

To: Councillor Brock (Chair)  
Councillors Page, Barnett-Ward, Emberson,  
Ennis, Hoskin, Leng, McElroy, McEwan,  
Mitchell, Robinson, Rowland, Terry,  
Thompson and White

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10 February 2023

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

### NOTICE OF MEETING - POLICY COMMITTEE 20 FEBRUARY 2023

A meeting of the Policy Committee will be held on Monday, 20 February 2023 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. 2023/24 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY BOROUGH 11 - 180  
2023/24 - 2025/26 WIDE

This report sets out the 2023/24 General Fund and Housing Revenue Account budgets, Capital Programme and Medium Term Financial Strategy for recommendation to Full Council and also seeks the required approvals to progress the Levelling Up Fund programme and works at Ranikhet School.

7. CAPITAL STRATEGY 2023/24 BOROUGH 181 -  
WIDE 218

This report sets out the Draft Capital Strategy 2023/24 for recommendation to Full Council.

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- |           |   |                         |                      |
|-----------|---|-------------------------|----------------------|
| <b>8.</b> | <b>TREASURY MANAGEMENT STRATEGY STATEMENT (2023/24); MINIMUM REVENUE PROVISION POLICY (2023/24); ANNUAL INVESTMENT STRATEGY (2023/24)</b> | <b>BOROUGH<br/>WIDE</b> | <b>219 -<br/>258</b> |
|-----------|---|-------------------------|----------------------|

This report sets out the Treasury Management Strategy Statement, Minimum Revenue Provision Policy and Annual Investment Strategy for recommendation to Full Council.

**ITEMS FOR CONSIDERATION IN CLOSED SESSION**

- 9. EXCLUSION OF THE PRESS AND PUBLIC**

The following motion will be moved by the Chair:

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

- 10. DECLARATIONS OF INTEREST FOR CLOSED SESSION ITEM**

- |            |                            |                |                      |
|------------|----------------------------|----------------|----------------------|
| <b>11.</b> | <b>LAND AT ISLAND ROAD</b> | <b>WHITLEY</b> | <b>259 -<br/>278</b> |
|------------|----------------------------|----------------|----------------------|

## WEBCASTING NOTICE

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**Present:** Councillor Brock (Chair);

Councillors Page (Vice-Chair), Barnett-Ward, Emberson, Ennis, Hoskin, Leng, McElroy, McEwan, Mitchell, Robinson, Rowland, Terry, Thompson and White

#### 44. DECLARATIONS OF INTEREST

Councillor Ennis declared a non-prejudicial interest in Item 47 on the basis that he was employed in the Probation Service and was the Chair of the Youth Justice Board.

Councillor Mitchell declared a prejudicial interest in Item 49 on the basis that he was employed by the Department of Health and Social Care.

#### 45. MINUTES

The Minutes of the meeting held on 15 December 2022 were agreed as a correct record and signed by the Chair.

#### 46. QUESTIONS

Questions on the following matters were submitted by members of the public:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Teresa Colliass	Neighbourhood Policing	Cllr Rowland
2.	Nick Haskins	Size of Neighbourhood Police Teams	Cllr Rowland
3.	Nick Haskins	Can our Neighbourhood Police Team please police our North Reading Neighbourhood?	Cllr Rowland
4.	Nick Haskins	Can we please reintroduce the Police Have Your Say Days (HYSDs) in North Reading and can you advise your support for local Speedwatch Campaign work as undertaken by volunteers?	Cllr Rowland

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	Supporting Local Business	Cllr Terry
2.	Cllr White	Ambulance waiting times and Adult Social Care	Cllr Ennis

## POLICY COMMITTEE MEETING MINUTES - 23 JANUARY 2023

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

### **47. 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 PCC summarised his areas of focus for 2023 which included police officer recruitment and improving the ease of reporting through 101 and online updates. The presentation by the Chief Constable covered subjects including an overview of TVP staffing and management team, progress with the Police Uplift Recruitment Campaign, a summary of Force activity between April and September 2022 and Operation London Bridge. The presentation by the LPA Commander outlined the priorities of the local Community Safety Partnership, examples of recent results and a summary of current statistics relating to crime reductions, crime concerns and successful outcomes.

The Committee asked questions on subjects including a shortage of officers on Neighbourhood Policing teams, community concerns around drug dealing and keeping young people out of the criminal justice system.

**Resolved -**

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

### **48. TACKLING INEQUALITY STRATEGY (2023 TO 2026)**

The Executive Director of Resources submitted a report presenting the Tackling Inequality Strategy which articulated how the Council would focus its activities to reduce inequality. Attached to the report at Appendix 1 was the draft Tackling Inequality Strategy and at Appendix 2 an Equality Impact Assessment.

The report noted that Reading could be an unequal area in terms of wealth and life experiences, having some of the most affluent and some of the most deprived localities in the whole of the Thames Valley. The latest Index of Multiple Deprivation from 2019 showed that Reading had five areas within the Borough that were in the 10% most deprived nationally compared to two in 2015, and that a total of 24 areas had at least one indicator which was in the 10% most deprived in the country. The initial finding from the 2021 Census showed a similar picture, with areas in the south of the borough showing the greatest prevalence of household deprivation relating to education, employment, health, and housing.

The report explained that the aim of Tackling Inequality in Reading was delivering a more equitable society and improving people's standard of living and participation in economic, political, social, and cultural life. The Tackling Inequality Strategy

Commitment stated that it would prioritise issues and areas where it was most needed by residents, drive attainment in skills, education and training and access to quality employment for people in the areas of the town where need was greatest, and be mindful of the diverse personal life experiences of residents and how these could contribute to their equal enjoyment of life and achievements. Inequalities experienced by residents were often evident within specific areas of the borough, and the Strategy focused on how the Council would support these specific communities within the borough and on how improved educational attainment, skills, and training could achieve long-term sustainable change for current and future generations.

The report explained that the new strategy had been developed using a broad range of deprivation and exclusion analysis conducted during 2022. To support this analytical review, Councillors and Officers had conducted ‘walkabouts’ with the purpose of understanding the issues that residents were experiencing in the most deprived areas of the borough. The development of the strategy had also been heavily supported by the input of key stakeholders and their strategic ambitions for improving the quality of life for residents, including Brighter Futures for Children, New Directions College, and the Reading Economic Destination Agency. The strategy would develop and complement existing strategies, work, and partnerships aimed at closing the gap between the life experiences of residents and achieving the vision laid out in the Corporate Plan of making Reading a more equal place to live by bringing the opportunities of growth and achievement to all Reading’s communities.

**Resolved -**

**That the Tackling Inequality Strategy be approved.**

**49. BUCKINGHAMSHIRE, OXFORDSHIRE AND BERKSHIRE WEST INTEGRATED CARE PARTNERSHIP**

The Executive Director of Adult Social Care and Health submitted a report seeking approval for the Council’s involvement in the newly formed Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Partnership (BOB ICP) and recommending the formal appointment of a representative and deputy. Attached to the report at Appendix 1 were the draft Terms of Reference for the BOB ICP.

The report noted that commissioning arrangements within the NHS had changed to enable the creation of Integrated Care Systems (ICSs). The Reading and Berkshire West Clinical Commissioning Groups no longer existed and had now been replaced by the BOB Integrated Care Board (ICB). Integrated Care Partnerships were intended to strengthen the alignment of the ICS and local Health and Wellbeing Boards and the BOB ICP would cover the Buckinghamshire Oxfordshire and Berkshire West area including Reading Borough. ICPs were required to publish an integrated care strategy to set out how the assessed needs in the Joint Strategic Needs Assessment for the areas covered by the partnership could be met through the exercise of the functions of the ICB, partner local authorities or NHS England. The BOB ICP had begun consultation on a draft strategy with the following themes: Start Well; Live Well; Age Well; Promoting Healthy Lives; Health Protection and Improving Access to health services.

## POLICY COMMITTEE MEETING MINUTES - 23 JANUARY 2023

The report explained that the BOB ICP founding voting members were the unitary and county councils that covered the BOB area and that the membership also included wider health and social care system partners and other non-voting partners. The founding members of the BOB ICP had agreed the terms of reference for the new Partnership Board before its first meeting on 28 October 2022.

### Resolved:

- (1) That the involvement of the Council in the new Joint Committee of the Integrated Care Partnership that covered the Buckinghamshire Oxfordshire and Berkshire West area be approved;
- (2) That the final draft Terms of Reference for the BOB ICP Joint Committee be noted;
- (3) That the Leader of the Council be appointed as the Council's representative on the ICP and Councillor Terry be appointed as Deputy.

(Councillor Mitchell declared a prejudicial interest in this Item on the basis that he was employed by the Department for Health and Social Care. He left the meeting and took no part in the debate or decision.)

### 50. BRIGHTER FUTURES FOR CHILDREN LIMITED - RESERVED MATTERS: PROPOSED RECRUITMENT & RETENTION PAYMENT FOR SOCIAL WORKERS IN THE TOGETHER FOR FAMILIES SERVICE

The Executive Director of Resources submitted a report to the Committee, in its capacity as the sole member of Brighter Futures for Children Ltd (BFfC), seeking agreement to a proposed approach to recruitment and retention payments to Qualified Social Workers in the Together for Families (TfF) service. Attached to the report at Appendix 1 was a report that had been submitted to BFfC setting out the proposals in detail.

The report noted that the proposal had resulted from the work of the HR Taskforce Group which had been established in July 2022 to focus on recruitment, retention, and conversion of agency workers to permanent hires. As part of the Group's work, it had been identified that it was particularly difficult to recruit and retain permanent Qualified Social Workers in the TfF service. The Group had therefore recommended a recruitment and retention payment for these roles to create a stable team of permanent staff, by recognising the market pressures that prevented the team from being able to recruit and retain staff in sufficient numbers at the normal graded salary for the role. Attached at Appendix 1 was a report setting out the proposal in more detail, which had been submitted to BFfC and approved. Approval was now required from the Committee, acting as sole member of BFfC, and trade unions and colleagues and employees in the children's social care team would then be consulted on the proposal.

Resolved -



## POLICY COMMITTEE MEETING MINUTES - 23 JANUARY 2023

That the Committee, in its capacity as sole member for BFfC, agree the recommended approach of implementing a recruitment and retention (R&R) payment for QSWs working within the Tff service to create a stable team of permanent hires, by recognising the market pressures that prevents the team from being able to recruit and retain staff in sufficient numbers at the normal graded salary for the role.

(The meeting started at 6.30 pm and closed at 8.45 pm)

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# Agenda Item 6

## READING BOROUGH COUNCIL

### REPORT BY DIRECTOR OF FINANCE

<b>TO:</b>	POLICY COMMITTEE		
<b>DATE:</b>	20 FEBRUARY 2023		
<b>TITLE:</b>	2023/24 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY 2023/24 - 2025/26		
<b>LEAD COUNCILLOR:</b>	COUNCILLOR BROCK	<b>PORTFOLIO:</b>	LEADER OF THE COUNCIL
<b>SERVICE:</b>	ALL	<b>WARDS:</b>	BOROUGHWIDE
<b>LEAD OFFICER:</b>	STUART DONNELLY	<b>TEL:</b>	01889 373468
<b>JOB TITLE:</b>	FINANCIAL PLANNING & STRATEGY MANAGER	<b>E-MAIL:</b>	<a href="mailto:stuart.donnelly@reading.gov.uk">stuart.donnelly@reading.gov.uk</a>

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

- 1.1. Policy Committee at its meeting on 15<sup>th</sup> December 2022 agreed a Draft 2023/24 Budget for consultation alongside a Draft Medium-Term Financial Strategy (MTFS) for the three years 2023/24 - 2025/26. 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) published the Final Local Government Financial Settlement on 6<sup>th</sup> February 2023. Most of the figures remained the same as the Provisional Settlement, however, there is a small increase of £0.049m in the Services Grant, as well as a distribution of the Business Rates Levy Surplus, which for Reading is £0.257m. Unlike previous years, there was no parallel announcement on the allocations in respect of Public Health Grant. As the grant is ringfenced any increase/decrease to the Council's grant allocation is offset by a corresponding increase/decrease in expenditure. Therefore, the MTFS assumes a nil impact on the bottom line.
- 1.3. The underpinning rationale of the Medium-Term Financial Strategy is to deliver a balanced and affordable 2023/24 budget, to 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 2023/24 Budget and MTFS 2023/24 - 2025/26 has again been challenging due to the continuing uncertainty caused by the wide-ranging implications of inflation and the cost of living crisis, Covid-19, the war in Ukraine, climate change, and, despite a multi-year Autumn Statement, yet another one-year Local Government funding settlement from Central Government.

1.5. The budget assumptions include:

- a) Council Tax increases of 2.99% plus an Adult Social Care precept of 2.0% for the first two years of the MTFs (2023/24 to 2025/26) with increases of 1.99% and 1.0% respectively in 2025/26;
- b) Delivery of £9.841m (£9.591m services and £0.250m corporate) of efficiencies and increased income across the period;
- c) A contingency provision over the three years (£4.1m 2023/24; £4.9m 2024/25; and £5.1m 2025/26) to mitigate possible slippage or non-achievement of higher risk savings and/or income targets over the period;
- d) A housing rent increase of 7.0% (Government Cap) in 2023/24, returning to a rent increase in line with approved policy of CPI + 1% in subsequent years.
- e) General Fund capital investment of £188.0m and Housing Revenue Account (HRA) capital investment of £151.3m over the period 2023/24 to 2025/26; and
- f) £3.580m of transformation funding (over the period 2023/24 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. The deficit on the Dedicated Schools Grant High Needs Block is anticipated to be £4.3m by 31<sup>st</sup> March 2023. An updated deficit recovery plan will be presented to Schools Forum in March 2023. The Government recognises that there is a national SEND funding crisis and in 2022/2023 the Department of Education launched a “Delivering Better Value” programme inviting 55 local authorities to take part. Reading is one of the 55 authorities invited to join the programme and work started in February 2023. Further details are set out in paragraphs 4.5 and 4.6 and in Appendix 6.

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

- 2022/2023 Budget & Medium Term Financial Strategy 2022/23 - 2024/25 Report approved by Full Council (23<sup>rd</sup> February 2022)
- Autumn Statement 2022 - HM Treasury (17<sup>th</sup> November 2022)
- Provisional Local Government Finance Settlement 2022/23 - DLUHC (19<sup>th</sup> December 2022)
- Final Local Government Finance Settlement 2023/24 - DLUHC (6<sup>th</sup> February 2023)
- Medium-Term Financial Strategy 2023/24- 2025/26 Update Report approved by Policy Committee (15<sup>th</sup> December 2022).

## 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 2023/24 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 £164.411m for 2023/24 and an increase in the band D Council Tax for the Council of 2.99% plus an additional 2.00% Adult Social Care Precept, or £91.30 per annum, representing a band D Council Tax of £1,921.02 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 £3.810m together with additional income of £1.485m in 2023/24 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 £9.841m (of which increases to income, fees and charges is £2.902m) and three-year growth changes to service budgets of £20.431m as set out in Appendices 3 and 4;
- d) the budgeted net contribution to earmarked reserves totalling £6.128m, as set out in paragraph 3.24 of Appendix 1;
- e) the Housing Revenue Account budget for 2023/24 of £49.229m as set out in Appendix 5 and the average increase of 7.0% in social dwelling rents from April 2023;
- f) the allocation of £93.765m Dedicated Schools Grant (DSG) as set out in Appendix 6
- g) the General Fund and Housing Revenue Account Capital Programmes totalling £188.045m and £151.304m respectively, 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

## 2.2 In respect of the Levelling Up Fund award:

- a) Accept the grant funding of up to £19.164m from the Department of Levelling Up, Housing and Communities and additional capacity building funding of £0.060m in 2023/24 and £0.050m in 2024/25, to deliver the Levelling Up Fund projects, and to commit match funding from approved capital budgets as per the Council's Levelling Up Fund bid set out in the report to Policy Committee on 11<sup>th</sup> July 2022;
- b) Delegate authority to the Executive Director of Economic Growth and Neighbourhood Services in consultation with the Director of Finance, Assistant Director of Legal and Democratic Services and Leader of the Council to enter into the relevant grant agreement and agree variations as necessary;
- c) Delegate authority to the Executive Director of Economic Growth and Neighbourhood Services in consultation with the Director of Finance, Assistant Director of Procurement and Contracts, the Chief Executive and Leader of the Council to agree delivery of the Levelling Up Fund (LUF) programme, including all necessary procurements;
- d) Grant permission to go out to consultation, including statutory, to progress delivery of the Levelling Up Fund projects;

## 2.3 Delegate authority to the Assistant Director of Property & Assets in consultation with the Assistant Director for Housing & Communities and the Director of Finance to tender and award contracts for the programme of works to Ranikhet school.

### **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. The appendices are as follows:

Appendix 1 - The Medium Term Financial Strategy (MTFS) 2023/24 - 2025/26  
Appendix 2 - Summary of the Proposed General Fund Budget 2023/24 - 2025/26  
Appendix 3 - General Fund Revenue Budget by Service 2023/24 - 2025/26  
Appendix 4 - Detailed General Fund Budget Changes 2023/24 - 2025/26  
Appendix 5 - The Housing Revenue Account (HRA) Proposed Budget 2023/24 - 2025/26  
Appendix 6 - The Dedicated Schools Budget Proposals 2023/24 - 2025/26  
Appendix 7 - The General Fund and HRA Capital Programmes 2023/24 - 2025/26  
Appendix 8 - The Flexible Use of Capital Receipts Strategy 2023/24 - 2024/25  
Appendix 9 - Fees and Charges Proposals from April 2023  
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 2022

#### **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 2023/24 Budget and the indicative budgets for 2024/25 and 2025/26. As illustrated in Appendix 2, this provides for a balanced budget in 2023/24 and a Net Budget Requirement of £164.411m, which after allowing for other funding streams leaves a Council Tax Requirement of £111.086m. The indicative budgets for 2023/24 and 2024/25 are not currently in a balanced position with an ongoing budget gap of £5.687m.
- 4.3. The 2023/24 budget proposals assume a Council Tax increase of 2.99% and an Adult Social Care Precept of 2.0%. This results in a Band D Council Tax of £1,921.02 for 2023/24 an increase of £91.30 per annum or £1.76 per week. A similar percentage uplift is assumed for 2024/25, but for 2024/25 the assumed increase is 1.99% for Council Tax and 1.00% for the Adult Social Care Precept.

#### **Housing Revenue Account**

- 4.4. 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 7.0% in line with the cap on such increase announced by the Chancellor in the Autumn Statement 2022. The average weekly rent increase is between £6.23 and £9.63 depending upon the type of property. The proposed expenditure budget for 2023/24 is £49.229m. A balanced budget is delivered across all three years with a drawdown from reserves of £2.5m in 2023/24, £2.9m in 2024/25 and £3.2m in 2025/26. Appendix 5 also sets out the full 30 Year Plan, which includes details of planned investments, how these are funded and the impact on the HRA balance.

#### **Dedicated Schools Budget**

- 4.5. Appendix 6 sets out the Dedicated Schools Budget proposals for 2023/24 - 2024/25. Dedicated Schools Grant (DSG) is split into four blocks, for which the allocations for 2023/24 were published by the Government on 16<sup>th</sup> December 2022. Overall, the DSG for schools will increase by £13.6m (9.1%) from £149.4m to £163.0m. Details of the allocations are provided at Appendix 6.
- 4.6. Appendix 6 includes details of the deficit on the High Needs Block that is anticipated to be £4.3m by 31<sup>st</sup> March 2023. Funding for the High Needs Block is proposed to increase by £2.5m in 2023/24 which should cover increasing costs, but not impact the deficit. An updated deficit recovery plan will be presented to Schools Forum in March 2023. The Government recognises that there is a national SEND funding crisis. Within 2022/2023 the Department of Education has created a “Delivering Better Value” programme and has invited 55 local authorities to take part. Reading has been invited and accepted and this programme with the DfE has started in February 2023.
- 4.7. In December 2022 the Government announced an extension to 31<sup>st</sup> March 2026 of the statutory override that separates local authorities DSG deficits from their wider financial position.

### **Capital**

- 4.8. 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 MTF5 the General Fund Capital Programme totals £188.0m and the HRA Capital Programme totals £151.3m; which will require the support of £61.9m and £65.8m of additional borrowing respectively.
- 4.9. The Capital Programme, identifies in Appendix 7a, General Fund schemes where the commitment to proceed has already been made as well as separately identifying those schemes that are funded within the Capital Programme but remain subject to approval of detailed business cases in order to proceed. Appendix 7b details the HRA Capital Programme. Appendix 7c identifies a number of schemes not currently approved due to the availability of funds.
- 4.10. All schemes with a value in excess of £2.5m included in the approved Capital Programme, including those planned to start in 2023/24 will require spending approval by the responsible Committee with the exception of expenditure on rolling programmes of routine capital expenditure.
- 4.11. 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**

- 4.12. The schedule of Fees and Charges assumed within the budget proposals and effective from 1<sup>st</sup> April 2023 is included at Appendix 9.

### **Consultation**

- 4.13. 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.
- 4.14. A summary of the results of the Budget Consultation held from 19<sup>th</sup> December 2022 to 19<sup>th</sup> January 2023 and the Residents Survey carried out in the summer of 2022 are provided at Appendices 11 and 12 respectively.
- 4.15. 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. For 2023/24 Adult Social care will receive an additional £4.390m in revenue funding and a capital allocation of

£3.879m. Children's Services is boosted in 2023/24 by an extra £2.529m in revenue and £18.297m in capital. Capital expenditure on Transportation in 2023/24 totals £18.320m over a wide range of schemes.

## **5. LEVELLING UP FUND (LUF)**

- 5.1. The Council submitted LUF Bids to Central Government in 2022. In January 2023, Central Government announced that the Culture and Community at Minster Quarter bid, which included the new performance space at the Hexagon and the re provisioning of the Central Library at the Civic Offices, had been successful. The grant awarded in respect of this bid was £19.164m.
- 5.2. It is recommended that the Council formally accepts the grant funding of £19.164m from the Department of Levelling Up, Housing and Communities together with the additional capacity building funding of £0.060m in 2023/24 and an anticipated, but not confirmed, £0.050m in 2024/25, to deliver the Levelling Up Fund projects, and commits match funding from approved capital budgets as per the Council's Levelling Up Fund bid set out in the report to Policy Committee on 11<sup>th</sup> July 2022.
- 5.3. The Council will need to enter into a funding agreement and agree variations as necessary. It is recommended that authority to enter into the agreement and agree any necessary variations is delegated to the Executive Director of Economic Growth and Neighbourhood Services in consultation with the Director of Finance, Assistant Director of Legal and Democratic Services and Leader of the Council.
- 5.4. The next step would be for the Council to agree the delivery programme, including all necessary procurements and to agree any variations as necessary. It is recommended that this authority is delegated to the Executive Director of Economic Growth and Neighbourhood Services in consultation with the Director of Finance, Assistant Director of Procurement and Contracts, the Chief Executive and Leader of the Council.
- 5.5. Furthermore, it is recommended that permission is granted to go out to consultation, including statutory, to progress delivery of the Levelling Up Fund projects.

## **6. DEE PARK REGENERATION SCHEME - RANIKHET SCHOOL**

- 6.1. The Council has an obligation to deliver works to Ranikhet School as part of the Dee Park Regeneration Scheme. The Council is currently awaiting a decision on the redesignation of funding from Homes England regarding the works. Authority to tender and award contracts for the works is required subject to approval of the Homes England funding.

## **7. RISK**

- 7.1. 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.
- 7.2. 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 and place pressures on available provisions.
- 7.3. The MTFS assumes £9.841m 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. Based on the 2022/23 Q2 Performance and Monitoring Report that was presented to Policy Committee in December 2022, £3.269m of savings are currently at risk of non-delivery. If these are not achieved by 31<sup>st</sup> March 2023 then these will roll forward into 2023/24 and increase the overall savings target.

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

7.5. 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 recovery from Covid-19, risks remain in respect of the company's future economic viability. Passenger numbers remain below pre-Covid levels, but have been recovering during 2022/23. The company is participating in the national Government promotion to cap single bus fares at £2.00 between 1<sup>st</sup> January and 31<sup>st</sup> March 2023 and Reading Borough Council has been awarded £26.2m Bus Service Improvement Plan Funding from the Department for Transport. This funding will be used to improve bus services within the borough and encourage increased patronage.
- 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.
- Brighter Futures for Children (BFfC) - the Council's children's company has requested a contract sum of £51.430m which is an increase of £3.905m compared to the figure that was previously included in the MTFs for 2023/24. This is a net increase of £2.972m from the 2022/23 contract sum. This covers increased inflationary pressures relating to pay and contractual inflation and school travel demand pressures. The demand pressures on travel as well as social care placements present an on-going risk in terms of numbers and complexity.

7.6. The current global and national economic position has the potential to impact the Council in a variety of ways, particularly in the current cost of living 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 creates significant cost pressures within adults and children's social care budgets.

7.7. The Council's Chief Finance (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 Council on 28<sup>th</sup> February 2023.

## **8. CONTRIBUTION TO STRATEGIC AIMS**

8.1. 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.

8.2. 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.

8.3. Full details of the Council's Corporate Plan are available on the website.

## 9. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 9.1. The Council declared a Climate Emergency at its meeting on 26<sup>th</sup> February 2019, with the intention of achieving a carbon neutral Reading by 2030. The Council endorsed the Reading Climate Emergency Strategy 2020-25 and its vision for a 'net zero, resilient Reading by 2030' in November 2020. At the same time it adopted a new corporate Carbon Plan for the Council's own operations, including the target of an 85% cut in Council emissions by 2025 en route to net zero by 2030. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.
- 9.2. The Council's proposed Capital Programme for the next three years includes investment of £4.423 million in energy saving measures in buildings and renewable energy infrastructure to contributing to the Council's net zero carbon ambitions. Of this, £2.728m is allocated for 2023/24. This covers, the SALIX Recirculation Fund, the Decarbonisation Fund, Renewable Energy Fund and the Corporate Solar Programme as detailed below.
- 9.3. 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. Within this the Council's capital budget for this SALIX Recirculation Fund has enabled a large number of projects to be taken forward. The SALIX Recirculation Fund is being wound up by the Government in 2025 but a provision of £0.467m is included in the Capital Programme in 2023/24 which will enable additional projects in the pipeline to go ahead.
- 9.4. The Capital Programme also specifically supports the Council's climate change commitment, enabling a step change in ambition. The Decarbonisation Fund, designed to enable more ambitious carbon reduction projects such as the installation of High Voltage EV charging infrastructure at the Bennet Road depot to support the growing fleet of EVs. £0.951m has been allocated in 2023/24. The Renewable Energy Fund will support further investment in renewable energy including heat pumps and solar PV installations. In 2023/24, £0.819m has been allocated for this purpose with a further £0.015m in 2024/25. The corporate solar programme, comprises £2.171m over the next three years for solar installations.
- 9.5. 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 as well as in the wider community.
- 9.6. Going forward, major capital projects which will contribute directly to greenhouse gas emissions reduction include:
- £14.000m for the South Reading MRT (2023/24-2025/26)
  - £0.834m for renewable energy (2023/2-2024/25)
  - £1.418m for energy saving measures via the Salix Decarbonisation and Recirculation funds (2023/24)
  - £0.250m for additional electric vehicle charging points (2023/24)
  - £0.150m for tree planting programmes (2023/24-2025/26)
  - £2.171m for new corporate solar programme (2023/24-2025/26)
- 9.7. As part of the budget setting process, 'Environment' is one of the weighting criteria applied to bids for capital funding. To offer further assurance that budget proposals align with the Council's climate policies, a 'light touch' review of the capital projects in the current MTFs was conducted by the Climate Change & Sustainability Team. Whilst this identified no schemes with major negative climate impacts, and a number of schemes with low, medium or high positive impacts,

advice was offered to capital project managers on how any negative impacts could be mitigated or positive impacts maximised. Whilst this offers some assurance, there is undoubtedly scope for the robustness of environmental and climate impact assessment of both revenue and capital budget proposals to be improved in future. The Council's Corporate Plan monitors progress in reducing our carbon footprint.

## **10. COMMUNITY ENGAGEMENT AND INFORMATION**

10.1. The public budget consultation ran from 19<sup>th</sup> December 2022 until 19<sup>th</sup> January 2023. The feedback from this consultation, alongside the feedback from the Residents' Survey 2022 is set out in Appendices 11 and 12.

## **11. EQUALITY IMPACT ASSESSMENT**

11.1. 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.

11.2. 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.

11.3. 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.

## **12. LEGAL IMPLICATIONS**

12.1. 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.

12.2. 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.

## **13. FINANCIAL IMPLICATIONS**

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

- 13.2. The proposed 2023/24 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 2025/26 and beyond will need to be identified as part of the future budget setting process.
- 13.3. The Council's General Fund balance is set at 5% of the net budget requirement for 2023/24.

#### **14. BACKGROUND PAPERS**

- 14.1. 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 UK economy, as many others around the world, is now in recession. This has had a knock-on impact on Council budgets, with increased costs and reduced levels of income. Looking forward, there remains significant uncertainty around how long these will continue to impact on budgets, as well as policy uncertainty with a general election due in 2024.

### 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 1<sup>st</sup> 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 has again been impacted 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 fluctuate, although some of the worst impacts have been mitigated by the roll-out of the vaccination programme. Nonetheless, it is clear that there will be a long-lasting impact on government finances and on the wider economy across the globe. 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 been wide-ranging, for example changing many people's working and shopping patterns and creating significant backlogs in the NHS. For some local government services income levels have returned to roughly pre-pandemic levels, but for others this has not been the case and indeed may never be the case. The original support for local authorities by central government to compensate for lost income has long since been removed and uncertainty remains over the rate of recovery.

## **War in Ukraine**

- 2.5 In February 2022, Russia invaded Ukraine, directly impacting not just the people of Ukraine but also the world food supply, of which Ukraine was a major supplier. As a result, key western economies have imposed sanctions on Russia and in turn Russia has restricted energy supplies, leading to worldwide economic turbulence and spiralling inflation. Increasing prices, especially in respect of essential items such as food and energy, have an acutely adverse impact on the poorest and most vulnerable in society. This in turn is likely to impact on the demand on local government services at a time when the cost of providing those services is itself increasing.

## **UK Political Situation**

- 2.6 There has been considerable political turbulence at a national level in recent times and much of this looks set to continue for a while yet. 2022 saw three different Prime Ministers and four different Chancellors of the Exchequer, creating instability and considerable turbulence in financial markets. Whilst things have now calmed down on that front, the so-called "cost of living crisis" is creating a breakdown in industrial relations between many public service workforces and their employers.

## **The Climate Emergency and Environmental Challenges**

- 2.7 The Council declared a climate emergency in February 2019 committing to the goal of a net zero Reading by 2030, recognising the existential threats posed by a changing climate and the urgency of the need to act. The net zero by 2030 target, which signifies a higher level of ambition than the UK Government's target of net zero by 2050, was adopted for both the Borough and the Council as an organisation and is reflected in our Corporate Plan as a

focal point of the 'Healthy Environment' objective. Both measures (Borough and corporate carbon footprint) are included as Key Performance Indicators in the Corporate Plan, underlining the high priority which the Council attaches to its response to the climate emergency.

- 2.8 Following the Climate Emergency Declaration, the Council worked with partners in the Reading Climate Change Partnership to develop the Reading Climate Emergency Strategy 2020-25 and endorsed the Strategy in November 2020. Implementation is now underway, and the Council supports the Partnership in producing annual reports on the Strategy to monitor progress. The most recent of these, covering the 2021/22 financial year, reported that Reading has reduced its carbon footprint by 55% since 2005, the 4th largest reduction out of 374 UK local authority areas according to the national dataset for 'emissions within the scope of influence of local authorities'. The Council also monitors its own carbon footprint, which has reduced by 71.3% since 2008/09 as a result of investment in energy efficiency and renewable energy. Whilst this represents significant progress, there are no grounds for complacency and huge challenges remain to deliver the net zero ambition which, as the Climate Emergency Declaration made clear, cannot be delivered by local action alone and requires significant changes in national policy, supported by additional resources for delivery.
- 2.9 That said, the Council has a clear role to lead by example and is investing in projects and initiatives which will help both the wider borough and the Council itself meet net zero targets, as set out in the Climate Emergency Strategy and Carbon Plan. Major capital investments in public transport, bus priority infrastructure, active travel routes and electric vehicle charging infrastructure are included in our capital programme for the MTFS period to help residents travel more sustainably in line with our climate change commitments. We are also investing heavily in retrofit of the Council's housing stock to improve energy efficiency and reduce its carbon footprint. For our own estate, we have invested in carbon reduction in civic offices, streetlighting, leisure centres and our main works depot as we make the transition away from fossil fuels to low carbon electricity. Further provision to continue this transition is included in the MTFS period. The Reading Climate Emergency Strategy highlights the need for Reading to become more resilient to climate impacts, as well as reducing carbon emissions. This is likely to be a growing consideration for our financial strategy in future given the significant potential costs arising both from extreme weather events, which are expected to increase in both frequency and intensity, and the costs of adapting our buildings, infrastructure and services to become more resilient to future climate impacts.
- 2.10 Reading was proud to retain its 'A' list status in the Carbon Disclosure Project's annual assessment process in 2022, recognising our leadership in taking 'bold climate action'. We are not, however, complacent. The challenge of net zero by 2030, and the costs associated with both mitigating and adapting to climate change, remain significant, and will be an increasingly important consideration in our financial strategy as 2030 approaches and the impacts of climate change become more apparent.

- 2.11 Whilst the Council itself has recognised a Climate Emergency, 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.
- 2.12 In 2021 the UK hosted the United Nation (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 was agreed to hold the next summit this year's 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**

- 2.13 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, Reading's population has risen by 11.9% to 174,200 (2021 census). Whilst the average increase is 11.9%, the rise in 0-19 year olds is 11.4% and the rise in over 65s is 17.4%, thus creating a demographic shift towards the older ages.
- 2.14 The Office for National Statistics (ONS) has not yet produced new population forecasts based on the latest census data. However, it is worth noting that the actual level of population increase since the last census is substantially higher than the 3.0% mid-year forecast produced by the ONS only a year earlier.

### **Adult Social Care**

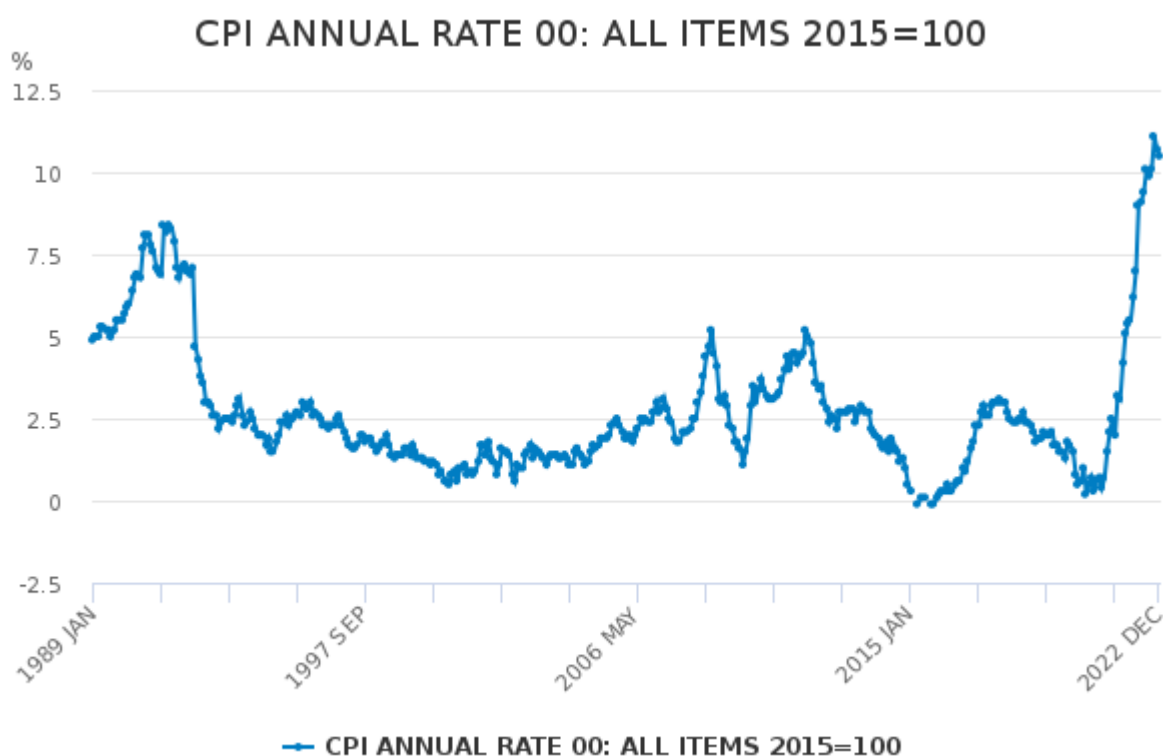
- 2.15 There are also significant pressures in the social care system that have been exacerbated by recent inflationary pressures. This updated MTFS includes a proposed increase of £4.4m in the budget for Adult Social Care services for next year to fund the impact of those cost pressures, including the 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

- 2.16 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.
- 2.17 The annual inflation rate in the United Kingdom as measured by CPI stands at around 10% (CPIH 9.2%, CPI 10.5%) as of December 2022, down slightly from its recent peak of around 11% (CPIH 9.6%, CPI 11.1%) in October 2022. The October peak was the highest it has been in over 30 years. Inflation has climbed steadily since February 2021 as the restrictions due to the Pandemic were eased leading to increased demand, but also a range of supply side challenges. By February 2022, inflation was already over 5% at the start of the Russian invasion of Ukraine. The knock-on consequences of that have restricted the world supply of gas and oil as well as of some basic food supplies, which has led to further inflationary pressures. In response the Bank of England has increased interest rates despite this increasing the likelihood of recession. Most commentators think that inflation will fall in 2023, but the view on by how much is contested. Much will depend upon how major issues play out, such as Covid, the war in Ukraine and extreme climate events.

Figure 1. CPI Annual Rate



Source:

## UK Unemployment

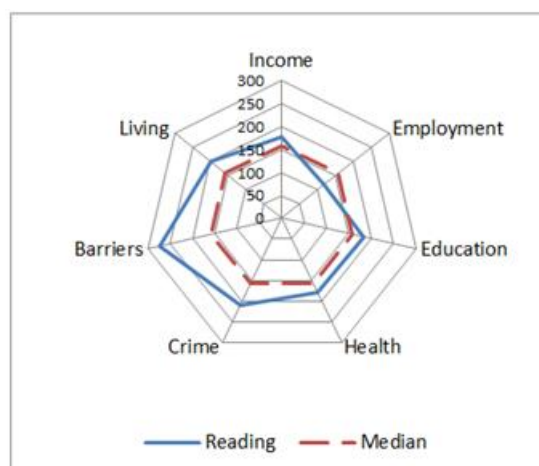
- 2.18 The headline rate of UK unemployment is 3.7% for the quarter ending November 2022, the same as a month earlier. This is slightly lower than the level immediately prior to the Coronavirus pandemic (4.0% March 2020) and is one of the lowest levels in recent history. This position is also reflected in the figures for employment which has risen to 75.6% as at November 2022, 1.0% lower than pre-pandemic and 0.1% higher than the previous quarter. Previous distortions created by the Furlough scheme have now worked their way out of the system so these 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.
- 2.19 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. By contrast if the levels of inflation squeeze those on lowest incomes and with the least wealth, this increases the risk of non-payment.

## Deprivation

- 2.20 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].
- 2.21 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
- 2.22 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, noting that these are relatively measured);
  - Reading has 4 LSOAs in the most deprived 5% in the country on the Education, Skills and Training domain (3 according to IMD 2015).

- 2.23 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)**



### Interest Rates

- 2.24 Whilst in 2020 the Bank of England cut interest rates to record low levels in response to the economic damage caused by the coronavirus outbreak, it has now had to reverse that stance due to the significant inflationary pressures, including those resulting from the conflict in Ukraine. On 2<sup>nd</sup> January 2023 the Bank of England raised the Bank Rate again to 4.0%.
- 2.25 Based on the assumed increases to the Bank of England interest rates above, the forecast Public Works Loan Board (PWLB) rates range between 4.60% and 3.40% between March 2023 and December 2024. The MTFs assumes an average borrowing rate of 4.3% for 2023/24, decreasing to 3.8% and 3.4% in 2024/25 and 2025/26 respectively.
- 2.26 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-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	%	%	%	%	%	%	%	%
Bank Rate	4.25	4.50	4.50	4.25	4.00	3.75	3.25	3.00
5-year PWLB	4.00	4.00	3.90	3.80	3.70	3.60	3.50	3.40
10-year PWLB	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50
25-year PWLB	4.60	4.60	4.40	4.30	4.20	4.10	3.90	3.80
50-year PWLB	4.30	4.30	4.20	4.10	3.90	3.80	3.60	3.60

### Summary Financial Position

- 2.27 The Quarter 2 Performance and Monitoring Report, presented to Policy Committee in December 2022, set out a projected adverse net variance on service expenditure of £3.509m. This variance is offset by a projected £4.776m positive net variance on Corporate Budgets, of which £3.627m relates to the unallocated Corporate Contingency, resulting in a projected overall positive net variance of £1.267m.
- 2.28 Should this projected positive variance crystallise then the balance will be transferred into the Council's reserves as part of the 2022/23 Outturn processes and Report to Policy Committee in July 2023.

### The Autumn Statement 2022

- 2.29 The Autumn Statement 2022 was delivered by the Chancellor on 17<sup>th</sup> November 2022. The statement emphasised stability in an attempt to calm the turbulence in financial markets created by the previous Chancellor. As a consequence, the multi-year statement was probably a little more generous in the short term than the Chancellor may have wished and pushed back the trickier issues until after the next general election, due in 2024. The announcement included the following matters that are pertinent to the Council's finances and the wider environment in which it operates:
- The Government has delayed the national rollout of social care charging reforms from October 2023 to October 2025. Funding for implementation will be maintained within local government to enable local authorities to address current adult social care pressures;
  - The Government will make available up to £2.8 billion in 2023/24 in England and £4.7 billion in 2024/25 to help support adult social care and discharge. This includes £1 billion of new grant funding in 2023/24 and £1.7 billion in 2024/25, further flexibility for local authorities on council tax and delaying the rollout of adult social care charging reform from October 2023 to October 2025;

- A proposed basic Council Tax referendum limit of 3% for 2023/24;
- The ability to levy an additional adult social care precept of up to 2% for 2023/24;
- From 1<sup>st</sup> April 2023, business rates bills in England will be updated to reflect changes in property values since the last revaluation in 2017. A package of targeted support worth £13.6 billion over the next five years is intended to support businesses as they transition to their new bills. It is stated that local authorities will be fully compensated for the loss of income as a result of these business rates measures and will receive new burdens funding for administrative and IT costs;
- The business rates multipliers will be frozen in 2023/24 at 49.9p and 51.2p;
- The Government is limiting the increase in social housing rents. Under current rules, rents could have risen by up to 11.1% - but now they will only be able to rise by a maximum of 7% in 2023/24. This policy change applies to social housing provided by Registered Providers (including Local Authorities and Housing Associations);
- The National Living Wage for individuals aged 23 and over will increase by 9.7% to £10.42 an hour from 1 April 2023;
- £1 billion will be provided to enable the extension of the Household Support Fund in England over 2023/24. The Fund is administered by local authorities who will deliver support to households to help with the cost of essentials;
- 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), or business rates reset, but further clarification was subsequently provided as part of the Provisional Finance Settlement (see below).

### **3. LOCAL GOVERNMENT FINANCE SETTLEMENT 2023/24 & OTHER CHANGES FROM THE DECEMBER 2022 MTFS UPDATE**

3.1 Despite the multi-year Autumn Statement, a one-year provisional Local Government Finance Settlement was published on 19<sup>th</sup> December 2022 with the Final Local Government Finance Settlement announced on 6<sup>th</sup> February 2023.

