prices are based on the cost of fuel on the day of purchase.

- 4.2** The current list of liquid fuels, expenditure and supplier is as follows -

Diesel is supplied by Wessex Petroleum (circa £430k per annum)
Petrol is supplied by Wessex Petroleum (circa £10k per annum)
Kerosene is supplied by Certas Energy (circa £0k per annum)
Gas Oil is supplied by Certas Energy (circa £10k per annum)

High price volatility makes future price predictions difficult to forecast.

- 4.3 Overall the Council's use of oil and fuel has reduced by 31% since 2019. The use of oil to heat corporate buildings in the Council's estate has ended completely following the disposal of Darwin Close.
- 4.4 The key strategic outcomes which are supported through the CCS framework are -
- Mitigating risks of supplier price increases
 - Price advantage through purchasing in volume
 - Flexibility to buy reducing quantities of fuel oils as the fleet moves to electric vehicles and reduces consumption of fossil-based fuel oils.
 - Securing deliveries in times of fuel crisis

5. PROPOSALS

- 5.1 The recommended option is to enter into a new fuel supply contracts using the Crown Commercial Services (CCS) Framework to achieve the lowest cost and enhanced certainty of supplies, due the size of the contract used nationally by local and central government departments.
- 5.2 CCS is a public sector Central Purchasing Organisation (CPO) and the CCS frameworks are established using a Government compliant process. The procurement strategy will follow a mini e-tender exercise with contract starting in March 2022 to March 2025.
- 5.3 Other options such as fuel cards were considered however the CCS frameworks is advantageous in terms of cost and business continuity. As we are already using CCS framework for this provision, this will enable us to maintain consistency and gives us reassurance that this framework will perform to our requirements, providing the desired terms and conditions. CCS also have a wider national coverage and implications are therefore that we would expect a greater demand aggregated to get the best deal overall for RBC.
- 5.4 The contract will be a flexible contract enabling Reading Borough Council to reduce the amount of fuel procured as it increases the number of electric and ultra-low emission vehicles in its fleet. Currently RBC has 208 vehicles in its fleet of which nine are electric, 181 are Euro 6 standard and 18 are older vehicles. Plans are being developed to increase the number of electric and ULEVs (Ultra Low Emission vehicles). Under the framework Reading Borough Council are not committing to purchase a certain amount of fuel and will not be penalised for ordering less.
- 5.5 Following the move of staff from Darwin Close to an all-electric building at Bennet Rd. Kerosene will no longer be required to heat the Darwin Close building saving 23,000 litres of fuel per annum, reducing liquid fuel expenditure and reducing carbon.
- 5.6 A new target to reduce fossil fuel use by 50% by 2025 has been incorporated into the Carbon Plan 2020-25, helping to move the Council significantly towards net zero carbon operations by 2030.

6. CONTRIBUTION TO STRATEGIC PRIORITIES

- 6.1 The recommendations in this report are designed to ensure the efficient delivery of key Council services. This supports corporate plan aims as follows:
- **Healthy Environment** - this procurement supports tackling climate change and working towards our goal of a carbon neutral town by 2030, by reducing the predicted amount of liquid fuels used as the council moves to increasing use of electric fleet and the refurbishment of Bennet Rd, which has delivered an all-electric building negating the need for kerosene for heating. The effective procurement of fuel and shift to electric

fleet is crucial to the delivery of the Council's Carbon Plan, supporting the effective management and use of natural resources.

- **Inclusive Economy** - This procurement supports us in keeping Reading at the forefront of advances in technology as we utilise developments that enable us to use less fuel through more efficient use in our buildings, vehicles and equipment that would have previously used more fuel.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way". The procurement of liquid fuel is essential for the delivery of Council services does not require consultation.

7.2 Information about the process and the chosen supplier would be available to the public.

8. EQUALITY IMPACT ASSESSMENT

8.1 This decision is not expected to 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 and therefore no Equality Impact Assessment (EIA) is relevant to the decision.