3.2 Nonetheless, the Local Government Finance Settlement does provide more detail for 2023/24, which for Reading is as follows:

#### **New Homes Bonus**

3.3 The settlement has provided specific allocations for 2024/25 only. The Council's 2023/24 allocation was announced as £1.453m; £0.354m higher than the £1.099m assumed in the draft budget. The Government have again indicated that they will introduce a new scheme in the near future, but no details of this have yet been made available. This is clearly not the political

priority it once was. It has therefore been assumed, for sake of prudence, that 2024/25 and 2025/26 allocations for Reading will be zero, a loss compared to the £1.099m previously assumed for those years. Reading may receive some funding through New Homes Bonus in future, but this is not going to be on the scale previously allocated.

### **Lower Tier Services Grant**

- 3.4 The Government have announced the removal of the Lower Tier Services Grant, with the funding being used to create a new Minimum Funding Guarantee. As Reading are already above the minimum threshold there is no allocation from the new funding stream. Therefore this change represents a loss of £0.288m in each year of the MTFS when compared to the previous assumption.

### **Social Care Grant**

- 3.5 Despite last year's grant allocation being on a one year only basis and the pushing back of the Care Reforms to October 2025, funding to local authorities has been increased in (part) recognition of the pressures on these services. Whilst the allocation methodology may change subsequently via new funding reforms when implemented, 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 2022 MTFS update is £3.047m in 2023/24 and £4.239m in subsequent years.

### **Services Grant**

- 3.6 The Services Grant, new in 2022/23 has been reduced in 2023/24. In part this is to reflect the removal of the Health and Social Care Levy, the funding for which was included within this grant, but further money from this grant has also been 'repurposed', presumably to part fund some of the Social Care increases. Looking at the sums involved for this grant in isolation, the 2023/24 allocation of £1.241m represents a reduction of £1.124m compared to the figure assumed in the December Policy Committee report.

### **Revenue Support Grant**

- 3.7 Revenue Support Grant (RSG) has been the core general purpose grant from central government for some years now. For 2023/24 it has been increased in line with inflation and the MTFS assumes that a further inflationary increase will be applied the following year also. However, if the Government do make changes to the funding mechanism for local government, after the next general election, 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 2023/24 of £0.269m over the level assumed in the draft budget and an increase of £0.362m in 2024/25 and £0.316m in 2025/26.

### **Section 31 Grant (Compensation for Additional Business Rate Relief)**

- 3.8 Due to the Business Rate Retention Scheme reset now being pushed back until after the next general election, Section 31 Grants to provide compensation for additional business rate reliefs announced by central government will continue for 2023/24 and presumably 2024/25. The amount of Section 31 Grants that the Council estimates it will receive for 2023/24 is £15.183m, which is £1.212m higher than previously assumed. It is estimated that this will rise slightly in 2024/25 to £15.954m, when previously it was assumed that the reset would take place in 2024/25 and that as a consequence the Section 31 Grant would cease.
- 3.9 The current planning assumption shown in the MTFS is that the reset will take place in 2025/26 as it is prudent to work on this basis. However, although this is still possible, it is unlikely that the business rates reset will be a top priority for any new government of whatever political persuasion, so may be pushed back further given the lead in times necessary.

### **Business Rates Levy Surplus**

- 3.10 In the final finance settlement the Government announced the distribution of the Business Rates Levy Surplus, which for Reading provides one-off additional funding of £0.257m in 2023/24.

### **Adult Social Care Discharge Fund**

- 3.11 A new Adult Social Care Discharge Fund has been created from repurposed, reduced grant streams already mentioned above. This will be delivered through the same methodology as the Improved Better Care Fund and will be similarly ringfenced. Therefore it is assumed that the allocation of £0.378m in 2023/24 and estimated £1.243m in 2024/25 will be matched by corresponding expenditure. It is then assumed that this funding source will cease in 2025/26 as a result of being absorbed into the new Care Reforms arrangements.

### **Market Sustainability and Improvement Fund**

- 3.12 Given that the Care Reforms have been pushed back to October 2025 the previous Market Sustainability and Fair Cost of Care Fund has been slightly rebadged as the Market Sustainability and Improvement Fund. Despite the delay in the reforms the funding remains in the system and is being distributed to local authorities by a number of means (mainly the Social Care Grant). The allocation to Reading for this particular funding stream in 2023/24 is £1.334m a reduction of £1.988m on the previous grant. In 2024/25 it is estimated that the allocation will rise to £2.005m a reduction of £3.412m on previous assumptions. It is assumed that these will be required to match fund additional expenditure.

## Public Health Grant

- 3.13 Unlike previous years, the Final Local Government Finance Settlement did not include an announcement on the allocations in respect of Public Health Grant. As the grant is ringfenced, any increase/decrease to the Council's grant allocation is offset by a corresponding increase/decrease in expenditure. Therefore, the MTFs assumes a nil impact on the bottom line.

### Summary of Changes

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

**Table 2 - Changes Arising from the Local Government Finance Settlement**

	2023/24 £'000	2024/25 £'000	2025/26 £'000
<b>Net Budget (Surplus)/Deficit as at December 2022 Policy Committee</b>	<b>2,394</b>	<b>10,493</b>	<b>12,586</b>
New Homes Bonus	(354)	1,453	0
Lower Tier Services Grant	288	0	0
Social Care Grant	(3,047)	(1,192)	0
Services Grant (Funding for Social Care Levy now removed)	1,124	0	0
Revenue Support Grant	(269)	(93)	46
Section 31 Grant	(2,147)	(14,795)	16,942
Business Rates Levy Surplus Distribution	(257)	257	0
LCTS Admin Grant (included within RSG)	150	0	0
Council Tax Support Fund	(209)	209	0
Independent Living Fund	234	0	0
Adult Social Care Discharge Fund - Income	(378)	(1,243)	1,621
Adult Social Care Discharge Fund - Expenditure	378	1,243	(1,621)
Market Sustainability and Improvement Fund Income	1,988	1,424	0
Market Sustainability and Improvement Fund Expenditure	(1,988)	(1,424)	0
<b>Sum of Changes from Finance Settlement</b>	<b>(4,487)</b>	<b>(14,161)</b>	<b>16,988</b>
<b>Cumulative Impact of Changes</b>	<b>(4,487)</b>	<b>(18,648)</b>	<b>(1,660)</b>
<b>Net Budget (Surplus)/Deficit after Settlement</b>	<b>(2,093)</b>	<b>(8,155)</b>	<b>10,926</b>



## Other Changes from the December 2022 MTFS Update

### Council Tax

- 3.15 The Chancellor announced in the Autumn Statement 2022 that the level of increase in Council Tax requiring a local referendum will be 3.00% for 2023/24, with indicatively a similar figure for 2024/25. The MTFS proposes to increase Council Tax by 2.99% for 2023/24 and 2024/25 with a 1.99% increase in 2025/26, subject to confirmation of the referendum limit in subsequent years. This is an increase from the assumptions included in the December 2022 MTFS update, which was based on a 1.99% increase across all years.
- 3.16 The Chancellor also announced as part of the Autumn Statement 2022 that Councils can raise an Adult Social Care (ASC) Precept at a maximum of 2.00% of the Council Tax rate for 2023/24, with an indication of similar allowance in the following year. Given the considerable pressures on social care spending, the MTFS proposes to utilise the ability to increase the ASC Precept by 2.00% for the next two years, subject to confirmation of the referendum limit in subsequent years. This is an increase from the assumptions included in the December 2022 MTFS update.
- 3.17 At its meeting on 31<sup>st</sup> January 2023, Council approved a revised Council Tax Base of 57,826.56 (band D equivalent) properties for 2023/24 - an increase of 1.34% on the 2022/23 Tax Base of 57,059.55. 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 effect of this increase is additional income of £0.370m in each year of the MTFS period.

### Business Rates

- 3.18 The budget has been updated to reflect the latest available information and assumptions included in the NNDR1 return made to central government in January 2023. This is a complex area exacerbated by the Government now regularly deferring the promised business rates reset and extending reliefs to businesses. In terms of the local share of business rates retained by the council this now estimated to be higher than forecast in the December 2022 MTFS update by £0.599m in 2023/24 and £6.066m lower in 2024/25. The increase in 2023/24 largely relates to the higher than expected increases in rateable values as part of the 2023 revaluation. The decrease for 2024/25 is as a result of pushing the assumed business rates reset out to 2025/26, however, this decrease is more than off-set by Section 31 Grant which now remains in 2024/25.
- 3.19 As already mentioned in 3.9 above the Government have now pushed back the business rates reset until 2025/26 at the earliest. The December MTFS update previously assumed this to take place in 2024/25. This shift of assumption means that the local share of business rates is now forecast to increase in 2025/26 by £1.979m compared to previous assumptions, however it is also assumed that the reliefs will be accommodated within the reset and the Section 31 grants removed completely. The consequence of all of this is that

the £1.979m represents the net gain across the MTFS period when compared to previous assumptions.

### **Council Tax & Business Rates Collection Fund Surplus/Deficit**

- 3.20 The Council Tax Base report also declared the estimated balance on the Council Tax Collection Fund. The estimated surplus balance is an additional one-off source of funding of £1.723m from that which was assumed in the Draft Budget.
- 3.21 The revised estimated Business Rates Collection Fund Balance is an additional one-off source of funding of £2.492m from that which was assumed in the Draft Budget.

### **Detailed Savings Proposals and New Bids**

- 3.22 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 £1.276m net pressures to the 2023/24 budget, but a net reduction of £0.190m in 2024/25 and a reduction of £0.171m in 2025/26.

### **Capital Financing**

- 3.23 The revenue impact of the proposed Capital Programme has been updated to reflect changes to existing schemes (including re-profiling) and the addition of new schemes. The cumulative effect of these changes on capital financing costs is a small reduction of £0.103m across the MTFS 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 £6.621m budget surplus for 2023/24. This one-off surplus has subsequently been budgeted for to be transferred into Earmarked Reserves predominantly to directly fund capital projects not yet approved. This is a prudent approach given that the current forecast for 2025/26 shows a deficit of £5.687m, which has yet to be addressed. Specific drawdowns from earmarked reserves totalling £0.493m have also been included for 2023/24, therefore the net contribution to reserves is £6.128m.
- 3.26 Although 2024/25 indicates a further surplus of £2.781m any allocation of this to on-going expenditure will further exacerbate the £5.687m deficit shown for 2025/26. This position is predominantly caused by the anticipated Business Rates reset. Whilst it is not certain that the reset will happen in 2025/26, it is clear that whenever it does occur it will cause a significant

budget challenge for Reading. Addressing this must, therefore, be the focus of attention looking forward.

### Summary of Changes

3.27 The changes outlined in paragraphs 3.14-3.25 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
<b>Net Budget (Surplus)/Deficit after Provisional Settlement</b>	<b>(2,093)</b>	<b>(8,155)</b>	<b>10,926</b>
Changes to Council Tax Base	(370)	0	0
Changes to Business Rate Base (including S31 Grant)	336	6,718	(9,033)
Council Tax Collection Fund (Surplus)/Deficit	(1,723)	1,723	0
Business Rates Collection Fund (Surplus)/Deficit	(2,492)	2,492	0
Increase in Council Tax	(2,116)	(1,771)	(171)
Council Tax LCTRS Support	450	0	(450)
Additional/Revised Service/Corporate Budgets	1,276	(190)	(171)
Adjustment to Capital Financing Costs	(112)	797	(788)
Increase/(Decrease) to Contingency	356	0	0
Additional Contribution to/(from) Reserves	6,488	(6,488)	0
Sum of Local Changes	<b>2,093</b>	<b>3,281</b>	<b>(10,613)</b>
Cumulative Impact of Changes	<b>2,093</b>	<b>5,374</b>	<b>(5,239)</b>
<b>Net Budget (Surplus)/Deficit after All Changes</b>	<b>0</b>	<b>(2,781)</b>	<b>5,687</b>

## 4. EXPENDITURE ASSUMPTIONS

### Pay Award

4.1 4.0% has been allowed for pay inflation in 2023/24 with 2.0% for the years thereafter. 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 Statement the Chancellor announced that the National Living Wages for the over 23's will increase by 9.7% from £9.50 to £10.42 per hour from April 2023.

## General Inflation

- 4.3 Where services are experiencing specific inflationary pressures, these are included as bids supported by a business case.

## Pension Fund

- 4.4 The triennial valuation of the Berkshire Pension Fund took place as at 31<sup>st</sup> March 2022 with the results published in the autumn of 2022. Consequently, the primary contribution has been increased from its previous level of 14.8% to 16.2% across all years of the MTFS. The secondary contribution (Deficit Lump Sum) has been reduced to £5.770m for 2023/24, but then stepped back up by £0.230m each year. The actual amount payable will depend upon the discount rate applied for each year.

## Capital Financing

- 4.5 Capital Financing costs 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 the current recession;
  - 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 timing and impact of any business rates reset;
  - The capacity of Officers to deliver the savings and income projections in line with assumptions; and
  - Slippage in the Capital Programme adversely impacting savings assumed within the MTFS.
- 5.2 Additionally, the Council's 2019/20, 2020/21 and 2021/22 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 £4.108m in 2023/24; £4.913m in 2024/25 and £5.116m 2025/26 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 a few Local Authorities issuing s114 notices and a number of others requesting exceptional financial support during the last three years. 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 2021/22. As a result, reserves have been returned to a more sustainable level.
- 6.3 Based on the latest data available (2021/22), 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.

## 7. SAVINGS

- 7.1 Savings required to balance the 2023/24 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 2023/24 to 2025/26 by Directorate**

	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	Total (£'000)
Adult Social Care & Health Services	(461)	0	0	(461)
Economic Growth & Neighbourhood Services	(3,277)	(1,771)	(930)	(5,978)
Resources & Chief Executive	(1,007)	(846)	(299)	(2,152)
Corporate	(250)	0	0	(250)
Total Council Services	(4,995)	(2,617)	(1,229)	(8,841)
Children's Services (BFfC)	(300)	(600)	(100)	(1,000)
<b>Total</b>	<b>(5,295)</b>	<b>(3,217)</b>	<b>(1,329)</b>	<b>(9,841)</b>

**Table 5. General Fund Savings Summary 2023/24 to 2025/26 by Type**

	<b>Efficiency Savings (£'000)</b>	<b>Invest to Save Schemes (£'000)</b>	<b>Income, Fees &amp; Charges (£'000)</b>	<b>Total (£'000)</b>
Council Services	(5,065)	(874)	(2,902)	(8,841)
Children's Services (BFfC)	(1,000)	0	0	(1,000)
<b>Total Savings</b>	<b>(6,065)</b>	<b>(874)</b>	<b>(2,902)</b>	<b>(9,841)</b>

7.2 In order to Balance the MTFS in the final year of the plan on a sustainable basis further savings of £5.687m need to be identified by that year based on current projections.

## Summary of the Proposed General Fund Budget 2023/24 to 2025/26

Directorate/Service	Approved Budget 2022/23 £'000	Proposed Budget 2023/24 £'000	Proposed Budget 2024/25 £'000	Proposed Budget 2025/26 £'000
<b>Adult Social Care and Health Services</b>				
Commissioning & Transformation	2,163	2,148	2,148	2,148
Adult Services Operations	39,872	44,344	46,772	48,994
Public Health	0	(50)	(50)	(50)
Directorate Other	485	477	477	477
Safeguarding, Quality, Performance & Practice	1,395	1,386	1,386	1,386
<b>Adult Social Care and Health Services</b>	<b>43,915</b>	<b>48,305</b>	<b>50,733</b>	<b>52,955</b>
<b>Economic Growth &amp; Neighbourhood Services</b>				
Transportation	(1,821)	(2,699)	(2,811)	(2,954)
Planning & Regulatory Services	2,647	3,137	2,437	2,394
Housing & Communities	2,022	1,900	1,896	1,896
Culture	3,953	3,050	2,392	1,901
Environmental & Commercial Services	16,487	16,775	17,231	18,276
Property & Asset Management	(3,966)	(3,152)	(3,175)	(3,219)
Management & Sustainability	504	567	327	156
<b>Economic Growth &amp; Neighbourhood Services</b>	<b>19,826</b>	<b>19,578</b>	<b>18,297</b>	<b>18,450</b>
<b>Resources</b>				
Policy, Performance & Customer Services	2,624	2,459	2,158	2,158
Human Resources & Organisational Development	1,932	1,936	1,947	1,951
Procurement & Contracts	487	382	382	382
Finance	4,409	4,344	4,344	4,344
Legal & Democratic Services	2,598	2,732	2,582	2,482
Digital, Technology & Change	6,306	6,434	6,392	6,388
<b>Resources</b>	<b>18,356</b>	<b>18,287</b>	<b>17,805</b>	<b>17,705</b>
<b>Chief Executive Services</b>				
Corporate Management Team	883	876	876	876
Communications	672	667	667	667
<b>Chief Executive Services</b>	<b>1,555</b>	<b>1,543</b>	<b>1,543</b>	<b>1,543</b>
<b>Children's Services</b>				
Brighter Futures for Children	48,958	51,430	51,797	52,683
Retained by Council	781	838	895	895
<b>Children's Services</b>	<b>49,739</b>	<b>52,268</b>	<b>52,692</b>	<b>53,578</b>
<b>Total Service Expenditure</b>	<b>133,391</b>	<b>139,981</b>	<b>141,070</b>	<b>144,231</b>

## Summary of the Proposed General Fund Budget 2023/24 to 2025/26

Directorate/Service	Approved Budget 2022/23 £'000	Proposed Budget 2023/24 £'000	Proposed Budget 2024/25 £'000	Proposed Budget 2025/26 £'000
<b>Corporate Budgets</b>				
Capital Financing Costs	16,381	17,601	20,901	20,805
Contingency	3,627	4,108	4,913	5,116
Movement to / (from) Reserves	695	6,128	(30)	0
Other Corporate Budgets	(4,104)	(3,407)	(1,989)	1,726
<b>Corporate Budgets</b>	<b>16,599</b>	<b>24,430</b>	<b>23,795</b>	<b>27,647</b>
<b>Net Budget Requirement</b>	<b>149,990</b>	<b>164,411</b>	<b>164,865</b>	<b>171,878</b>
<b>Financed By:</b>				
Council Tax Income	(104,403)	(111,086)	(117,796)	(122,531)
NNDR Local Share	(26,510)	(28,489)	(30,031)	(39,795)
New Homes Bonus	(2,038)	(1,453)	0	0
Section 31 Grant	(12,580)	(15,183)	(15,954)	0
Revenue Support Grant	(2,108)	(2,487)	(2,624)	(2,624)
Other Government Grants	(2,404)	(1,498)	(1,241)	(1,241)
One-off Collection Fund (Surplus)/Deficit	3,219	(4,215)	0	0
One-off Collection Fund (Surplus)/Deficit - Business Rates (Covid Reliefs)	16,762	0	0	0
Section 31 Grants Released from Reserves	(18,148)	0	0	0
Release from Collection Fund Smoothing Reserve	(1,780)	0	0	0
<b>Total Funding</b>	<b>(149,990)</b>	<b>(164,411)</b>	<b>(167,646)</b>	<b>(166,191)</b>
<b>Over/(Under) Budget</b>	<b>0</b>	<b>0</b>	<b>(2,781)</b>	<b>5,687</b>



## General Fund Revenue Budget by Service 2023/24

	Original Budget 2022/23 £'000	Virements £'000	Approved Budget 2022/23 * £'000	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Proposed Budget 2023/24 £'000
<b>Adult Social Care and Health Services</b>									
Commissioning & Transformation	1,067	1,096	2,163	(15)	0	0	0	0	2,148
Adult Services Operations	40,545	(673)	39,872	3,753	1,130	(225)	(186)	0	44,344
Public Health	(507)	507	0	0	0	(50)	0	0	(50)
Preventative Services	629	(629)	0	0	0	0	0	0	0
Directorate Other	1,293	(808)	485	(8)	0	0	0	0	477
Safeguarding, Quality, Performance & Practice	0	1,395	1,395	(9)	0	0	0	0	1,386
<b>Adult Social Care and Health Services</b>	<b>43,027</b>	<b>888</b>	<b>43,915</b>	<b>3,721</b>	<b>1,130</b>	<b>(275)</b>	<b>(186)</b>	<b>0</b>	<b>48,305</b>
<b>Economic Growth &amp; Neighbourhood Services</b>									
Transportation	328	(2,149)	(1,821)	253	18	(89)	(280)	(780)	(2,699)
Planning & Regulatory Services	2,350	297	2,647	(18)	705	(102)	0	(95)	3,137
Housing & Communities	1,304	718	2,022	36	(125)	(29)	0	(4)	1,900
Culture	3,729	224	3,953	391	35	(916)	0	(413)	3,050
Environmental & Commercial Services	14,123	2,364	16,487	775	50	(270)	(12)	(255)	16,775
Property & Asset Management	(4,087)	121	(3,966)	870	0	(32)	0	(24)	(3,152)
Management & Sustainability	907	(403)	504	(9)	48	0	0	24	567
<b>Economic Growth &amp; Neighbourhood Services</b>	<b>18,654</b>	<b>1,172</b>	<b>19,826</b>	<b>2,298</b>	<b>731</b>	<b>(1,438)</b>	<b>(292)</b>	<b>(1,547)</b>	<b>19,578</b>
<b>Resources</b>									
Policy, Performance & Customer Services	2,513	111	2,624	23	268	(312)	0	(144)	2,459
Human Resources & Organisational Development	1,808	124	1,932	(18)	50	0	0	(28)	1,936
Procurement & Contracts	479	8	487	(5)	0	(100)	0	0	382
Finance	4,243	166	4,409	(37)	150	(212)	0	34	4,344
Legal & Democratic Services	2,459	139	2,598	(49)	49	(50)	184	0	2,732
Digital, Technology & Change	5,561	745	6,306	368	139	(379)	0	0	6,434
<b>Resources</b>	<b>17,063</b>	<b>1,293</b>	<b>18,356</b>	<b>282</b>	<b>656</b>	<b>(1,053)</b>	<b>184</b>	<b>(138)</b>	<b>18,287</b>
<b>Chief Executive Services</b>									
Corporate Management Team	878	5	883	(7)	0	0	0	0	876
Communications	650	22	672	(5)	0	0	0	0	667
<b>Chief Executive</b>	<b>1,528</b>	<b>27</b>	<b>1,555</b>	<b>(12)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,543</b>
<b>Children's Services</b>									
Brighter Futures for Children	48,251	707	48,958	2,372	400	(500)	0	200	51,430
Retained by Council	781	0	781	57	0	0	0	0	838
<b>Children's Services</b>	<b>49,032</b>	<b>707</b>	<b>49,739</b>	<b>2,429</b>	<b>400</b>	<b>(500)</b>	<b>0</b>	<b>200</b>	<b>52,268</b>
<b>Total Budget at Service Level</b>	<b>129,304</b>	<b>4,087</b>	<b>133,391</b>	<b>8,718</b>	<b>2,917</b>	<b>(3,266)</b>	<b>(294)</b>	<b>(1,485)</b>	<b>139,981</b>

\*Approved Budget 2022/23 includes in year budget virements (the net £4.087m virements on Service budgets is balanced via an offsetting £4.087m credit against Corporate Budgets)

## 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
<b>Adult Social Care and Health Services</b>									
Commissioning & Transformation	2,148	0	2,148	0	0	0	0	0	2,148
Adult Services Operations	44,344	0	44,344	1,651	777	0	0	0	46,772
Public Health	(50)	0	(50)	0	0	0	0	0	(50)
Preventative Services	0	0	0	0	0	0	0	0	0
Directorate Other	477	0	477	0	0	0	0	0	477
Safeguarding, Quality, Performance & Practice	1,386	0	1,386	0	0	0	0	0	1,386
<b>Adult Social Care and Health Services</b>	<b>48,305</b>	<b>0</b>	<b>48,305</b>	<b>1,651</b>	<b>777</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,733</b>
<b>Economic Growth &amp; Neighbourhood Services</b>									
Transportation	(2,699)	0	(2,699)	255	0	0	(130)	(237)	(2,811)
Planning & Regulatory Services	3,137	0	3,137	0	(485)	0	0	(215)	2,437
Housing and Communities	1,900	0	1,900	0	0	0	0	(4)	1,896
Culture	3,050	0	3,050	69	0	(664)	0	(63)	2,392
Environmental and Commercial Services	16,775	0	16,775	561	0	(35)	0	(70)	17,231
Property and Asset Management	(3,152)	0	(3,152)	90	0	0	0	(113)	(3,175)
Management & Sustainability	567	0	567	0	0	0	0	(240)	327
<b>Economic Growth &amp; Neighbourhood Services</b>	<b>19,578</b>	<b>0</b>	<b>19,578</b>	<b>975</b>	<b>(485)</b>	<b>(699)</b>	<b>(130)</b>	<b>(942)</b>	<b>18,297</b>
<b>Resources</b>									
Policy, Performance & Customer Services	2,459	0	2,459	0	59	(313)	0	(47)	2,158
Human Resources & Organisational Development	1,936	0	1,936	2	3	0	0	6	1,947
Procurement & Contracts	382	0	382	0	0	0	0	0	382
Finance	4,344	0	4,344	0	0	0	0	0	4,344
Legal & Democratic Services	2,732	0	2,732	0	0	(50)	(100)	0	2,582
Digital, Technology & Change	6,434	0	6,434	237	63	(342)	0	0	6,392
<b>Resources</b>	<b>18,287</b>	<b>0</b>	<b>18,287</b>	<b>239</b>	<b>125</b>	<b>(705)</b>	<b>(100)</b>	<b>(41)</b>	<b>17,805</b>
<b>Chief Executive Services</b>									
Corporate Management Team	876	0	876	0	0	0	0	0	876
Communications	667	0	667	0	0	0	0	0	667
<b>Chief Executive</b>	<b>1,543</b>	<b>0</b>	<b>1,543</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,543</b>
<b>Children's Services</b>									
Brighter Futures for Children	51,430	0	51,430	967	0	(500)	0	(100)	51,797
Retained by Council	838	0	838	57	0	0	0	0	895
<b>Children's Services</b>	<b>52,268</b>	<b>0</b>	<b>52,268</b>	<b>1,024</b>	<b>0</b>	<b>(500)</b>	<b>0</b>	<b>(100)</b>	<b>52,692</b>
<b>Total Budget at Service Level</b>	<b>139,981</b>	<b>0</b>	<b>139,981</b>	<b>3,889</b>	<b>417</b>	<b>(1,904)</b>	<b>(230)</b>	<b>(1,083)</b>	<b>141,070</b>

## General Fund Revenue Budget by Service 2025/26

	Proposed Budget 2024/25	Virements	Proposed Budget 2024/25	Contractual Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Proposed Budget 2025/26
<b>Adult Social Care and Health Services</b>									
Commissioning & Transformation	2,148	0	2,148	0	0	0	0	0	2,148
Adult Services Operations	46,772	0	46,772	1,664	558	0	0	0	48,994
Public Health	(50)	0	(50)	0	0	0	0	0	(50)
Preventative Services	0	0	0	0	0	0	0	0	0
Directorate Other	477	0	477	0	0	0	0	0	477
Safeguarding, Quality, Performance & Practice	1,386	0	1,386	0	0	0	0	0	1,386
<b>Adult Social Care and Health Services</b>	<b>50,733</b>	<b>0</b>	<b>50,733</b>	<b>1,664</b>	<b>558</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,955</b>
<b>Economic Growth &amp; Neighbourhood Services</b>									
Transportation	(2,811)	0	(2,811)	107	0	0	(250)	0	(2,954)
Planning & Regulatory Services	2,437	0	2,437	0	(43)	0	0	0	2,394
Housing and Communities	1,896	0	1,896	0	0	0	0	0	1,896
Culture	2,392	0	2,392	0	0	(441)	0	(50)	1,901
Environmental and Commercial Services	17,231	0	17,231	0	1,049	(4)	0	0	18,276
Property and Asset Management	(3,175)	0	(3,175)	0	0	0	0	(44)	(3,219)
Management & Sustainability	327	0	327	0	(30)	0	0	(141)	156
<b>Economic Growth &amp; Neighbourhood Services</b>	<b>18,297</b>	<b>0</b>	<b>18,297</b>	<b>107</b>	<b>976</b>	<b>(445)</b>	<b>(250)</b>	<b>(235)</b>	<b>18,450</b>
<b>Resources</b>									
Policy, Performance & Customer Services	2,158	0	2,158	0	0	0	0	0	2,158
Human Resources & Organisational Development	1,947	0	1,947	0	3	0	0	1	1,951
Procurement & Contracts	382	0	382	0	0	0	0	0	382
Finance	4,344	0	4,344	0	0	0	0	0	4,344
Legal & Democratic Services	2,582	0	2,582	0	0	0	(100)	0	2,482
Digital, Technology & Change	6,392	0	6,392	196	0	(200)	0	0	6,388
<b>Resources</b>	<b>17,805</b>	<b>0</b>	<b>17,805</b>	<b>196</b>	<b>3</b>	<b>(200)</b>	<b>(100)</b>	<b>1</b>	<b>17,705</b>
<b>Chief Executive Services</b>									
Corporate Management Team	876	0	876	0	0	0	0	0	876
Communications	667	0	667	0	0	0	0	0	667
<b>Chief Executive Services</b>	<b>1,543</b>	<b>0</b>	<b>1,543</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,543</b>
<b>Children's Services</b>									
Brighter Futures for Children	51,797	0	51,797	986	0	0	0	(100)	52,683
Retained by Council	895	0	895	0	0	0	0	0	895
<b>Children's Services</b>	<b>52,692</b>	<b>0</b>	<b>52,692</b>	<b>986</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(100)</b>	<b>53,578</b>
<b>Total Budget at Service Level</b>	<b>141,070</b>	<b>0</b>	<b>141,070</b>	<b>2,953</b>	<b>1,537</b>	<b>(645)</b>	<b>(350)</b>	<b>(334)</b>	<b>144,231</b>

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## Detailed General Fund Budget Changes 2023/24 to 2025/26

Directorate/Service	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Total £'000
<b>Adult Social Care and Health Services</b>						
Commissioning & Transformation	(15)	0	0	0	0	(15)
Adult Services Operations	7,068	2,465	(225)	(186)	0	9,122
Public Health	0	0	(50)	0	0	(50)
Directorate Other	(8)	0	0	0	0	(8)
Safeguarding, Quality, Performance & Practice	(9)	0	0	0	0	(9)
<b>Adult Social Care and Health Services</b>	<b>7,036</b>	<b>2,465</b>	<b>(275)</b>	<b>(186)</b>	<b>0</b>	<b>9,040</b>
<b>Economic Growth &amp; Neighbourhood Services</b>						
Transportation	615	18	(89)	(660)	(1,017)	(1,133)
Planning & Regulatory Services	(18)	177	(102)	0	(310)	(253)
Housing & Communities	36	(125)	(29)	0	(8)	(126)
Culture	460	35	(2,021)	0	(526)	(2,052)
Environmental & Commercial Services	1,336	1,099	(309)	(12)	(325)	1,789
Property & Asset Management	960	0	(32)	0	(181)	747
Management & Sustainability	(9)	18	0	0	(357)	(348)
<b>Economic Growth &amp; Neighbourhood Services</b>	<b>3,380</b>	<b>1,222</b>	<b>(2,582)</b>	<b>(672)</b>	<b>(2,724)</b>	<b>(1,376)</b>
<b>Resources</b>						
Policy, Performance & Customer Services	23	327	(625)	0	(191)	(466)
Human Resources & Organisational Development	(16)	56	0	0	(21)	19
Procurement & Contracts	(5)	0	(100)	0	0	(105)
Finance	(37)	150	(212)	0	34	(65)
Legal & Democratic Services	(49)	49	(100)	(16)	0	(116)
Digital, Technology & Change	801	202	(921)	0	0	82
<b>Resources</b>	<b>717</b>	<b>784</b>	<b>(1,958)</b>	<b>(16)</b>	<b>(178)</b>	<b>(651)</b>

Directorate/Service	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Total £'000
<b>Chief Executive Services</b>						
Corporate Management Team	(7)	0	0	0	0	(7)
Communications	(5)	0	0	0	0	(5)
<b>Chief Executive Services</b>	<b>(12)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(12)</b>
<b>Children's Services</b>						
Brighter Futures for Children	4,325	400	(1,000)	0	0	3,725
Retained by Council	114	0	0	0	0	114
<b>Children's Services</b>	<b>4,439</b>	<b>400</b>	<b>(1,000)</b>	<b>0</b>	<b>0</b>	<b>3,839</b>
<b>Service Total</b>	<b>15,560</b>	<b>4,871</b>	<b>(5,815)</b>	<b>(874)</b>	<b>(2,902)</b>	<b>10,840</b>

**Appendix 4a - Detailed General Fund Budget Changes 2023/24-2025/26 - 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 & Transformation	(15)	-	-	-	-	(15)
2	Adult Services Operations	7,068	2,465	(225)	(186)	-	9,122
3	Public Health	-	-	(50)	-	-	(50)
4	Directorate Other	(8)	-	-	-	-	(8)
5	Safeguarding, Quality, Performance & Practice	(9)	-	-	-	-	(9)
6	<b>Directorate Total</b>	<b>7,036</b>	<b>2,465</b>	<b>(275)</b>	<b>(186)</b>	<b>-</b>	<b>9,040</b>

Summary of MTFs Position		Total Movement Per Year			Total
<u>Service Pressures</u>		2023/24	2024/25	2025/26	All Years
		£'000	£'000	£'000	£'000
7	Commissioning & Transformation	(15)	-	-	(15)
8	Adult Services Operations	4,883	2,428	2,222	9,533
9	Public Health	-	-	-	-
10	Directorate Other	(8)	-	-	(8)
11	Safeguarding, Quality, Performance & Practice	(9)	-	-	(9)
12	<b>Directorate Total</b>	<b>4,851</b>	<b>2,428</b>	<b>2,222</b>	<b>9,501</b>

		Total Movement Per Year			Total
<u>Service Savings</u>		2023/24	2024/25	2025/26	All Years
		£'000	£'000	£'000	£'000
13	Commissioning & Transformation	-	-	-	-
14	Adult Services Operations	(411)	-	-	(411)
15	Public Health	(50)	-	-	(50)
16	Directorate Other	-	-	-	-
17	Safeguarding, Quality, Performance & Practice	-	-	-	-
18	<b>Directorate Total</b>	<b>(461)</b>	<b>-</b>	<b>-</b>	<b>(461)</b>
19	<b>Directorate Total</b>	<b>4,390</b>	<b>2,428</b>	<b>2,222</b>	<b>9,040</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b><u>Commissioning and Transformation</u></b>				
20	N/A - Technical Adj	Pay inflation	-	-	-	-
21	N/A - Technical Adj	Staff pay increments	-	-	-	-
22	N/A - Technical Adj	Removal of Social Care Levy	(15)	-	-	(15)
23		<b>Total Contractual Inflation</b>	<b>(15)</b>	-	-	<b>(15)</b>
24			-	-	-	-
25		<b>Total Budget Pressures</b>	-	-	-	-
26			-	-	-	-
27		<b>Total Efficiency Savings</b>	-	-	-	-
28			-	-	-	-
29		<b>Total Invest to Save</b>	-	-	-	-
30			-	-	-	-
31		<b>Total Income, Fees &amp; Charges</b>	-	-	-	-
32		<b>Total</b>	<b>(15)</b>	-	-	<b>(15)</b>

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**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
<b><u>Adult Services Operations</u></b>						
33	N/A - Technical Adj	Pay inflation	-	-	-	-
34	N/A - Technical Adj	Staff pay increments	-	-	-	-
35	N/A - Technical Adj	Removal of Social Care Levy	(62)	-	-	(62)
36	DACHS-2122-01	PPE requirement due to Covid (care providers)	(238)	-	-	(238)
37	DACHS-2021-01	Care costs inflation	4,016	1,651	1,664	7,331
38	DEGNS-2324-26	Energy Inflation Provision	37	-	-	37
39		<b>Total Contractual Inflation</b>	<b>3,753</b>	<b>1,651</b>	<b>1,664</b>	<b>7,068</b>
40	DACHS-2122-02	PPE requirement due to covid (staff)	(65)	-	-	(65)
41	DACHS-2021-02	Increased service demand due to population growth	378	577	199	1,154
42	DACHS-2021-05	Supporting young people into adulthood (pressure)	583	200	359	1,142
43	N/A - Technical Adj	Adult Social Care Funding Reforms	950	671	-	1,621
44	N/A - Technical Adj	Adult Social Care Funding Reforms - assumed grant funding	(950)	(671)	-	(1,621)
45	N/A - Technical Adj	Adult Social Care Discharge Fund Expenditure	378	1,243	(1,621)	-
46	N/A - Technical Adj	Adult Social Care Discharge Fund Grant	(378)	(1,243)	1,621	-
47	N/A - Technical Adj	Removal of Independent Living Fund	234	-	-	234
48		<b>Total Budget Pressures</b>	<b>1,130</b>	<b>777</b>	<b>558</b>	<b>2,465</b>
49	DACHS-2223-06	Development of an Accommodation Pathway for Vulnerable Working Age Adults	(25)	-	-	(25)
50	DACHS-2223-ZZ	Additional DACHS Savings Target	-	-	-	-
51	DACHS-2324-09	Continuing Healthcare / Joint Funding	(200)	-	-	(200)
52		<b>Total Efficiency Savings</b>	<b>(225)</b>	<b>-</b>	<b>-</b>	<b>(225)</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b><u>Adult Services Operations Continued</u></b>				
53	DACHS-2021-10	Promoting the use of Assistive Technology	(78)	-	-	(78)
54	DACHS-2324-02	Increase in Extra Care Income	(108)	-	-	(108)
55		<b>Total Invest to Save</b>	<b>(186)</b>	-	-	<b>(186)</b>
56			-	-	-	-
57		<b>Total Income, Fees &amp; Charges</b>	-	-	-	-
58		<b>Total</b>	<b>4,472</b>	<b>2,428</b>	<b>2,222</b>	<b>9,122</b>

**Schedule of Detailed Budget Change Proposals**

		Total Movement Per Year			Total
		2023/24	2024/25	2025/26	All Years
		£'000	£'000	£'000	£'000
	<b>Public Health</b>				
59	Pay inflation	-	-	-	-
60	Staff pay increments	-	-	-	-
61	<b>Total Contractual Inflation</b>	-	-	-	-
62		-	-	-	-
63	<b>Total Budget Pressures</b>	-	-	-	-
64	DACHS-2223-05 Efficiency savings secured through Public Health re-procurements	(50)	-	-	(50)
65	<b>Total Efficiency Savings</b>	(50)	-	-	(50)
66		-	-	-	-
67	<b>Total Invest to Save</b>	-	-	-	-
68	DACHS-2021-16 rev Review of Public Health Expenditure	(250)	-	-	(250)
69	DACHS-2021-16 rev Review of Public Health Expenditure	250	-	-	250
70	<b>Total Income, Fees &amp; Charges</b>	-	-	-	-
71	<b>Total</b>	(50)	-	-	(50)



**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b><u>Directorate Other</u></b>				
72	N/A - Technical Adj	Pay inflation	-	-	-	-
73	N/A - Technical Adj	Staff pay increments	-	-	-	-
74	N/A - Technical Adj	Removal of Social Care Levy	(8)	-	-	(8)
75		<b>Total Contractual Inflation</b>	<b>(8)</b>	-	-	<b>(8)</b>
76			-	-	-	-
77		<b>Total Budget Pressures</b>	-	-	-	-
78			-	-	-	-
79		<b>Total Efficiency Savings</b>	-	-	-	-
80			-	-	-	-
81		<b>Total Invest to Save</b>	-	-	-	-
82			-	-	-	-
83		<b>Total Income, Fees &amp; Charges</b>	-	-	-	-
84		<b>Total</b>	<b>(8)</b>	-	-	<b>(8)</b>

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**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b><u>Safeguarding, Quality, Performance &amp; Practice</u></b>				
85		Pay inflation	-	-	-	-
86		Staff pay increments	-	-	-	-
87	N/A - Technical Adj	Removal of Social Care Levy	(9)	-	-	(9)
88		<b>Total Contractual Inflation</b>	<b>(9)</b>	-	-	<b>(9)</b>
89			-	-	-	-
90		<b>Total Budget Pressures</b>	-	-	-	-
91			-	-	-	-
92		<b>Total Efficiency Savings</b>	-	-	-	-
93			-	-	-	-
94		<b>Total Invest to Save</b>	-	-	-	-
95			-	-	-	-
96		<b>Total Income, Fees &amp; Charges</b>	-	-	-	-
97		<b>Total</b>	<b>(9)</b>	-	-	<b>(9)</b>
98		<b>Directorate Total</b>	<b>4,390</b>	<b>2,428</b>	<b>2,222</b>	<b>9,040</b>

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**Appendix 4b - Detailed General Fund Budget Changes 2023/24-2025/26 - 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	615	18	(89)	(660)	(1,017)	(1,133)
2	Planning & Regulatory Services	(18)	177	(102)	-	(310)	(253)
3	Housing & Communities	36	(125)	(29)	-	(8)	(126)
4	Culture	460	35	(2,021)	-	(526)	(2,052)
5	Environmental & Commercial Services	1,336	1,099	(309)	(12)	(325)	1,789
6	Property & Asset Management	960	-	(32)	-	(181)	747
7	Management & Sustainability	(9)	18	-	-	(357)	(348)
8	<b>Directorate Total</b>	<b>3,380</b>	<b>1,222</b>	<b>(2,582)</b>	<b>(672)</b>	<b>(2,724)</b>	<b>(1,376)</b>

Summary of MTF5 Position		Total Movement per Year			Total
		2023/24	2024/25	2025/26	All Years
	<u>Service Pressures</u>	£'000	£'000	£'000	£'000
9	Transportation	271	255	107	633
10	Planning & Regulatory Services	687	(485)	(43)	159
11	Housing & Communities	(89)	-	-	(89)
12	Culture	426	69	-	495
13	Environmental & Commercial Services	825	561	1,049	2,435
14	Property & Asset Management	870	90	-	960
15	Management & Sustainability	39	-	(30)	9
16	<b>Directorate Total</b>	<b>3,029</b>	<b>490</b>	<b>1,083</b>	<b>4,602</b>
17		Total Movement per Year			Total
		2023/24	2024/25	2025/26	All Years
	<u>Service Savings</u>	£'000	£'000	£'000	£'000
18	Transportation	(1,149)	(367)	(250)	(1,766)
19	Planning & Regulatory Services	(197)	(215)	-	(412)
20	Housing & Communities	(33)	(4)	-	(37)
21	Culture	(1,329)	(727)	(491)	(2,547)
22	Environmental & Commercial Services	(537)	(105)	(4)	(646)
23	Property & Asset Management	(56)	(113)	(44)	(213)
24	Management & Sustainability	24	(240)	(141)	(357)
25	<b>Directorate Total</b>	<b>(3,277)</b>	<b>(1,771)</b>	<b>(930)</b>	<b>(5,978)</b>
26	<b>Directorate Total</b>	<b>(248)</b>	<b>(1,281)</b>	<b>153</b>	<b>(1,376)</b>



## Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement per Year			Total All Years £'000
			2023/24 £'000	2024/25 £'000	2025/26 £'000	
		<b>Transportation</b>				
27	N/A - Technical Adj	Pay Inflation	-	-	-	-
28	N/A - Technical Adj	Staff pay increments	-	-	-	-
29	N/A - Technical Adj	Removal of Social Care Levy	(12)	-	-	(12)
30		Contract Inflation - Intelligent Transport System maintenance (Urban Traffic Control, Traffic Signal & CCTV)	2	2	-	4
31	DEGNS-2324-03	Community Transport - Inflationary Increase	23	24	10	57
32	DEGNS-2324-04	Concessionary Travel Scheme - Inflationary Increase	218	229	97	544
33	DEGNS-2324-26	Energy Inflation Provision	37	-	-	37
34	DEGNS-2324-27	DEGNS Supplies, Services and general contract inflation	8	-	-	8
35	N/A - Technical Adj	Business Rates Revaluation	(23)	-	-	(23)
36		<b>Total Contractual Inflation</b>	<b>253</b>	<b>255</b>	<b>107</b>	<b>615</b>
37	DEGNS-2223-02	Strategic Transport Apprenticeship	18	-	-	18
38	DEGNS-2324-01	Active Travel Capability Fund 2022/23	-	-	-	-
39	DEGNS-2324-02	Bus Service Improvement Plan (BSIP) - Revenue Programme	-	-	-	-
40		<b>Total Budget Pressures</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>
41	DEGNS-2122-02	Workforce Review	(14)	-	-	(14)
42	DEGNS-2021-26	Fundamental Service Review - Parking	(75)	-	-	(75)
43		<b>Total Efficiency Savings</b>	<b>(89)</b>	<b>-</b>	<b>-</b>	<b>(89)</b>
44	DEGNS-2324-05	Introduction of Moving Traffic Enforcement under TMA Powers	(280)	(130)	(250)	(660)
45		<b>Total Invest to Save</b>	<b>(280)</b>	<b>(130)</b>	<b>(250)</b>	<b>(660)</b>
46	DEGNS-2021-24	Increased income from On-Street Pay and Display	(5)	(150)	-	(155)
47	DEGNS-2021-37	Increased income from Off Street Parking charges	-	(87)	-	(87)
48	DEGNS-2021-55	Extend parking permit zones	(10)	-	-	(10)
49	DEGNS-2122-04 (2)	Reduced parking income due to Covid-19*	(650)	-	-	(650)
50	DEGNS-2021-58	Electric Vehicle Charging	(26)	-	-	(26)
51		Increase in other transport fees and charges	(3)	-	-	(3)
52	DEGNS-2122-NEW-01	Increase parking permit charges	(86)	-	-	(86)
53		<b>Total Income, Fees and Charges</b>	<b>(780)</b>	<b>(237)</b>	<b>-</b>	<b>(1,017)</b>
54		<b>Total</b>	<b>(878)</b>	<b>(112)</b>	<b>(143)</b>	<b>(1,133)</b>

\* 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
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
<b><u>Planning &amp; Regulatory Services</u></b>						
55	N/A - Technical Adj	Pay Inflation	-	-	-	-
56	N/A - Technical Adj	Staff pay increments	-	-	-	-
57	N/A - Technical Adj	Removal of Social Care Levy	(37)	-	-	(37)
58	DEGNS-2324-26	Energy Inflation Provision	3	-	-	3
59	DEGNS-2324-27	DEGNS Supplies, Services and general contract inflation	16	-	-	16
60		<b>Total Contractual Inflation</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>(18)</b>
61	DEGNS-2324-07	Berkshire Coroner's Removals	196	(133)	-	63
62	DEGNS-2324-08	Forbury Gardens Inquest	330	(330)	-	-
63	DEGNS-2324-09	Local Plan Review and Update	127	(22)	(43)	62
64	DEGNS-2324-11	Growth Post within Planning Enforcement	52	-	-	52
65		<b>Total Budget Pressures</b>	<b>705</b>	<b>(485)</b>	<b>(43)</b>	<b>177</b>
66	DEGNS-2021-33	Fundamental Service Review - Planning and Regulatory Services	(64)	-	-	(64)
67	DEGNS-2122-02	Workforce Review	(38)	-	-	(38)
68		<b>Total Efficiency Savings</b>	<b>(102)</b>	<b>-</b>	<b>-</b>	<b>(102)</b>
69			-	-	-	-
70		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
71	DEGNS-2021-38	Reprofiled pre planning application income (due to covid)	-	(135)	-	(135)
72	DEGNS-2021-36	Reprofiled Reading Festival income (due to covid)	(25)	-	-	(25)
73		Other Planning fees and charges increase	(20)	-	-	(20)
74	DEGNS-2021-20	Discretionary Houses in Multiple Occupation (HMO) licensing	(50)	(80)	-	(130)
75		<b>Total Income, Fees and Charges</b>	<b>(95)</b>	<b>(215)</b>	<b>-</b>	<b>(310)</b>
76		<b>Total</b>	<b>490</b>	<b>(700)</b>	<b>(43)</b>	<b>(253)</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b>Housing &amp; Communities</b>				
77	N/A - Technical Adj	Pay Inflation	-	-	-	-
78	N/A - Technical Adj	Staff pay increments	-	-	-	-
79	N/A - Technical Adj	Removal of Social Care Levy	(37)	-	-	(37)
80	DEGNS-2324-26	Energy Inflation Provision	59	-	-	59
81	DEGNS-2324-27	DEGNS Supplies, Services and general contract inflation	14	-	-	14
82		<b>Total Contractual Inflation</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>
83	DEGNS-2122-06	Anticipated increased demand on emergency accommodation due to private evictions*	(125)	-	-	(125)
84		<b>Total Budget Pressures</b>	<b>(125)</b>	<b>-</b>	<b>-</b>	<b>(125)</b>
85	DEGNS-2122-02	Workforce Review	(29)	-	-	(29)
86		<b>Total Efficiency Savings</b>	<b>(29)</b>	<b>-</b>	<b>-</b>	<b>(29)</b>
87			-	-	-	-
88		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
89		Increase in fees and charges	(4)	(4)	-	(8)
90		<b>Total Income, Fees and Charges</b>	<b>(4)</b>	<b>(4)</b>	<b>-</b>	<b>(8)</b>
91		<b>Total</b>	<b>(122)</b>	<b>(4)</b>	<b>-</b>	<b>(126)</b>

\* 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
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b>Culture</b>				
92	N/A - Technical Adj	Pay Inflation	-	-	-	-
93	N/A - Technical Adj	Staff pay increments	-	-	-	-
94	N/A - Technical Adj	Removal of Social Care Levy	(48)	-	-	(48)
95		Contract Inflation	69	69	-	138
96	DEGNS-2324-26	Energy Inflation Provision	363	-	-	363
97	DEGNS-2324-27	DEGNS Supplies, Services and general contract inflation	17	-	-	17
98	N/A - Technical Adj	Business Rates Revaluation	(10)	-	-	(10)
99		<b>Total Contractual Inflation</b>	<b>391</b>	<b>69</b>	<b>-</b>	<b>460</b>
100	DEGNS-2324-16	Christchurch Meadows Paddling Pool maintenance	35	-	-	35
101		<b>Total Budget Pressures</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>
102	DEGNS-2021-17b	Revenue impact of new contract for borough leisure facilities	(828)	(590)	(405)	(1,823)
103	DEGNS-2122-02	Workforce Review	(52)	-	-	(52)
104	DEGNS-2324-18	New Directions College	(36)	(36)	(36)	(108)
105	DEGNS-2324-Cap04	Hexagon - Replacement of PA and Sound Desk	-	(38)	-	(38)
106		<b>Total Efficiency Savings</b>	<b>(916)</b>	<b>(626)</b>	<b>(441)</b>	<b>(1,983)</b>
107			-	-	-	-
108		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
109		Increase in fees and charges	(33)	(33)	-	(66)
110	DEGNS-2122-08a	Covid19 income pressure on the Town Hall and recovery plan*	(250)	(30)	(50)	(330)
111	DEGNS-2122-18	Covid19 income pressure on the Hexagon and South Street Theatres and recovery plan*	(70)	-	-	(70)
112	DEGNS-2122-NEW-06	Arts Fundraising campaign	(20)	-	-	(20)
113	DEGNS-2324-14	Leisure Activity Review of Filming & Events	(40)	-	-	(40)
114		<b>Total Income, Fees and Charges</b>	<b>(413)</b>	<b>(63)</b>	<b>(50)</b>	<b>(526)</b>
115		<b>Total</b>	<b>(903)</b>	<b>(620)</b>	<b>(491)</b>	<b>(2,052)</b>

\* 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
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
<b><u>Environmental &amp; Commercial Services</u></b>						
116	N/A - Technical Adj	Pay Inflation	-	-	-	-
117	N/A - Technical Adj	Staff pay increments	-	-	-	-
118	N/A - Technical Adj	Removal of Social Care Levy	(99)	-	-	(99)
119	DEGNS-2223-09b	Waste Contract - Budget realignment	199	501	-	700
120		Payments to Grundon	2	2	-	4
121	N/A - Technical Adj	Street Lighting Energy	-	58	-	58
122		Street Cleansing Materials	12	-	-	12
123		Waste Collection Materials / Tipping charges	28	-	-	28
124	DEGNS-2324-20	Increased Winter Maintenance Budget	163	-	-	163
125	DEGNS-2324-26	Energy Inflation Provision	325	-	-	325
126	DEGNS-2324-27	DEGNS Supplies, Services and general contract inflation	122	-	-	122
127	N/A - Technical Adj	Business Rates Revaluation	23	-	-	23
128		<b>Total Contractual Inflation</b>	<b>775</b>	<b>561</b>	<b>-</b>	<b>1,336</b>
129	DEGNS-2223-20a	Legislation (Environment Bill): Waste Management	-	-	1,049	1,049
130	DEGNS-2324-21	Housing Repairs Service & Workforce Review	-	-	-	-
131	DEGND-2324-30	Enhanced Graffiti Removal	50	-	-	50
132		<b>Total Budget Pressures</b>	<b>50</b>	<b>-</b>	<b>1,049</b>	<b>1,099</b>
133	DEGNS-2122-01	Reduced fuel costs due to increase in electrical vehicles	(88)	-	-	(88)
134	DEGNS-2122-11	Waste Contract - Budget realignment inline with anticipated expenditure	(100)	-	-	(100)
135	DEGNS-2122-02	Workforce Review	(82)	-	-	(82)
136	DEGNS-2324-Cap06	Purchase of Electric Road Marking Machine	-	(17)	(4)	(21)
137	DEGNS-2324-Cap22	Cemetery Machinery	-	(18)	-	(18)
138		<b>Total Efficiency Savings</b>	<b>(270)</b>	<b>(35)</b>	<b>(4)</b>	<b>(270)</b>
139	DEGNS-2122-NEW-07	Continued commercial growth of Highways service	(2)	-	-	(2)
140	DEGNS-2122-NEW-08	In-sourcing of Highways Structures Consultancy	(10)	-	-	(10)
141		<b>Total Invest to Save</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>(12)</b>

Line	Bid Reference	Service	Total Movement per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
142		Increase income on green waste due to additional uptake in years 1-3 and fee increase in years 2-3	(50)	-	-	(50)
143	DEGNS-2021-78	Commercialisation Direct Services	(135)	-	-	(135)
144		Increase in fees and charges	(5)	(5)	-	(10)
145	DEGNS-2021-76	Increase in savings- waste operations	(65)	(65)	-	(130)
146		<b>Total Income Fees and Charges</b>	<b>(255)</b>	<b>(70)</b>	<b>-</b>	<b>(325)</b>
147		<b>Total</b>	<b>288</b>	<b>456</b>	<b>1,045</b>	<b>1,789</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b><u>Property &amp; Asset Management</u></b>				
148	N/A - Technical Adj	Pay Inflation	-	-	-	-
149	N/A - Technical Adj	Staff pay increments	-	-	-	-
150	N/A - Technical Adj	Removal of Social Care Levy	(31)	-	-	(31)
151		Contract Inflation	90	90	-	180
152	DEGNS-2324-23	Facilities Management Supplies & Services Inflation	20	-	-	20
153	DEGNS-2324-24	Fuel Supplies	216	-	-	216
154	DEGNS-2324-26	Energy Inflation Provision	333	-	-	333
155	DEGNS-2324-27	DEGNS Supplies, Services and general contract inflation	27	-	-	27
156	N/A - Technical Adj	Business Rates Revaluation	215	-	-	215
157		<b>Total Contractual Inflation</b>	<b>870</b>	<b>90</b>	<b>-</b>	<b>960</b>
158			-	-	-	-
159		<b>Total Budget Pressures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
160	DEGNS-2122-02	Workforce Review	(32)	-	-	(32)
161		<b>Total Efficiency Savings</b>	<b>(32)</b>	<b>-</b>	<b>-</b>	<b>(32)</b>
162			-	-	-	-
163		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
164		Increase in fees and charges	(24)	(24)	-	(48)
165	DEGNS-2324-Cap17	Acre Business Park	-	(89)	(44)	(133)
166		<b>Total Income, Fees and Charges</b>	<b>(24)</b>	<b>(113)</b>	<b>(44)</b>	<b>(181)</b>
167		<b>Total</b>	<b>814</b>	<b>(23)</b>	<b>(44)</b>	<b>747</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b><u>Management &amp; Sustainability</u></b>				
168	N/A - Technical Adj	Pay Inflation	-	-	-	-
169	N/A - Technical Adj	Staff pay increments	-	-	-	-
170	N/A - Technical Adj	Removal of Social Care Levy	(9)	-	-	(9)
171		<b>Total Contractual Inflation</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>(9)</b>
172	DEGNS-2324-29	Loss of income from solar feed-in-tarriff at Rivermead Leisure Centre	18	-	-	18
173	DEGNS-2324-28	Increase in energy contract management capacity to manage increased risk	30	-	(30)	-
174		<b>Total Budget Pressures</b>	<b>48</b>	<b>-</b>	<b>(30)</b>	<b>18</b>
175			-	-	-	-
176		<b>Total Efficiency Savings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
177			-	-	-	-
178		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
179	DEGNS-2122-09b	Maximising income from digital advertising (roadside)	24	(144)	-	(120)
180	DEGNS-2324-Cap15	Corporate Solar Programme	-	(96)	(141)	(237)
181		<b>Total Income, Fees and Charges</b>	<b>24</b>	<b>(240)</b>	<b>(141)</b>	<b>(357)</b>
182		<b>Total</b>	<b>63</b>	<b>(240)</b>	<b>(171)</b>	<b>(348)</b>
183		<b>Directorate Total</b>	<b>(248)</b>	<b>(1,243)</b>	<b>153</b>	<b>(1,376)</b>



**Appendix 4c - Detailed General Fund Budget Changes 2023/24-2025/26 - 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	Policy, Performance & Customer Services	23	327	(625)	-	(191)	(466)
2	Human Resources & Organisational Development	(16)	56	-	-	(21)	19
3	Procurement & Contracts	(5)	-	(100)	-	-	(105)
4	Finance	(37)	150	(212)	-	34	(65)
5	Legal & Democratic Services	(49)	49	(100)	(16)	-	(116)
6	Digital, Technology & Change	801	202	(921)	-	-	82
7	Chief Executive	(7)	-	-	-	-	(7)
8	Communications	(5)	-	-	-	-	(5)
9	<b>Directorate Total</b>	<b>705</b>	<b>784</b>	<b>(1,958)</b>	<b>(16)</b>	<b>(178)</b>	<b>(663)</b>

Summary of MTF5 Position		Total Movement Per Year			Total
		2023/24	2024/25	2025/26	All Years
		£'000	£'000	£'000	£'000
10	<u>Service Pressures</u>				
	Policy, Performance & Customer Services	291	59	0	350
11	Human Resources & Organisational Development	32	5	3	40
12	Procurement & Contracts	(5)	0	0	(5)
13	Finance	113	0	0	113
14	Legal & Democratic Services	0	0	0	-
15	Digital, Technology & Change	507	300	196	1,003
16	Chief Executive	(7)	0	0	(7)
17	Communications	(5)	0	0	(5)
18	<b>Directorate Total</b>	<b>926</b>	<b>364</b>	<b>199</b>	<b>1,489</b>
		Total Movement Per Year			Total
		2023/24	2024/25	2025/26	All Years
		£'000	£'000	£'000	£'000
19	<u>Service Savings</u>				
	Policy, Performance & Customer Services	(456)	(360)	-	(816)
20	Human Resources & Organisational Development	(28)	6	1	(21)
21	Procurement & Contracts	(100)	-	-	(100)
22	Finance	(178)	-	-	(178)
23	Legal & Democratic Services	134	(150)	(100)	(116)
24	Digital, Technology & Change	(379)	(342)	(200)	(921)
25	Chief Executive	-	-	-	-
26	Communications	-	-	-	-
27	<b>Directorate Total</b>	<b>(1,007)</b>	<b>(846)</b>	<b>(299)</b>	<b>(2,152)</b>
28	<b>Directorate Total</b>	<b>(81)</b>	<b>(482)</b>	<b>(100)</b>	<b>(663)</b>

**Directorate of Resources**  
**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b>Policy, Performance &amp; Customer Services</b>				
29	N/A - Technical Adj	Pay inflation	-	-	-	-
30	N/A - Technical Adj	Staff pay increments	-	-	-	-
31	N/A - Technical Adj	Removal of Social Care Levy	(37)	-	-	(37)
32	DEGNS-2324-26	Energy Inflation Provision	60	-	-	60
33		<b>Total Contractual Inflation</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>23</b>
34	DOR-2223-01	Bereavement Services Restructure	8	9	-	17
35	DOR-2223-11a	Social Inclusion budget	225	50	-	275
36	DOR-2324-05	Residents Survey	35	-	-	35
37		<b>Total Budget Pressures</b>	<b>268</b>	<b>59</b>	<b>-</b>	<b>327</b>
38	DOR-2021-06	New customer services model (Phase 2)	(312)	(313)	-	(625)
39		<b>Total Efficiency Savings</b>	<b>(312)</b>	<b>(313)</b>	<b>-</b>	<b>(625)</b>
40			-	-	-	-
41		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
42	DOR-2122-NEW-02	Additional Service Proposals for Bereavement Services	(7)	-	-	(7)
43	DOR-2324-02	Income generation opportunity - Cremation & Cemetery Service	(137)	(47)	-	(184)
44		<b>Total Income, Fees and Charges</b>	<b>(144)</b>	<b>(47)</b>	<b>-</b>	<b>(191)</b>
45		<b>Total</b>	<b>(165)</b>	<b>(301)</b>	<b>-</b>	<b>(466)</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
<b>Human Resources &amp; Organisational Development</b>						
46	N/A - Technical Adj	Pay inflation	-	-	-	-
47	N/A - Technical Adj	Staff pay increments	-	-	-	-
48	N/A - Technical Adj	Removal of Social Care Levy	(20)	-	-	(20)
49		Contract Inflation (Health and Safety Team - Software licenses)	2	2	-	4
50		<b>Total Contractual Inflation</b>	<b>(18)</b>	<b>2</b>	<b>-</b>	<b>(16)</b>
51	DOR-2324-07	Kennet Day Nursery Budget Pressures	50	3	3	56
52		<b>Total Budget Pressures</b>	<b>50</b>	<b>3</b>	<b>3</b>	<b>56</b>
53			-	-	-	-
54		<b>Total Efficiency Savings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
55			-	-	-	-
56		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
57	DOR-2324-06	Traded Services with HR&OD	(28)	6	1	(21)
58		<b>Total Income, Fees and Charges</b>	<b>(28)</b>	<b>6</b>	<b>1</b>	<b>(21)</b>
59		<b>Total</b>	<b>4</b>	<b>11</b>	<b>4</b>	<b>19</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b><u>Procurement &amp; Contracts</u></b>				
60	N/A - Technical Adj	Pay inflation	-	-	-	-
61	N/A - Technical Adj	Staff pay increments	-	-	-	-
62	N/A - Technical Adj	Removal of Social Care Levy	(5)	-	-	(5)
63		<b>Total Contractual Inflation</b>	<b>(5)</b>	-	-	<b>(5)</b>
64			-	-	-	-
65		<b>Total Budget Pressures</b>	-	-	-	-
66	DOR-2122-NEW-13	Procurement & Contracts savings - Resources Directorate	(100)	-	-	(100)
67		<b>Total Efficiency Savings</b>	<b>(100)</b>	-	-	<b>(100)</b>
68			-	-	-	-
69		<b>Total Invest to Save</b>	-	-	-	-
70			-	-	-	-
71		<b>Total Income, Fees and Charges</b>	-	-	-	-
72		<b>Total</b>	<b>(105)</b>	-	-	<b>(105)</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b>Finance</b>				
73	N/A - Technical Adj	Pay inflation	-	-	-	-
74	N/A - Technical Adj	Staff pay increments	-	-	-	-
75	N/A - Technical Adj	Removal of Social Care Levy	(37)	-	-	(37)
76		<b>Total Contractual Inflation</b>	<b>(37)</b>	<b>-</b>	<b>-</b>	<b>(37)</b>
77	N/A - Technical Adj	Transfer of LCTS Admin Grant into RSG	150	-	-	150
78		<b>Total Budget Pressures</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>150</b>
79	DOR-2021-07	Efficiencies from procuring new finance system	(212)	-	-	(212)
80		<b>Total Efficiency Savings</b>	<b>(212)</b>	<b>-</b>	<b>-</b>	<b>(212)</b>
81			-	-	-	-
82		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
83	N/A - Technical Adj	General Fund-HRA Recharge Realignment	34	-	-	34
84		<b>Total Income, Fees and Charges</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>34</b>
85		<b>Total</b>	<b>(65)</b>	<b>-</b>	<b>-</b>	<b>(65)</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24	2024/25	2025/26	All Years
			£'000	£'000	£'000	£'000
		<b><u>Legal &amp; Democratic Services</u></b>				
86	N/A - Technical Adj	Pay inflation	-	-	-	-
87	N/A - Technical Adj	Staff pay increments	-	-	-	-
88	N/A - Technical Adj	Removal of Social Care Levy	(49)	-	-	(49)
89		<b>Total Contractual Inflation</b>	<b>(49)</b>	<b>-</b>	<b>-</b>	<b>(49)</b>
90	DOR-2324-17	Removal of income target	20	-	-	20
91	DOR-2324-16	Increase capacity in Corporate Legal Team	5	-	-	5
92	DOR-2324-18	Increased capacity in Councillor Services	24	-	-	24
93		<b>Total Budget Pressures</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>49</b>
94	DOR-2324-09	Review of counsel use in JLT	(50)	(50)	-	(100)
95		<b>Total Efficiency Savings</b>	<b>(50)</b>	<b>(50)</b>	<b>-</b>	<b>(100)</b>
96	DOR-2324-10	Legal Support for Enforcement Work	184	(100)	(100)	(16)
97		<b>Total Invest to Save</b>	<b>184</b>	<b>(100)</b>	<b>(100)</b>	<b>(16)</b>
98			-	-	-	-
99		<b>Total Income, Fees and Charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
100		<b>Total</b>	<b>134</b>	<b>(150)</b>	<b>(100)</b>	<b>(116)</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24	2024/25	2025/26	All Years
			£'000	£'000	£'000	£'000
		<b><u>Digital, Technology &amp; Change</u></b>				
101	N/A - Technical Adj	Pay inflation	-	-	-	-
102	N/A - Technical Adj	Staff pay increments	-	-	-	-
103	N/A - Technical Adj	Removal of Social Care Levy	(12)	-	-	(12)
104	DOR-2021-18a	Contract Inflation	380	237	196	813
105		<b>Total Contractual Inflation</b>	<b>368</b>	<b>237</b>	<b>196</b>	<b>801</b>
106	DOR-2122-02	Reprocurement of Council's principle Information & Communication Technology Support and Maintenance contract*	5	-	-	5
107	DOR-2324-20	Digital & ICT Core Web Team Growth	124	63	-	187
108	DOR-2324-Cap02	Democratic Rooms - Hybrid AV	10	-	-	10
109		<b>Total Budget Pressures</b>	<b>139</b>	<b>63</b>	<b>-</b>	<b>202</b>
110	DOR-2324-19	Digital & ICT Transformation	(279)	(142)	-	(421)
111	DOR-2324-22	Efficiencies through digitisation	(100)	(200)	(200)	(500)
112		<b>Total Efficiency Savings</b>	<b>(379)</b>	<b>(342)</b>	<b>(200)</b>	<b>(921)</b>
113			-	-	-	-
114		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
115			-	-	-	-
116		<b>Total Income, Fees and Charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
117		<b>Total</b>	<b>128</b>	<b>(42)</b>	<b>(4)</b>	<b>82</b>
118		<b>Directorate Total (Directorate of Resources)</b>	<b>(69)</b>	<b>(482)</b>	<b>(100)</b>	<b>(651)</b>



## Chief Executive Services

### Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b><u>Corporate Management Team</u></b>				
119	N/A - Technical Adj	Pay inflation	-	-	-	-
120	N/A - Technical Adj	Staff pay increments	-	-	-	-
121	N/A - Technical Adj	Removal of Social Care Levy	(7)	-	-	(7)
122		<b>Total Contractual Inflation</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>(7)</b>
123			-	-	-	-
124		<b>Total Budget Pressures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
125			-	-	-	-
126		<b>Total Efficiency Savings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
127			-	-	-	-
128		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
129			-	-	-	-
130		<b>Total Income, Fees and Charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
131		<b>Total</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>(7)</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24 £'000	2024/25 £'000	2025/26 £'000	All Years £'000
		<b><u>Communications</u></b>				
132	N/A - Technical Adj	Pay inflation	-	-	-	-
133	N/A - Technical Adj	Staff pay Staff pay increments	-	-	-	-
134	N/A - Technical Adj	Removal of Social Care Levy	(5)	-	-	(5)
135		<b>Total Contractual Inflation</b>	<b>(5)</b>	-	-	<b>(5)</b>
136	CEX-2324-02	Events and Engagement	-	-	-	-
137		<b>Total Budget Pressures</b>	-	-	-	-
138			-	-	-	-
139		<b>Total Efficiency Savings</b>	-	-	-	-
140			-	-	-	-
141		<b>Total Invest to Save</b>	-	-	-	-
142			-	-	-	-
143		<b>Total Income, Fees and Charges</b>	-	-	-	-
144		<b>Total</b>	<b>(5)</b>	-	-	<b>(5)</b>
145		<b>Directorate Total (Chief Executive Services)</b>	<b>(12)</b>	-	-	<b>(12)</b>

Appendix 4d - Detailed General Fund Budget Changes 2023/24-2025/26 - 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	5,354	2,381	(275)	-	(4,411)	3,049
2	<b>Corporate Total</b>	<b>5,354</b>	<b>2,381</b>	<b>(275)</b>	<b>-</b>	<b>(4,411)</b>	<b>3,049</b>

Summary of MTFs Position		Total Movement Per Year			Total
		2023/24	2024/25	2025/26	All Years
		£'000	£'000	£'000	£'000
3	<u>Service Pressures</u>				
	Corporate	2,923	1,097	3,715	7,735
4	<b>Directorate Total</b>	<b>2,923</b>	<b>1,097</b>	<b>3,715</b>	<b>7,735</b>
		<b>Total Movement Per Year</b>			<b>Total</b>
		<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>All Years</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
5	<u>Service Savings</u>				
	Corporate	(3,703)	(983)	-	(4,686)
6	<b>Corporate Total</b>	<b>(3,703)</b>	<b>(983)</b>	<b>-</b>	<b>(4,686)</b>
7	<b>Corporate Total</b>	<b>(780)</b>	<b>114</b>	<b>3,715</b>	<b>3,049</b>

**Schedule of Detailed Budget Change Proposals**

Line	Bid Reference	Service	Total Movement Per Year			Total
			2023/24	2024/25	2025/26	All Years
			£'000	£'000	£'000	£'000
		<b><u>Corporate</u></b>				
8	N/A - Technical Adj	Pay & Inflation	2,473	1,097	1,784	5,354
9	N/A - Technical Adj	Additional LCTRS Support	450	-	(450)	-
10		<b>Total Contractual Inflation</b>	<b>2,923</b>	<b>1,097</b>	<b>1,334</b>	<b>5,354</b>
11	N/A - Technical Adj	ASC Funding Reform Contingency	-	-	2,381	2,381
12		<b>Total Budget Pressures</b>	<b>-</b>	<b>-</b>	<b>2,381</b>	<b>2,381</b>
13	COR-2122-NEW-01	Reprofile Corporate Contractual Savings	(250)	-	-	(250)
14	N/A - Technical Adj	Remove Contribution to Housing Benefit Subsidy Reserve	(25)	-	-	(25)
15		<b>Total Efficiency Savings</b>	<b>(275)</b>	<b>-</b>	<b>-</b>	<b>(275)</b>
16			-	-	-	-
17		<b>Total Invest to Save</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
18	N/A - Technical Adj	Social Services Grant	(3,047)	(1,192)	-	(4,239)
19	N/A - Technical Adj	Council Tax Support Fund	(209)	209	-	-
20	N/A - Technical Adj	General Fund-HRA Recharge Realignment	(172)	-	-	(172)
21		<b>Total Income, Fees and Charges</b>	<b>(3,428)</b>	<b>(983)</b>	<b>-</b>	<b>(4,411)</b>
22		<b>Total</b>	<b>(780)</b>	<b>114</b>	<b>3,715</b>	<b>3,049</b>
23		<b>Corporate Total</b>	<b>(780)</b>	<b>114</b>	<b>3,715</b>	<b>3,049</b>

## The Housing Revenue Account (HRA) Proposed Budget 2023/24 - 2025/26

### 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 2022/23. 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 £65.8m of new borrowing under the prudential code in 2023/24-2025/26. The Plan shows that the HRA is able to fund the proposed capital investment which will raise the peak debt in the HRA to £279.9m in 2027/28. However, the Plan demonstrates that the proposed borrowing is prudent, affordable and sustainable as the HRA has the capacity to repay £135.0m of this in later years and that the projected outstanding debt level at year 30 is forecast to be £144.9m.

### 2. HRA 2023/24 REVENUE BUDGET & MEDIUM TERM FINANCIAL STRATEGY (MTFS)

- 2.1. The HRA revenue budget for 2023/24 & MTFS for 2024/25 and 2025/26 is shown in Table 1 below and in more detail in Appendix 5 - Annex A.

**Table 1. HRA Proposed Budget 2023/24 - 2025/26**

	2023/24	2024/25	2025/26
	£000	£000	£000
Total Income	(46,730)	(48,421)	(49,553)
Total Expenditure	49,229	51,351	52,785
<b>Net (Surplus)/Deficit</b>	<b>2,499</b>	<b>2,930</b>	<b>3,232</b>
<b>Opening HRA Balances</b>	<b>(41,355)</b>	<b>(38,856)</b>	<b>(35,926)</b>
Net (Surplus)/Deficit	2,499	2,930	3,232
<b>Closing HRA Balances</b>	<b>(38,856)</b>	<b>(35,926)</b>	<b>(32,694)</b>

### PLANNING ASSUMPTIONS

#### Rents

- 2.2. In 2023/24 the proposal is to increase rents by 7.0% in line with the maximum rent increase identified in the recent Regulator for Social Housing (RSH) consultation outcome in November 2022. 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 2023/24 rent proposals is therefore expected to be as follows:

**Table 2. Average Weekly HRA Rents**

	Bedrooms	Forecast 2022/23	Proposed 2023/24	Change	Change
		£	£	£	%
Average Rent per Week	1 Bed	88.95	95.18	6.23	7.0
Average Rent per Week	2 Bed	107.40	114.92	7.52	7.0
Average Rent per Week	3 Bed	119.72	128.10	8.38	7.0
Average Rent per Week	4 Bed	137.57	147.20	9.63	7.0

- 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 2022/23 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 7% in 2023/24, in line with the proposed rent increase, and by CPI +1% from 2024/25, but charges cannot exceed full cost recovery.

#### **PFI Credit**

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

#### **Interest on Balances**

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

## Inflation

- 2.12. The business plan assumes RPI at 10.8% in 2023/24, 3.6% in 2024/25 and 1.9% in 2025/26. RPI is assumed to increase by 3.0% from 2026/27 in line with the Bank of England long term policy assumption.

## Expenditure

- 2.13. The business plan includes the latest updated 2022/23 forecast outturn. Costs are then increased by RPI in future years in line with the base assumptions outlined in 2.12. The business plan also anticipates any additional costs above the 2022/23 base forecast position where relevant.
- 2.14. The 2023/24 budget includes the following capital & revenue bids:

Bid	Capital	Revenue (On Going)	Revenue (One Off)
	£000	£000	£000
Housing Community Fund	150		
Improving Customer Excellence Project			414
Housing Repairs Service		241	
NEC Housing IT Implementation Phase 2	553		47
<b>Total</b>	<b>703</b>	<b>241</b>	<b>461</b>

## 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 the current market inflationary and interest rate pressures impacting on cost of living;
  - Further extension and full roll-out of Universal Credit which may impact on rent collection levels;
  - Increases in debt financing costs arising from inflationary and interest cost increases in relation to the new build programme; and
  - Maintenance cost increases - also impacted by the current market inflationary and interest rate pressures.

## 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 2023/24 Budget and MTFs covering 2024/25 and 2025/26 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)**

	2023/24	2024/25	2025/26		
	£000	£000	£000	Units	Location
LANB Phase 2	184	0	0	0	North Street
LANB Phase 3	10,801	1,852	0	76	Wensley Road, Arthur Hill, Southcote Library
LANB Phase 4	6,613	11,696	4,277	75	Amethyst Lane & Dwyer Road + Others
LANB Assets Review ASC/Housing	14,240	19,215	10,885	104	Battle Street & Hexham Road
<b>Total</b>	<b>31,838</b>	<b>32,763</b>	<b>15,162</b>	<b>255</b>	

- 4.3. The HRA business plan assumes an additional 255 properties are delivered during the 3 years from 2023/24 to 2025/26.
- 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 - Existing Homes Renewal

- 4.5. The Council also plans to invest £70.9m in its existing housing stock over the next three years. This includes £31.6m on Major Repairs - Existing Homes Renewal (including Fire Safety Works), £37.2m on Major Repairs - Zero Carbon Retrofit Works and £2.1m on Disabled Adaptations. The major repairs and disabled facility programme (DFG) for the 2023/24 Budget and MTFs covering 2024/25 and 2025/26 are outlined in table 2 below:

**Table 4. Major Repairs - Existing Homes Renewal & DFG Programme**

	2023/24	2024/25	2025/26
	£000	£000	£000
Major Repairs - Existing Homes Renewal	9,889	10,929	10,820
Major Repairs - Zero Carbon Retrofit Works	13,911	11,582	11,803
Disabled Facility Grant	665	688	701
<b>Total</b>	<b>24,465</b>	<b>23,199</b>	<b>23,324</b>

- 4.6. The building sector is currently experiencing increases in material costs and labour shortages following the recent market impact on inflation and interest rates. 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 £37.2m between 2023/24 and 2025/26 in moving towards zero carbon options in terms of 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 over the 30 year HRA business Plan:
- **External Fabric/Windows £22.2m**- Phase 2 regeneration, including replacement of external fabric, new windows and internal amenities.
  - **Crosswalls Flats/Houses £11.5m** - Refurbishment of external fabric, replacement heating systems and new windows.
  - **Woodley Crosswalls £2.0m** - External fabric replacement.
  - **Granville Road £1.5m** - Heating Replacement.

### Other HRA Capital Schemes

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

## 5. RISK IMPLICATIONS

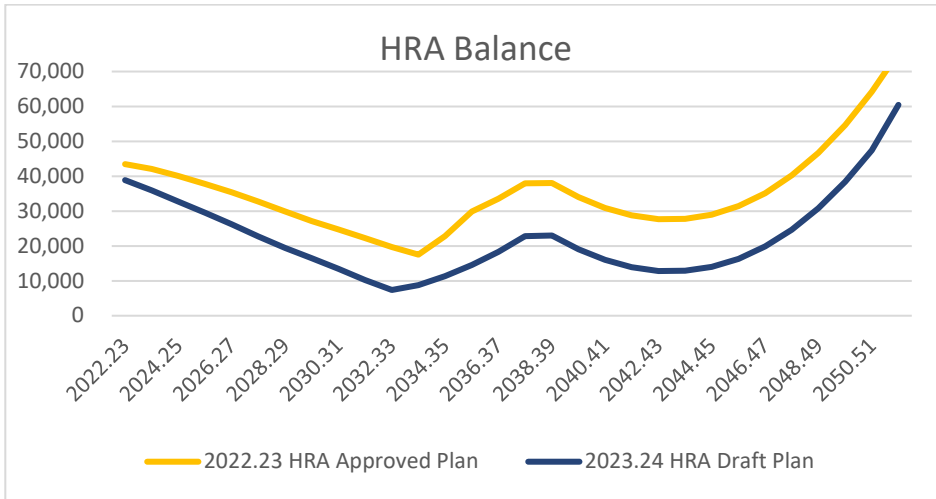
- 5.1. The main risks to the Council's Capital Programme are summarised below:
- Cost overruns would impose additional borrowing costs (and associated financing charges to revenue) if unable to be met from scheme contingencies or other mitigating actions;
  - Slippage in realisation of capital receipts 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 £46.8m in zero carbon initiatives up to 2028, based on available funding.
- 6.3. As mentioned in 4.7 above, as the majority of our homes are rated above EPC level C, we are not eligible for available government funding at the present time. If funding does become available this would enable more zero carbon initiatives to be carried out.
- 6.4. The current HRA balance is assumed to be £41.4m at the beginning of 2023/24. The base plan assumes that annual deficits will continue to arise whilst the PFI scheme is in place.
- 6.5. 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.
- 6.6. Additional borrowing is required to part fund the capital programmes. At the beginning of the plan the capital finance requirement is forecast to be £203.3m, additional borrowing of £76.6m is required (including £65.8m during the MTFS period of 2023/24 to 2025/26), taking peak borrowing to £279.9m.
- 6.7. The plan assumes a loans repayment from 2039/40 once there is a sufficient build up of the HRA balance. Total repayments in the plan are £135.0m, which reduces the loan balance to £144.9m at the end of the plan.
- 6.8. The local authority new build programme continues in the plan until 2025/26, 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 2026/27.
- 6.9. The business plan long term assumptions for CPI & RPI follow the latest OBR (Office for Budget Responsibility) forecasts.
- 6.10. Repair and build costs are assumed to increase by BCIS (Building cost information service) forecast rates.
- 6.11. Rent & Service charges increases in the plan are assumed to increase by 7% in 2023/24, in line with the RSH rent consultation and by CPI + 1% from 2024/25 for the duration of the plan.
- 6.12. 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.

6.13. 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**



## Housing Revenue Account - Revenue Budget 2023/24 to 2025/26 &amp; Reserves

	2023/24 £000	2024/25 £000	2025/26 £000
Dwelling Rents	(40,620)	(42,322)	(43,487)
Service Charges	(1,032)	(1,070)	(1,090)
PFI Credit	(3,997)	(3,997)	(3,997)
Other Income	(346)	(353)	(356)
Interest on Balances	(735)	(679)	(623)
<b>Total Income</b>	<b>(46,730)</b>	<b>(48,421)</b>	<b>(49,553)</b>
Management & Supervision	8,797	9,038	9,220
Special Services	4,403	4,534	4,624
Provision for Bad Debts	405	839	855
Responsive Repairs	4,033	4,174	4,254
Planned Maintenance	3,599	3,249	3,246
Major Repairs/Depreciation	12,870	13,277	13,498
Debt Costs	7,148	7,986	8,678
PFI Costs	7,974	8,254	8,410
Revenue Contribution to Capital (RCCO)		0	0
<b>Total Expenditure</b>	<b>49,229</b>	<b>51,351</b>	<b>52,785</b>
<b>Net (Surplus) / Deficit</b>	<b>2,499</b>	<b>2,930</b>	<b>3,232</b>
<b>Forecast Opening HRA Balances</b>	<b>(41,355)</b>	<b>(38,856)</b>	<b>(35,926)</b>
Net (Surplus) / Deficit	2,499	2,930	3,232
<b>Forecast Closing HRA Balances</b>	<b>(38,856)</b>	<b>(35,926)</b>	<b>(32,694)</b>

## DEDICATED SCHOOLS GRANT 2023/24

### 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 2023/24 were published by the Government on 16th December 2022. 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 2023/24

- 2.1 Table 1 sets out the DSG funding allocations for 2023/24 as published by the Government on 16<sup>th</sup> December 2022 and compares to 2022/23 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 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 2023/24 allocation. On this basis, the allocation for the high needs block is increasing by £2.824m (10.2%). The total funding for this block will be £30.486m including grants. Most of this is already confirmed funding; the import/export adjustment of -£2.274m will be confirmed in July 2023. If there are any adjustments to place funding these will be made in March.

**Table 1. DSG allocations per block**

BLOCK	2022/23 ACTUAL (£'000)	2023/24 INITIAL (£'000)	Change (£'000)	Change (%)
Schools Block	108,373	117,762	9,389	+8.7
Central Schools Services Block	1,134	1,132	(2)	-0.2
Early Years Block	12,272	13,620	1,348	+11.0
High Needs Block	27,662	30,486	2,824	+10.2
<b>TOTAL (Gross)</b>	<b>149,442</b>	<b>163,000</b>	<b>13,559</b>	<b>+9.1</b>
Less Recoupment - Schools	-57,952	-64,905	-6,953	
Less Recoupment - High Needs	-4,269	-4,330	-61	
<b>TOTAL (Net)</b>	<b>87,221</b>	<b>93,765</b>	<b>6,545</b>	

- 2.3 Overall, the DSG will increase by £13.559m (9.1%) from £149.442m to £163.000m. This compares to 5.9% increase last year. Increases in the schools block are due to a combination of an increase in pupil numbers and Reading seeing an increase in deprivation, a factor which is used within the funding formula. Increases in the schools block are also due to the one off 2022/23 supplementary funding grant issued to schools being added to the base budget for 2023/24.

## 3. Schools Block Budget for 2023/24

- 3.1 The Schools Block allocation has increased by £9.389m to £117.762m, although excluding the ring-fenced growth funding and transfer to HNB, the increase is just over £7.7m (7.1%). Of this increase, approximately £3.1m is

due to overall increases in pupil numbers - an additional £2.16m in secondary for an additional 336 pupils, and an additional £0.96m for an additional 197 pupils. The rest of the increase is additional funding on a per pupil level (5%), allocated through an increase to the funding values. Growth funding has increased by £0.369m (+39.5%). The large increase in growth fund for 2023/24 is due to increases in pupil numbers between October 2021 and October 2022 in each of these areas are counted; only positive increases are counted, so a local authority with positive growth in one area balanced out by negative growth in another will still receive funding.

- 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 2022 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 2022 and January 2023 meetings of the Schools' Forum.
- 3.4 At the December meeting it was agreed to transfer funding 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. The maximum 0.5% (£0.567m) was approved by the forum however due to affordability the decision has been made to transfer the existing budget of £0.484m
- 3.5 The overall allocation includes £1.302m is for growth funding. Part of the growth funding allocation (£0.161m) is proposed to be used in the school formula for new/expanding schools (Green Park), the remainder (£1.140m) is being ring-fenced and set aside for bulge classes, expansions and falling rolls in 2023/24
- 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 2022 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 The main change shows many factors becoming compulsory rather than optional. This limits what each LA can do as the DfE are forcing LAs to get closer to the national funding formula. For 2023/24 each LA has to be at least 10% closer to the NFF values than their baseline values. Reading have followed the NFF and made the changes in 2018-2020. The following method for setting the formula was agreed at the October 2022 Schools' Forum meeting:

- Start with all factors and values mirroring the 2023/24 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 2022/23 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 be set at 0.5%.
- 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 almost mirror the NFF Values *including* the ACA for *all* factors with the exception of the basic entitlements which have been reduced by 0.36% and the lump sum however this has increased by £9.3k / 8.9% per school.

3.9 Annex 2 shows all the formula factors and their final values compared to the previous year.

3.10 Annex 3 shows the formula allocations for each individual school and compares this to the 2022/23. On average, primary schools have gained by 5.13% per pupil and secondary by 5.58% per pupil, though there is a large range with some schools receiving more than 9% or less than 4%. Two schools (compared to seven last year) are on the minimum funding guarantee increase of 0.5% per pupil (for pupil led funding only, this excludes the lump sum and business rates). Part of this increase is due to the 2022/23 supplementary funding grant to schools will be incorporated into the 2023/24 base line of the funding formula.