9. LEGAL IMPLICATIONS

9.1 In accordance with the Local Government Act 1972, all the powers of the local authority are held by the Council, which has established Committees with delegated authority to take decisions on its behalf. The decision to award contracts for high value services (above £500,000) constitutes a 'key decision' and as such the decision should be made by the committees or an appropriate delegation is made.

9.2 The procedures for procurement of services are set out in the Council's Contract Procedure Rules under part 4 of the Council's Constitution. In respect of framework agreements set up by another body advice should be sought from Procurement, and where appropriate Legal, to confirm the ability of the Council to legally access such arrangements.

9.3 The value of the contracts under the aggregated value provision, are above the threshold (regarded as high value) for services in the Public Contracts Regulations 2015 and as such the tender will be published in the Government's e-procurement portal, Find a Tender service (FTS). The use of an appropriate framework would meet this provision on the basis that the framework would already have been advertised in the Government's e-procurement portal. The Council's contract procedure rules recommend that "Where a recurring pattern of purchases can be seen for like supplies, services or works, consideration should be given as to whether one or more framework agreement(s) would represent better value in terms of price, service, invoicing or other administration costs".

10. FINANCIAL IMPLICATIONS

10.1 Currently fuel budgets are paid centrally in the Council but allocated to individual service budgets. The annual costs of fuel for the following year are forecast based on previous year costs, market trend and move to an electric fleet. The supplier's margin is known and set for the term of the contract.

10.2 Fuel costs in 2020/21 was approximately £450k per annum incurred by the Council's corporate fleet, this takes into account a reduction in fuel consumption with the

introduction of electric vehicles. The future make up of fleet in terms of electric vehicles is expected to increase greatly leading up to 2030. The councils intention is to move half of the fleet to electric by 2028, this will potentially half the expenditure on liquid fuels, enabling future procurement at expiration of this contract in 2025 to target savings.

- 10.3 As we already use the framework, we are aware that there is either likely to be a very small increase in the margin charged or it will remain the same, proposed costs are outlined in **appendix 1**. It is also likely that fuel costs will increase as national volumes decrease.

11. ENVIRONMENTAL & CLIMATE IMPLICATIONS

- 11.1 The proposal reflects Reading Borough Council's Carbon Plan 2020-25 by reducing the predicted amount of liquid fuels used as the council moves to an electric fleet. The reduction is based on the introduction electric vehicles, a more fuel-efficient fleet, speed-limiting vehicles to 62mph, optimising routes, fuel efficient driver training and the refurbishment of Bennet Rd, which has delivered an all-electric building negating the need for kerosene for heating.
- 11.2 The introduction of fuel targets and the reduction of fossil-based fuel for Council operations will form a key aspect of the Carbon Plan and contribute to the delivery of the Reading Climate Emergency Strategy and its aim of a carbon neutral Reading by 2030.
- 11.3 The move to an electric fleet will also contribute to the reduction in air pollution in the borough.

12. BACKGROUND PAPERS

APPENDIX 1 - Proposed Fuel Types Quantity and Cost

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The margin charge per litre is the amount charged by CCS for managing the framework and the amount charged by the supplier for their overheads which includes delivery and is the additional pence per litre (ppl) charged for example previously the amount was £0.2 pence per litre. The margins are added to the weekly commodity cost of fuel, which is available via the CCS webpage under the documents section.

Proposed supplier schedules based on the mini tender carried out

Fuel	Contract name	Future Supplier	Margin charged per litre	Qty litres per annum	Est initial cost per annum of framework and supplier margin
Diesel	RM6177 :The Supply of liquid fuels	Via tender exercise outcome between January & February 2022	Via tender exercise outcome	300,000	£400k based on weekly cost of fuel at the time of order and supplier margin
Petrol	RM6177 :The Supply of liquid fuels	Via tender exercise outcome between January & February 2022	Via tender exercise outcome	10,000	£14k based on weekly cost of fuel at the time of order and supplier margin
Gas Oil	RM6177 :The Supply of liquid fuels	Via tender exercise outcome between January & February 2022	Via tender exercise outcome	10,000	£7k based on the weekly cost of fuel at the time of order and supplier margin