- 3.11 Similarly to the supplementary funding grant, there is a new grant for 2023/24 and is known as the Mainstream Schools Additional grant (MSAG) which was announced in the government autumn statement. Schools nationally are set to receive £2.0b in 2023/24 Reading are set to receive approximately £4.0m of this.
- 3.12 The Pupil Premium Grant for schools will continue in 2023/24, with a 5% increase to funding rates.

#### **4. Central Schools Services Block Budget for 2023/24**

- 4.1 In 2023/24 funding for the central school services block has increased by the maximum 5.86% for ongoing commitments however overall has seen a slight reduction by £0.002m. This is due to the phasing out of funding for historical commitments which is set at 20%.
- 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 2023/24**

- 5.1 In line with the protections policy set out in the Government response document, all local authorities will benefit from at least a 1% increase in their funding rates in 2023/24, with increases for some up to 4.9% for 3- and 4-year-olds, and up to 10% for 2-year-olds. Reading are set to receive the maximum funding rates for all entitlements.
- 5.2 In response to the consultation and the continuing concerns from local authorities, the DfE are also progressing with changes to ensure fairer distribution of the maintained nursery schools supplementary funding. The minimum rate for 2023/24 will be set at £3.80 and this is the allocation Reading will receive. This equates to an increase of £0.529m based on January 2022 census data.
- 5.3 The hourly funding rates in the early years block for 3 & 4 year olds will increase by 27 pence (4.9%) (this includes the Teachers Pay and Pensions Grants which have been included in rates for 2023/24 £0.08), and for 2 year olds an increase of 61 pence (10%). Based on January 2022 census recorded hours, this is an overall increase of £0.806m (6.8%). The early year's pupil premium rate will also see an increase of 2 pence and disabled access fund an increase of £28.

- 5.4 It is intended to pass on the full increase to providers by increasing the provider funding rates by at least 27p.
- 5.5 The budgets for the early years block cannot be determined until the draft January 2023 census data is available. Details on the proposed early years budget will therefore be brought to the Schools' Forum in March 2023.
- 5.6 Central budgets funded by this block will remain virtually the same as in 2022/23 allowing for inflationary increases. Central budgets can be no greater than 5% of the total early years block allocation. The decision on these budgets was taken to January 2023 Schools' Forum and approved.

## **6. High Needs Block Budget for 2023/24**

- 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 £2.5m (9.6%). The total funding for this block will be £29.1m including grants. Most of this is already confirmed funding; the import/export adjustment of - £2.27m will be confirmed in July 2023.
- 6.2 The additional high needs funding will be £2.5m yet the deficit to be carried forward at the end of the 2022/23 financial year is currently forecast at around £4.6m. 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 Top up funding makes up the greatest proportion of expenditure in this block (at around 86%). The budget will be based on the current actual average cost of each type of placement (as at February 2023) with an average inflation rate added and an annual increase in number of placements according to current trends.
- 6.4 The numbers of places in local specialist provision are increasing, with new resource provision places being established and additional places in special schools. The expenditure for all additional places will need to be added to the place funding budget, currently estimated at around an additional £1m.
- 6.5 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 £2.5m will offset increases in costs there may not be a decrease to the deficit in 2023/24, though it is hoped that in year the budget will balance.

- 6.6 In addition to place and top up funding for pupils with EHCPs, there are some central budgets funded from the high needs DSG, and these are not expected to increase significantly.
- 6.7 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 86% 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**

<b>Date</b>	<b>Actual Total Number</b>	<b>Annual Year on Year Increase</b>
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
22/23: December 2022	1,756	184

- 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 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. A new special school located in Wokingham is being built and the opening has been deferred from September 2022 until September 2023.
- 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. Since 2018/19 this cost is being met by a top slice from the schools' block DSG, and for 2023/24 this budget has been approved by Schools Forum.
- 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.

7.4 The DSG conditions of grant for 2023/24 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.

7.5 Due to the additional growth in EHCPs numbers, the current 2022/23 forecast is showing a pressure of £1.2m within the High Needs placement budgets. Mitigations are continuing to be implemented but the national trend of all LAs having major increases of EHCPs and the current inflation crisis has put more strain on a very high risk demand budget.

7.6 On this basis, management of the deficit will happen in 2023/24, but this is assuming that Inflation reduces, mitigations have an impact and current levels of funding increases from the DfE continue.

**Table 3: Current DSG High Needs Block Management Plan (at January 2023)**

	2021/22 Outturn £m	2022/23 Jan-23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m
High Needs Expenditure	22.2	24.6	27.0	30.0
High Needs Income	(20.5)	(23.4)	(26.1)	(28.2)
<b>High Needs In-Year Deficit/(surplus)</b>	<b>1.7</b>	<b>1.2</b>	<b>0.8</b>	<b>1.7</b>
Add High Needs B/F Deficit	1.4	3.1	4.3	5.1
<b>Current Year End Position</b>	<b>3.1</b>	<b>4.3</b>	<b>5.1</b>	<b>6.8</b>

7.7 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. Within 2022/2023 the Department of Education has created a "Delivering Better Value" programme and has invited 55 local authorities to take part. Reading has been invited and accepted and this programme with the DfE has started in February 2023.

7.8 This programme will last for 6 months and with other selected local authorities will work together to understand the common themes, restrictions and barriers to support the SEN children within local provision and to give each child the tools to succeed. A management plan will be created and submitted to the DfE to review, and this will open up additional funding (up to £1m) to approve SEN in Reading that would link into managing the deficit and bringing down the average cost of SEN support while not impacting on quality and quantity of support.

## 8 Annexes

Annex 1 - DSG Allocations 2022/23 and 2022/24

Annex 2 - Final Formula Factors and Values 2021/22 to 2023/24

Annex 3 - Final 2023/24 School Formula Allocations for Primary and Secondary Schools

## Annex 1 - DSG Allocations 2022/23 and 2023/24

	2022/23 ACTUAL		2023/24 ESTIMATE		YEAR ON YEAR CHANGE		
		Funding £'000		Funding £'000	£'000	%	Notes
<b>Schools Block (SB):</b>							
Primary Unit of Funding (PUF)	£4.631.68		£4.881.54		+£249.86	+5.4%	Confirmed
<i>Primary Pupil numbers &amp; funding</i>	13,092.0	60,638	13,289.0	64,870	+4,232	+7%	Confirmed
Secondary Unit of Funding (SUF)	£6.077.00		£6,427.55		+£350.55	+5.8%	Confirmed
<i>Secondary Pupil numbers &amp; funding</i>	7,487.50	45,502	7,824.0	50,289	+4,787	+10.5%	Confirmed
Premises		1,300		1,300			Confirmed
<b>TOTAL SB excl. Growth</b>		<b>107,440</b>		<b>116,460</b>	<b>+9,020</b>	<b>+8.4%</b>	
Growth Funding Factor		933		1302	+369	+39.5%	Confirmed
<b>TOTAL SB</b>		<b>108,373</b>		<b>117,762</b>	<b>+9,389</b>	<b>+8.7%</b>	
<b>Central School Services Block (CSSB):</b>							
Unit of Funding	£38.21		£40.45		+£2.24	+5.9%	Confirmed
<i>Pupil Numbers</i>	20,579.50	786	21,113	854	+68	+8.7%	Confirmed
Historic Commitments		348		278	-70	-20.0%	Confirmed (Planned reduction by ESFA)
<b>TOTAL CSSB</b>		<b>1,134</b>		<b>1,132</b>	<b>-2</b>	<b>+2.8%</b>	
<b>High Needs Block (HNB):</b>							
Formula		26,666		29,121	+2,455	+9.2%	Confirmed
Hospital & AP pay grants		296		308	+12	+4.1%	Confirmed
Place Funding Unit of Funding	£4,912.49		£4,915.12		+£2.63	+0.1%	Confirmed
<i>Place Numbers</i>	381.5	1,874	405.5	1,993	+119	+6.4%	Confirmed
Import/Export Adjustment		-2,238		-2,274			Based on Oct 22 census & Jan 23 ILR
<b>Total HNB</b>		<b>26,598</b>		<b>29,148</b>	<b>+2,550</b>	<b>+9.6%</b>	

Early Years Block (EYB):							
3 & 4 Year Old Funding Rate	£5.45		£5.80		+£0.35		Confirmed  (Includes £0.08 for Teachers pay and pensions grants now in formula)
<i>3 &amp; 4 year olds numbers &amp; funding</i>	3,401	10,566	3,401	11,244	+678	+6.4%	To be based on Jan 23 & Jan 24 census
2 Year Old Funding Rate	£6.11		£6.72		+£0.61		Confirmed
<i>2 Year old numbers &amp; funding</i>	369	1,285	369	1,413	+128	+10%	To be based on Jan 22 & Jan 23 census
Pupil Premium		150		154	+4		To be based on Jan 22 & Jan 23 census
Disabled Access Fund		54		56	+2		
Maintained Nursey Grant	£1.12	221	£3.80	750	-107		To be based on Jan 22 & Jan 23 census
<b>Total EYB</b>		<b>12,276</b>		<b>13,619</b>	<b>+1342</b>	<b>+10.9%</b>	
<b>TOTAL ALL BLOCKS</b>		<b>149,442</b>		<b>163,000</b>	<b>+13,558</b>	<b>+9.1%</b>	

## Annex 2 - Proposed Formula Factors and Values 2021/22 to 2023/24

Formula Values	2021/22			2022/23			2023/24			Notes to 2023/24 actual values (Reading ACA is 1.03480)
	NFF	Reading NFF with ACA	Reading Final	NFF	Reading NFF with ACA	Reading Final	NFF	Reading NFF with ACA	Reading PROPOSED	
<b>Basic Entitlement:</b>										
Primary	£3,123.00	£3,231.31	£3,231.00	£3,217.00	£3,328.79	£3,328.00	£3,394.00	£3,512.11	£3,499.00	NFF with ACA reduced by 0.36% rounded down
Secondary - KS3	£4,404.00	£4,556.73	£4,556.00	£4,536.00	£4,693.63	£4,693.00	£4,785.00	£4,951.52	£4,934.00	NFF with ACA reduced by 0.36% rounded down
Secondary - KS4	£4,963.00	£5,135.12	£5,135.00	£5,112.00	£5,289.64	£5,289.00	£5,393.00	£5,580.68	£5,561.00	NFF with ACA reduced by 0.36% rounded down
<b>Deprivation:</b>										
Free School Meals - Primary	£460.00	£475.95	£475.00	£470.00	£486.33	£486.00	£480.00	£496.70	£496.00	as per NFF with ACA rounded down
Free School Meals - Secondary	£460.00	£475.95	£475.00	£470.00	£486.33	£486.00	£480.00	£496.70	£496.00	as per NFF with ACA rounded down
Free School Meals Ever 6 - Primary	£575.00	£594.94	£594.00	£590.00	£610.50	£610.00	£705.00	£729.53	£729.00	as per NFF with ACA rounded down
Free School Meals Ever 6 - Secondary	£840.00	£869.13	£869.00	£865.00	£895.06	£895.00	£1,030.00	£1,065.84	£1,065.00	as per NFF with ACA rounded down
IDACI Band A (over 0.6) - Primary	£620.00	£641.50	£641.00	£640.00	£662.24	£662.00	£670.00	£693.32	£693.00	as per NFF with ACA rounded down
IDACI Band A (over 0.6) - Secondary	£865.00	£895.00	£895.00	£890.00	£920.93	£960.00	£930.00	£962.36	£962.00	as per NFF with ACA rounded down
IDACI Band B (0.5 - 0.6) - Primary	£475.00	£491.47	£491.00	£490.00	£507.03	£507.00	£510.00	£527.75	£527.00	as per NFF with ACA rounded down
IDACI Band B (0.5 - 0.6) - Secondary	£680.00	£703.58	£703.00	£700.00	£724.33	£724.00	£730.00	£755.40	£755.00	as per NFF with ACA rounded down
IDACI Band C (0.4 - 0.5) - Primary	£445.00	£460.43	£460.00	£460.00	£475.99	£476.00	£480.00	£496.70	£496.00	as per NFF with ACA rounded down
IDACI Band C (0.4 - 0.5) - Secondary	£630.00	£651.85	£651.00	£650.00	£672.59	£672.00	£680.00	£703.66	£703.00	as per NFF with ACA rounded down
IDACI Band D (0.3 - 0.4) - Primary	£410.00	£424.22	£424.00	£420.00	£434.60	£434.00	£440.00	£455.31	£455.00	as per NFF with ACA rounded down
IDACI Band D (0.3 - 0.4) - Secondary	£580.00	£600.11	£600.00	£595.00	£615.68	£615.00	£620.00	£641.58	£641.00	as per NFF with ACA rounded down
IDACI Band E (0.25 - 0.3) - Primary	£260.00	£269.02	£269.00	£270.00	£279.38	£279.00	£280.00	£289.74	£289.00	as per NFF with ACA rounded down
IDACI Band E (0.25 - 0.3) - Secondary	£415.00	£429.39	£429.00	£425.00	£439.77	£439.00	£445.00	£460.49	£460.00	as per NFF with ACA rounded down
IDACI Band F (0.2 - 0.25) - Primary	£215.00	£222.46	£222.00	£220.00	£227.65	£227.00	£230.00	£238.00	£238.00	as per NFF with ACA rounded up
IDACI Band F (0.2 - 0.25) - Secondary	£310.00	£320.75	£320.00	£320.00	£331.12	£331.00	£335.00	£346.66	£346.00	as per NFF with ACA rounded down
<b>Prior Attainment:</b>										
Primary	£1,095.00	£1,132.97	£1,132.00	£1,130.00	£1,169.27	£1,169.00	£1,155.00	£1,195.19	£1,195.00	as per NFF with ACA rounded down
Secondary	£1,660.00	£1,717.57	£1,717.00	£1,710.00	£1,769.42	£1,769.00	£1,750.00	£1,810.90	£1,810.00	as per NFF with ACA rounded down
<b>English as an Additional Language:</b>										
Primary	£550.00	£569.07	£569.00	£565.00	£584.63	£584.00	£580.00	£600.18	£600.00	as per NFF with ACA rounded down
Secondary	£1,485.00	£1,536.50	£1,536.00	£1,530.00	£1,583.17	£1,583.00	£1,565.00	£1,619.46	£1,619.00	as per NFF with ACA rounded down
<b>Mobility</b>										
Primary	£900	£931.21	£931.00	£925	£957.14	£957.00	£945	£977.89	£977.00	as per NFF with ACA rounded down
Secondary	£1,290	£1,334.74	£1,334.00	£1,330	£1,376.22	£1,376.00	£1,360	£1,407.33	£1,407.00	as per NFF with ACA rounded down
<b>Lump Sum</b>	£117,800.00	£121,885.30	£116,595.00	£121,300.00	£125,515.18	£105,000.00	£128,000.00	£132,454.40	£114,300.00	
<b>Business Rates (Actual - locally set)</b>	£1,322,787		£1,283,350	£1,283,350		£1,283,350.00	£1,283,350		£1,283,350.00	Actual estimate - as per APT
<b>Exceptional Circumstances (locally set):</b>										
Rents	£59,046		£0	£0		£0.00	£0		£0.00	Local factor - No longer eligible
Split Site	£17,149		£17,149	£17,149		£17,149.00	£17,149		£17,149.00	Local factor
<b>Minimum Per Pupil Level</b>										
Primary	£4,180		£4,180	£4,265		£4,265.00	£4,405		£4,405.00	as per actual NFF
Secondary	£5,415		£5,415	£5,525		£5,525.00	£5,715		£5,715.00	as per actual NFF
(KS3 only school)	£5,215		£5,215	£5,321		£5,321.00	£5,503		£5,503.00	as per actual NFF
(KS4 only school)	£5,715		£5,715	£5,831		£5,831.00	£6,033		£6,033.00	as per actual NFF
<b>Minimum Funding Guarantee</b>	2.00%		2.00%	2.00%		1.75%	0.50%		0.50%	Local Decision between 0.0% & 0.5%



## Annex 3 - School Formula allocations for Primary and Secondary Schools 2023/24

LAESTAB	SCHOOL	2022/23 ACTUAL ALLOCATION			2023/24 INDICATIVE ALLOCATION - before deduction of NNDR and de-delegations			Overall Change between 2022/23 and 2023/24			
		Formula Allocation	Pupil No's (Oct 2021)	Per Pupil Funding	Formula Allocation	Pupil No's (Oct 2022)	Per Pupil Funding	Total	%	Per Pupil	%
8702000	Alfred Sutton Primary School	2,716,907	627	4,333.19	2,821,220	624	4,521.19	104,313	3.84%	188.00	4.34%
8702003	Caversham Primary School	1,797,111	415	4,330.39	1,850,806	414	4,470.55	53,695	2.99%	140.16	3.24%
8702005	Coley Primary School	992,289	196	5,062.70	1,072,423	202	5,309.02	80,134	8.08%	246.32	4.87%
8702006	E P Collier Primary School	1,459,117	305	4,783.99	1,845,272	365	5,055.54	386,155	26.46%	271.55	5.68%
8702007	Geoffrey Field Junior School	1,725,174	356	4,846.00	1,833,746	357	5,136.54	108,572	6.29%	290.55	6.00%
8702008	Geoffrey Field Infant School	1,350,839	267	5,059.32	1,428,640	264	5,411.52	77,801	5.76%	352.19	6.96%
8702016	Oxford Road Community School	1,049,499	211	4,973.93	1,117,384	210	5,320.88	67,886	6.47%	346.95	6.98%
8702018	Redlands Primary School	976,559	207	4,717.68	1,033,838	206	5,018.63	57,279	5.87%	300.95	6.38%
8702019	The Hill Primary School	1,731,092	396	4,371.44	1,747,850	387	4,516.41	16,758	0.97%	144.96	3.32%
8702020	The Ridgeway Primary School	2,093,938	419	4,997.47	2,097,620	398	5,270.40	3,682	0.18%	272.94	5.46%
8702021	Park Lane Primary School	1,777,684	404	4,400.21	1,879,946	410	4,585.24	102,262	5.75%	185.03	4.20%
8702024	Wilson Primary School	1,821,592	412	4,421.34	1,943,318	414	4,694.01	121,726	6.68%	272.66	6.17%
8702026	Emmer Green Primary School	1,781,331	411	4,334.14	1,847,681	413	4,473.80	66,350	3.72%	139.67	3.22%
8702027	Southcote Primary School	2,625,048	600	4,375.08	2,734,836	597	4,580.96	109,788	4.18%	205.88	4.71%
8702029	St Michael's Primary School	1,858,310	397	4,680.88	1,995,360	403	4,951.26	137,049	7.37%	270.38	5.78%
8702034	Moorlands Primary School	1,658,827	335	4,951.72	1,653,615	315	5,249.57	-5,212	-0.31%	297.85	6.02%
8702036	Thameside Primary School	1,766,844	390	4,530.37	1,817,593	380	4,783.14	50,749	2.87%	252.77	5.58%
8702226	Katesgrove Primary School	2,781,389	605	4,597.34	2,957,455	617	4,793.28	176,066	6.33%	195.94	4.26%
8702233	Caversham Park Primary School	693,346	148	4,684.77	673,893	131	5,144.22	-19,453	-2.81%	459.45	9.81%
8702234	Micklunds Primary School	1,649,720	376	4,387.55	1,630,322	350	4,658.06	-19,398	-1.18%	270.51	6.17%
8702253	Manor Primary School	1,266,435	252	5,025.53	1,389,066	256	5,426.04	122,631	9.68%	400.50	7.97%
8703000	All Saints Church of England Aided Infant School	362,092	60	6,034.86	373,472	60	6,224.53	11,380	3.14%	189.66	3.14%
8703302	St Anne's Catholic Primary School	849,774	181	4,694.88	902,767	180	5,015.37	52,993	6.24%	320.49	6.83%
8703304	English Martyrs' Catholic Primary School	1,789,850	402	4,452.36	1,876,527	396	4,738.70	86,677	4.84%	286.34	6.43%
8703305	Christ The King Catholic Primary School	1,489,966	297	5,016.72	1,547,255	294	5,262.77	57,288	3.84%	246.05	4.90%
8703360	St Martin's Catholic Primary School	706,532	154	4,587.87	653,928	131	4,991.82	-52,604	-7.45%	403.95	8.80%
8703361	Whitley Park Primary and Nursery School	2,662,250	529	5,032.61	2,747,988	516	5,325.56	85,737	3.22%	292.95	5.82%
8705411	Blessed Hugh Faringdon Catholic School	5,275,500	868	6,077.77	5,759,309	896	6,427.80	483,809	9.17%	350.04	5.76%
8702002	All Saints Junior School	474,262	94	5,045.34	530,049	100	5,300.49	55,786	11.76%	255.14	5.06%
8702004	Meadow Park Academy	1,605,013	334	4,805.43	1,891,660	367	5,154.39	286,647	17.86%	348.96	7.26%
8702011	Battle Primary Academy	1,861,016	400	4,652.54	1,979,251	409	4,839.24	118,235	6.35%	186.70	4.01%
8702012	The Palmer Primary Academy	1,842,329	385	4,785.27	1,975,968	390	5,066.58	133,639	7.25%	281.31	5.88%
8702015	Civitas Academy	1,603,557	342	4,688.76	2,016,308	404	4,990.86	412,750	25.74%	302.10	6.44%
8702017	The Heights Primary School	1,497,102	350	4,277.43	1,554,912	352	4,417.36	57,810	3.86%	139.93	3.27%
8702025	Ranikhet Academy	930,422	173	5,378.16	1,105,943	196	5,642.57	175,521	18.86%	264.41	4.92%
8702028	New Town Primary School	1,583,106	338	4,683.75	1,806,139	366	4,934.81	223,033	14.09%	251.06	5.36%
8702031	Churchend Primary Academy	1,890,057	424	4,457.68	1,992,963	426	4,678.32	102,906	5.44%	220.63	4.95%
8702035	St Mary and All Saints Church of England Voluntary Aided Primary School	1,377,586	279	4,937.58	1,422,891	272	5,231.22	45,305	3.29%	293.63	5.95%
8702039	Green Park Village Primary Academy	535,158	62	8,631.57	823,842	154	5,349.63	288,685	53.94%	-3,281.95	-38.02%
8702254	New Christ Church Church of England (VA) Primary School	908,156	183	4,962.60	1,002,888	196	5,116.78	94,732	10.43%	154.18	3.11%
8703300	St John's Church of England Primary School	1,696,231	377	4,499.29	1,935,582	402	4,814.88	239,351	14.11%	315.59	7.01%
8704000	UTC Reading	1,682,871	248	6,785.77	1,760,895	248	7,100.38	78,024	4.64%	314.61	4.64%
8704001	Maiden Erlegh School in Reading	5,504,694	887	6,205.97	5,830,091	895	6,514.07	325,397	5.91%	308.10	4.96%
8704002	The WREN School	5,347,958	850	6,291.72	5,696,140	850	6,701.34	348,182	6.51%	409.63	6.51%
8704003	Reading Girls' School	4,391,005	686	6,400.88	5,312,499	792	6,707.70	921,494	20.99%	306.82	4.79%
8704020	Highdown School and Sixth Form Centre	7,008,958	1,257	5,575.94	7,424,089	1,259	5,896.81	415,130	5.92%	320.87	5.75%
8705401	Reading School	4,168,596	748	5,572.99	4,356,436	756	5,762.48	187,840	4.51%	189.49	3.40%
8705410	Prospect School	5,633,014	855	6,588.32	6,325,148	896	7,059.32	692,134	12.29%	471.00	7.15%
8705413	Kendrick School	3,069,154	552	5,560.06	3,356,914	584	5,748.14	287,760	9.38%	188.08	3.38%
8706905	John Madejski Academy	3,792,647	541	7,010.44	4,804,431	655	7,335.01	1,011,784	26.68%	324.57	4.63%
	<b>PRIMARY TOTAL</b>	<b>61,237,510</b>	<b>13,093</b>	<b>4,677.12</b>	<b>65,512,214</b>	<b>13,324</b>	<b>4,916.86</b>	<b>4,274,704</b>	<b>6.98%</b>	<b>239.74</b>	<b>5.13%</b>
	<b>SECONDARY TOTAL</b>	<b>45,874,398</b>	<b>7,492</b>	<b>6,123.12</b>	<b>50,625,952</b>	<b>7,831</b>	<b>6,464.81</b>	<b>4,751,555</b>	<b>10.36%</b>	<b>341.70</b>	<b>5.58%</b>
	<b>TOTAL ALL SCHOOLS</b>	<b>107,111,908</b>	<b>20,585</b>	<b>5,203.40</b>	<b>116,138,167</b>	<b>21,155</b>	<b>5,489.87</b>	<b>9,026,259</b>	<b>8.43%</b>	<b>286.47</b>	<b>5.51%</b>

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## General Fund Capital Programme 2023/24 - 2025/26

Scheme Name	2022/23 Forecast			2023/24 Forecast			2024/25 Forecast			2025/26 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
<b>Adult Care and Health Services</b>												
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	1,413	-	1,413	3,879	-	3,879	1,623	-	1,623	878	-	878
<b>Adult Care and Health Services Total</b>	<b>1,818</b>	<b>(93)</b>	<b>1,725</b>	<b>3,879</b>	<b>-</b>	<b>3,879</b>	<b>1,623</b>	<b>-</b>	<b>1,623</b>	<b>878</b>	<b>-</b>	<b>878</b>
<b>Economic Growth and Neighbourhood Services</b>												
<b>Transportation, Planning &amp; Regulatory Services</b>												
Air Quality Monitoring	15	(15)	0	-	-	-	-	-	-	-	-	-
Active Travel Tranche 2	100	(100)	-	885	(885)	-	-	-	-	-	-	-
Active Travel Tranche 3	200	(200)	-	1,300	(1,300)	-	-	-	-	-	-	-
Berkshire Coroner's Removals	-	-	-	29	-	29	-	-	-	-	-	-
Bus Service Improvement	500	(500)	-	8,326	(8,326)	-	7,113	(7,113)	-	-	-	-
Local Transport Plan Development	40	(40)	-	1,489	(1,489)	-	400	(400)	-	400	(400)	-
National Cycle Network Route 422	8	(8)	-	124	(124)	-	-	-	-	-	-	-
Reading West Station	600	(600)	-	3,620	(1,139)	2,481	-	-	-	-	-	-
South Reading MRT (Phases 1 & 2)	399	(399)	(0)	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 3 & 4)	1,632	(1,632)	(0)	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 5 & 6)	-	-	-	2,000	(2,000)	-	7,000	(5,000)	2,000	5,000	(5,000)	-
Town Centre Street Trading Infrastructure	28	-	28	-	-	-	-	-	-	-	-	-
Construction of Green Park Station	2,969	(2,969)	-	-	-	-	-	-	-	-	-	-
Car Park Investment Programme (inc P&D, Red Routes & Equipment)	177	(177)	-	326	(326)	-	326	(326)	-	326	(326)	-
Purchase of Mortuary Equipment	12	-	12	-	-	-	-	-	-	-	-	-
CIL Local Funds - Community	502	(502)	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Transport	167	(167)	-	-	-	-	-	-	-	-	-	-
CIL Local Funds -Neighbourhood Allocation	477	(477)	-	-	-	-	-	-	-	-	-	-
S106 individual schemes list	977	(977)	-	-	-	-	-	-	-	-	-	-
Defra Air Quality Grant - Bus Retrofit	70	(70)	-	318	(318)	-	-	-	-	-	-	-
Defra Air Quality Grant - Go Electric Reading	18	(18)	-	-	-	-	-	-	-	-	-	-
Electric Vehicle Charging Points	-	-	-	250	-	250	-	-	-	-	-	-
Air Quality Grant - AQ sensors awareness & behaviour change	-	-	-	220	(220)	-	-	-	-	-	-	-
Rogue Landlord Enforcement	75	(75)	-	-	-	-	-	-	-	-	-	-
<b>Transportation, Planning &amp; Regulatory Services - Sub Total</b>	<b>8,967</b>	<b>(8,927)</b>	<b>40</b>	<b>18,887</b>	<b>(16,127)</b>	<b>2,760</b>	<b>14,839</b>	<b>(12,839)</b>	<b>2,000</b>	<b>5,726</b>	<b>(5,726)</b>	<b>-</b>
<b>Housing &amp; Communities</b>												
Provision of Gypsy & Traveller Accommodation	100	-	100	3,402	-	3,402	-	-	-	-	-	-

Scheme Name	2022/23 Forecast			2023/24 Forecast			2024/25 Forecast			2025/26 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Harden Public Open Spaces to Prevent Incursion	42	-	42	25	-	25	25	-	25	25	-	25
Green Homes Scheme - GF element	-	-	-	-	-	-	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector)	1,257	(1,257)	-	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-
Foster Carer Extensions	-	-	-	400	-	400	-	-	-	-	-	-
Private Sector Renewals	444	-	444	300	-	300	300	-	300	300	-	300
<b>Housing &amp; Communities - Sub Total</b>	<b>1,844</b>	<b>(1,257)</b>	<b>587</b>	<b>5,324</b>	<b>(1,197)</b>	<b>4,127</b>	<b>1,522</b>	<b>(1,197)</b>	<b>325</b>	<b>1,522</b>	<b>(1,197)</b>	<b>325</b>
<b>Culture</b>												
Leisure Centre Procurement	22,272	(1,475)	20,797	7,145	(23)	7,122	812	(15)	797	170	-	170
Development of facilities at Prospect Park/Play	230	(230)	-	-	-	-	-	-	-	-	-	-
John Rabson skatepark	255	-	255	-	-	-	-	-	-	-	-	-
New Capital Bid - S106 Kenavon Drive Landscape	120	(120)	-	33	(33)	-	-	-	-	-	-	-
Reading Football Club Social Inclusion Unit to SRLC	-	-	-	1,534	(1,534)	-	-	-	-	-	-	-
Small Leisure Schemes	311	-	311	93	(20)	73	488	(299)	189	-	-	-
Levelling Up Delivery Plan - New performance space at the Hexagon Theatre	-	-	-	3,245	(2,916)	329	10,455	(9,648)	807	-	-	-
Levelling Up Delivery Plan - New Reading Library at the Civic Centre	-	-	-	1,603	(1,532)	71	6,884	(5,068)	1,816	113	-	113
Abbey Quarter restoration works	50	(50)	-	95	(95)	-	25	(25)	-	-	-	-
High Street Heritage Action Zone	252	(252)	-	933	(763)	170	-	-	-	-	-	-
Berkshire Record Office - extension of storage space	16	-	16	263	-	263	41	-	41	-	-	-
Hexagon lighting & emergency lighting replacement	15	-	15	255	(120)	135	-	-	-	-	-	-
Hexagon replacement of PA System	-	-	-	360	-	360	-	-	-	-	-	-
Town Hall Equipment	190	-	190	15	-	15	-	-	-	-	-	-
Tilehurst Library Works	62	(62)	-	-	-	-	-	-	-	-	-	-
<b>Culture - Sub Total</b>	<b>23,773</b>	<b>(2,189)</b>	<b>21,584</b>	<b>15,574</b>	<b>(7,036)</b>	<b>8,538</b>	<b>18,705</b>	<b>(15,055)</b>	<b>3,650</b>	<b>283</b>	<b>-</b>	<b>283</b>
<b>Environmental &amp; Commercial Services</b>												
Playground equipment and Refreshment: Boroughwide	530	-	530	702	(44)	658	-	-	-	-	-	-
Re-wilding highways, parks and open space verges	76	-	76	-	-	-	-	-	-	-	-	-
Tree Planting	30	-	30	50	-	50	50	-	50	50	-	50
Annual Bridges and Carriage Way Works programme & Highway Infrastructure Works	4,654	(1,638)	3,016	1,842	(1,432)	410	-	-	-	4,000	-	4,000
Carriageways & Pavements Investment Programme	-	-	-	5,000	-	5,000	3,900	(900)	3,000	900	(900)	-
Cemetery Machinery	-	-	-	66	-	66	-	-	-	-	-	-
CIL Local Funds - Heritage and Culture	285	(285)	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Leisure and Play	419	(419)	-	250	(250)	-	-	-	-	-	-	-
Highway Signals_Capital Bid	200	-	200	200	-	200	-	-	-	-	-	-
Highways Operational Resilience _ Capital Bid	-	-	-	74	-	74	-	-	-	-	-	-
Highways Structures Capital Bid	1,450	(600)	850	3,850	(600)	3,250	600	(600)	-	-	-	-
Invest to save energy savings - Street lighting	771	-	771	400	-	400	-	-	-	-	-	-
Pedestrian Defined Urban Pocket Gardens	75	-	75	-	-	-	-	-	-	-	-	-
Pedestrian dropped kerb facilities with tactile pavers	240	-	240	-	-	-	-	-	-	-	-	-
Pedestrian handrails	240	-	240	-	-	-	-	-	-	-	-	-

Scheme Name	2022/23 Forecast			2023/24 Forecast			2024/25 Forecast			2025/26 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Pumping Station Upgrade Scheme (new)	229	-	229	-	-	-	-	-	-	-	-	-
Purchase of Electric Road Marking Machine	-	-	-	65	-	65	-	-	-	-	-	-
Railway footbridge lighting in West Reading	70	-	70	-	-	-	-	-	-	-	-	-
Reading Station Subway	206	(206)	-	-	-	-	-	-	-	-	-	-
Restoration of historic Wall at Caversham Court Gardens	-	-	-	100	(100)	-	-	-	-	-	-	-
Town Centre Improvements	307	-	307	-	-	-	-	-	-	-	-	-
Free bulky waste service - collection vehicle	-	-	-	64	-	64	-	-	-	-	-	-
Cattle Market Car Park	-	-	-	519	(519)	-	-	-	-	-	-	-
Digitised TRO's	-	-	-	300	-	300	-	-	-	-	-	-
Eastern Area Access Works	100	(100)	-	99	(99)	-	-	-	-	-	-	-
Local Traffic Management and Road Safety Schemes	135	(135)	-	285	(285)	-	150	(47)	103	150	(150)	-
Oxford Road Corridor Works	150	(150)	-	148	(148)	-	-	-	-	-	-	-
Traffic Management Schools	216	(216)	-	215	(215)	-	-	-	-	-	-	-
Western Area Access Works	64	(64)	-	64	(64)	-	-	-	-	-	-	-
New Kit/Vehicles for Commercial Services Dvlpt	-	-	-	84	-	84	-	-	-	-	-	-
Vehicle Maintenance Workshop	-	-	-	1,312	-	1,312	-	-	-	-	-	-
New Vehicle for Highways & Drainage Commercial Service	-	-	-	71	-	71	-	-	-	-	-	-
Replacement Vehicles	2,781	-	2,781	-	-	-	-	-	-	-	-	-
<b>Environmental &amp; Commercial Services - Sub Total</b>	<b>13,227</b>	<b>(3,813)</b>	<b>9,414</b>	<b>15,760</b>	<b>(3,756)</b>	<b>12,004</b>	<b>4,700</b>	<b>(1,547)</b>	<b>3,153</b>	<b>5,100</b>	<b>(1,050)</b>	<b>4,050</b>
<b>Property &amp; Asset Management</b>												
The Heights Permanent Site Mitigation	44	(44)	-	343	(343)	-	100	(100)	-	-	-	-
Invest in Corporate buildings/Health & safety works	1,180	-	1,180	1,320	-	1,320	1,000	-	1,000	1,000	-	1,000
1 Dunsfold Fitout for BFFC Family Contact Centre - Development for Community Use	275	-	275	75	-	75	-	-	-	-	-	-
Accommodation Review - Phase 2A - 2C	556	-	556	1,000	-	1,000	-	-	-	-	-	-
Corporate Office Essential Works	-	-	-	891	-	891	-	-	-	-	-	-
Katesgrove Community and YOS Refurbishment - Development for Community Use	150	-	150	600	-	600	-	-	-	-	-	-
BFFC Accommodation Review	-	-	-	150	-	150	-	-	-	-	-	-
Regeneration Projects	125	-	125	2,329	-	2,329	200	-	200	-	-	-
Acre Business Park	-	-	-	478	-	478	122	-	122	-	-	-
The Keep building works and improved arts/culture facilities	94	-	94	-	-	-	-	-	-	-	-	-
<b>Property &amp; Asset Management - Sub Total</b>	<b>2,424</b>	<b>(44)</b>	<b>2,380</b>	<b>7,186</b>	<b>(343)</b>	<b>6,843</b>	<b>1,422</b>	<b>(100)</b>	<b>1,322</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>
<b>Management &amp; Sustainability</b>												
Renewable Energy	193	-	193	-	-	-	-	-	-	-	-	-
Salix Decarbonisation Fund	1,574	-	1,574	-	-	-	-	-	-	-	-	-
Corporate Solar Programme	-	-	-	491	-	491	896	-	896	784	-	784
<b>Management and Sustainability - Sub Total</b>	<b>1,767</b>	<b>-</b>	<b>1,767</b>	<b>491</b>	<b>-</b>	<b>491</b>	<b>896</b>	<b>-</b>	<b>896</b>	<b>784</b>	<b>-</b>	<b>784</b>
<b>Economic Growth and Neighbourhood Services Total</b>	<b>52,001</b>	<b>(16,229)</b>	<b>35,772</b>	<b>63,222</b>	<b>(28,459)</b>	<b>34,763</b>	<b>42,084</b>	<b>(30,738)</b>	<b>11,346</b>	<b>14,415</b>	<b>(7,973)</b>	<b>6,442</b>

Scheme Name	2022/23 Forecast			2023/24 Forecast			2024/25 Forecast			2025/26 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
<b>Resources</b>												
Customer Digital Experience	750	-	750	-	-	-	-	-	-	-	-	-
Universal Digital Systems	812	-	812	98	-	98	-	-	-	-	-	-
IT Future Operating Model	538	-	538	834	-	834	468	-	468	-	-	-
Democratic Hybrid AV	-	-	-	90	-	90	-	-	-	-	-	-
Re-Procurement / Reimplementation of Finance System	440	-	440	160	-	160	-	-	-	-	-	-
Education Management System	384	-	384	-	-	-	-	-	-	-	-	-
Cemeteries and Crematorium	-	-	-	85	-	85	-	-	-	-	-	-
Cremator Procurement	1,313	-	1,313	487	-	487	-	-	-	-	-	-
Cremator	-	-	-	55	-	55	-	-	-	-	-	-
Burial Land Acquisition	80	-	80	1,070	-	1,070	500	-	500	-	-	-
<b>Resources Total</b>	<b>4,317</b>	<b>-</b>	<b>4,317</b>	<b>2,879</b>	<b>-</b>	<b>2,879</b>	<b>968</b>	<b>-</b>	<b>968</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Economic Growth and Neighbourhood Services (Education Schemes)</b>												
Additional School Places - Contingency	50	(50)	-	450	(450)	-	250	(250)	-	250	(250)	-
SEN Provision - Avenue Centre	4,291	(4,291)	-	76	(76)	-	-	-	-	-	-	-
Asset Management	286	(286)	-	300	(300)	-	306	(306)	-	312	(312)	-
Children in care Emergency Provision	35	-	35	-	-	-	-	-	-	-	-	-
Civitas- Synthetic Sports Pitch	-	-	-	24	(24)	-	-	-	-	-	-	-
Contribution to SEN School Wokingham	123	(123)	-	-	-	-	-	-	-	-	-	-
Crescent Road Playing Field Improvements	311	(311)	-	-	-	-	-	-	-	-	-	-
Critical Reactive Contingency: Health and safety (Schools)	500	(500)	-	500	(500)	-	500	(500)	-	500	(500)	-
Fabric Condition Programme	3,448	(3,448)	-	2,000	(2,000)	-	2,000	(2,000)	-	1,000	(1,000)	-
Green Park Primary School	60	(60)	-	-	-	-	-	-	-	-	-	-
Heating and Electrical Renewal Programme	1,047	(1,047)	-	1,000	(1,000)	-	1,000	(1,000)	-	1,000	(1,000)	-
Initial Viability work for the Free School at Richfield Avenue	20	(20)	-	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	59	(59)	-	-	-	-	-	-	-	-	-	-
Meadway Early Years Building Renovation	-	-	-	-	-	-	-	-	-	-	-	-
Modular Buildings Review	50	(50)	-	950	(950)	-	500	(500)	-	500	(500)	-
New ESFA funded schools - Phoenix College	-	-	-	-	-	-	-	-	-	-	-	-
Pincroft-Children who have complex health, physical,sensory,disabilities & challenging behaviour	53	-	53	-	-	-	-	-	-	-	-	-
Cressingham- Community Short Breaks Provision	-	-	-	300	-	300	-	-	-	-	-	-
Dee Park Regeneration - Housing Infrastructure Fund (school)	500	(500)	-	5,500	(5,500)	-	6,000	(6,000)	-	-	-	-
Public Sector Decarbonisation Funds - School Estate Double Glazing Programme	1,065	(1,065)	-	-	-	-	-	-	-	-	-	-
SCD Units	473	(473)	-	-	-	-	-	-	-	-	-	-
School Estate Solar PV Programme	323	(323)	-	-	-	-	-	-	-	-	-	-
Schools - Fire Risk Assessed remedial Works	560	(560)	-	200	(200)	-	100	(100)	-	-	-	-

Scheme Name	2022/23 Forecast			2023/24 Forecast			2024/25 Forecast			2025/26 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
SEN Norcot	83	(83)	-	-	-	-	-	-	-	-	-	-
SEN High Needs provision capital allocations	-	-	-	4,977	(4,977)	-	-	-	-	-	-	-
The Heights Temporary School	351	(351)	-	-	-	-	-	-	-	-	-	-
Park Lane Primary School Annexe Replacement	500	(500)	-	2,000	(2,000)	-	-	-	-	-	-	-
<b>Economic Growth and Neighbourhood Services (Education Schemes) Total</b>	<b>14,217</b>	<b>(14,129)</b>	<b>88</b>	<b>18,297</b>	<b>(17,997)</b>	<b>300</b>	<b>10,656</b>	<b>(10,656)</b>	<b>-</b>	<b>3,562</b>	<b>(3,562)</b>	<b>-</b>
<b>Corporate</b>												
Delivery Fund (Pump priming for Transformation projects)	4,065	-	4,065	1,798	-	1,798	1,782	-	1,782	-	-	-
Loan To RTL (Bus replacement programme)	2,500	-	2,500	2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Oracle Shopping Centre capital works	100	-	100	100	-	100	100	-	100	100	-	100
Minster Quarter - Brownfield Land Grant Element	200	(200)	-	1,800	(1,800)	-	-	-	-	-	-	-
Minster Quarter	250	-	250	750	-	750	-	-	-	-	-	-
<b>Corporate Total</b>	<b>7,115</b>	<b>(200)</b>	<b>6,915</b>	<b>6,948</b>	<b>(1,800)</b>	<b>5,148</b>	<b>4,382</b>	<b>-</b>	<b>4,382</b>	<b>2,600</b>	<b>-</b>	<b>2,600</b>
<b>General Fund Total</b>	<b>79,468</b>	<b>(30,651)</b>	<b>48,817</b>	<b>95,225</b>	<b>(48,256)</b>	<b>46,969</b>	<b>59,713</b>	<b>(41,394)</b>	<b>18,319</b>	<b>21,455</b>	<b>(11,535)</b>	<b>9,920</b>
<b>General Fund Schemes currently on hold pending business cases</b>												
Transport Demand Management Scheme	-	-	-	400	-	400	200	-	200	-	-	-
Maintenance & Enhancement of Council Properties	-	-	-	8,800	-	8,800	-	-	-	-	-	-
Salix Decarbonisation Fund	-	-	-	951	-	951	-	-	-	-	-	-
Salix Re-Circulation Fund	57	-	57	467	-	467	-	-	-	-	-	-
Renewable Energy	502	-	502	819	(450)	369	15	-	15	-	-	-
<b>On hold Total</b>	<b>559</b>	<b>-</b>	<b>559</b>	<b>11,437</b>	<b>(450)</b>	<b>10,987</b>	<b>215</b>	<b>-</b>	<b>215</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General Fund Total (including schemes currently on hold pending business cases)</b>	<b>80,027</b>	<b>(30,651)</b>	<b>49,376</b>	<b>106,662</b>	<b>(48,706)</b>	<b>57,956</b>	<b>59,928</b>	<b>(41,394)</b>	<b>18,534</b>	<b>21,455</b>	<b>(11,535)</b>	<b>9,920</b>

## HRA Capital Programme 2023/24 - 2025/26

Scheme Name	2022/23 Forecast			2023/24 Forecast			2024/25 Forecast			2025/26 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Major Repairs - Existing Homes Renewal	8,944	-	8,944	9,889	-	9,889	10,929	-	10,929	10,820	-	10,820
Major Repairs - Zero Carbon Retrofit works	2,617	-	2,617	13,911	-	13,911	11,582	-	11,582	11,803	-	11,803
Disabled Facilities Grants	600	-	600	665	-	665	688	-	688	701	-	701
New Build & Acquisitions - Phase 2 - 4	13,815	(9,019)	4,796	17,598	(277)	17,321	13,548	(6,300)	7,248	4,277	(2,037)	2,240
Local authority new build programme for Older people and vulnerable adults	1,350	-	1,350	14,240	(7,465)	6,775	19,215	-	19,215	10,885	(6,528)	4,357
Housing Management System Phase 1	502	-	502	-	-	-	-	-	-	-	-	-
Housing Management System Phase 2	-	-	-	553	-	553	-	-	-	-	-	-
<b>Grand Total</b>	<b>27,828</b>	<b>(9,019)</b>	<b>18,809</b>	<b>56,856</b>	<b>(7,742)</b>	<b>49,114</b>	<b>55,962</b>	<b>(6,300)</b>	<b>49,662</b>	<b>38,486</b>	<b>(8,565)</b>	<b>29,921</b>



## Capital Schemes where funding is yet to be identified (for information only)

Scheme Name	2022/23 Forecast			2023/24 Forecast			2024/25 Forecast			2025/26 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
<b>Schemes where funding is yet to be identified</b>												
Replacement Vehicles	-	-	-	5,795	-	5,795	2,598	-	2,598	2,001	-	2,001
IT Future Operating Model	-	-	-	-	-	-	529	-	529	400	-	400
Playground equipment and Refreshment: Boroughwide	-	-	-	350	-	350	450	-	450	204	-	204
<b>Total Schemes where funding is yet to be identified</b>	-	-	-	<b>6,145</b>	-	<b>6,145</b>	<b>3,577</b>	-	<b>3,577</b>	<b>2,605</b>	-	<b>2,605</b>

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## 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 2022 and details the individual projects which have and are planned to be funded from the flexible use of capital receipts in accordance with the above requirements.

## 2. Savings

- 2.1. The draft MTFFS for consultation (to which this Strategy is attached as an appendix) contains £6.9m of savings and £2.9m of additional income proposed to be delivered over the forthcoming three years and readers should refer to that document for full details of these.
- 2.2. This strategy and investment proposals support the delivery of those savings or mitigate future additional spending pressures that would otherwise materialise. The cost of investing in making these savings will be included within the General Fund Capital Programme presented to Council in February 2023 and is, under regulations, funded from the use of capital receipts.

## 3. Delivery Fund

- 3.1 A report to Council on 26<sup>th</sup> 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 2021/22 of £3.0m compared to the budgeted spend of £4.5m. This report updates latest projected project budgets to include that slippage together with further proposals being brought forward as well as changes in estimated future costs. Annex A sets out the latest forecasts for 2022/23 and the proposed budget for 2023/24 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.

<b>Table 1: Summary of Delivery Fund Spend to Date / Future Spend</b>						
	Prior Years	2022/23	2023/24	2024/25	Total	
	Actual/Bud	Budget	Budget	Budget		
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	
<u>December 2021</u>						
Capital Receipts Strategy	15,504	417	16	0	15,937	
Contingency/Unallocated	446	1,782	1,782	1,782	5,792	
	15,950	2,199	1,798	1,782	21,729	
<u>February 2022</u>						
Capital Receipts Strategy	14,981	818	16	0	15,815	
Supported by Revenue Funding	692	0	0	0	692	
Contingency/Unallocated	350	1,308	1,782	1,782	5,222	
	16,023	2,126	1,798	1,782	21,729	
<u>December 2022</u>						
Capital Receipts Strategy	13,391	2,674	1,462	368	17,895	
Supported by Revenue Funding	692	590	0	0	1,282	
Contingency/Unallocated	0	802	336	1,414	2,552	
	14,083	4,066	1,798	1,782	21,729	
<u>February 2023</u>						
Capital Receipts Strategy	13,391	3,249	1,660	440	18,740	
Supported by Revenue Funding	692	0	0	0	692	
Contingency/Unallocated	0	817	138	1,342	2,297	
	14,083	4,066	1,798	1,782	21,729	

- 3.5 The change in forecast spend between February 2022 and December 2022 and subsequently to February 2023 includes the roll forward of underspends from 2021/22, and further re-phasing of 2022/23 budgets together with new spend proposals being approved and others being identified as no longer required.
- 3.6 A number of new Delivery Fund Requests have been received as part of the MTFS refresh, see Table 2 below. There is therefore £2.297m left unallocated in the contingency.
- 3.7 Annex A to this Strategy contains a list of all Delivery Fund projects illustrating the changes to Delivery Fund allocations since those agreed in February 2022 and the latest forecast projections and budget proposals.

**Table 2 – New Delivery Fund Requests**

Directorate	Project	Saving Identified (£'000's)	2022/23 (£'000's)	2023/24 (£'000's)	2024/25 (£'000's)	Total Spend (£'000's)
DOR	Procurement Training & Support	Transform	207	68		275
DACHS	Increase in Reviews completed in DACHS	Transform	338			338
DACHS	Increase in number of CHC Joint Funded cases	Transform	73			73
DACHS	Social Care Reform	Transform	248	-	-	248
DACHS	CQC Assurance	Transform	342		-	342
DACHS	DACHS VCS Front Door and Online Signposting/Self-Serve Tool	2,721	117	285	-	402
DACHS	Mosaic Development	Transform		390		390
DACHS	Maximising DACHS Income	1,294	63	253	23	339
DOR	PMO Team	Transform		300	300	600
DOR	Strengthen Financial Support	Transform	15	91	77	183
DOR	Traded Services within HR&OD	14	5			5
DEGNS	Parking Asset Review	Transform	95	35		130
DACHS	Adult LD/MH Reablement	466	70	60	-	130
DEGNS	Culture Fundraising Campaign	80	20			20
DEGNS	Whitespace system for Streetscene	50		132	40	172
		4,495	1,593	1,614	440	3,647

Annex A to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,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	-	-	-	-	-	-	-	-	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	178	-	-	-	-	-	-	-	-	178
Service restructure and reconfiguration	SOLACE Recruitment Fees For Future Finance Function	45	-	-	-	-	-	-	-	-	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	7	22	-	-	-	-	-	22
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.	25	8	41	49	-	-	-	-	-	74
New Customer Experience Model	Pilot Thoughtonomy - Virtual workers	55	66	(51)	15	-	-	-	-	-	70
New Customer Experience Model	Pilot Thoughtonomy - Develop role	-	41	(4)	37	-	-	-	-	-	37

## Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Capacity and leadership to deliver change and savings across programme	Corporate Programme Manager	269	-	-	-	-	-	-	-	-	269
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	-	-	-	-	-	-	-	-	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)		260	-	-	-	-	-	-	-	-
Capacity to support delivery of change and savings across programme	Programme Officer x2	76	-	-	-	-	-	-	-	-	76



Annex A to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,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	Senior Project Manager x 2	125	128	(36)	92	-	-	-	-	-	217
Capacity to support delivery of change and savings across programme	Business Analyst	61	48	3	51	-	-	-	-	-	112
Capacity to support delivery of change and savings across programme	Project Officer	52	41	(7)	34	-	-	-	-	-	86
	Contribution to Team Reading costs	10	-	-	-	-	-	-	-	-	10
Management and Staffing Review	OD upskilling	11	-	-	-	-	-	-	-	-	11
	Business Analysts x 2	27	115	(4)	111	-	-	-	-	-	138
Executive Recruitment Search Fees	Psychometric Assessment Training	-	20	(3)	17	-	-	-	-	-	17
	Finance system implementation lead and support	12	183	(97)	86	97	(11)	86	-	-	184
	ICT Accelerator	87	163	(76)	87	-	-	-	-	-	174
	Modern Workplace Project	72	-	-	-	-	-	-	-	-	72
	Finance Transformation	187	-	-	-	-	-	-	-	-	187
	PMO Training	-	14	(2)	12	-	-	-	-	-	12
<i>*Making the Customer Service and Corporate Improvement more efficient</i>	<i>Staff and implementation costs</i>	199	301	-	301	-	-	-	-	-	500
Digitisation - cross cutting savings and redesign of Council-wide services	Digital Services Developer x2	-	80	(48)	32	-	-	-	-	-	32
<i>Customer Service and Corporate Improvement Service</i>	<i>Senior Project Manager, Business Analyst x3</i>	-	-	-	-	385	(39)	346	-	-	346
<b>Total: Director of Resources (DOR)</b>		<b>3,277</b>	<b>1,223</b>	<b>(277)</b>	<b>946</b>	<b>482</b>	<b>(50)</b>	<b>432</b>	<b>-</b>	<b>-</b>	<b>4,655</b>

Annex A to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,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	81	-	-	-	-	-	-	-	-	81
	Family Group Conferencing	-	75	(24)	51	-	-	-	-	-	51
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	37	-	-	-	-	-	-	-	-	37
	Family Reunification Team. 18/19 start up	16	-	-	-	-	-	-	-	-	16
	Edge of Care Team, Adolescents. 18/19 start up	125	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	207	550	(28)	522	28	-	28	-	-	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	-	-	-	-	-	-	-	-	-	-
	Strengthen Commissioning Function (provide senior Commissioning and Contract Management capacity) 18/19 start up. Savings linked to Improved Contract Management	268	-	-	-	-	-	-	-	-	268
	Design & implementation of supported lodgings for 16+	5	-	-	-	-	-	-	-	-	5

## Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,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	Modernising CIPSC's	10									10
	Review of Continued Health Contribution (CHC). 18/19 start up	29	-	-	-	-	-	-	-	-	29
	Enhanced utilisation of capacity at Pincroft & Cressingham Children's Homes. 18/19 capital equipment	50			-	-	-	-	-	-	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	206	-	-	-	-	-	-	-	-	206
	Business Improvement	103			-	-	-	-	-	-	103
	Digitalisation	107	75	22	97	-	-	-	-	-	204
	Development of traded services	418	-	-	-	-	-	-	-	-	418
	Transformation Programme Team	1,047	82	-	82	-	-	-	-	-	1,129
	Short Breaks	20			-	-	-	-	-	-	20
	<i>Children in Need Team</i>	-	350	2	352	-	-	-	-	-	352
	<i>End to end mapping and demand management</i>	-	240	(64)	176	64	-	64	-	-	240
<i>SEND Transport Review</i>	-	100	(19)	81	19	-	19	-	-	100	
<i>Transformation of SEND System</i>	-	330	(330)	-	330	-	330	-	-	330	
<b>Total: Childrens (BFFC)</b>		<b>3,380</b>	<b>1,852</b>	<b>(441)</b>	<b>1,411</b>	<b>441</b>	<b>-</b>	<b>441</b>	<b>-</b>	<b>-</b>	<b>5,232</b>

## Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,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	-	-	-	-	-	-	-	-	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

Annex A to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Delivery Models for Commissioning, Prevention & Quality Services	Senior Transformation Manager	129	48	-	48	-	-	-	-	-	177
	Workforce consultancy & Training Programmes (Partners for change)	123	-	-	-	-	-	-	-	-	123
	Transitions - operational consultant	21	-	-	-	-	-	-	-	-	21
	Direct Payments - 2x PA Officers	13	81	(36)	45	36	-	36	-	-	94
	Locum Social Workers x4 Reviewing Team Project	9	243	(115)	128	115	-	115	-	-	252
Investment in Technology Enabled Care at home	Funding for TECH Team	-	139	-	139	-	-	-	-	-	139
Enhanced reablement for mental health and learning disability service users	Transformation Partner MH/LD	-	60	(60)	-	60	-	60	-	-	60
	Transitions Top Up - Transitions Practitioner	-	31	-	31	-	-	-	-	-	31
	Outcome based Service Delivery - Locum Worker and OT	-	133	(93)	40	93	-	93	-	-	133
	PM for outcomes, decision making and outreach.	-	48	(33)	15	97	-	97	16	-	128
	PM for Front Door, Reading Services Guide and Digital Front Door.	-	48	(33)	15	49	-	49	-	-	64
	Reducing the number of overdue reviews	-	143	(87)	56	87	-	87	-	-	143
	Reduce people waiting for Mental Capacity Assessments to move from Appointee to Court Appointed Deputy	-	49	(49)	-	49	-	49	-	-	49
	Physiotherapist for community rehabilitation post rapid hospital discharge	-	57	(29)	28	29	-	29	-	-	57

Annex A to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
	Relaunch & expand NHS Health Checks Programme	-	56	(50)	6	50	-	50	-	-	56
	CHC Resource	-	87	-	87	-	-	-	-	-	87
	Commissioning Quality Assurance	-	44	(44)	-	44	-	44	-	-	44
<b>Total: Directorate of Adults Social Care and Health (DACHS)</b>		<b>2,226</b>	<b>1,267</b>	<b>(629)</b>	<b>638</b>	<b>709</b>	<b>-</b>	<b>709</b>	<b>16</b>	<b>-</b>	<b>3,589</b>

## Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,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	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)	34	17	(17)	-	17	-	17	-	-	51

## Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Alternative delivery models - identify and prioritise those services that are most likely to yield a significant saving with the 3-year MTFS period	General resource	216	-	-	-	-	-	-	-	-	216
	Project Manager	37	-	-	-	-	-	-	-	-	37
	Cost Consultant	-	-	-	-	-	-	-	-	-	-
	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	148	-	-	-	-	-	-	-	-	148
Car Park management processes through IT improvements and staff reductions	Car parking equipment and capital	409	-	-	-	-	-	-	-	-	409
		-	-	-	-	-	-	-	-	-	-
Review enforcement contract	Consultancy support	-	-	-	-	-	-	-	-	-	-
	Project Manager	83	-	-	-	-	-	-	-	-	83
	Consultants to carry out modelling	8	-	-	-	-	-	-	-	-	8
Food Waste	Stickers and Leaflets (Phases 1 & 2)	25	11	(11)	-	11	-	11	-	-	36
	Mailout to all residents	22	10	(10)	-	10	-	10	-	-	32
	Communications time and production	32	15	(15)	-	15	-	15	-	-	47
	Marketing	85	24	(21)	3	21	-	21	-	-	109
Maximising Income from the Town Hall & Museum	One-off investment - equipment, marketing, consultancy	-	41	-	41	-	-	-	-	-	41
Transport and Parking Review	Consultant Support	157	-	-	-	-	-	-	-	-	157
<b>Total: Directorate of Economic Growth and Neighbourhoods (DEGNS)</b>		<b>2,161</b>	<b>118</b>	<b>(74)</b>	<b>44</b>	<b>74</b>	<b>-</b>	<b>74</b>	<b>-</b>	<b>-</b>	<b>2,279</b>
Capacity to manage and support Corporate Programme of Change	Managing Change - unallocated funding	-	519	(519)	-	2,360	(1,543)	817	138	1,342	2,297
<b>Total: Unallocated / Contingency</b>		<b>-</b>	<b>519</b>	<b>(519)</b>	<b>-</b>	<b>2,360</b>	<b>(1,543)</b>	<b>817</b>	<b>138</b>	<b>1,342</b>	<b>2,297</b>



Annex A to Flexible Capital Receipts Strategy - Delivery Fund changes

Changes to Delivery Fund Projects Since February 2022

Saving Description	Resource Required	Prior Year Actuals (£,000's)	2021/22 Budget (£,000's)	2021/22 Change (£,000's)	2021/22 Actual (£,000's)	2022/23 Budget (£,000's)	2022/23 Change (£,000's)	2022/23 Forecast (£,000's)	2023/24 Proposed Budget (£,000's)	2024/25 Proposed Budget (£,000's)	2017-25 Total (£,000's)
Procurement Training & Support	Support for current and future savings delivery related to Procurement & Contracts	-		-			207	207	68	-	275
Increase in Reviews completed in DACHS	Increase in Reviews Completed in DACHS (6x Experienced Social Workers, 3x Social Workers, 1 Commissioning Officer, 1 Business Support)	-	-	-			338	338			338
Increase in number of CHC Joint Funded cases	Increasing the number of Continuing Healthcare and Joint Funding cases processed for submission to the CCG.	-		-			73	73	-	-	73
Social Care Reform	Prog Man, Proj Man & Fin Analyst					-	248	248	-	-	248
CQC Assurance	Sen. Commissioning Officer, Care Gov. Officer, Senior Performance Analyst, Business Analyst, Guidance Tool					-	342	342		-	342
DACHS VCS Front Door and Online Signposting/Self-Serve Tool							117	117	285	-	402
Mosaic Development							-		390		390
Maximising DACHS Income	Additional Debt Recovery staff in ASC, Finance and Legal.						63	63	253	23	339
PMO Team							-		300	300	600
Strengthen Financial Support	Strategic Finance Business Partner for 2 Years fixed term						15	15	91	77	183
Traded Services within HR&OD	BACS Bureau set up costs						5	5	-		5
Events & Engagement Income generation	Events Assistant						-	-	30		30
Parking Asset Review							95	95	35		130
Adult LD/MH Reablement		-				-	70	70	60	-	130
Culture Fundraising Campaign	Consultant					-	20	20	-	-	20
Whitespace system for Streetscene	Hardware, software licences and implementation costs.					-	-	-	132	40	172
<b>Total: New Projects</b>		-	-	-	-	-	<b>1,593</b>	<b>1,593</b>	<b>1,644</b>	<b>440</b>	<b>3,677</b>
<b>Total: All Projects</b>		<b>11,044</b>	<b>4,979</b>	<b>(1,940)</b>	<b>3,039</b>	<b>4,066</b>	<b>-</b>	<b>4,066</b>	<b>1,798</b>	<b>1,782</b>	<b>21,729</b>

Funded by Revenue Resources											692	692
Funded/to be Funded by Capital Resources		11,044				2,347	4,066		4,066	1,798	1,782	21,037

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## Proposed Fees and Charges from 1st April 2023 - Directorate of Adults Care and Health Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) % %
<b>SOCIAL CARE SERVICES</b>						
Whitley Wood Hostel - Respite LD Day Services	Weekday - 1:1 Bed	Night	605.00		23.30	4.0%
	1:4 Service	Day	89.30		3.50	4.1%
	1:2 Service	Day	140.10		5.40	4.0%
	1:1 Service	Day	242.20		9.40	4.0%
Maples Resource Centre (Day Care)		Day	49.90		1.90	4.0%
Day Centre Meals		Meal	5.20	6.24	0.20	4.0%
Home Care Services - CRT	Use of Reading Borough Council services after reablement period Rate 1	Hour	21.00		0.80	4.0%
	Use of Reading Borough Council services after reablement period Rate 2	Hour	42.80		1.70	4.1%
<b>OTHER CHARGES</b>						
Self Funder	Set up charge	Once	338.30		13.10	4.0%
	Annual Fee	Year	278.20		10.70	4.0%
Deferred Payment Agreement (DPA)	Set-up Fees (excluding Land Registry fees, property valuation fees if required, cost of specialist legal/financial advice if required, which are recharged at actual cost to the Council on a case by case basis).	Once	Please refer to DoR Legal Services item 'Deferred Payment Agreement Flat Fee'			
	Admin set up Fee (Other administrative set-up costs)	Once	168.90		6.50	4.0%
Deferred Payment Agreement (DPA) & Interim Funding Arrangement	Annual Fee (excluding property valuation fees, Land Registry fees, cost of specialist legal/financial advice which are recharged at actual cost to the Council on a case by case basis if required).	Year	270.40		10.40	4.0%
<b>SMALL GROUP HOMES - Supported Living</b>						
Stanshawe Rd	All rooms	Week	137.40		9.01	7.0%
Parkhurst Dr	Room 1,2,5 & 6	Week	143.20		9.46	7.1%
	Room 3	Week	137.40		9.01	7.0%
York Rd	All rooms	Week	137.40		9.01	7.0%
Wensley Rd	All rooms	Week	137.40		9.01	7.0%
Alexandra Road	All rooms	Week	143.20		9.46	7.1%
Northumberland Ave	All rooms	Week	137.40		9.01	7.0%
Liebenrood Rd	All rooms	Week	209.50		13.75	7.0%
Argyle Rd	All rooms	Week	137.40		9.01	7.0%
Corwen Rd	All rooms	Week	143.20		9.46	7.1%
Appleford Rd	All rooms	Week	137.40		9.01	7.0%
Great Knollys St	All rooms	Week	137.40		9.01	7.0%
Bob Green Court	All rooms	Week	137.40		9.01	7.0%
Focus House	All rooms	Week	137.40		9.01	7.0%

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>STRATEGIC TRANSPORT</b>						
Concessionary Fares Replacement Pass	Market Rate	Each	10.83	13.00	0.41	3.9%
Car Park Charge at Mere oak Park & Ride Site	Concession Rate	Each	0.83	1.00	0.00	0.0%
Access Fee for the Reading Transport Model	Market Rate	Each	450.83	541.00	17.50	4.0%
Buzz 42 Bus Ticket	Single Ticket	Each	0.92	1.10	0.00	0.0%
<b>PARKING PERMITS</b>						
Parking Permits	Business	Each	318.00		15.00	5.0%
	Carer Permit	Each	0.00		0.00	N/A
	Carer Permit (Offline)	Each	0.00		0.00	N/A
	Charity Discretionary FOC	Each	0.00		0.00	N/A
	Charity Discretionary	Each	139.00		7.00	5.3%
	Charity Visitor (Discretionary)	Each	26.00		1.00	4.0%
	Charity/Community Agency FOC	Each	0.00		0.00	N/A
	Charity/Community Agency	Each	139.00		7.00	5.3%
	Chester Street Car Park	Each	0.00		0.00	N/A
	Disc. Business Visitor Permit	Each	26.00		1.00	4.0%
	Disc. Resident Visitor Permit FOC	Each	0.00		0.00	N/A
	Disc. Resident Visitor Permit	Each	26.00		1.00	4.0%
	Discretionary (Business)	Each	382.00		18.00	4.9%
	Discretionary (Nannies)	Each	382.00		18.00	4.9%
	Discretionary (Resident) 1st	Each	46.00		2.00	4.5%
	Discretionary (Resident) 2nd	Each	173.00		8.00	4.8%
	Discretionary (Resident) 3rd	Each	348.00		17.00	5.1%
	Discretionary (Residents) 1st	Each	46.00		2.00	4.5%
	Discretionary (Residents) 2nd	Each	173.00		8.00	4.8%
	Discretionary (Residents) 3rd	Each	348.00		17.00	5.1%
	Discretionary (Teachers)	Each	46.00		2.00	4.5%
	Discretionary (Visitor) FOC	Each	0.00		0.00	N/A
	Discretionary (Visitor)	Each	26.00		1.00	4.0%
	Discretionary (Visitors) FOC	Each	0.00		0.00	N/A
	Discretionary (Visitors)	Each	26.00		1.00	4.0%
	Discretionary Business Permit	Each	382.00		18.00	4.9%
	Discretionary Business Visitor	Each	26.00		1.00	4.0%
	Emergency cover	Each	34.00		2.00	6.3%
	Foreign Vehicle	Each	382.00		18.00	4.9%
	HealthCare Professional Permit	Each	46.00		2.00	4.5%
	Landlord (Annual Permit)	Each	382.00		18.00	4.9%
	Landlord (daily)	Each	12.00		1.00	9.1%
	Medical Practitioner Permit	Each	46.00		2.00	4.5%
	Resident Permit 1st Permit	Each	46.00		2.00	4.5%
	Resident Permit 2nd Permit	Each	173.00		8.00	4.8%
	Resident Permit (Offline) 1st Permit	Each	46.00		2.00	4.5%
	Resident Permit (Offline) 2nd Permit	Each	173.00		8.00	4.8%
	Special Vehicle Access	Each	0.00		0.00	N/A
	Special Vehicle Permit - Daily	Each	0.00		0.00	N/A
	Temporary - All Zones	Each	18.00		1.00	5.9%
Temporary - Resident	Each	18.00		1.00	5.9%	
Temporary - Resident (Offline)	Each	18.00		1.00	5.9%	
Temporary - scratchcard	Each	18.00		1.00	5.9%	
Tradesperson (Annual Permit)	Each	382.00		18.00	4.9%	
Tradesperson (Daily)	Each	8.00		0.00	0.0%	
Tradesperson (scratchcard)	Each	12.00		1.00	9.1%	
Visitor (Business)	Each	26.00		1.00	4.0%	
Visitor (Charity/Community)	Each	26.00		1.00	4.0%	
Visitor Resident (Offline) FOC	Each	0.00		0.00	N/A	
Visitor Resident (Offline)	Each	26.00		1.00	4.0%	
Visitor Resident Permit FOC	Each	0.00		0.00	N/A	
Visitor Resident Permit	Each	26.00		1.00	4.0%	

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>NEIGHBOURHOODS - STREET SCENE</b>						
Mooring	Standard	24 hrs.	8.33	10.00	0.41	5.2%
	Standard	up to 4hrs	3.75	4.50	0.42	12.6%
Allotments	Site Category A Standard	Per year Per 25 sqm	8.10		0.30	3.8%
	Site Category A YRP discount	Per year Per 25 sqm	7.30		0.30	4.3%
	Site Category A Concession	Per year Per 25 sqm	1.30		0.05	4.0%
	Site Category B Standard	Per year Per 25 sqm	6.00		0.20	3.4%
	Site Category B YRP discount	Per year Per 25 sqm	5.50		0.20	3.8%
	Site Category B Concession	Per year Per 25 sqm	1.00		0.05	5.3%
	Site Category C Standard	Per year Per 25 sqm	4.10		0.20	5.1%
	Site Category C YRP discount	Per year Per 25 sqm	3.60		0.10	2.9%
	Site Category C Concession	Per year Per 25 sqm	0.70		0.05	7.7%
	Start Up Fees Standard	Each	45.10		1.71	3.9%
	Shed Rental	Each	15.10		0.60	4.1%
	Chickens	Per year Per 25 sqm	15.10		0.60	4.1%
	<b>HIGHWAYS</b>					
Drainage Works	Rodding - Daytime	Each	Price on Application			
	Rodding - Out of Hours	Each				
	Jetting - Daytime	Each				
	Jetting - Out of Hours	Each				
	Cesspools & Septic Tanks	per 1000 gallons				
	CCTV Surveys	Each				
	Recovery of property from gullies	Each				
Out of Hours Call Out	Fixed fee for standby and vehicle costs	Per call out				
Accident Reclaims	Administration Fee	Each				
	Inspectors Visit	Each				
Administration Charges	Reproduction of Agreements	Each				
	Reproduction of plan	Each				
Footway Crossings	Application Fee - inc 1 visit (Council contractor)	Each				
	Application Fee (own contractor)	Each				
	Additional visit - measure etc.	Each				
	Developer - 1 property	Each				
	Developer - 2 to 5 properties	Each				
Developer - 6 properties	Each					

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>HIGHWAYS</b>						
Solicitor Enquiries	Map Reproduction	first plan	58.00		2.00	3.6%
	Map Reproduction	Each additional plan	27.50		1.25	4.8%
	Supervision Of Works (Project <£250k)	cost of works	Price on Application			
	Design Check & Admin (Project <£250k)	cost of works				
	Supervision Of Works (Project >£250k)	cost of works				
	Design Check & Admin (Project >£250k)	cost of works				
Skip Licences	Skip permit application and first 2 weeks	Each	87.40		3.40	4.0%
	Skip permit fee for each additional week	Each	39.50		1.50	3.9%
	Labour cost (clean up team) per hour	Each	Price on Application			
	Tipping waste (transportation and disposal cost) per tonne	Each				
A-Boards	Application fee	Each	114.00		4.00	3.6%
	Annual Licence fee	Each	83.00		3.00	3.8%
	Recovery of A board from store	Each	63.00		2.50	4.1%
Miscellaneous Income	Scaffold / Hoarding Licence Fee - Resident	Up to 4 weeks	191.00		7.42	4.0%
	Scaffold / Hoarding Licence Fee - Commercial	Up to 4 weeks	317.00		12.83	4.2%
	Scaffold / Hoarding Licence Fee - Renewal	Further period of up to 4 weeks.	146.00		5.67	4.0%
	Stopping up of the public highway applications	Each	895.00		35.00	4.1%
	S171 Licence (e.g. works on highway or store building material on the highway)	Up to 4 weeks	455.00		20.00	4.6%
		each additional week or part week	30.00		2.00	7.1%
	S142 Licence to plant on highway	Each	220.00		9.17	4.3%
	S177 Projection over highway	Each	455.00		19.67	4.5%
	Consenting on ordinary watercourse	Each	50.00		0.00	0.0%
	Swapouts	Each	435.00		16.67	4.0%
	Application fee for access protection markings to existing footway crossings	Each	Price on Application			
	Provision of new access protection marking up to 5m long	Each				
	Provision of new access protection marking each additional metre over 5m	Metre				
	Refreshing access protection marking up to 5m long	Each				
Refreshing access protection marking each additional metre	Metre					
Access control/Key for lockable bollard fee	Each					

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>NEIGHBOURHOODS - WASTE</b>						
Special Collections	Collection of 3 Items	Each	52.50		0.00	0.0%
	Collection of 3 Items - Concession	Each	39.40		0.00	0.0%
	Each additional item	Each	8.40		0.00	0.0%
	Fridge freezers - Domestic fridge/freezer (tall)	Each	50.40		0.00	0.0%
	Fridge freezers - Concession	Each	37.80		0.00	0.0%
	Cancellation charge (less than 3 days before collection)	Each	11.80		0.00	0.0%
	- Half load	1/2 load	Price on Application			
	- Full load	1 Load	Price on Application			
Trade Waste	Trade General sack in multiples of 50	Per 50	156.00		6.00	4.0%
	Trade recycling sack in multiples of 50	Per 50	106.60		4.10	4.0%
Bins (Wheeled/other)	240 litre new (plastic) - Domestic residual	Each	62.40		2.40	4.0%
	240 litre replacement - recycling (new developments)	Each	62.40		2.40	4.0%
	140 litre new or replacement bin	Each	25.00		1.00	4.2%
	23 litre food waste caddies	Each	0.00		0.00	0.0%
	5 litre food caddies	Each	0.00		0.00	0.0%
	180 litre food waste bin for managing agents and new developments	Each	37.40		1.40	3.9%
	240l litre food waste bins for managing agents and new developments	Each	62.40		2.40	4.0%
	240 litre replacement - recycling (Resident)	Each	0.00		0.00	0.0%
	360 litre new (plastic) - Domestic	Each	83.20		3.20	4.0%
	1100 litre (steel) - Trade Waste	Each	Price on Application			
	1100 litre (Plastic) - Trade Waste	Each	Price on Application			
	Delivery of 1100ltr Bin	Each	8.30		0.30	3.8%
	Green Waste	Green Waste Service Bin	Per annum	67.20		2.60
Green Waste Service Bin (Concession)		Per annum	50.50		2.00	4.1%
Green Waste Service Bag		Per annum	24.00		1.00	4.3%
Green Waste Service Bag (Concession)		Per annum	18.00		0.80	4.7%
New/Replacement Green Waste Bin		Each	50.00		2.20	4.6%
New/Replacement Green Waste Bag		Each	15.00		0.50	3.4%
Hazardous Clinical Waste Collections - per property per collection		Each	Price on Application			
Exterior Cleansing and Graffiti Removal	Graffiti removal - call out and first hour	Each	Price on Application			
	Each additional hour of graffiti removal	Each				
	Emergency biohazard clearance	minimum per job				
	Machine sweeping	minimum per job + tipping				
	Fly tip removal	minimum per job + tipping				
	+ additional labour	minimum per job				



Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>HOUSING</b>						
Temporary Accommodation Charges - B&B	One Room	Each	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				
<b>Garage Rental (Weekly)</b>						
Category A	Council Tenant	Each	16.30		0.66	4.2%
	Disabled Council Tenant	Each	15.20		0.57	3.9%
	Other Borough Resident	Each	16.25	19.50	0.61	3.9%
	Disabled Borough Resident	Each	15.17	18.20	0.54	3.7%
Category B	Council Tenant	Each	12.00		0.52	4.5%
	Disabled Council Tenant	Each	10.90		0.44	4.2%
	Other Borough Resident	Each	12.00	14.40	0.52	4.5%
	Disabled Borough Resident	Each	10.92	13.10	0.46	4.4%
<b>LIBRARIES</b>						
Overdue Charges	Adult Book - daily (to a maximum of £10.00)	Item	0.00		-0.30	-100.0%
	Children's Book - Daily (to a maximum of £3.00)	Item	0.00		-0.15	-100.0%
	Children's CD - Story/Teen (to a maximum of £4.00)	Item	0.00		-0.15	-100.0%
	CD - SINGLE (to a maximum of £12.00)	Item	0.00		-0.50	-100.0%
	CD - Set (to a maximum of £15.00)	Item	0.00		-0.50	-100.0%
	DVD (to a maximum of £15.00)	Item	0.00		-1.50	-100.0%
Hire Charges	Children's CD - Story/Teen	21 Days	0.00		0.00	0.0%
	CD - Single	21 Days	0.00		-1.00	-100.0%
	CD Set 2-6	21 Days	0.00		-1.00	-100.0%
	CD Set 7+	21 Days	0.00		-1.00	-100.0%
	DVD - 1-2	7 Days	0.00		-2.00	-100.0%
	DVD Set 3-6	7 Days	0.00		-4.50	-100.0%
	DVD Set 7+	7 Days	0.00		-4.00	-100.0%
	Children's DVDS	7 Days	0.00		-2.00	-100.0%
Audio Visual Subscription (unlimited)	per year	0.00		-60.00	-100.0%	
Children's activity Sessions	Cost recovery fee	Per child	1.00		0.00	0.0%
Reservations	Selms requests	Item	3.50		0.00	0.0%
	In stock	Item	0.00		-0.75	-100.0%
	From the British Library	Item	17.00		7.00	70.0%
	Periodical Articles	Item	17.00		7.00	70.0%
Photocopies	A4	per sheet	0.15		0.00	0.0%
	A3	per sheet	0.30		0.00	0.0%
Printing from Public Computers	A4 - Black & White	per sheet	0.20		0.05	33.3%
	A4 - Colour	per sheet	0.30		0.00	0.0%
Replacement Cards	Library Card Replacement or Provision of pin for Library Card	Item	3.10		0.10	3.3%
Local Studies Camera Licence		per day	5.20		0.20	4.0%
Local Studies High Res Scanning		per image	2.10		0.10	5.0%
Fee for postal item lost notice		per letter	1.00		0.00	0.0%



Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>LIBRARIES</b>						
Admin fee for lost/damaged stock		per item	5.20		0.20	4.0%
Overdue Charges	Toy - Small - Daily (To a max of 6.00)	Item	0.00		-0.50	-100.0%
	Toy - Large - Daily (To a max of 15.00)	Item	0.00		-0.50	-100.0%
Vocal Sets Service (RBC Residents)	Borrowing from Reading stock	Set	6.20		0.20	3.3%
	Overdue charges	Set	6.20		0.20	3.3%
Vocal Sets Service (Non-RBC Residents)	Borrowing from Reading stock	Set	11.40		0.40	3.6%
Orchestral Set Service	Booking fee	Set	11.40		0.40	3.6%
	Overdue charges	Set	6.20		0.20	3.3%
Drama Sets Service	Borrowing from Reading stock	Set	6.20		0.20	3.3%
	Overdue charges	Set	As per Adult Book			
Book Club Service (RBC Residents)	Annual subscription for group	Group	21.00		1.00	5.0%
	Borrowing from Reading stock	Set	0.00		0.00	
	Overdue charges	Set	As per Adult Book			
Book Club Service (Non-RBC Residents)	Annual subscription for group	Group	31.00		1.00	3.3%
	Borrowing from Reading stock	Set	8.30		0.30	3.8%
	Overdue charges	Set	As per Adult Book			
Lost (in print items)	Full cost of replacement + £5.20 admin fee	Item	Varies by item			
Lost (out of print items)	£20 + £5.20 Admin fee	Item	26.00		1.00	4.0%
Damaged Items	Varies by item	Item	Varies by item			
Withdrawn Stock	Varies by item	Item	Varies by item			
Photocopying (serviced)	A4 black and white	Sheet	0.50		0.00	0.0%
Photocopying (serviced)	A4 colour	Sheet	0.50		0.00	0.0%
	A3 black and white	Sheet	0.50		0.00	0.0%
	Service charge (does not include postage)	Transaction	6.80		0.30	4.6%
Printing from microform	A4 print	Sheet	1.00		0.00	0.0%
	A3 print	Sheet	1.00		0.00	0.0%
Printing from microform (serviced)	A4 print	Sheet	1.00		0.00	0.0%
	A3 print	Sheet	1.00		0.00	0.0%
	Service charge (does not include postage)	Service	6.20		0.20	3.3%
Copies of Local Studies Images	Email	Image	3.10		0.10	3.3%
	Printed - glossy paper	Image	5.20		0.20	4.0%
Study Carrels	10:00-13:00	Session	4.00		0.00	0.0%
	13:00-closing time (17:00/19:00)	Session	4.00		0.00	0.0%
Library Display Panels		Booking	11.00		1.00	10.0%
Toy Library	Membership childminders/playgroups	Annual	15.60		0.60	4.0%
	Membership parents	Annual	5.20		0.20	4.0%
	Membership schools/nurseries/providers	Annual	78.00		3.00	4.0%
Hire Charges	Toy Small item	Item	1.00		0.00	0.0%
	Toy Large item	Item	1.00		0.00	0.0%
	Toy Large/Very large item	Item	1.00		0.00	0.0%
Libraries - gallery fee	Libraries	fortnight	52.00		2.00	4.0%
Libraries - room hire	Hire of a library space	Per Hour	31.20		1.20	4.0%

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>PRIVATE SECTOR HOUSING</b>						
Licence for house in multiple occupancy	Band A Licence Fee (Accredited Landlord - proof required)	per application	717.60		27.60	4.0%
	Band B Licence Fee (Non accredited landlords)	per application	800.80		30.80	4.0%
	Charge per additional sleeping room over 5	per application	26.00		1.00	4.0%
	Band A Renewal Fee	per application	410.80		15.80	4.0%
	Band B Renewal Fee	per application	494.00		19.00	4.0%
Non Statutory Charge	Assistance with completing the on line HMO Licence application	Hourly	86.67	104.00	3.34	4.0%
Non Statutory Inspection Charge	Fee HMO inspection, report, drawing up plans and assisting with the completion of the licence application form	up to 6 hours	510.00	612.00	19.70	4.0%
Non Statutory Inspection Charge	Fee for non-statutory inspection to provide advice and a report. Charge for up to 2 hours and does not include drawing up plans or completing HMO licence application	up to 2 hours	169.83	203.80	6.50	4.0%
Administration Charges	Fee for bounced cheque, copy of notices, copy of HMO licence, landlord information pack , HMO licence register	per transaction	31.75	38.10	1.25	4.1%
Provision of Factual Statement	Factual Statement	per statement	350.42	420.50	13.52	4.0%
Non Statutory Inspection Charge	Inspection and schedule of works for empty homes	up to 4 hours	340.00	408.00	13.13	4.0%
<b>LICENSING</b>						
<b>PREMISES LICENCES</b>						
Gambling - Adult Gaming Centre Premises Licence	new application - 1st time of licencing	per licence	1,447.00		56.00	4.0%
	annual fee	per licence	1,000.00		0.00	0.0%
	variation	per licence	1,000.00		12.00	1.2%
	transfer	per licence	1,200.00		0.00	0.0%
	re-instatement	per licence	1,040.00		40.00	4.0%
	provisional statement	per statement	1,404.00		54.00	4.0%
	provisional statement - holder	per licence	1,040.00		40.00	4.0%
	copy of licence	per licence	23.00		1.00	4.5%
Gambling - Betting (Other) Premises licence	new	per licence	1,285.00		49.00	4.0%
	annual fee	per licence	514.00		20.00	4.0%
	variation	per licence	857.00		33.00	4.0%
	transfer	per licence	911.00		35.00	4.0%
	re-instatement	per licence	911.00		35.00	4.0%
	provisional statement	per statement	1,285.00		49.00	4.0%
	provisional statement - holder	per licence	857.00		33.00	4.0%
	copy of licence	per licence	25.00		3.00	13.6%
Gambling - Bingo Premises licence	new	per licence	2,379.00		92.00	4.0%
	annual fee	per licence	911.00		35.00	4.0%
	variation	per licence	1,178.00		45.00	4.0%
	transfer	per licence	1,200.00		0.00	0.0%
	re-instatement	per licence	1,200.00		0.00	0.0%
	provisional statement	per statement	2,472.00		95.00	4.0%
	provisional statement - holder	per licence	1,237.00		48.00	4.0%
	copy of licence	per licence	25.00		2.00	8.7%
Gambling - Casino Premises licence	new - 1st time licence	per licence	1,291.00		50.00	4.0%
	annual fee	per licence	1,574.00		61.00	4.0%
	variation	per licence	1,686.00		65.00	4.0%
	transfer	per licence	1,473.00		57.00	4.0%
	re-instatement	per licence	1,419.00		55.00	4.0%
	copy of licence	per licence	25.00		2.00	8.7%
	notification of change	per licence	25.00		2.00	8.7%

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %	
<b>LICENSING</b>							
Gambling - Family Entertainment Centre Premises Licence	new	per licence	1,910.00		73.20	4.0%	
	annual fee	per licence	750.00		0.00	0.0%	
	variation	per licence	956.00		37.00	4.0%	
	transfer	per licence	950.00		31.00	3.4%	
	re-instatement	per licence	950.00		31.00	3.4%	
	provisional statement	per statement	2,023.00		78.00	4.0%	
	provisional statement - holder	per licence	899.00		35.00	4.1%	
	copy of licence	per statement	25.00		2.00	8.7%	
	notification of change	per statement	25.00		2.00	8.7%	
Gambling - Track premises licence	new	per statement	1,911.00		74.00	4.0%	
	annual fee	per statement	1,000.00		0.00	0.0%	
	variation	per statement	956.00		37.00	4.0%	
	transfer	per licence	950.00		31.00	3.4%	
	re-instatement	per licence	950.00		31.00	3.4%	
	provisional statement	per statement	2,023.00		78.00	4.0%	
	provisional statement - holder	per licence	899.00		35.00	4.1%	
	copy of licence	per licence	25.00		2.00	8.7%	
	notification of change	per licence	25.00		2.00	8.7%	
Unlicensed Family Entertainment Centre	New	per permit	300.00		0.00	0.0%	
	Renewal	per permit	300.00		0.00	0.0%	
	Change of Name	per permit	25.00		0.00	0.0%	
	Copy of Permit	per permit	15.00		0.00	0.0%	
	Prize Gaming Permit	Permit	per permit	300.00		0.00	0.0%
		Renewal	per permit	300.00		0.00	0.0%
		Change of Name	per permit	25.00		0.00	0.0%
		Copy of Permit	per permit	15.00		0.00	0.0%
Sex Shop Licence	Grant/Renewal of Licence	per licence	1,180.00		45.00	4.0%	
Sex Entertainment Licence (SEV)	Grant of Licence	per licence	2,809.00		107.83	4.0%	
	Renewal of Licence	per licence	2,124.00		81.60	4.0%	
	Variation	per licence	1,103.00		42.46	4.0%	
	Transfer	per licence	135.00		5.00	3.8%	
Film Classification	Film Classification (local film festivals)	per 15 mins or part thereof (of the film)	16.00		1.00	6.7%	
Street Trading Outside Town Centre	OUT OF TOWN - Grant/ Renewal (Fast Food)	per stall/per application	2,421.00		0.00	0.0%	
	OUT OF TOWN - Grant/Renewal (sandwich/Ice-cream/retail food)	per stall/per application	901.00		0.00	0.0%	
	OUT OF TOWN - Grant/Renewal (Non Food)	per stall/per application	464.00		0.00	0.0%	
	OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up 3m (Trading dates listed on licence)	up to 3 x3 m single trader stall per day	129.00		0.00	0.0%	
	OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up 3m (Trading dates listed on licence)	up to 3 x3 m single trader stall per day	98.00		0.00	0.0%	
	OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up to 6 m (Trading dates listed on licence)	up to 6 x6 m single trader stall per day	206.00		0.00	0.0%	

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>LICENSING</b>						
Street Trading Outside Town Centre	OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up to 6 m (Trading dates listed on licence)	up to 6 x6 m single trader stall per day	144.00		0.00	0.0%
	OUT OF TOWN - Occasional (9-14 days per year) (Trading dates listed on licence)	Single trader	26.00		0.00	0.0%
	OUT OF TOWN - Occasional (15-45 days per year) (Trading dates listed on licence)	Single trader	15.00		0.00	0.0%
	OUT OF TOWN - Occasional (46-60 days per year) (Trading dates listed on licence)	Single trader	8.00		0.00	0.0%
Street Trading Town Centre	Town Centre - Grant/ Renewal (Broad Street)	per stall	6,129.00		0.00	0.0%
	Town Centre - Grant/ Renewal (Bridge Street)	per stall	6,129.00		0.00	0.0%
	Town Centre - Grant/ Renewal (Reading Station)	per stall	6,129.00		0.00	0.0%
TOWN CENTRE AD-HOC	Town Centre - Market not under charter 1-14 days per yr.	up to 3 x3 m single trader stall per day	13.00		1.00	8.3%
	Town Centre - Market not under charter 15-60 days per yr.	up to 3 x3 m single trader stall per day	4.00		0.00	0.0%
	Town Centre - Market not under charter 1-14 days per yr.	>over3x3m single trader stall per day	16.00		1.00	6.7%
	Town Centre - Market not under charter 15-60 days per yr.	>over3x3m single trader stall per day	6.00		0.00	0.0%
	All Street Traders - Variation	per stall	257.00		10.00	4.0%
	All Street Traders - Additional Street Trading Assistant	per assistant	16.00		1.00	6.7%
	All Street Traders - fee for paying by direct debit - no other instalment system allowed	per application	54.00		2.00	3.8%
Scrap Metal	Site Licence - new/renewal	per 3 year licence	911.00		35.00	4.0%
	Collectors Licence -new/renewal	per 3 year licence	600.00		23.00	4.0%
	Variation of Site Licence /Collectors Licence	per licence	270.00		10.00	3.8%
	Simple Variation (i.e.. admin changes) for site Licence or Collector	per licence	79.00		3.00	3.9%
	Replacement Licence or badge for collector	per licence	16.00		1.00	6.7%
Pavement Café	Town Centre/Out of Town - Initial Charge (up to Sept 2023)	per annum	100.00		0.00	0.0%
Caravan Site Licence	Grant	per site	743.00		29.00	4.1%
	Transfer	per site	341.00		13.00	4.0%
	Variation	per site	509.00		20.00	4.1%
	Annual Fee (less than 10 units)	per site	268.00		10.00	3.9%
	Annual fee (less than 30 units)	per site	300.00		12.00	4.2%
	Annual fee (more than 30 Units)	per site	331.00		13.00	4.1%
	copies of site licence	per site	16.00		1.00	6.7%
	Application to be included on the Fit & Proper Person Register	per site every 5 years	174.00		7.00	4.2%
Other Fees	Check & Submit Service	Each	107.00		4.00	3.9%
	Pre-application advice and site visit	Each	172.00		7.00	4.2%
	DBS Standard	per person	33.00		1.00	3.1%
	Door Safe log Book	per book	16.00		1.00	6.7%

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>LICENSING</b>						
<b>TRANSPORT LICENCES</b>						
Hackney Carriage	Hackney carriage Vehicle grant or renewal	per operator	400.00		0.00	0.0%
	3 Year Hackney carriage driver new/ renewal (not including disclosure fee)	per operator	328.00		0.00	0.0%
Private Hire Operators - 1 Year Grant	Each additional applicant	per operator	245.00		0.00	0.0%
	1 -3 Vehicles	per operator	806.00		0.00	0.0%
	4-10 Vehicles	per operator	1,292.00		0.00	0.0%
	11-40 Vehicles	per operator	2,572.00		0.00	0.0%
	41-100 Vehicles	per operator	4,314.00		0.00	0.0%
	101+ Vehicles	per operator	5,181.00		0.00	0.0%
	Private Hire Operators - 1 Year Renewal	Each additional applicant	per operator	185.00		0.00
1 -3 Vehicles		per operator	561.00		0.00	0.0%
4-10 Vehicles		per operator	892.00		0.00	0.0%
11-40 Vehicles		per operator	1,977.00		0.00	0.0%
41-100 Vehicles		per operator	3,583.00		0.00	0.0%
101+ Vehicles		per operator	4,333.00		0.00	0.0%
Private Hire Operators - 5 Year Grant	Each additional applicant	per operator	245.00		0.00	0.0%
	1 -3 Vehicles	per operator	2,125.00		0.00	0.0%
	4-10 Vehicles	per operator	3,150.00		0.00	0.0%
	11-40 Vehicles	per operator	8,020.00		0.00	0.0%
	41-100 Vehicles	per operator	15,241.00		0.00	0.0%
	101+ Vehicles	per operator	18,851.00		0.00	0.0%
Private Hire Operators - 5 Year Renewal	Each additional applicant	per operator	185.00		0.00	0.0%
	1 -3 Vehicles	per operator	2,065.00		0.00	0.0%
	4-10 Vehicles	per operator	3,092.00		0.00	0.0%
	11-40 Vehicles	per operator	7,917.00		0.00	0.0%
	41-100 Vehicles	per operator	15,191.00		0.00	0.0%
	101+ Vehicles	per operator	18,730.00		0.00	0.0%
Private Hire Vehicle and Driver	Private Hire Vehicle grant or renewal	per application	315.00		0.00	0.0%
	Executive vehicle grant or renewal	per application	352.00		0.00	0.0%
	3 Year driver new/renewal (not including disclosure fee)	per application	319.00		0.00	0.0%



Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>TRANSPORT LICENCES</b>						
School Transport	School Transport vehicle (Class IV) vehicle	per application	100.00		0.00	0.0%
	3 year ST driver grant/renewal (not incl disclosure fee)	per application	240.00		0.00	0.0%
School Transport - 1 Year Grant	Each additional applicant	per operator	245.00		0.00	0.0%
	1 -3 Vehicles	per operator	445.00		0.00	0.0%
	4-10 Vehicles	per operator	836.00		0.00	0.0%
	11-40 Vehicles	per operator	1,727.00		0.00	0.0%
	41-100 Vehicles	per operator	2,251.00		0.00	0.0%
	101+ Vehicles	per operator	3,141.00		0.00	0.0%
	School Transport - 1 Year Renewal	Each additional applicant	per operator	145.00		0.00
School Transport - 1 Year Renewal	1 -3 Vehicles	per operator	345.00		0.00	0.0%
	4-10 Vehicles	per operator	570.00		0.00	0.0%
	11-40 Vehicles	per operator	1,132.00		0.00	0.0%
	41-100 Vehicles	per operator	1,513.00		0.00	0.0%
	101+ Vehicles	per operator	2,290.00		0.00	0.0%
	School Transport - 5 Year Grant	Each additional applicant	per operator	245.00		0.00
School Transport - 5 Year Grant	1 -3 Vehicles	per operator	1,245.00		0.00	0.0%
	4-10 Vehicles	per operator	2,324.00		0.00	0.0%
	11-40 Vehicles	per operator	4,955.00		0.00	0.0%
	41-100 Vehicles	per operator	6,763.00		0.00	0.0%
	101+ Vehicles	per operator	10,351.00		0.00	0.0%
	School Transport - 5 Year Renewal	Each additional applicant	per operator	145.00		0.00
School Transport - 5 Year Renewal	1 -3 Vehicles	per operator	1,145.00		0.00	0.0%
	4-10 Vehicles	per operator	2,058.00		0.00	0.0%
	11-40 Vehicles	per operator	4,620.00		0.00	0.0%
	41-100 Vehicles	per operator	6,333.00		0.00	0.0%
	101+ Vehicles	per operator	9,890.00		0.00	0.0%
	Other Charges - Vehicle	Vehicle Transfer of ownership -(admin only + issue licence)	per application	50.00		2.00
Replace vehicle plate (4 new tags+plate+30 mins)		per vehicle	60.00		2.00	3.4%
temporary replacement Hackney Carriage or Private Hire Vehicle Plate		per application	49.00		2.00	4.3%
HC Taxi livery design + 1 vehicle		per application	141.00		5.00	3.7%
HC Livery - Additional vehicle check		per vehicle	40.00		2.00	5.3%
HC Taxi livery renewal +1 vehicle		per application	93.00		4.00	4.5%
<3 YEAR COMPLIANCE TEST - PH, EXEC, HC OR ST		per application	36.00		1.00	2.9%
AGED VEHICLE CHECK - PH, ST or Executive Vehicles over age 10 years +		per vehicle	36.00		1.00	2.9%
ULEV VEHICLE		per vehicle	25% of Standard fee for a HC, PH, EXEC, ST vehicle as appropriate			
100% ELECTRIC VEHICLE		per vehicle	50% of Standard fee for a HC, PH, EXEC, ST vehicle as appropriate			

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>TRANSPORT LICENCES</b>						
Other Charges - Driver	Driver knowledge test	per driver	45.00		2.00	4.7%
	Rescheduled new driver interview/ (no shows)	per driver	16.00		1.00	6.7%
	Change of Application HC to PH or PH to HC	per application	34.00		1.00	3.0%
	Replacement badge or licence (incl change of address)	per driver	16.00		1.00	6.7%
	Basic DBS (PHO, STO)	per applicant	36.00		1.60	4.7%
	DBS Enhanced (HC, PH, ST driver)	per driver	54.00		1.60	3.1%
	Driver - Visa Expiry (2 Badges, 1 cert+admin fee)	per driver	80.00		3.00	3.9%
Other Charges - Operator	Operator logbook	Per logbook	4.00		0.50	14.3%
	Admin charge + copy of the licence	per operator	50.00		2.00	4.2%
	Copy of the licence	Per Operator	16.00		1.00	6.7%
Other Charges - General	Bounced Cheque	Each	34.00		1.00	3.0%
	Admin Charge	Each	34.00		1.00	3.0%
	Factual Statement	Each	146.00		6.00	4.3%
	Check and submit taxi application form	Each	102.00		4.00	4.1%
<b>FOOD &amp; SAFETY</b>						
Courses	Level 2 Food Safety & Hygiene Course (One day)	per candidate	81.00		3.00	3.8%
	Level 2 Food Safety in Catering Exam- re-sit fee	per candidate	46.00		2.00	4.5%
	Level 2 Food Safety - replacement certificate	Each	94.00		4.00	4.4%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	900.00		35.00	4.0%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	1,167.00		45.00	4.0%
	Additional candidates for level 2 Course on clients premises	Each	89.00		3.00	3.5%
	Level 3 Supervising food hygiene & safety (min 6 candidates)	Each	362.00		14.00	4.0%
	Level 3 Supervising food hygiene & safety (2 or more candidates)	Each	328.00		13.00	4.1%
	Level 3 Supervising food hygiene & safety (up to 10 candidates)	Each	2,880.00		111.00	4.0%
	Preparation & delivery of bespoke Training	Each	165.00		6.00	3.8%
Food Hygiene Visits	Fee for missed Food Hygiene premises inspection visit where appointment made	Each	41.67	50.00	1.67	4.2%
	Food Hygiene Rating Scheme re-inspection	Each	218.33	262.00	8.33	4.0%
Food Hygiene Miscellaneous	Fishery Product Inspections per tonne (set by statute) - 1 Euro/ £0.90	Each			0.00	0.0%
	Approved Cold Store inspection per hour per Officer	Each	85.00		3.00	3.7%
	Export Health Certificate/Endorsement + additional fee based on hourly rate for food inspection	Each	180.00		7.00	4.0%
	Condemned Food Certificate	Each	155.00		6.00	4.0%
	Administration Fee/Cancellation Fee	Each	37.00		1.00	2.8%
	Factual Statement to solicitors & others	Each	176.00		7.00	4.1%
	Additional documents	Each	115.00		4.00	3.6%

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>FOOD &amp; SAFETY</b>						
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	292.00		11.00	3.9%
	Single treatment Operator (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	per operator - One Off payment	51.00		2.00	4.1%
	Special Treatment Operator/premises Replacement Certificate (no changes)	per certificate	35.00		1.00	2.9%
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	231.00	276.60	9.00	4.1%
<b>PRIMARY AUTHORITY AND BUSINESS ADVICE</b>						
Primary Authority Business Advice	Commercial property search		81.00		3.00	3.8%
	Mini Primary Authority fee / minimum annual PA fee	less than 7 hours advice per year	627.00		24.00	4.0%
	Medi Primary Authority Fee	less than 25 hours advice per year	2,128.00		82.00	4.0%
	Pay as You Go standing charge (PAYG)	per profession	1,745.00		67.00	4.0%
	Primary Authority Advice (Admin Officer)	per hour	70.00		3.00	4.5%
	Primary Authority Partnership advice (EHO, TSO, Lice Officer)	per hour	85.00		3.00	3.7%
	Primary Authority Set up fee	per business	294.00		11.00	3.9%
Business Advice - Regulation Services	Start Up advisory /Reg Services Health Check (Option 2)	per premises	171.00		7.00	4.3%
	Bespoke Service (Option 3) then hourly rate	per business	894.00		34.00	4.0%
Business Advice	Outside a Primary Authority Partnership	per hour	85.00		3.00	3.7%



Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) % %
<b>TRADING STANDARDS &amp; Coroners</b>						
Petroleum Spirits (set by statute)	Up to 2500 litres	per licence	47.00		2.00	4.4%
	2500-50,000 litres	per licence	63.00		2.00	3.3%
	Over 50,000 litres	per licence	133.00		5.00	3.9%
	Transfer of Licence	per licence	8.00		0.00	0.0%
	Petroleum Search	per search	77.00		3.00	4.1%
Weights and Measures Verification Fees	Technical Officer Hourly Rate	Per Hour	41.00		2.00	5.1%
	Weights and Measures Inspector Hourly Rate	Per Hour	67.00		3.00	4.7%
Explosives (Set by statute)	Licence to store explosives no min separation				0.00	0.0%
	1 year	per Licence	115.00		4.00	3.6%
	2 year	per Licence	150.00		6.00	4.2%
	3 Year	per Licence	184.00		7.00	4.0%
	4 Year	per Licence	219.00		8.00	3.8%
	5 Year	per Licence	253.00		10.00	4.1%
	Renewal to store explosives no minimum separation				0.00	0.0%
	1 Year	per Licence	57.00		2.00	3.6%
	2 Year	per Licence	92.00		4.00	4.5%
	3 Year	per Licence	128.00		5.00	4.1%
	4 Year	per Licence	161.00		6.00	3.9%
	5 Year	per Licence	197.00		8.00	4.2%
	Variation/Transfer/Replacement	per Licence	38.00		1.00	2.7%
	Year round to sell fireworks	per Licence	520.00		20.00	4.0%
Courses British Institute of Inn keeping Awarding Body Courses		per person	82.00		3.00	3.8%
Coroner (Set by Statute)	Paper copy of document under 10 pages	First 10	5.20		0.20	4.0%
	Additional pages	Each	0.50		0.00	0.0%
	Document other than email or paper	Each	5.20		0.20	4.0%
	Inquest transcript of not more than 360 words	Each	6.40		0.20	3.2%
	for a copy of 361 to 1440 words	Each	13.60		0.50	3.8%
	for a of the first 1440 of a document exceeding 1440 words	Each	13.60		0.50	3.8%
	for each 72 words after the first 1440 words or part thereof	Each	0.70		0.00	0.0%

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>ENVIRONMENTAL PROTECTION</b>						
Environmental Protection & Nuisance Team	Contaminated Land/Environmental Information Request (Residents)	per hour	48.33	58.00	2.16	4.7%
	Contaminated Land/Environmental Information Request (Commercial)	per hour	69.17	83.00	2.67	4.0%
	Sound check consultancy	per hour	69.17	83.00	2.67	4.0%
	Officer charge	per hour	69.17	83.00	2.67	4.0%
Dog Warden	Statutory Stray Fee	Each	25.00		0.00	0.0%
	Dog picked up but not kenneled	Each	69.17	83.00	2.67	4.0%
	Dog picked up taken to kennels and returned to owner (new fee)	Each	141.67	170.00	5.67	4.2%
	Daily Kennel charge	Each	27.00		2.00	8.0%
	Animal Warden Initial Response fee	per call out	115.00		4.00	3.6%
	Animal Warden Hourly rate	hourly	69.00		2.30	3.4%
	Veterinary fees will be charged on a cost basis	Fee	At cost			
Animal Establishments	Kennels & Catteries (exclusive of vets' fees) - New	Per Licence	678.00		26.00	4.0%
	Kennels & Catteries (exclusive of vets' fees) - Renewal	Per Licence	598.00		23.00	4.0%
	Pet Shop small annual licence (exclusive of vets' fees) New	Per Licence	496.00		19.00	4.0%
	Pet Shop small annual licence (exclusive of vets' fees) Renewal	Per Licence	385.00		15.00	4.1%
	Pet Shop large (exclusive of vets' fees) - more than 75m2 New	Per Licence	678.00		26.00	4.0%
	Pet Shop large (exclusive of vets' fees) - more than 75m3 Renewal	Per Licence	598.00		23.00	4.0%
	Pet shop/boarding/breeding licence amendment	Per Licence	104.00		4.25	4.3%
	small home boarder 1-6 dogs (annual fee) New	Per Licence	458.00		18.00	4.1%
	small home boarder 1-6 dogs (annual fee) Renewal	Per Licence	334.00		13.00	4.0%
	larger home boarder 7 + Dogs (annual fee) New	Per Licence	496.00		19.00	4.0%
	larger home boarder 7 + Dogs (annual fee) Renewal	Per Licence	385.00		15.00	4.1%
	Animal Breeding Establishments (exclusive of vets' fees) New	Per Licence	496.00		19.00	4.0%
	Animal Breeding Establishments (exclusive of vets' fees) Renewal	Per Licence	385.00		15.00	4.1%
	Horse Riding Establishment Licence - New	Per Licence	678.00		26.00	4.0%
	Horse Riding Establishment Licence - Renewal	Per Licence	598.00		23.00	4.0%
	Keeping or training animals for exhibition ( 3 year Licence)	Per Licence	678.00		26.00	4.0%
	Dangerous Wild Animals Licence or Zoo Licence	Per Licence	Price on Application			

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %	
<b>LOCAL AIR POLLUTION PREVENTION AND CONTROL (LAPPC)</b>							
Annual Subsistence Charge	Standard process Low	per Licence	772.00		0.00	0.0%	
	Standard process Medium	per Licence	1,161.00		0.00	0.0%	
	Standard process High	per Licence	1,747.00		0.00	0.0%	
	Permit for Vapour Recovery Part I and Dry Cleaners L	per Licence	79.00		0.00	0.0%	
	Permit for Vapour Recovery Part I and Dry Cleaners M	per Licence	158.00		0.00	0.0%	
	Permit for Vapour Recovery Part I and Dry Cleaners H	per Licence	237.00		0.00	0.0%	
	Permit for Vapour Recovery Part I & II combined L	per Licence	113.00		0.00	0.0%	
	Permit for Vapour Recovery Part I & II combined M	per Licence	226.00		0.00	0.0%	
	Permit for Vapour Recovery Part I & II combined H	per Licence	341.00		0.00	0.0%	
	Vapour Recovery and other Reduced Fees L	per Licence	228.00		0.00	0.0%	
	Vapour Recovery and other Reduced Fees M	per Licence	365.00		0.00	0.0%	
	Vapour Recovery and other Reduced Fees H	per Licence	548.00		0.00	0.0%	
	<b>PLANNING</b>						
<b>PLANNING - PRE APPLICATION FEES</b>							
Level 1	Householders advice on house extensions	Each	166.67	200.00	6.67	4.2%	
	Follow up Meetings	Each	96.67	116.00	3.67	3.9%	
	Small business and developers: advice on building works and change of use where the floor area involved is up to 200sqm.	Each	166.67	200.00	6.67	4.2%	
	Follow up Meetings	Each	95.83	115.00	2.83	3.0%	
	Proposals for local community uses - (Free of charge for up to 200sqm)	Each	154.17	185.00	5.57	3.7%	
	Follow up Meetings	Each	95.83	115.00	2.83	3.0%	
	Advertisements	Each	260.00	312.00	10.00	4.0%	
	Follow up Meetings	Each	95.83	115.00	2.83	3.0%	
	Telecommunication installations	Each	160.83	193.00	5.83	3.8%	
	Follow up Meetings	Each	95.83	115.00	2.83	3.0%	
	Listed Building consent /conservation area consent.	Each	154.17	185.00	5.57	3.7%	
	Follow up Meetings	Each	95.83	115.00	2.83	3.0%	
	Trees and Landscaping	Each	154.17	185.00	5.57	3.7%	
	Follow up Meetings	Each	95.83	115.00	2.83	3.0%	
	Works to trees covered by tree preservation orders.	Each	154.17	185.00	5.57	3.7%	
	Follow up Meetings	Each	95.83	115.00	2.83	3.0%	
Level 2	201 - 499sqm	Each	385.00	462.00	15.00	4.1%	
	500 - 1000sqm	Each	717.50	861.00	27.50	4.0%	
	Business, commercial or other development of 201 sqm to 1000 or up to 19 dwellings.	1 - 3 dwellings	Each	385.00	462.00	15.00	4.1%
		4 - 9 dwellings	Each	717.50	861.00	27.50	4.0%
		10 - 15 dwellings	Each	894.17	1,073.00	34.17	4.0%
		15 - 19 dwellings	Each	1,195.83	1,435.00	45.83	4.0%
		One Meeting included in above fee, additional Meetings charged by hour.	Each	122.50	147.00	4.50	3.8%
Level 3	Pre-application fee	Each	3,120.00	3,744.00	120.00	4.0%	
Development > 1,001 sqm or 20+ dwellings or other proposals	Additional Meetings and advice thereafter by negotiation.	Each	By Negotiation				
Responses to Enquiries Involving Research	e.g. enquiries about legal status of land or property, enforcement notices, planning history, etc., by negotiation based on an estimate of the time needed.	Each	By Negotiation				

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>PLANNING ADMINISTRATION CHARGES</b>						
Planning History Search	Where more complicated or several addresses	per application	31.00		1.40	4.7%
Copies of Section 106 Agreements	per agreement	per application	31.00		1.40	4.7%
Copies of Planning Decision Notices	A list given of decision notices required	per application	15.00		0.80	5.6%
	One decision notice from Microfiche slide	per application	15.00		0.80	5.6%
	One decision notice from Microfiche slide plus plans (all on One slide)	per application	31.00		1.40	4.7%
	Scanning more than One slide	per application	31.00		1.40	4.7%
	Plans and documents for an application that need redacting	per application	15.00		0.80	5.6%
Enquiries for evidence that conditions have been discharged (statutory Fee)	Householders	per application	34.00		-1.70	-4.8%
	All others	per application	116.00		-5.70	-4.7%
S106 and Community Infrastructure Levy obligation enquiries		per application	31.00		1.40	4.7%
Returning Invalid	Refunds processed and advice given	per application	0.10		0.00	0.0%
Tree Preservation Order Documents		per application	31.00		1.40	4.7%
<b>PUBLIC CONVENIENCES</b>						
	charge for entry to automated toilets	Each	0.00		0.00	0.0%
<b>COMMUNITY SAFETY</b>						
Town Safe Radio Membership daytime		Annual membership	450.00	540.00	0.00	0.0%
Town Safe Associate member		Annual membership	225.00	270.00	0.00	0.0%
Town Safe External member		Annual membership	250.00	300.00	0.00	0.0%
Town Safe Night-time full membership		Annual membership	400.00	480.00	0.00	0.0%
Internal partners		Annual membership	250.00		0.00	0.0%

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %	
<b>Leisure</b>							
Cricket - Weekend	Adult One Off Game	Session	147.50	177.00	5.75	4.1%	
	Adult Block 10+ Games	Session	125.58	150.70	4.83	4.0%	
	Junior One Off Game	Session	73.75	88.50	2.88	4.1%	
	Junior Block 10+ Games	Session	63.67	76.40	2.42	4.0%	
	Tennis (Artificial-turf)	Adult Standard	Session	8.33	10.00	0.41	5.2%
		Adult Your Reading Passport Concession	Session	0.00	0.00	0.00	
		Junior Standard	Session	4.17	5.00	0.25	6.4%
		Junior Your Reading Passport Concession	Session	0.00	0.00	0.00	
	Bowls	Adult Standard	Session	4.25	5.10	0.17	4.1%
		Junior Standard	Session	2.08	2.50	0.04	1.9%
		Hire of woods and mats	Session	3.42	4.10	0.17	5.2%
	Football	Adult One Off Game Standard	Match	110.08	132.10	4.25	4.0%
		Adult Block 10+ Games Standard	Match	94.17	113.00	3.59	4.0%
Adult Block 5+ Teams Standard		Match	84.17	101.00	3.21	4.0%	
Senior League discounts		Match	22.75	27.30	0.87	4.0%	
Senior League discounts		Match	17.17	20.60	0.63	3.8%	
Senior League discounts		Match	11.50	13.80	0.46	4.2%	
Junior One Off Game Standard		Match	60.08	72.10	2.33	4.0%	
Junior Block 10+ Games Standard		Match	43.67	52.40	1.67	4.0%	
Junior Block 5+ Teams standard		Match	38.33	46.00	1.58	4.3%	
Mini Soccer per Game		Match	18.17	21.80	0.67	3.8%	
Mini Soccer 10+ Games		Match	15.50	18.60	0.62	4.2%	
Mini Soccer 5+ Teams		Match	13.67	16.40	0.50	3.8%	
Australian Rules & Gaelic		One Off	Match	100.08	120.10	3.83	4.0%
		Block 10+ Games	Match	82.83	99.40	3.20	4.0%
5-a-side football	Adult Peak - single	Per Hour	51.00	61.20	2.00	4.1%	
	Adult Peak - Block	Per Hour	42.33	50.80	1.62	4.0%	
	Junior Peak - single	Per Hour	26.42	31.70	1.05	4.1%	
	Junior Peak - Block	Per Hour	22.33	26.80	0.87	4.1%	
<b>MUSEUM</b>							
School Sessions	(Session, loan, membership, talk etc.)	per event	159.00		4.00	2.6%	
School session (virtual)		per event	80.00		0.00	0.0%	
Welcome and wow talks (schools)	(Session, loan, membership, talk etc.)	per event	45.00		5.00	12.5%	
Membership 1 box per half term		membership	105.00		5.00	5.0%	
Membership 5 boxes RBC non academy		membership	310.00		10.00	3.3%	
Membership 3 boxes RBC non academy		membership	235.00		10.00	4.4%	
Membership 5 boxes academy schools		membership	315.00		15.00	5.0%	
Membership 3 boxes RBC academy		membership	235.00		10.00	4.4%	
Membership 5 boxes non RBC schools		membership	315.00		15.00	5.0%	
Membership 3 boxes non rbc schools		membership	235.00		10.00	4.4%	
Individual box loan		per box	45.00		0.00	0.0%	
Reminiscence		membership	95.00		0.00	0.0%	
Museum introduction (adult) (Welcome and Wow)		per occasion	50.00		0.00	0.0%	
Talks - Booked privately		per talk	85.00		5.00	6.3%	
Long talks - booked privately		per talk	155.00		5.00	3.3%	
photography/filming		per image/hour	From £18.50				
Archaeology		per deposit	From £130	From £156	5.00	4.0%	
Corporate loans		membership	1,000.00	1,200.00	0.00	0.0%	
Family activities		per event	From £2.50		0.00	0.0%	
Talks - Public		per event	From £5.50		0.00	0.0%	

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>BERKSHIRE ARCHEOLOGY</b>						
Charges for provision of Historic Environment Record data to commercial users	Berkshire Archaeology, DENS	Per Hour	52.00	62.40	2.00	4.0%
<b>ARTS VENUES</b>						
Reading Arts - Membership scheme for The Hexagon - Silver Membership	Charged at the discretion of customers, and along the booking pathway.	Per Transaction	29.17	35.00	0.00	0.0%
Reading Arts - Membership scheme for The Hexagon - Gold Membership	Charged at the discretion of customers, and along the booking pathway. Price corrected to current rate charged	Per Transaction	37.50	45.00	6.83	22.3%
Reading Arts - per transaction postage fee for ticket bookings	Across all price points for tickets available from Reading Arts and Venues	Per Transaction	1.75	2.10	0.00	0.0%
<b>BUSINESS DEVELOPMENT</b>						
Lamp Column Banner Advertising (Broad Street West)	Single (3 months)	each	750.00	900.00	0.00	0.0%
	Renewal (additional 3 months)	each	650.00	780.00	0.00	0.0%
	Pair (3 Months)	each	1,300.00	1,560.00	0.00	0.0%
	Renewal (additional 3 months)	each	1,000.00	1,200.00	0.00	0.0%
	Single (6 months)	each	1,300.00	1,560.00	0.00	0.0%
	Renewal (additional 6 months)	each	1,000.00	1,200.00	0.00	0.0%
	Pair (6 months)	each	2,300.00	2,760.00	0.00	0.0%
	Renewal (additional 6 months)	each	2,000.00	2,400.00	0.00	0.0%
Roundabout Advertising	Imperial Way - A33	each	6,000.00	7,200.00	0.00	0.0%
	Castle Street - IDR	each	6,000.00	7,200.00	0.00	0.0%
	Caversham Road - Richfield Ave	each	5,200.00	6,240.00	0.00	0.0%
	Chatham Street - IDR	each	8,000.00	9,600.00	0.00	0.0%
	Forbury Reservation	each	2,000.00	2,400.00	0.00	0.0%
	Forbury / Kenavon Drive	each	4,500.00	5,400.00	0.00	0.0%
	Hartland / Northumberland	each	4,000.00	4,800.00	0.00	0.0%
	Honiton / Northumberland	each	2,000.00	2,400.00	0.00	0.0%
	Norcot / Oxford Road	each	8,000.00	9,600.00	0.00	0.0%
	Liebenrood / Tilehurst Rd	each	3,600.00	4,320.00	0.00	0.0%
	Queens Road reservation	each	2,000.00	2,400.00	0.00	0.0%
	Vastern / Caversham road	each	3,600.00	4,320.00	0.00	0.0%
	Vastern / Forbury Road	each	4,500.00	5,400.00	0.00	0.0%
	Vastern / George Street	each	8,000.00	9,600.00	0.00	0.0%
	Whitley / Christchurch	each	4,000.00	4,800.00	0.00	0.0%
	Whitley Wood Lane/Road	each	4,000.00	4,800.00	0.00	0.0%
	Circuit / Southcote Lane	each	2,000.00	2,400.00	0.00	0.0%
	Southcote Lane / Virginia Way	each	3,000.00	3,600.00	0.00	0.0%
Gillette Way / Rosekiln	each	4,000.00	4,800.00	0.00	0.0%	
Discretionary discount <25%			0.00	0.00		
Welcome to Reading Signage	Single 12 months	each	1,200.00	1,440.00	0.00	0.0%
	Single 6 months	each	800.00	960.00	0.00	0.0%
	All 6 months	each	3,600.00	4,320.00	0.00	0.0%
	All 12 months	each	6,000.00	7,200.00	0.00	0.0%



Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>TOWN HALL</b>						
Concert Hall Room Hire	Room Hire	Day From	£2511.60	3,014.00	£96.60	4.0%
Concert Hall plus Tech package	Room Hire & Equipment	Day From	3,887.50	4,665.00	149.50	4.0%
Victoria Hall Room Hire	Room Hire	Half Day/Day From	575.00	688.00	£23.45	4.5%
Waterhouse Chamber Hire	Room Hire	Half Day/Day From	240.25	288.30	9.25	4.0%
Soane Space	Room Hire	Half Day/Day From	207.50	249.00	8.00	4.0%
Jane Austen/Oscar Wilde	Room Hire	Half Day/Day From	101.08	121.30	3.91	4.0%
Marcus Adams	Room Hire	Day From	95.58	114.70	3.66	4.0%
Concert Hall Daily Delegate Rate	Catering & room Hire	Day From	51.92	62.30	2.00	4.0%
Victoria Hall Daily Delegate Rate	Catering & room Hire	Half Day/Day	28.42	34.10	1.09	4.0%
Waterhouse Daily Delegate Rate	Catering & room Hire	Half Day/Day	33.92	40.70	1.34	4.1%
Jane Austen/Oscar Wilde Daily Delegate Rate	Catering & room Hire	Half Day/Day	33.92	40.70	1.34	4.1%
Soane Space Daily Delegate Rate	Catering & room Hire	Half	27.33	32.80	1.08	4.1%
Lectern PA Hire	Equipment	Day	98.33	118.00	3.83	4.1%
PA Hire	Equipment	Day	81.92	98.30	3.17	4.0%
Microphone Hire	Equipment	Day	73.75	88.50	2.83	4.0%
Tech time	Equipment	Per hour	35.50	42.60	1.33	3.9%
Monitor Hire	Equipment	Day	49.17	59.00	1.92	4.1%
Additional Projector Screen	Equipment	Day	21.83	26.20	0.83	4.0%
LCD Projector	Equipment	Day	68.33	82.00	2.66	4.1%
Laptop Hire	Equipment	Day	68.33	82.00	2.66	4.1%
Piano Hire	Equipment	Day	109.17	131.00	4.17	4.0%
Piano Tuned	Equipment	Day	120.08	144.10	4.58	4.0%
Lectern Hire	Equipment	Day	19.17	23.00	0.75	4.1%
Flip Chart	Equipment	Each	19.17	23.00	0.75	4.1%
Speaker phone	Equipment	Day	38.33	46.00	1.58	4.3%
Display Board	Equipment	Day	38.33	46.00	1.58	4.3%
Dance Floor	Equipment	Day	109.17	131.00	4.17	4.0%
Pads & Pens	Equipment	Per person	4.33	5.20	0.16	3.9%
Photocopies	Equipment	Each	0.17	0.20	0.00	2.0%
Late Bar	Equipment	Event	163.83	196.60	6.33	4.0%
Serving Staff	Equipment	Per hour	21.83	26.20	0.83	4.0%
Security Staff	Equipment	Per hour	24.58	29.50	0.91	3.9%
DJ	Equipment	Per event	491.42	589.70	18.92	4.0%
Stage - Victoria Hall	Equipment	Day	95.58	114.70	3.66	4.0%

Proposed Fees and Charges from 1st April 2023 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	New Fee from April 2023 £	Fee including VAT £	Increase/ (decrease) Excl. VAT £	Increase/ (decrease) %
<b>BERKSHIRE RECORD OFFICE</b>						
Copy certificates (baptism, burial, pre 1837 marriage)		Each	13.33	16.00	1.66	14.2%
Copy certificates (post 1837 marriage)		Each	9.17	11.00	0.00	0.0%
Reprographics		Each	1.67	2.00	0.00	0.0%
Self Service Photos		Each	0.83	1.00	0.00	0.0%
Self-Service Printouts		Each	0.83	1.00	0.00	0.0%
Digital Photos		Each	8.33	10.00	0.00	0.0%
Restoration Service		Half Hour	16.25	19.50	2.92	21.9%
Research		Half Hour	16.25	19.50	2.92	21.9%
<b>MODERN RECORDS</b>						
Records Storage	Storage of records by box	Per Box	9.00	10.80	0.00	0.0%
<b>PLAY SERVICES</b>						
School Support	1:1 Support Session	Per hour	35.50		1.40	4.1%
	Lunchtime Support Session	Per hour	27.30		1.05	4.0%
	STEPS - Travel Project	Per hour	59.00		2.30	4.1%
Hire	Equipment Hire - Large	per Session	120.10		4.60	4.0%
	Equipment Hire - Medium	per Session	94.00		3.70	4.1%
	Equipment Hire - Small	per Session	59.00		2.30	4.1%
Staff Support	0-5 Staff Support	Per hour	18.60		0.75	4.2%
Events	Play in the Park	per Session	4.40		0.20	4.8%
	Mini Kickers	Per hour	2.70		0.10	3.8%
	Walking Football	Per hour	5.00		0.30	6.4%
	Holiday Events	per Session	7.60		0.25	3.4%
Discretionary	Archery for over 50's	per Session	8.70		0.30	3.6%
	Bespoke Play education Attainment	Per session	36.40		1.40	4.0%
	Team building	per Session	76.40		2.90	3.9%
Holiday Clubs Age range 4- 12	8:30am to 1pm	per Session	10.92	13.10	0.42	4.0%
	1pm to 5:30pm	per Session	10.92	13.10	0.42	4.0%
	9am to 3:30pm	per Session	17.33	20.80	0.66	4.0%
	8:30am to 5:30pm	per Session	23.42	28.10	0.92	4.1%
After School Club	Regular Session (single)	per child	10.92	13.10	0.42	4.0%
	Regular Session (siblings)	per child	9.83	11.80	0.37	3.9%
	Short Session (single)	per child	8.17	9.80	0.30	3.7%
	Short Session (siblings)	per child	7.33	8.80	0.25	3.5%
Prospect Activity	Low Ropes	Per person	3.92	4.70	0.17	4.5%
Prospect Activity	Golf Course	Per Person	3.92	4.70	0.17	4.5%



Proposed Fees and Charges from 1st April 2023 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2023	Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
			£	£	£	%
<b>BEREAVEMENT SERVICES</b>						
<b>Reading Crematorium</b>						
Cremation Fee Cremation of the remains of:	Stillborn child or child under 18 years of age (includes use of chapel, strewing of any cremated remains or the provision of a container and medical referees fee)	Each	0.00		0.00	0.00%
	A person aged 18 years and over (includes strewing of cremated remains or the provision of a container and medical referee's fee). Including Environmental Levy 30min service, 45 min time slot	Each	995.00		128.00	14.76%
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	710.00		52.00	7.90%
	Cremation Fee without service including environmental levy (DIRECT Crem)	Each	315.00		0.00	0.00%
	Memorial service or service of double length in addition to usual cremation or interment fee	Each	565.00		132.00	30.48%
	Witness Direct Cremation	Each	455.00		20.00	4.60%
	Saturday Surcharge	Each	0.00		-440.00	-100.00%
	Sunday/ Bank Holiday Surcharge	Each	635.00		0.00	0.00%
	Public Health Cremation Fee including environmental levy	Each	650.00		40.00	6.56%
					0.00	0.00%
<b>BEREAVEMENT SERVICES</b>						
<b>Reading Crematorium</b>						
Strewing of cremated remains	Remains received from another Crematorium	Each	100.00		2.50	2.56%
	Retention of remains on temporary deposit per month after the first month for a maximum of three months	Each	88.00		0.00	0.00%
	To witness the strewing of remains	Each	0.00		-46.00	-100.00%
	Unwitnessed strewing of remains	Each	0.00		-46.00	-100.00%
Certified extract from register		Each	40.00		0.00	0.00%
Book of remembrance	Two-line entry	Each	86.00	103.20	16.83	24.34%
	Five-line entry	Each	138.00	165.60	23.00	20.00%
	Five-line entry with illuminated capital	Each	209.00	250.80	34.83	20.00%
	Five-line entry with floral motif, service badge etc.	Each	235.00	282.00	39.17	20.00%
	Eight-line entry	Each	187.00	224.40	31.17	20.00%
	Eight-line entry with illuminated capital	Each	262.00	314.40	43.67	20.00%
	Eight-line entry with floral motif, service badge etc.	Each	338.00	405.60	56.33	20.00%
	Full coat of arms 5-8 lines	Each	431.00	517.20	71.83	20.00%
	Extra Lines up to a maximum of 11	Each	33.00	39.60	7.38	28.78%
Remembrance card	Copy of a two-line entry	Each	51.00	61.20	8.92	21.19%
	Copy of a five-line entry	Each	86.00	103.20	15.00	21.13%
	Copy of a five-line entry with any type of motif	Each	167.00	200.40	28.25	20.36%
	Copy of an eight-line entry	Each	120.00	144.00	20.58	20.70%
	Copy of an eight-line entry with any type of motif	Each	186.00	223.20	31.21	20.16%
Memorial vase and tablet	Purchase of vase and tablet	Each	237.50	285.00	2.92	1.24%
	Renewal for period of 10 years	Each	305.00		0.00	0.00%
Memorial plaques	Replacement single plaque	Each	98.33	118.00	4.58	4.89%
	Replacement single plaque with motif	Each	118.33	142.00	5.41	4.79%
	Lease of single plaque space for 10 years *Fees are doubled in the case of a 12" x 4" double plaque	Each	200.00		0.00	0.00%
	Renewal of lease for baby plaque	Each	24.00		0.00	0.00%
	Photo Cameo on Plaque additional cost (added to normal plaque cost)	Each	95.83	115.00	4.16	4.54%

Proposed Fees and Charges from 1st April 2023 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2023	Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
			£	£	£	%
<b>BEREAVEMENT SERVICES</b>						
<b>Reading Crematorium</b>						
Hall of Memory Tree Leaf	Lease for 5 years renewal	Each	74.00		0.50	0.68%
	Replacement leaf	Each	63.33	76.00	0.00	-0.01%
Memorial Tree	Provision of Tree, Surround and stem plaque	Each	437.50	525.00	0.00	0.00%
	Lease for 10 years	Each	635.00		2.00	0.32%
Memorial bench	Replacement Bench	Each	640.00	768.00	1.25	0.20%
	Lease for a 10 years	Each	714.00		0.00	0.00%
	Replacement plaque for tree or bench	Each	150.00	180.00	7.50	5.26%
Wall Plaque	Purchase of memorial granite wall plaque	Each	158.33	190.00	2.50	1.60%
	Lease of space for memorial granite wall plaque	Each	305.00		0.00	0.00%
Relocating plaque	Moving of Memorial Plaque to new location	Each	55.83	67.00	0.00	-0.01%
Administrative	Administration Fee	Each	55.83	67.00	0.00	-0.01%
Memorial Bed Garden	Replacement plaque and surround	Each	437.50	525.00	0.00	0.00%
	Lease fee for 10 years	Each	635.00		2.00	0.32%
Birdbath Memorial Plaques	Replacement Plaque (row 1)	Each	102.50	123.00	0.00	0.00%
	Replacement Plaque (row 2)	Each	150.00	180.00	2.50	1.69%
	Replacement Plaque (row 3)	Each	208.33	250.00	2.50	1.21%
	Replacement Plaque (row 4)	Each	279.17	335.00	0.00	0.00%
	Replacement Plaque (row 5)	Each	350.00	420.00	0.00	0.00%
	Renewal of Lease (10 years)	Each	305.00		0.00	0.00%
Sanctums	Granite Tablet (no motif)	Each	408.33	490.00	0.83	0.20%
	Lease for further 25 years	Each	705.00		0.00	0.00%
Baby Grave Galvanised Sculpture	Plaque for baby grave	Each	120.83	145.00	0.00	0.00%
	Replacement plaque	Each	69.17	83.00	0.42	0.61%
<b>Reading Cemetery</b>						
Henley Road, Reading Cemetery, Caversham Cemetery - Exclusive rights of burial in earth graves (including certificates of grant) New graves and interment fees for persons under the age of 18 are charged directly to the CFF (Children's Funeral Fund for England) and not to residents.	For the exclusive right of burial for 75 years in an earth					
	Section B	Each	2,630.00		100.00	3.95%
	Section D	Each	2,100.00		80.00	3.96%
	Section G & Mayfield Traditional	Each	1,590.00		60.00	3.92%
	* 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	1,165.00		45.00	4.02%
	d) Desk Vase Tablet cremated remains plot for 2 set of ashes	Each	620.00		28.00	4.73%
	e) Grave purchased/ reserved for future use (trebled if out of borough)	Each			-551.00	0.00%
	* Please note the charges payable for exclusive right of burial in any grave or vault will be trebled in the case of					
	*Extension to lease for exclusive rights of burial for 10yrs period on lawn graves	Each	240.00		15.00	6.67%
	*Extension to lease for exclusive rights of burial for 15 yrs period on lawn graves	Each	360.00		72.00	25.00%
	*Extension to lease for exclusive rights of burial for 25yrs period on lawn graves	Each	600.00		159.00	36.05%
	*Extension to lease for exclusive rights of burial for 10 yrs period on traditional graves	Each	320.00		21.00	7.02%
	*Extension to lease for exclusive rights of burial for 15 yrs period on traditional graves	Each	480.00		108.00	29.03%
	*Extension to lease for exclusive rights of burial for 25yrs period on traditional graves	Each	800.00		186.00	30.29%
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 50 years					

Proposed Fees and Charges from 1st April 2023 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2023	Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
			£	£	£	%
<b>BEREAVEMENT SERVICES</b>						
<b>Reading Cemetery</b>						
Burials New graves and interment fees for persons aged under 18 years are charged directly to the CFF (Children's Funeral Fund for England) and not to residents/customers.	Dig Fee to be claimed from Children's Funeral Fund (CFF) for interment of Stillborn to <5 years old.	Each	130.00		5.00	4.00%
	Dig Fee to be claimed from CFF for interment of a child aged 5-17yrs old	Each	285.00		13.00	4.78%
	c) If the body is that of a person aged 18 years or over	Each	915.00		35.00	3.98%
	d) Cremated remains in an existing grave or a cremated remains plot	Each	156.00		6.00	4.00%
	Dig Fee to be claimed from CFF for interment of cremated remains stillborn to <5 years old	Each	20.00		4.00	25.00%
	Dig Fee to be claimed from CFF for interment of cremated remains of a child aged 5-17yrs old	Each	35.00		0.50	1.45%
	f) Cremated Remains returned from elsewhere for Burial	Each	55.00		2.00	3.77%
	g) For any burial below 6 feet in depth an additional charge will be made per burial	Each	310.00		-1.00	-0.32%
	Additional depth for child under 18	Each	185.00		0.00	0.00%
Common grave	In a grave where an exclusive right of burial has not been granted:					
	a) If the body is that of a stillborn child or under 5 years old	Each	0.00		0.00	0.00%
	b) If the body is that of a person over 5 years old	Each	155.00		7.00	4.73%
	c) If the body is that of a person aged 18 years or over (Public Health)	Each	915.00		35.00	3.98%
* 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					
	a) Traditional	Each	315.00		18.50	6.24%
	b) Lawn, Park and Mayfield Cemetery	Each	215.00		9.00	4.37%
	c) Park cremated remains section flat stone & DVT's	Each	85.00		9.00	11.84%
	f) Cremated Remains Headstone Section	Each	85.00		9.00	11.84%
Other fees and charges	Transfer of grant of exclusive right of burial	Each	95.00	114.00	16.67	21.28%
	Search Fee - up to 4 records per enquiry	Each	17.00	20.40	2.83	20.00%
	Search Fee - for 1 record	Each	5.00	6.00	0.83	20.00%
	Exhumation of Cremated Remains	Each	275.00		3.50	1.29%
	Use of chapel prior to burial for stillborn child or a child under 18 years old	Each	95.00		26.50	38.69%
	Chapel Fee Prior to a Burial for person over 18 years old	Each	565.00		132.00	30.48%
	Administration Fee for Public Health Funeral	Each	285.00	342.00	48.75	20.63%
	Charge for provision of a Quran grave	Each	POA		N/A	N/A
	Bench Maintenance (Powerwash and treatment with teak oil)	Each	90.00	108.00	17.50	24.14%
	Removal of trees from plots	Each	0.00	0.00	0.00	N/A
	Grave Maintenance	Each	POA	POA	N/A	N/A

Proposed Fees and Charges from 1st April 2023 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2023	Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
			£	£	£	%
<b>BEREAVEMENT SERVICES</b>						
<b>Reading Cemetery</b>						
Webcast Services	Live Webcast (upto 20 viewers)	Each	33.33	40.00	3.75	12.66%
	Live+On-Demand Webcast for up to 28 days and downloadable	Each	45.83	55.00	3.75	8.90%
	Physical copy of Webcast recording on DVD, blu-ray or USB memory stick and audio cd	Each	50.00	60.00	2.50	5.26%
	Additional Physical copy CD, DVD, Blu-ray or USB	Each	23.33	28.00	0.62	2.74%
Visual Tributes	Single Photo	Each	12.50	15.00	0.67	5.63%
	Slideshow (up to 25)	Each	36.67	44.00	0.42	1.16%
	Photo Tribute (up to 25)	Each	65.00	78.00	0.00	0.00%
	Additional 25 photos	Each	23.33	28.00	0.62	2.74%
	Photos & Video Tribute (up to 2 minutes)	Each		0.00	0.00	0.00%
	Self Build Checking	Each	20.00	24.00	0.83	4.35%
	Additional Time for tributes etc:				0.00	0.00%
	DVD of Pro Photo tribute only	Each	23.33	28.00	0.62	2.74%
	Physical Copy of Webcast recording including the Pro Photo Tribute on DVD, Memory Stick, Blu-ray	Each		0.00	0.00	0.00%
	Downloadable copy of Pro Photo tribute	Each	11.67	14.00	0.21	1.85%
	Extra Work required on tributes	Each	23.33	28.00	0.62	2.74%
Reading Cemetery	*NO NEW GRAVE SPACE AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley Road Cemetery.					
Caversham Cemetery	*NO NEW GRAVE SPACES AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley Road Cemetery.					

Proposed Fees and Charges from 1st April 2023 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2023	Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
			£	£	£	%
<b>REGISTRATION SERVICE</b>						
Registration Service	Notice of marriage or partnership	Per Person	Statutory		TBC Feb 23	TBC Feb 23
Registration Service (Twice monthly - Tuesday Am only)	Registrar's attendance at Register Office marriage or civil partnership	Per couple	Statutory		TBC Feb 23	TBC Feb 23
Registration Service	Registrar's attendance at outside church	Per couple	Statutory		TBC Feb 23	TBC Feb 23
Registration Service	Attendance at place of detention or house for notice of marriage or partnership	Per couple	Statutory		TBC Feb 23	TBC Feb 23
Certificates	Registration Certificate at first time of registering the event	Per Certificate	Statutory		TBC Feb 23	TBC Feb 23
	Express Service Replacement Certificate	Per Certificate	Statutory		TBC Feb 23	TBC Feb 23
	Replacement certificate Closed Register -Postal/Telephone/web Incl. admin fee	Per Certificate	Statutory		TBC Feb 23	TBC Feb 23
Correction Fee	Correction completed by Register office	Per correction	Statutory		TBC Feb 23	TBC Feb 23
	Correction referred to GRO		Statutory		TBC Feb 23	TBC Feb 23
	Amendment to birth record with 12 months of registration		Statutory		TBC Feb 23	TBC Feb 23
Foreign Divorce admin fee	The administration of foreign divorces when giving notice of marriage or CP.	Per Person	Statutory		TBC Feb 23	TBC Feb 23
Citizenship Ceremonies	Individual Citizenship Ceremony at The Town Hall (up to max of 10 people)	Per Person	110.00	132.00	5.83	5.60%
	Friday & Saturday Individual Citizenship Ceremony at the Town Hall (up to max of 10 people)	Per Person	148.33	178.00	7.50	5.33%
Approved Premises Marriages - (9am to 5pm)	Monday to Thursday (9am to 5pm)	Per Couple	350.00	420.00	16.67	5.00%
	Friday & Saturday (9am to 5pm)	Per Couple	402.50	483.00	19.17	5.00%
	Sunday & Bank Hols (9am to 5pm)	Per Couple	433.33	520.00	20.83	5.05%
Approved Premises Marriages - After 5pm  (Min of 2 -3 staff required. Registrar to conduct the ceremony, registrar to	Venue: Monday to Thursday	Per Couple	345.83	415.00	16.66	5.06%
	Venue: Friday & Saturday	Per Couple	407.50	489.00	20.00	5.16%
	Venue: Sunday & Bank Hols	Per couple	436.67	524.00	20.84	5.01%
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 ceremony, registrar to complete the Register and an Usher)	Monday to Thursday	Per Couple	149.17	179.00	7.50	5.29%
	Friday & Saturday	Per Couple	240.83	289.00	11.66	5.09%
	Sunday & Bank Hols	Per Couple	433.33	520.00	20.83	5.05%
Renewal of Vows & Baby Naming  (1 member of staff required)	Monday to Thursday	Per	145.00	174.00	7.50	5.45%
	Friday & Saturday	Per Ceremony	175.00	210.00	8.33	5.00%
	Sunday & Bank Hols	Per Ceremony	201.67	242.00	10.00	5.22%
Approval of venues for marriages or Civil Partnerships (up to 2 rooms)	Renewal of marriage or Civil Partnership licence	Per Venue	1,509.17	1,811.00	71.67	4.99%
Administrative fee	For services offered on a Saturday such as Notices of Marriage	Per Person	21.67	26.00	0.84	4.03%
	Changes to booking	Per Person	21.67	26.00	0.84	4.03%
<b>GIS - MAPPING</b>						
Street Naming & Numbering	New addresses	Each	48.00	57.60	2.00	4.35%
	New streets	Each	277.00	332.40	13.00	4.92%



Proposed Fees and Charges from 1st April 2023 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2023	Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
			£	£	£	%
<b>LEGAL SERVICES</b>						
Right to Buy	Engrossment Fee (Freehold)	Per Transfer	73.50	88.20	3.50	5.00%
	Engrossment Fee (Leasehold)	Per Lease	84.00	100.80	4.00	5.00%
Requisition (LLC1) Postal	Search using LLC1 form only	per search	34.70	41.64	1.70	5.15%
***Standard Enquiries (CON29) Postal	Search using CON29 form only	per search	90.30	108.36	4.30	5.00%
Full Search LLC1 and CON29	Search using LLC1 and CON29 form	per search	125.00	150.00	6.00	5.04%
Copy documents	Copy document	per request	26.30	31.56	1.30	5.20%
Deferred Payment Agreement	Flat fee and hourly rate (pay rate)	per Agreement	567.00	680.40	27.00	5.00%
Legal Fess (Commercial)	Legal Services Manager	per Hour	315.00	378.00	15.00	5.00%
	Principal Lawyer / Team Leader	per Hour	290.00	348.00	15.00	5.45%
	Senior Lawyer	per Hour	265.00	318.00	15.00	6.00%
	Lawyer	per Hour	210.00	252.00	10.00	5.00%
	Trainees and Paralegals (Grade 6+)	per Hour	135.00	162.00	10.00	8.00%
	Trainees and Paralegals (Grade 4- 5)	per Hour	100.00	120.00	5.00	5.26%
Legal Fees (Community)*	Legal Services Manager	per Hour	185.00	222.00	10.00	5.71%
	Principal Lawyer / Team Leader	per Hour	160.00	192.00	10.00	6.67%
	Senior Lawyer	per Hour	130.00	156.00	10.00	8.33%
	Lawyer	per Hour	100.00	120.00	5.00	5.26%
	Trainees and Paralegals (Grade 6+)	per Hour	75.00	90.00	5.00	7.14%
	Trainees and Paralegals (Grade 4- 5)	per Hour	55.00	66.00	5.00	10.00%
* Community rates apply to voluntary organisations, charities and the like providing services to residents in Reading.						
<b>INCOME &amp; RECOVERY</b>						
Council Tax Summons Cost		Per summons issued	111.00		0.00	0.00%
Business Rates Summons Cost		Per summons issued	157.00		0.00	0.00%
Civil Penalties Housing Benefits		per case identified	50.00		0.00	0.00%
Civil Penalties Council Tax		per case identified	70.00		0.00	0.00%
<b>DEMOCRATIC SERVICES</b>						
Admission Appeals - Charge per appeal		per admission appeal heard	210.00	252.00	0.00	0.00%
School Exclusion Review Hearing		per review heard	650.00	780.00	0.00	0.00%
Admission Appeals - Admin Charge	Withdrawn/ Settled (W/S) Appeals	per admission appeal W/S after papers circulated	55.00	66.00	0.00	0.00%
<b>CUSTOMER SERVICES</b>						
Blue Badges (New & Renewals)	Disabled Parking Badge	Each	10.00		0.00	0.00%
<b>COMMUNICATIONS</b>						
Event pitch fee	Charity	Per event	31.50	37.80	1.50	5.00%
Event pitch fee	Charity with 10% early bird discount	Per event	28.35	34.00	1.35	5.00%
Event pitch fee	RBC affiliated charity	Per event	10.50	12.60	0.50	5.00%
Event pitch fee	RBC affiliated charity with 10% early bird discount	Per event	9.45	11.30	0.45	5.00%
Event pitch fee	Community	Per event	42.00	50.40	2.00	5.00%
Event pitch fee	Community with 10% early bird discount	Per event	37.80	45.40	1.80	5.00%
Event pitch fee	Commercial	Per event	105.00	126.00	5.00	5.00%
Event pitch fee	Commercial with 10% early bird discount	Per event	94.50	113.40	4.50	5.00%
Event pitch fee	Food trader	Per event	157.50	189.00	7.50	5.00%

Proposed Fees and Charges from 1st April 2023 - Directorate of Resources

Service	Category	Charge Unit	New Fee from April 2023	Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
			£	£	£	%
<b>KENNET DAY NURSERY</b>						
3 yrs and over - RBC		Daily rate (2 sessions)	54.50		2.59	4.99%
Under 3 yrs - RBC		Daily rate (2 sessions)	56.50		2.59	4.80%
3 yrs and over - Non RBC		Daily rate (2 sessions)	59.80		2.85	5.00%
Under 3 yrs - RBC		Daily rate (2 sessions)	61.80		2.85	4.83%
* 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						
<b>LEARNING AND WORKFORCE DEVELOPMENT</b>						
Training	Places on training for school staff (1 day)	per place	70.00		4.00	6.06%
	Places on training for PVI sector	per place	N/A		N/A	N/A

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## Equality Impact Assessment

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

2023/24 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: 26<sup>th</sup> January 2023

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

The Medium Term Financial Strategy aims to set out the most effective use of the Council's limited financial resources to meet its Corporate Plan objectives taking account of its wider operational environment.

That operational environment contains the continuing, albeit potentially diminished, challenges created by Brexit and the Covid-19 pandemic, as well as the worldwide economic turmoil largely instigated by Russia's invasion of Ukraine. Overarching all of this is the existential threat created by humanity's abuse of the natural environment resulting in climate change and rapidly diminishing biodiversity.

This latest refresh of the MTFs is dominated, as for so many individuals and businesses, by the steeply rising cost of service delivery and attempts to mitigate them.

### 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.

### 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.

There are two business cases where it is recommended that a more detailed equality impact assessment is undertaken.

Appendix 10

Bid Reference	Title	Proposal	Reason for EIA
DACHS-2324-02	Increase in Extra Care Income	The proposal includes an additional 'wellbeing' charge added to the resident's service charge. This would be paid by Adult Social Care for those with eligible needs. Those without eligible needs would have to pay the wellbeing charge themselves.	Under the Equality Act this could be considered unreasonable extra charges due to a person's disability or age. Consideration need to be given to any cumulative impact.
DOR-2324-02	Income generation opportunity - Cremation & Cemetery Service	Changes to fees	Due sensitivity of the service and to previous concern from specific ethnic groups about fairness

## **Responses to the Budget Consultation 2023/24**

The Council ran a budget consultation exercise for one month from 19/12/22 to 19/01/23. The consultation was accessible through the Council's website and was promoted via the website, local media channels and various social media platforms.

The consultation received 378 responses, which is a substantial increase from the 134 responses received last year. Details of the responses are provided below.

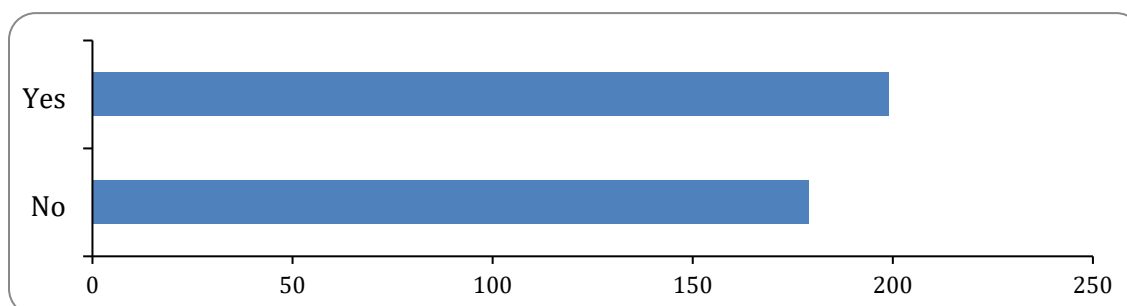
Headlines from the consultation are:

- A small majority of respondents support the higher level of Council Tax increase proposed in the draft budget.
- A clear majority of respondents support the 7% increase in housing rents.
- If additional funding becomes available the service areas most supported to receive the benefit of that are Roads Maintenance and both Adult and Children's Social Care.
- Adult Social Care also topped the list of priorities for additional capital resources.

### **1: In your opinion, should the Council look to increase Council Tax by 3% and the Adult Social Care Precept by 2% in order to close the financial gap and continue to provide services at current levels?**

#### **CT increase**

There were 378 responses to this part of the question.

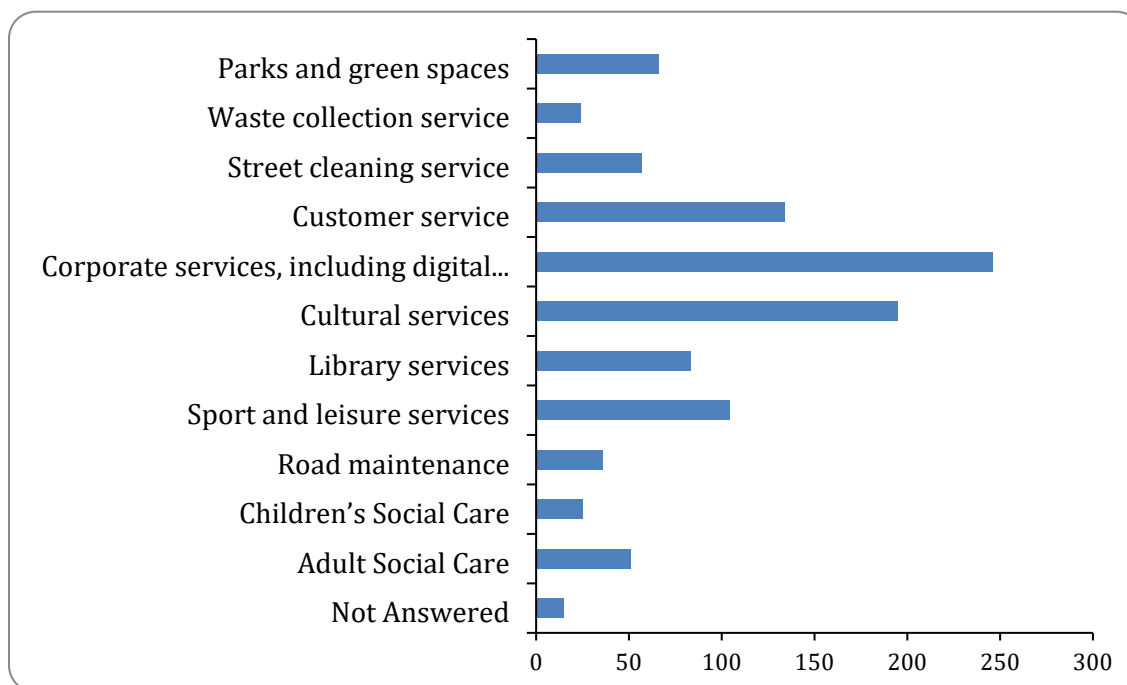


Option	Total	Percent
Yes	199	52.65%
No	179	47.35%
Not Answered	0	0.00%

**2: Which three service areas, shown in the list below, would you reduce rather than increase Council Tax from 3% to 5% (please choose only 3 services)**

**Service reduction preference**

There were 363 responses to this part of the question.

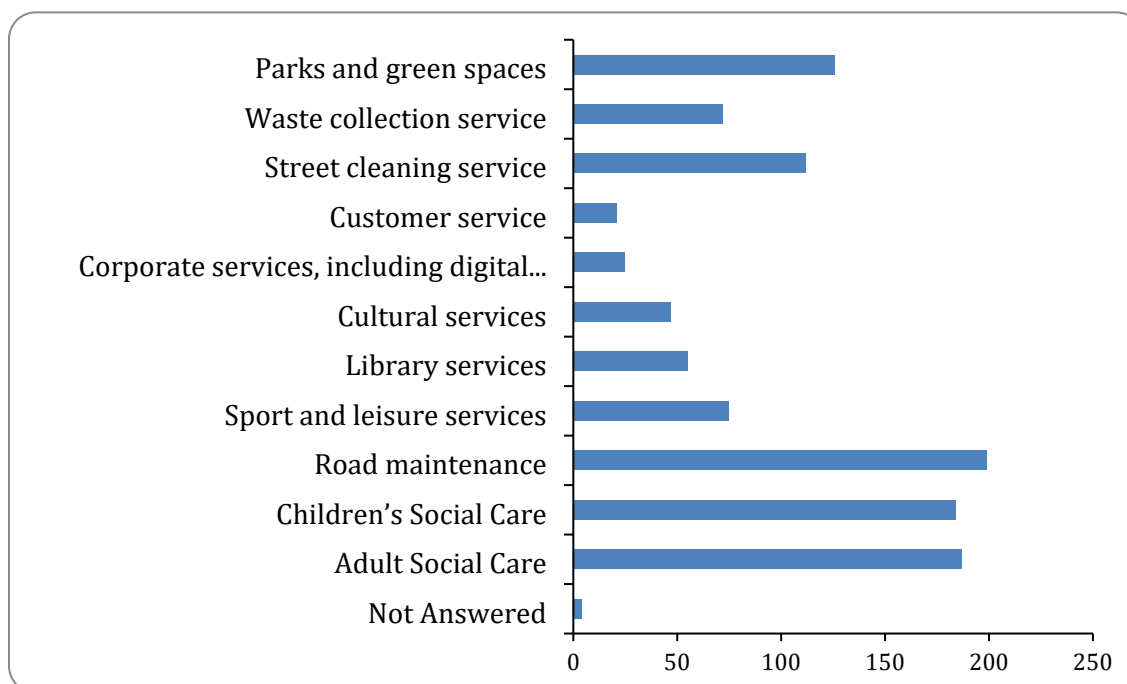


Option	Total	Percent
<b>Parks and green spaces</b>	66	17.46%
<b>Waste collection service</b>	24	6.35%
<b>Street cleaning service</b>	57	15.08%
<b>Customer service</b>	134	35.45%
<b>Corporate services, including digital and website, legal, democratic services, communications, human resources</b>	246	65.08%
<b>Cultural services</b>	195	51.59%
<b>Library services</b>	83	21.96%
<b>Sport and leisure services</b>	104	27.51%
<b>Road maintenance</b>	36	9.52%
<b>Children's Social Care</b>	25	6.61%
<b>Adult Social Care</b>	51	13.49%
<b>Not Answered</b>	15	3.97%

**3: If the Local Government Settlement is better than currently anticipated, which three services, shown in list below, would be your preference for additional investment? (please choose only three services).**

**Additional funding preference**

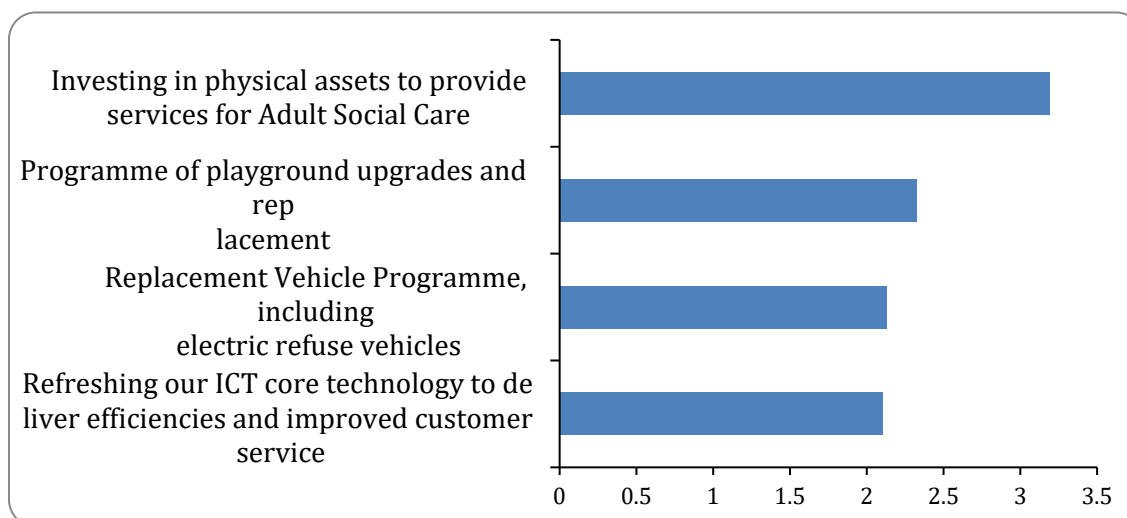
There were 374 responses to this part of the question.



Option	Total	Percent
<b>Parks and green spaces</b>	126	33.33%
<b>Waste collection service</b>	72	19.05%
<b>Street cleaning service</b>	112	29.63%
<b>Customer service</b>	21	5.56%
<b>Corporate services, including digital and website services, legal, democratic services, communications, human resources</b>	25	6.61%
<b>Cultural services</b>	47	12.43%
<b>Library services</b>	55	14.55%
<b>Sport and leisure services</b>	75	19.84%
<b>Road maintenance</b>	199	52.65%
<b>Children's Social Care</b>	184	48.68%
<b>Adult Social Care</b>	187	49.47%
<b>Not Answered</b>	4	1.06%

**4: If additional funding becomes available, which of the following schemes would you prioritise? Please rank, with your top priority being 1.**

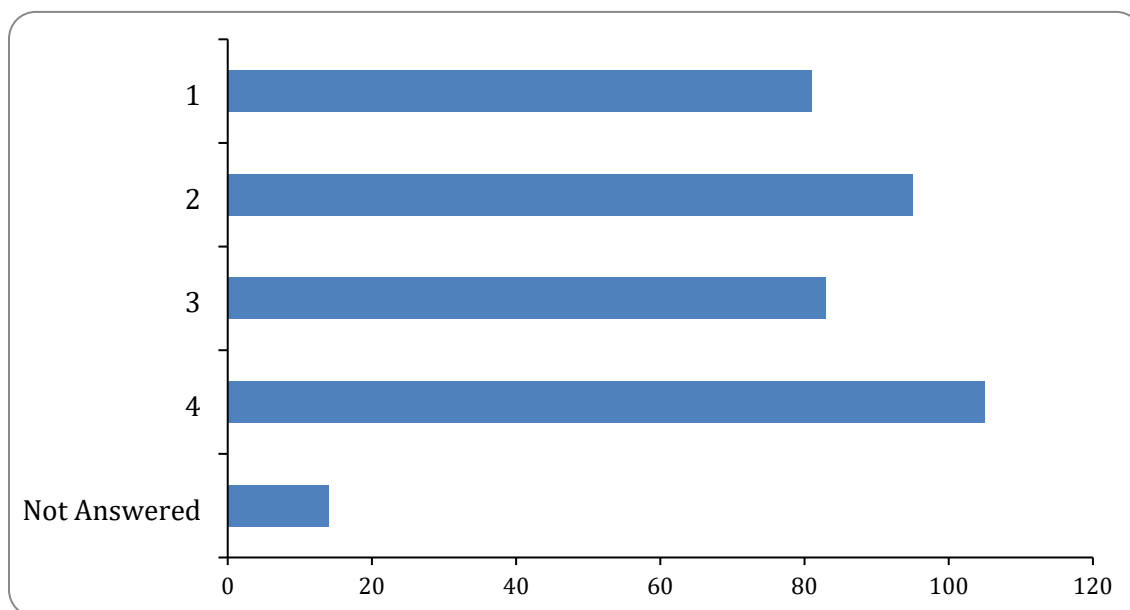
**Ranking of 'Capital scheme ranking'**



Item	Ranking
<b>Investing in physical assets to provide services for Adult Social Care</b>	3.19
<b>Programme of playground upgrades and replacement</b>	2.33
<b>Replacement Vehicle Programme, including electric refuse vehicles</b>	2.13
<b>Refreshing our ICT core technology to deliver efficiencies and improved customer service</b>	2.10

### Capital scheme ranking - Programme of playground upgrades and replacement

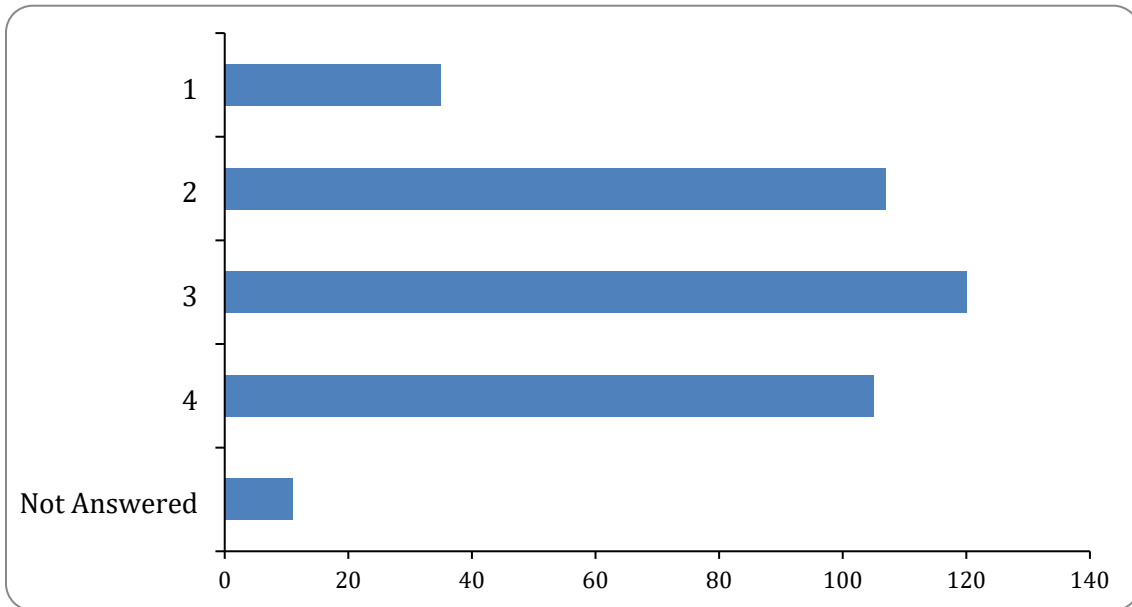
There were 364 responses to this part of the question.



Option	Total	Percent
1	81	21.43%
2	95	25.13%
3	83	21.96%
4	105	27.78%
Not Answered	14	3.70%

### Capital scheme ranking - Replacement Vehicle Programme, including electric refuse vehicles

There were 367 responses to this part of the question.

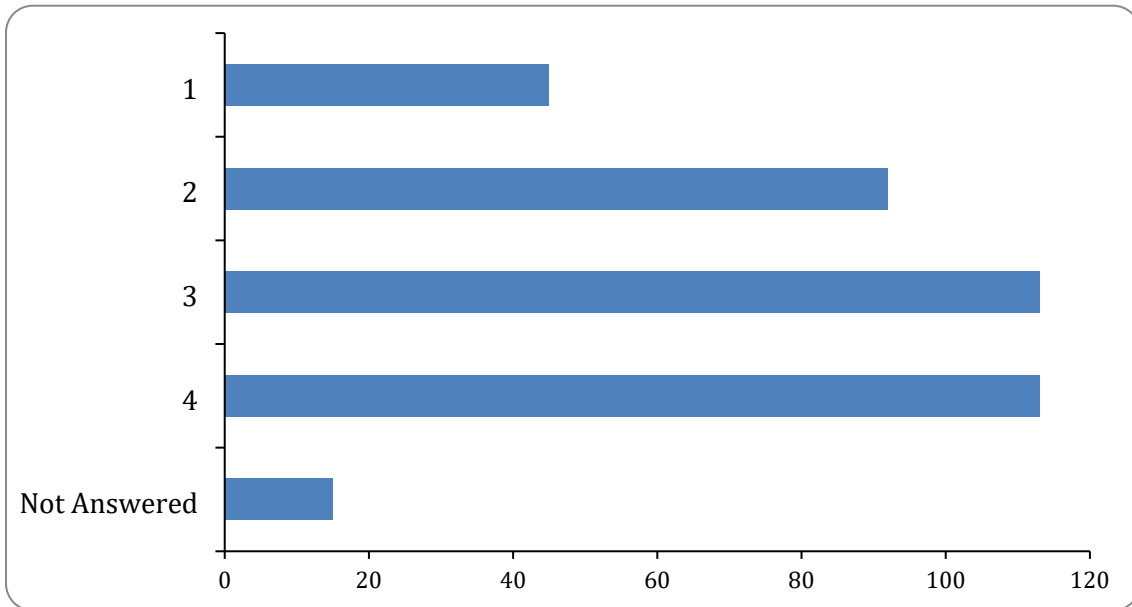


Option	Total	Percent
1	35	9.26%
2	107	28.31%
3	120	31.75%
4	105	27.78%
Not Answered	11	2.91%



### Capital scheme ranking - Refreshing our ICT core technology to deliver efficiencies and improved customer service

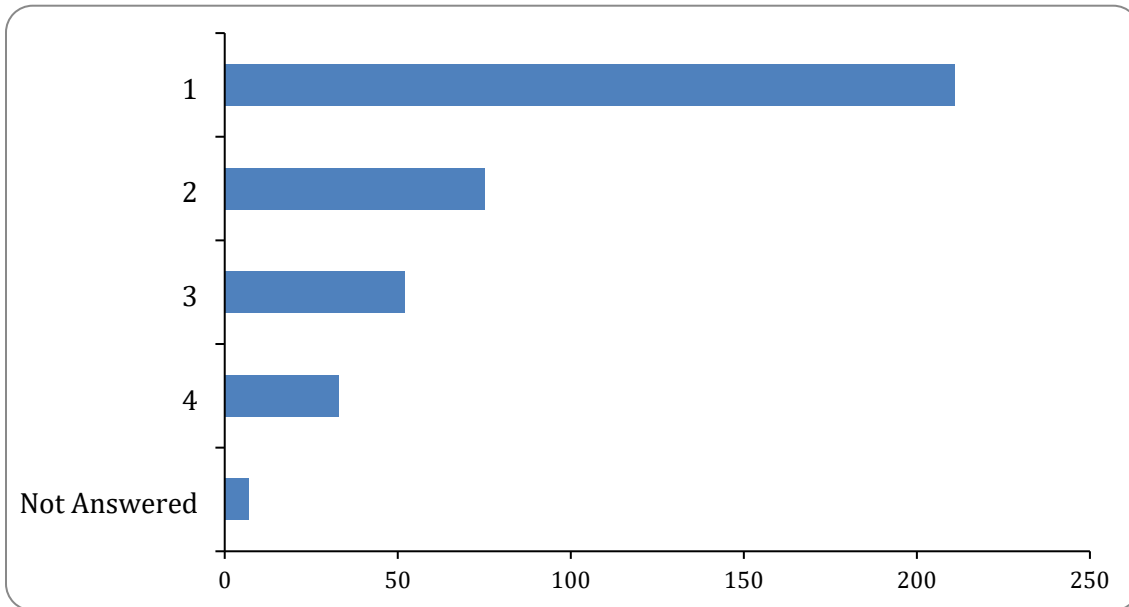
There were 363 responses to this part of the question.



Option	Total	Percent
1	45	11.90%
2	92	24.34%
3	113	29.89%
4	113	29.89%
Not Answered	15	3.97%

### Capital scheme ranking - Investing in physical assets to provide services for Adult Social Care

There were 371 responses to this part of the question.



Option	Total	Percent
1	211	55.82%
2	75	19.84%
3	52	13.76%
4	33	8.73%
Not Answered	7	1.85%

**5: Looking at the draft Capital Programme included with the draft Medium Term Financial Strategy report (see link above), are there any schemes that you would remove, or scale back, in order to prioritise some of the schemes listed above and currently not included within the Capital Programme?**

**schemes to be removed**

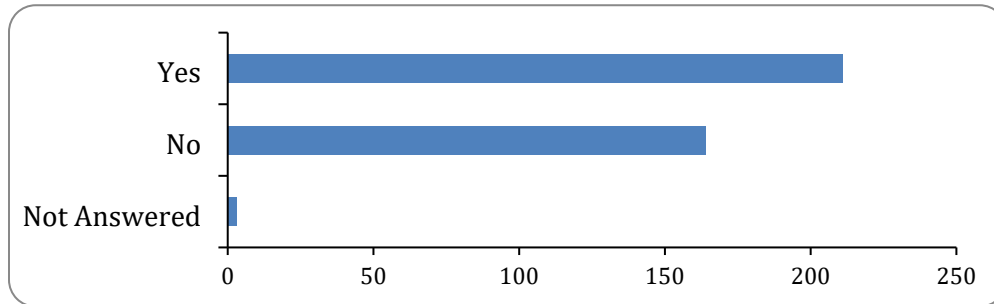
There were 139 responses to this part of the question.

Cycle lanes	17
Gypsy accommodation	11
Replacement vehicles	8
Culture	7
Oracle shopping centre	7
Carbon reduction initiative	7
Playground equipment	6
Invest in Corporate buildings/Health & safety works	6
Reading Football Club Social Inclusion Unit to SRLC	5
Reading West station	5
Re-wilding	5
South Reading MRT Phases 5 & 6	4
Leisure Centre Procurement	4
Maintenance and enhancement of Council Buildings	4
Green Park station	3
Abbey Quarter Restoration	3
High Street Heritage Action Zone	3
Rail station upgrades	3
Mobile working and smart device	3
EV charging points	3
Loan To RTL (Bus replacement programme)	3
Reduce social care	3
Reading Station subway	2
Libraries	2
Central Library scheme	2
Road improvements	2
City bid	2
Local Transport Plan Development	2
IT Future Operating Model	2
Property and asset management	2
Prospect Park play scheme	2
Private housing renewals	2
Civitas- Synthetic Sports Pitch	2
Digitised TROs	2

Minster Quarter	
Historic wall, Caversham gardens	
The Keep arts building works	
Town centre	
Reduce staff	
savings could be made on refuge, recycling & food recycling.	
"Annual Bridges and Carriage Way Works programme & Highway Infrastructure Works	
Parks	
Harden Public Open Spaces to Prevent Incursion	
Fabric Condition Programme	
traffic lights	
Reading gaol	
Flats	
Pedestrian handrails	
Air quality	
third party contracts	
Planning regulations	
Car Park Investment Programme	
Burial land acquisition	
Mortuary equipment/cemetery equipment	
Sell Council offices	
Berkshire Record Office	
New Capital Bid - S106 Kenavon Drive Landscape	
Customer Digital Experience	
Universal Digital Systems	
Re-Procurement / Reimplementation of Finance System	
Delivery Fund (Pump priming for Transformation projects)	
Transport demand management scheme	
skate parks,	
for The Heights school/ for additional school places,	
individual schemes such as improving Crescent Road playing fields	
Economic growth and commercial services	
e-Marketplace & Equipment Renewal Portal Software	
Env	
transportation	
Hexagon	

**6: The Government has announced a maximum increase of 7% on social housing rents. Do you support rent increases?  
social housing rents**

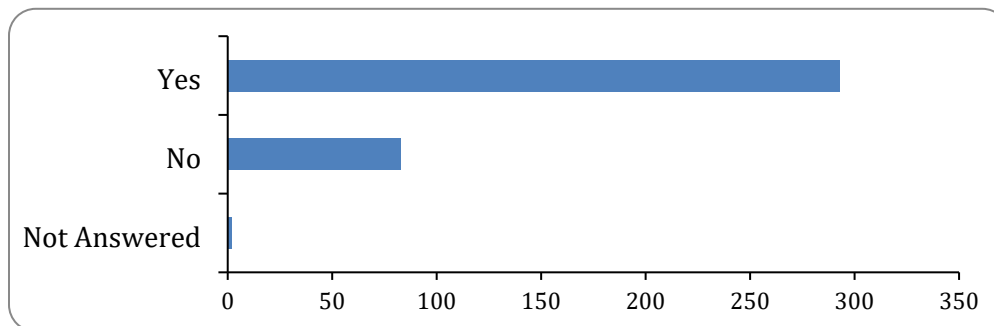
There were 375 responses to this part of the question.



Option	Total	Percent
Yes	211	55.82%
No	164	43.39%
Not Answered	3	0.79%

**7: Would you support the Council opting for a 7% increase if this allowed the Council to continue retrofitting existing homes, thereby investing in energy efficiency measures and in turn, reducing tenants' bills?  
7% social rent increase**

There were 376 responses to this part of the question.



Option	Total	Percent
Yes	293	77.51%
No	83	21.96%
Not Answered	2	0.53%

## 8: Are there any other comments you would like to make regarding the Council's draft budget for 2023/24, or the draft Medium Term Financial Strategy?

### comments

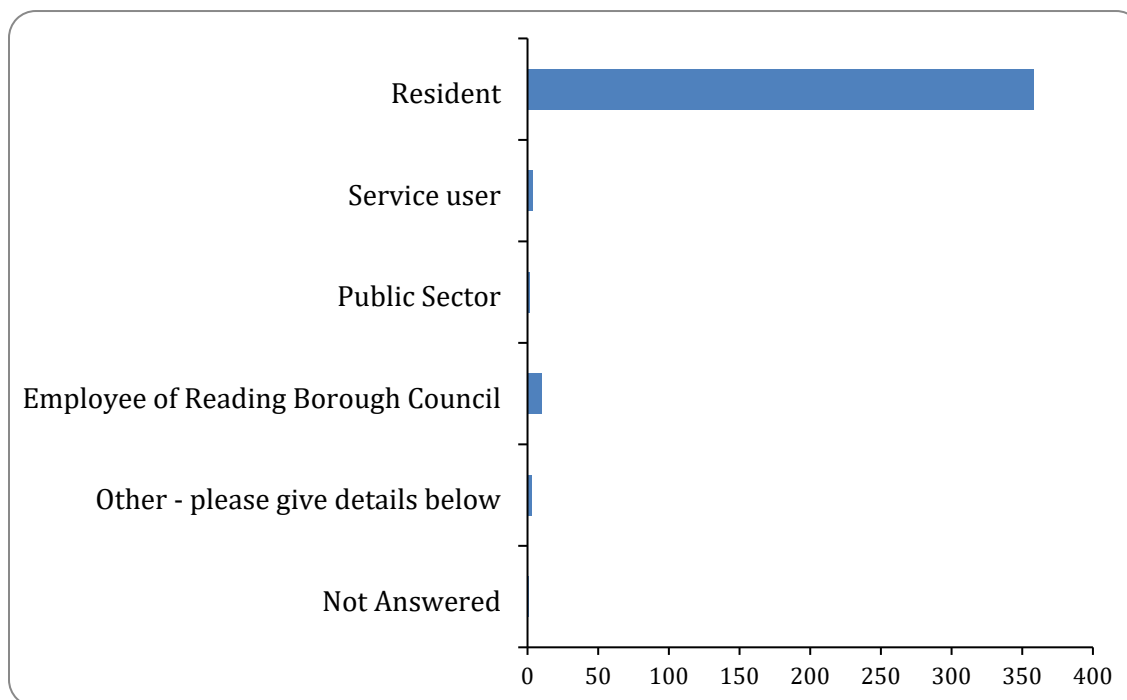
There were 143 responses to this part of the question.

Reduce/don't increase CT	11
Improve road maintenance	7
Spend on social care	6
Reduce/don't increase rents	5
More active travel funding	4
Spend on street cleaning	4
Spend on universal services	3
Decrease car parking charges	3
Focus on green spaces	3
Better business planning	3
Council doing good job	3
Look at staffing levels	2
Middle income hit hard by cost of living crisis	2
Increase air quality monitoring	2
Invest in integrated cycling infrastructure	2
Budget report terms need explaining	2
Reduce councillors costs	2
Improve waste management	2
Better street lighting	2
Spend on climate change	2
Do audits/accounts on time	2
Spend on social housing	2
Spend on culture	2
Increase policing	2
Don't spend on town centre	
Don't spend on cycle lanes	
Make Reading beautiful	
Make the car park in honey end lane bigger for the football teams and the bowling club	
Increase rogue landlord enforcement	
Increase single person's council tax discount	
More needs to be done to help the disabled become more independent	
Invest in insulation of council buildings	
Fine people who litter the city, fly-tip, and do not segregate well recyclable waste	
Reduce speed limit	
Fine idling vehicles that produce pollution	
Bring leisure services back in house	
Change to double entry/exit buses	

"Borrow a litter picker" scheme	
Support for community 'orchards'	
Reading town centre is a desolate and depressing place	
Reduce overpriced bus and cycle lanes	
Improve road infrastructure and design	
Investment into electric vehicle charging	
Reduce business rates	
Implement a ULEZ zone	
Bus lane on A33 from town to the turning for Rose Kiln lane retail park	
Buy JCB Pot Hole Repair machine	
Increase speed limits on certain roads	
Increase CT & improve services	
Improve customer service	
Safer bus stops with more shelter	
Increase rents for social housing for those residents who are on larger incomes	
Increase schools funding	
Don't reduce bin collection	
Spend on employment support	
Reduce social care	
More invest to save schemes	
Increase youth clubs	
More lobbying central govt	
FSM in holidays	
Don't increase staff pay	
Stop building on green space	
Spend on tree planting	
Better housing for people with disabilities	
Improve traffic problems	
Remove green bin charges	
Spend on childrens social care	
Reduce parking charges	
Support private renters	
Spend on outdoor leisure equipment	
Need buses to Rivermead	
Needs bus from Oxford Rd to hospital	
Support for people with disabilities	
Reduce bus charges	
Spend on school places	
Reduce cost leisure centres	
Allow people to keep single person discount on council tax if they host any refugees, asylum seekers or migrants	
Reduce housing costs	
Increase homeless provision	

**9: Please indicate whether you are responding to these proposals as:**  
**userDetails**

There were 377 responses to this part of the question.



Option	Total	Percent
<b>Resident</b>	358	94.71%
<b>Service user</b>	4	1.06%
<b>Family or friend of service user</b>	0	0.00%
<b>Voluntary organisation</b>	0	0.00%
<b>Business</b>	0	0.00%
<b>Public Sector</b>	2	0.53%
<b>Employee of Reading Borough Council</b>	10	2.65%
<b>Other - please give details below</b>	3	0.79%
<b>Not Answered</b>	1	0.26%



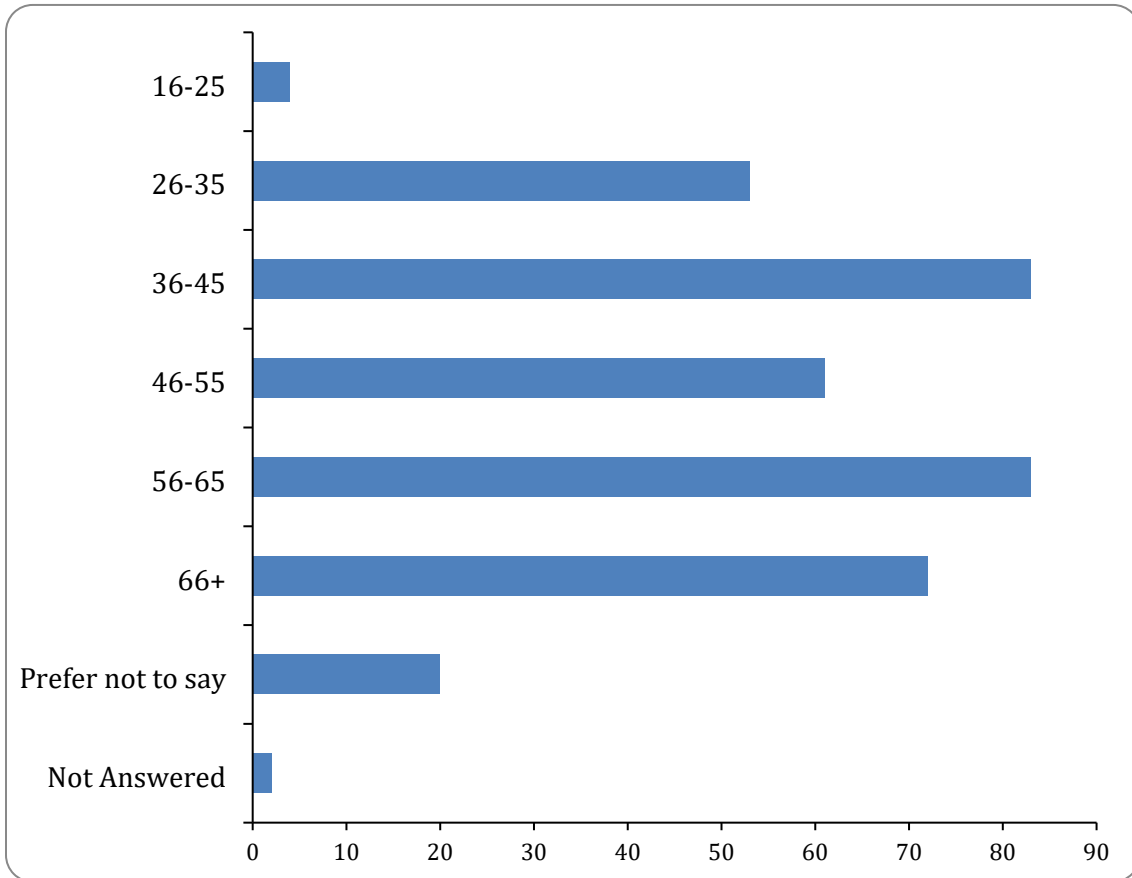
### Other Details

There were 7 responses to this part of the question.

### 10: Which age group do you belong to?

#### Age Group

There were 376 responses to this part of the question.

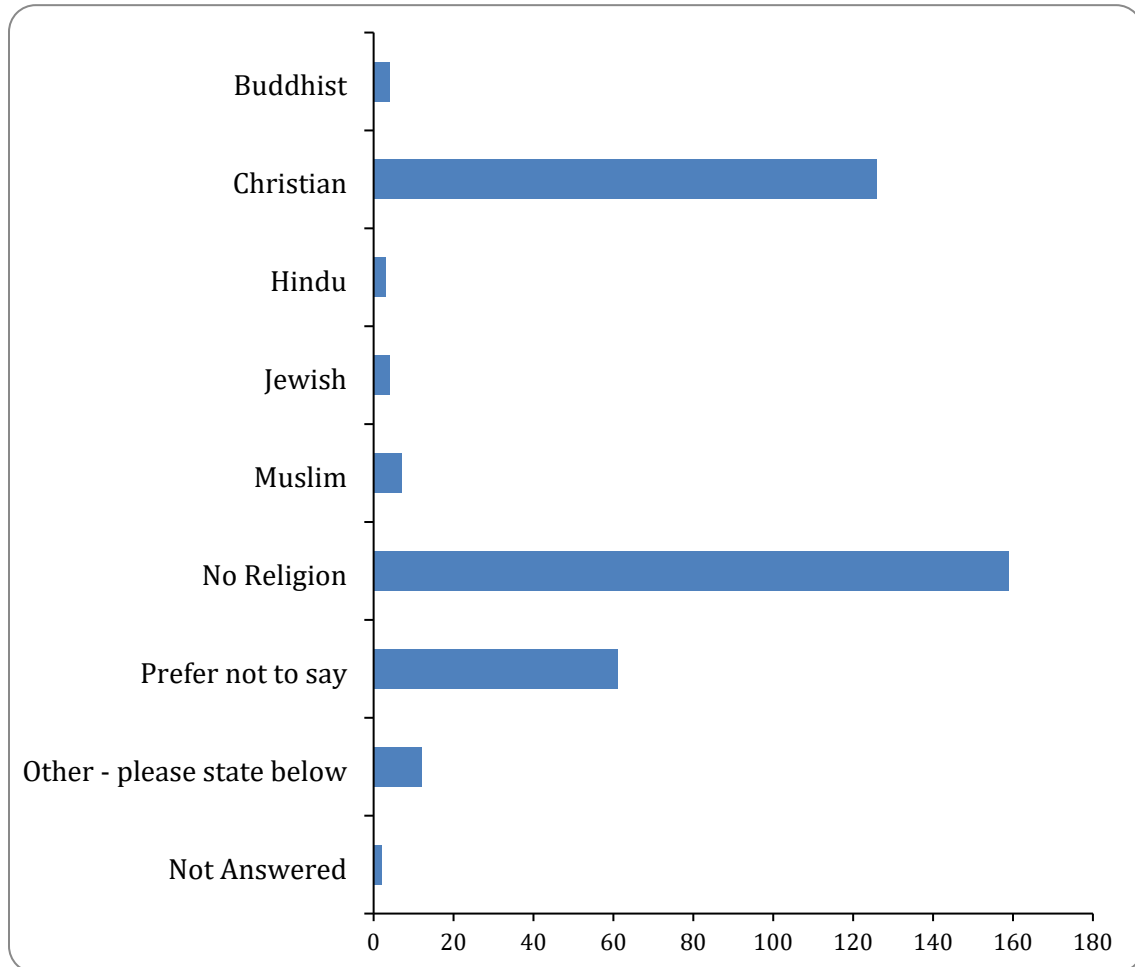


Option	Total	Percent
Under 16	0	0.00%
16-25	4	1.06%
26-35	53	14.02%
36-45	83	21.96%
46-55	61	16.14%
56-65	83	21.96%
66+	72	19.05%
Prefer not to say	20	5.29%
Not Answered	2	0.53%

11: What is your religion or belief?

**religion**

There were 376 responses to this part of the question.



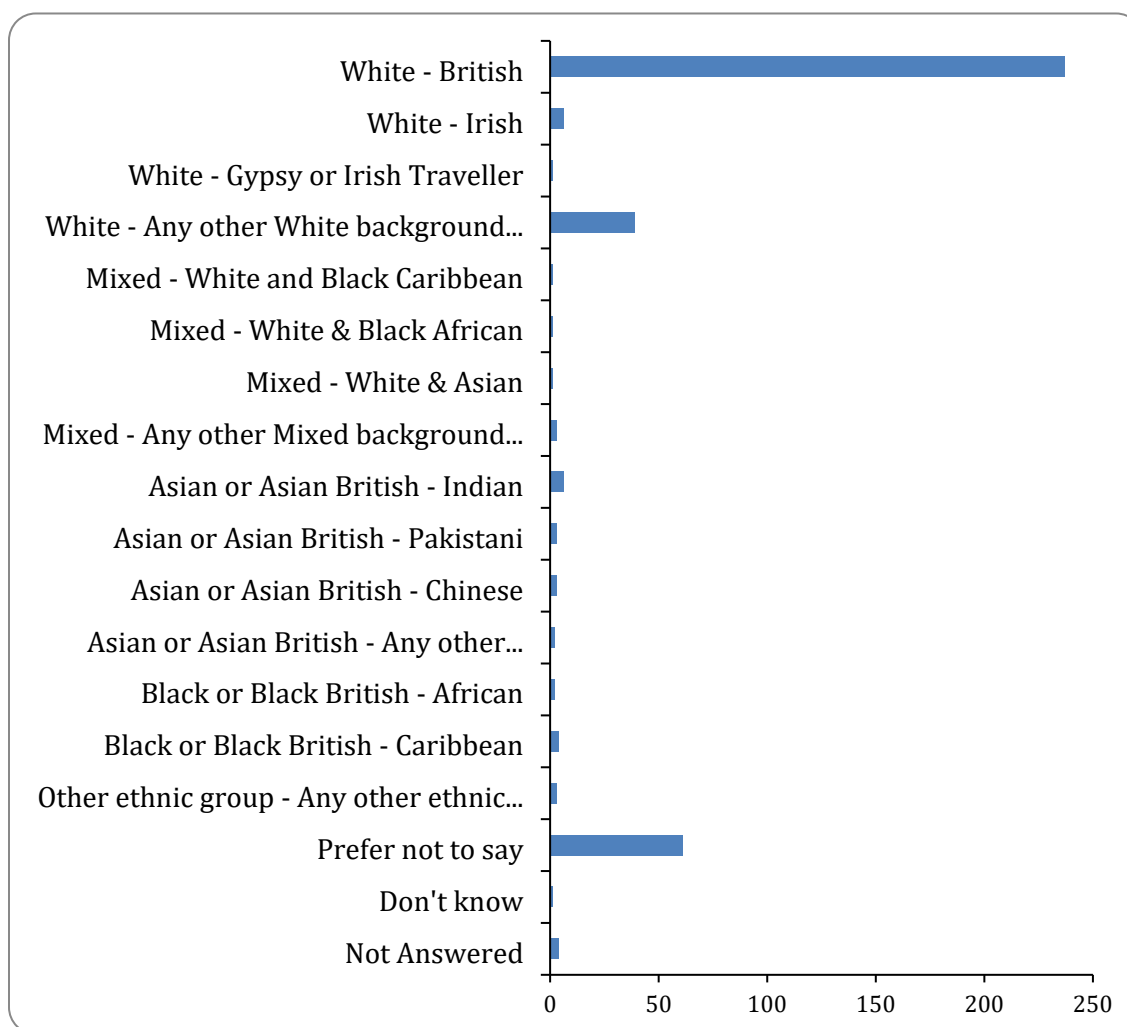
Option	Total	Percent
<b>Buddhist</b>	4	1.06%
<b>Christian</b>	126	33.33%
<b>Hindu</b>	3	0.79%
<b>Jewish</b>	4	1.06%
<b>Muslim</b>	7	1.85%
<b>Sikh</b>	0	0.00%
<b>No Religion</b>	159	42.06%
<b>Prefer not to say</b>	61	16.14%
<b>Other - please state below</b>	12	3.17%
<b>Not Answered</b>	2	0.53%

## Other religion

There were 6 responses to this part of the question.

## 12: To which of these ethnic groups do you consider you belong? ethnicity

There were 374 responses to this part of the question.



Option	Total	Percent
<b>White - British</b>	237	62.70%
<b>White - Irish</b>	6	1.59%
<b>White - Gypsy or Irish Traveller</b>	1	0.26%
<b>White - Any other White background (Please specify below)</b>	39	10.32%
<b>Mixed - White and Black Caribbean</b>	1	0.26%
<b>Mixed - White &amp; Black African</b>	1	0.26%

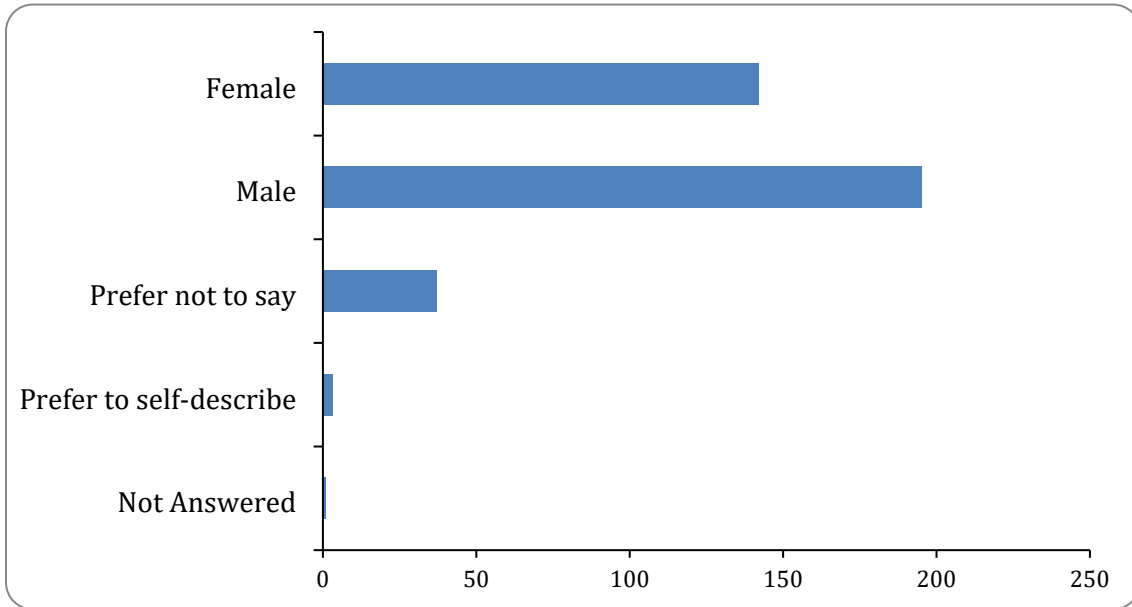
<b>Mixed - White &amp; Asian</b>	1	0.26%
<b>Mixed - Any other Mixed background (Please specify below)</b>	3	0.79%
<b>Asian or Asian British - Indian</b>	6	1.59%
<b>Asian or Asian British - Pakistani</b>	3	0.79%
<b>Asian or Asian British - Bangladeshi</b>	0	0.00%
<b>Asian or Asian British - Chinese</b>	3	0.79%
<b>Asian or Asian British - Any other Asian background (Please specify below)</b>	2	0.53%
<b>Black or Black British - African</b>	2	0.53%
<b>Black or Black British - Caribbean</b>	4	1.06%
<b>Black or Black British - Any other black background (Please specify below)</b>	0	0.00%
<b>Other ethnic group - Arab</b>	0	0.00%
<b>Other ethnic group - Any other ethnic group (Please specify below)</b>	3	0.79%
<b>Prefer not to say</b>	61	16.14%
<b>Don't know</b>	1	0.26%
<b>Not Answered</b>	4	1.06%

### ethnicityOther

There were 31 responses to this part of the question.

### 13: Are you: Gender

There were 377 responses to this part of the question.



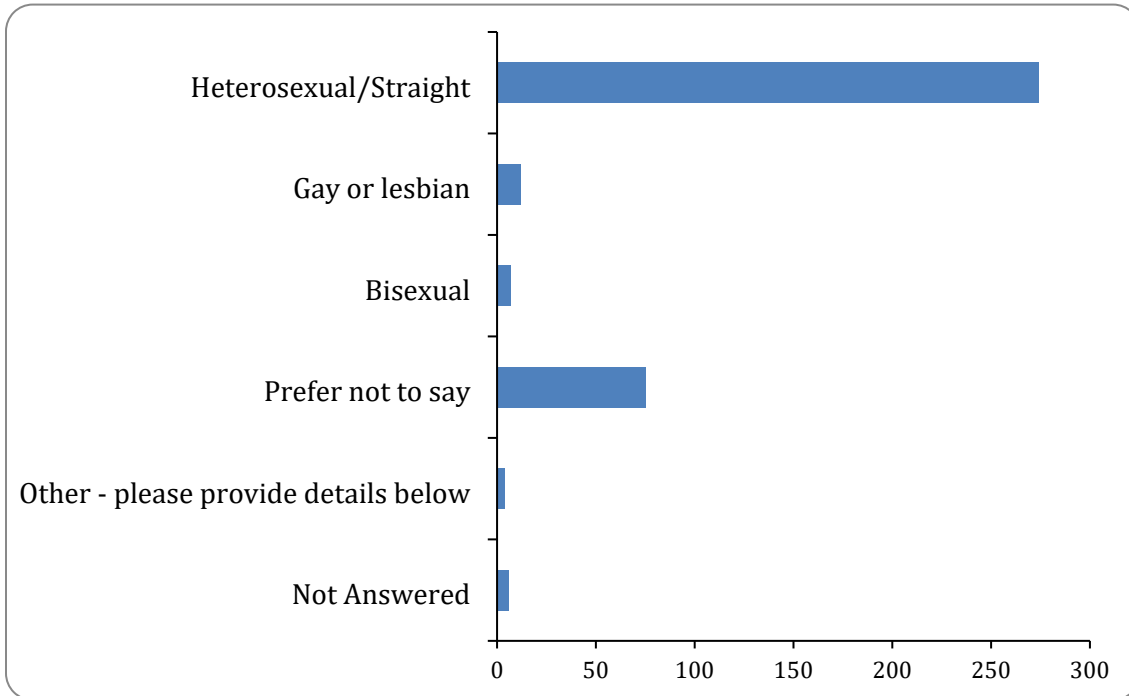
Option	Total	Percent
Female	142	37.57%
Male	195	51.59%
Prefer not to say	37	9.79%
Prefer to self-describe	3	0.79%
Not Answered	1	0.26%

### If you prefer to self-describe, please say here

There were 2 responses to this part of the question.

#### 14: What is your sexuality? sexualOrientation

There were 372 responses to this part of the question.



Option	Total	Percent
<b>Heterosexual/Straight</b>	274	72.49%
<b>Gay or lesbian</b>	12	3.17%
<b>Bisexual</b>	7	1.85%
<b>Prefer not to say</b>	75	19.84%
<b>Other - please provide details below</b>	4	1.06%
<b>Not Answered</b>	6	1.59%

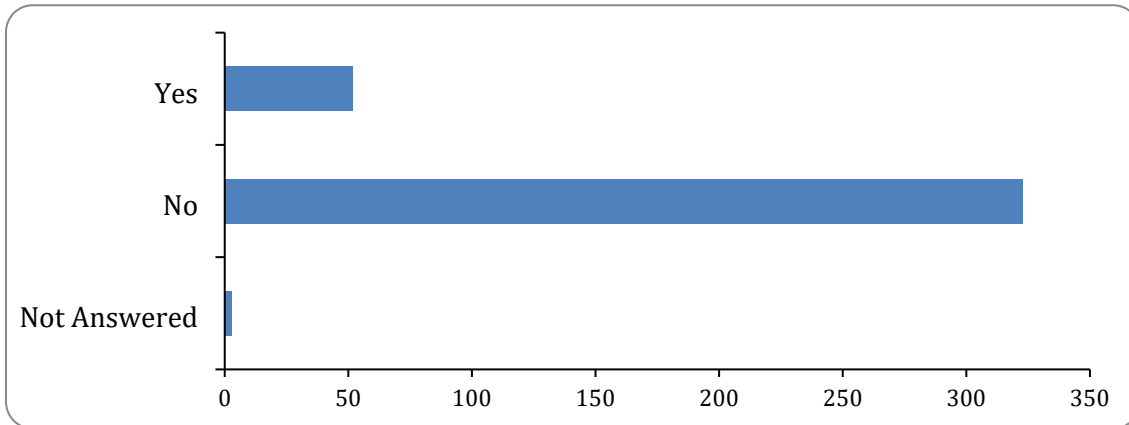
#### Sexual orientation - other

There were 4 responses to this part of the question.

**15: Do you have a disability, long-term illness or health problem (12 months or more) which limits your daily activities or the work you can do?**

**disability**

There were 375 responses to this part of the question.



Option	Total	Percent
Yes	52	13.76%
No	323	85.45%
Not Answered	3	0.79%

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## RESIDENTS SURVEY 2022 - SUMMARY OF RESULTS

<b>Question</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>LGA June 22<sup>1</sup></b>
<b>Local area</b>				
Percentage satisfied with their local area as a place to live	79%	83%	77%	81%
Factors most important in making somewhere a good place to live (top 5)	<ul style="list-style-type: none"> <li>• level of crime (35%)</li> <li>• good schools (30%)</li> <li>• job prospects (27%)</li> <li>• affordable, decent housing (25%)</li> <li>• public transport/health services (24%)</li> </ul>	<ul style="list-style-type: none"> <li>• the level of crime (32%)</li> <li>• public transport (29%)</li> <li>• parks and open spaces (25%)</li> <li>• job prospects (25%)</li> <li>• good schools (25%)</li> </ul>	<ul style="list-style-type: none"> <li>• the level of crime</li> <li>• good schools</li> <li>• affordable, decent housing</li> <li>• road and pavement repairs</li> <li>• health services</li> </ul>	
Factors which most need improving (top 5)	<ul style="list-style-type: none"> <li>• road and pavement repairs (35%)</li> <li>• affordable decent housing (28%)</li> <li>• level of crime (27%)</li> <li>• traffic congestion (24%)</li> <li>• clean streets/parking (21%)</li> </ul>	<ul style="list-style-type: none"> <li>• road and pavement repairs (38%)</li> <li>• the level of crime (26%)</li> <li>• affordable decent housing (26%)</li> <li>• parking (24%)</li> <li>• clean streets (22%)</li> </ul>	<ul style="list-style-type: none"> <li>• road and pavement repairs</li> <li>• the level of crime</li> <li>• the level of traffic congestion</li> <li>• affordable decent housing</li> <li>• parking</li> </ul>	
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	level of crime and affordable decent housing	road and pavement repairs the level of crime	

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

<b>Question</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>LGA June 22<sup>1</sup></b>
Percentage who felt strongly they belong to their immediate neighbourhood	69%	76%	n/a	n/a
Percentage who felt that people not treating each other with respect and consideration is a big problem	37%	32%	n/a	n/a
<b>RBC</b>				
Percentage satisfied with the way Reading Borough Council runs things overall	63%	66%	64%	63%
Percentage who agreed that Reading Borough Council provides value for money	47%	54%	44%	45%
Percentage who felt Reading Borough Council acts on the concerns of local residents	57%	62%	58%	52%
Percentage who felt Reading Borough Council keeps them well informed about the services and benefits it provides	65%	69%	62%	57%

Question	2022		2021		2020		Net change from 2021 <sup>2</sup>	LGA June 2022
	Satisfied	Dis-satisfied	Satisfied	Dis-satisfied	Satisfied	Dis-satisfied		
<b>Percentage satisfaction with Council Services</b>								
Parks and green spaces	79%	13%	75%	10%	81%	11%	4%	82%
Waste collection service	75%	17%	73%	17%	79%	16%	2%	81%
Street cleaning service	61%	24%	66%	19%	67%	22%	-5%	66%
Town centre cleanliness	63%	18%	61%	13%	67%	14%	2%	n/a
Schools	58%	12%	55%	7%	61%	9%	3%	n/a
Customer service	50%	18%	53%	14%	54%	16%	-3%	n/a
Cultural services	60%	14%	52%	14%	56%	15%	8%	n/a
Library services	53%	15%	46%	12%	45%	19%	7%	60%
Sport and leisure services	51%	23%	41%	25%	49%	30%	10%	45%
Road maintenance	40%	42%	39%	45%	34%	56%	1%	37%
Services and support for children and young people	41%	23%	37%	20%	40%	21%	4%	39%
Services and support for older people	25%	18%	33%	13%	29%	19%	-8%	41%
Action on climate change	30%	27%	27%	24%	33%	23%	3%	n/a
Bus service	80%	10%	n/a	n/a	n/a	n/a	n/a	n/a
Main train station	89%	2%	n/a	n/a	n/a	n/a	n/a	n/a

<sup>2</sup> This is the net difference in % satisfied between 2021 and 2022.

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READING BOROUGH COUNCIL  
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	20 FEBRUARY 2023		
TITLE:	CAPITAL STRATEGY 2023/24		
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:	<a href="mailto:stuart.donnelly@reading.gov.uk">stuart.donnelly@reading.gov.uk</a>

## 1. PURPOSE OF REPORT

- 1.1. The Chartered Institute of Public Finance and Accountancy' (CIPFA) revised Prudential Code for Capital Finance in Local Authorities 2021 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 2021
  - CIPFA The Prudential Code for Capital Finance in Local Authorities 2021
  - 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 D of the Capital Strategy (Appendix 1) together with the associated financial implications.

### Appendices:

Appendix 1 - Draft Capital Strategy 2023/24

## 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 2021 Prudential and Treasury Management Codes require 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 Strategy (MTFS), Treasury Management Strategy, Asset Management Strategy, Corporate Investment Strategy and Carbon Reduction Strategy.
- 4.4 The Capital Strategy sets out among other things, the Council's approach to asset management planning, development, and monitoring of the Capital Programme's delivery.
- 4.5 This year, the Capital Strategy has been subject to updates arising from the revised Prudential Code for Capital Finance in Local Authorities 2021. 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 D has been refreshed. The Director of Finance will keep this under review during the year and will bring forward any changes that may be required.
- 4.6 During 2022/23, a Capital Programme Board chaired by the Director of Finance was introduced to increase oversight of the Capital Programme and its delivery. Terms of Reference for the Board are included at Appendix C.
- 4.7 The revised Code also clarifies that non-treasury management investments are to be reported as part of the Capital Strategy rather than within the Treasury Management Strategy. Consequently, where the Council has loaned funds to or holds equity investments in its wholly owned companies in order to facilitate service provision/investment this is now incorporated into the Capital Strategy (Appendix 1 - Section 4).
- 4.8 Appendix A to the Strategy attached at Appendix 1 sets out a prioritisation matrix for new capital schemes.
- 4.9 Proposed Terms of Reference for the newly established Capital Programme Board are included at Appendix C of the Strategy.
- 4.10 The proposed Action Plan at Appendix D 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 Council's existing asset base;
  - Identifying what assets we need in the future;
  - Developing and implementing new systems and processes, which enable full compliance with the Code requirements;
  - Reviewing current capacity and skillsets within the organisation.

- 4.11 Progress against actions still outstanding are reported on the face of the Action Plan along with revised target completion dates. The progress against the Action Plan has not been what was anticipated when set. However, a number of significant steps forward have been made, including: strengthening staffing arrangements in the Directorate of Economy, Growth and Neighbourhood Services, especially within Property and Asset Management. The Capital Programme Board under the leadership of the Director of Finance has been established to drive improved programming and delivery.

## **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 2023/24 Budget and Medium Term Financial Strategy 2023/24 - 2025/26.

## **7. COMMUNITY ENGAGEMENT AND INFORMATION**

- 7.1. The Council's budget consultation process ran from 19<sup>th</sup> December 2022 until 19<sup>th</sup> January 2023. The feedback from this consultation, alongside the feedback from the Resident's Survey 2022 is set in in the main body and appendices of the 2023/24 Budget and Medium Term Financial Strategy 2023/24 - 2025/26 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 2023/24 Budget & Medium Term Financial Strategy 2023/24-2025/26 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 2023/24 Budget and Medium Term Financial Strategy 2023/24 - 2025/26 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 2023/24 shall remain subject to spending approval in detail by the responsible Committee or Policy Committee or Council, as appropriate, for schemes over £2.5m, with the exception of expenditure on rolling programmes of routine capital expenditure.
- 10.3. The Capital Programme, attached as Appendix 7 to the 2023/24 Budget & Medium Term Financial Strategy 2023/24-2025/26 Report, identifies schemes where the commitment to proceed has already been made. Additionally, there are a number of schemes that have been included within the Capital Programme but remain subject to approval of detailed business cases in order to proceed. A small number of other schemes have been included for information purposes as Appendix 7c, but these remain outside of the approved Capital Programme until the Director of Finance is able to confirm the availability of funds, including that there is sufficient revenue budget available to meet the ongoing capital financing costs of schemes if appropriate.

## **11. BACKGROUND PAPERS**

- 11.1. None.



# Reading Borough Council

## Capital Strategy

**2023/24**

**February 2023**

## Contents

1. Introduction
2. Context
3. Approach to Capital Investments
4. Asset Management Planning
5. Capital Programme (2023/24 - 2025/26)
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 - Capital Programme Board Terms of Reference (ToR)

Appendix D - Action Plan

## 1. Introduction

- 1.1. The Prudential Code for Capital Finance in Local Authorities (2021), 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. The revised Prudential Code was launched with a stated timetable for a soft launch in 2022/23, with full implementation for 2023/24. This Capital Strategy has been updated to reflect the provisions of the revised Prudential Code, however further work to complete the Action Plan, attached as Appendix D, is required during 2023/24.
- 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 its strategic aims as set out in the Corporate Plan (2022-2025). 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. Whilst the Government have now removed specific housing targets, revision to guidance in December 2020 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) opened in November 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. The Council is already changing the way it uses its office space and how it delivers its service to the public.
- 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 and with the introduction of the Elizabeth line with its strong links to the Capital, coupled with relatively affordable office rents, make it an attractive place for business and provides positive 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 energy, ground/air source heat pumps electrification of the Council's in-house vehicle fleet, provision of Electric Vehicle (EV) charging points, enhancements to public transport, improved home insulation, 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. In 2020 the Government announced that it would prevent any local authority which has such investments in its Capital Programme from borrowing from the Public Works Loans Board (PWLB). In response to this the Council's Policy Committee at its meeting on 14<sup>th</sup> December 2020 removed this activity from its 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
- Seek to maximise the use of Government grants to support the Capital Programme
- Improve environmental impact 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 Strategic 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. There is a specific budget within the Capital Programme that relates to the maintenance and improvement of corporate buildings. In the period 2023/24-2024/25, this budget is £1.3m in 2023/24 and £1.0m p.a thereafter. It is primarily directed at operational buildings (non-Housing) and excludes ring fenced funding. This is in addition to specific projects detailed in the Capital Programme.

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 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 £9.9m in 2023/24, 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. The Council purchased 5 new electric powered refuse collection vehicles in 2022/23.

### 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.

**Investment Assets**

- 4.15. 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.
- 4.16. 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.
- 4.17. Loans may also be used as part of the cash flow management processes but may also be used in support of specific service objectives. Loans provided by the Council are subject to the Council’s Loans Policy. 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.
- 4.18. Reading Borough Council has provided a number of loans to its wholly owned companies as set out in Table 1 below.

**Table 1 - Service Investments - Loans to Wholly Owned Companies**

	<b>Principal outstanding at 31/03/2023 (£m)</b>	<b>2023/24 Interest due (£m)</b>	<b>Interest rate</b>
Brighter Futures for Children Ltd	5.000	0.091	1.81%
Homes for Reading Ltd	7.000	0.263	3.75%
Reading Transport Ltd*	6.821	0.000	5.00%

\* Values above do not include lease agreements with Reading Transport Ltd. No interest is due on these loans in 2023/24 following a re-scheduling agreement of the loan portfolio.

- 4.19. The Council also holds an equity stake in some of these wholly owned companies and other bodies which support the service objectives of the Council. These are set out in table 2 below.



**Table 2 - Service Investments - Equity Investments**

	Fair Value as at 31/03/2022 (£m)
Homes for Reading Ltd	2.111
Reading Transport Ltd	3.974
Municipal Bonds Agency	0.000
Reading Community Energy Society Ltd	0.060

- 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 is being reviewed.
- 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 the fore and the impact on the Council's historic property investments is being reviewed as part of the Strategy Review.
- 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, the Council will not purchase further property for investment purposes at this time. This does not preclude investment in regeneration schemes the primary purpose of which is to improve the economic, environmental, or social welfare of the borough. In such cases some income may be derived from the regeneration, but it will not be the primary reason for investment. The review of the existing investment property portfolio will need 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 3 below.

**Table 3. Commercial Investment Portfolio**

	Annual Rental Yield 2022/23 (£m)	Capital Value as at 31 <sup>st</sup> March 2022 (£m)	Purchase Price (£m)	Net Annual Income after Financing Cost (£m)
Kennet Wharf, Queens Road	1.295	16.900	21.276	0.819
Adelphi House, Friar Street	0.403	9.575	12.116	0.132
160 - 163 Friar Street Office	0.730	9.510	11.884	0.464
Four 10 TVP	2.063	34.045	39.968	1.170
Acre Business Park	0.235	2.270	N/A	0.235
Albury Close	0.010	0.670	N/A	0.010
16 & 18 Bennett Road	0.081	2.240	N/A	0.081
<b>Total</b>	<b>4.817</b>	<b>75.210</b>	<b>85.244</b>	<b>2.912</b>

- 4.26. It is still possible that the Council will make a financial return from its ownership of property or other assets where yield is not the main purpose for holding them. An example of this would be the land on which Oracle Shopping Centre is located; the Council earns a financial return from its ownership of the land however the primary purpose of owning this land was to facilitate re-generation of Reading town centre.

#### **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.

#### **Asset Types Defined by the Prudential Code**

- 4.28. The 2021 Prudential Code requires investments to be analysed between investments for treasury management, service and commercial purposes. These three categories are defined as:
- Investments for treasury management purposes', or treasury management investments, are those investments that arise from the organisation's cash flows or treasury risk management activity and ultimately represent balances that need to be invested until the cash is required for use in the course of business.
  - Investments for service purposes', or service investments are held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure), or in support of joint working with others to deliver such services.

- Investments for commercial purposes', or commercial investments, are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services.
- 4.29. The 2021 Prudential Code states that assets should be clearly separated into these categories as each type of investment has very different objectives, criteria and risk characteristics.
- 4.30. In Reading treasury management investments are addressed in the Treasury Management Strategy Statement (TMSS) and therefore not dealt with in any detail in this Capital Strategy, although are recognised as part of the wider Capital Strategy environment.
- 4.31. Reading's investment in commercial property falls within the remit of the Investment Strategy.
- 4.32. The focus of this Capital Strategy is on service assets as defined by the Prudential Code 2021. However, as the umbrella strategy document it is important that the Capital Strategy recognises the importance of other capital investments and the governance arrangements that apply to them.

## **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
  - Addresses inequality, for example by investing in community safety
  - Facilitating transformation schemes, ensuring that the Council is fit for the future
- 5.2. The Council has 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 2023/24 - 2025/26 is set out as part of the MTF5 for Member approval. It identifies £339m to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading. The Programme has a borrowing requirement of £128m 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 4 - Capital Expenditure (2022/23 - 2025/26)**

	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Adult Social Care & Health Services	1.818	3.879	1.623	0.878
Economic Growth & Neighbourhood Services	52.560	74.659	42.299	14.415
Economic Growth & Neighbourhood Services - Education Schemes	14.217	18.297	10.656	3.562
Resources	4.317	2.879	0.968	0.000
Corporate	7.115	6.948	4.382	2.600
<b>General Fund</b>	<b>80.027</b>	<b>106.662</b>	<b>59.928</b>	<b>21.455</b>
<b>HRA</b>	<b>27.828</b>	<b>56.856</b>	<b>55.962</b>	<b>38.486</b>
<b>Total</b>	<b>107.855</b>	<b>163.518</b>	<b>115.890</b>	<b>59.941</b>

5.5. Highlights of the Capital Programme 2023/24 - 2025/26 are:

- £33m on the school estate including a major refurbishment of Ranikhet School (subject to Homes England funding being agreed) as part of the Dee Park Regeneration project.
- £8m to complete 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
- £14m on remodelling provision at the Hexagon Theatre following a successful bid to the Levelling Up Fund
- £8m to relocate the Reading Library to the Civic Offices following a successful bid to the Levelling Up Fund
- £15m on a Bus Service Improvement Programme
- £6m on the re-provisioning of social care facilities
- £21m Investment in the Council's local highways infrastructure (including Bridges) addressing feedback from the residents' survey
- £3m to complete the provisioning of Reading West Station

- £14m on South Reading MRT (Phases 5&6)
  - £4m on schemes to help reduce Reading's carbon footprint
  - £21m on retro-fitting carbon reduction measures to Council dwellings (HRA).
  - 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 for 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 2023/24 - 2025/26 MTFS. The MTFS includes an allocation of capital receipts to support transformation and savings delivery (the Delivery Fund) in 2023/24 to 2024/25. Regular monitoring and administration of the Delivery Fund takes place through the Council's Corporate Programme governance arrangements.

6.7. Below is the latest projection on capital receipts:

**Table 5. Capital Receipts Projection (General Fund)**

	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Prior Year Brought Forward	5,112	2,052	1,585	1,647
<b>Receipts in Year:</b>				
Property Disposals	1,005	1,331	1,844	3,094
Other Disposals				
<b>Balance Available to be Applied</b>	<b>6,117</b>	<b>3,383</b>	<b>3,429</b>	<b>4,741</b>
Applied to Fund Delivery Fund	(4,065)	(1,798)	(1,782)	0
Applied to Fund other				
<b>Total</b>	<b>2,052</b>	<b>1,585</b>	<b>1,647</b>	<b>4,741</b>

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

6.9. **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.

6.10. **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.

6.11. 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.



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

**Table 6 - Summary of Capital Programme Funding**

General Fund & HRA	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Capital Expenditure	107.855	163.518	115.890	59.941
Capital Receipts (GF & HRA)	(4.980)	(5.075)	(7.060)	(1.711)
Capital Grants & Other Contributions	(47.767)	(66.616)	(50.875)	(24.150)
Capital Reserves (HRA)	(12.161)	(21.697)	(16.883)	(13.498)
Revenue Contributions	(3.042)	(3.647)	(0.468)	0.000
<b>Net Borrowing Requirement</b>	<b>39.905</b>	<b>66.483</b>	<b>40.604</b>	<b>20.582</b>

## 7. Governance

### Capital Scheme Approval

- 7.1. During 2022/23, a Capital Programme Board chaired by the Director of Finance was introduced to increase oversight of the Capital Programme and its delivery. Terms of Reference for the Board are included at Appendix C.
- 7.2. All schemes included in the approved Capital Programme, including those planned to start in 2023/24 shall remain subject to spending approval in detail by the responsible Committee or Policy Committee or Council, as appropriate, for schemes over £2.5m, with the exception of expenditure on rolling programmes of routine capital expenditure.
- 7.3. Schemes that arise during the year will be added to the agreed Programme once the relevant approvals have been obtained.
- 7.4. The Corporate Management Team considers and recommends service bids for capital resources as part of the annual budget setting process and provides strategic direction as to the development and use of property assets. The Capital bids are then considered and formally approved by Policy Committee and ultimately Council.
- 7.5. The Land, Property & Development Board (LPDB) provides strategic oversight and direction in relation to the Council's property asset management activity. The LPD Steering Group. 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

- 7.6. Monitoring of the Capital Programme sits alongside the Council's revenue monitoring process with the submission of monthly reports to the Corporate Management Team for review, as well as oversight by the Capital Programme Board as set out in Appendix C.
- 7.7. Member oversight is achieved through lead Councillor briefings and reporting to Policy Committee and Audit & Governance Committee.



- 7.8. 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.
- 7.9. A gateway process will be developed through the Capital Programme Board 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. The gateway review process will allow early identification of areas that may require corrective action and provide validation that a project is ready to progress to the next stage. Stages will be broadly as follows:
- Initial proposal
  - Feasibility
  - Business Case
  - Project initiation
  - Final design/Procurement
  - Contract Award
  - Project Review
- 7.10. As part of the monitoring process a draft outturn report on the previous financial year results will be submitted to Policy Committee for review.

#### **Prioritisation & Affordability**

- 7.11. 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.
- 7.12. 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 CMT prior to being recommended to Members for inclusion in the Draft Capital Programme. This process will be reviewed by the Capital Programme Board.
- 7.13. 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.
- 7.14. 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 and meeting

statutory requirements whilst recognising that finite capital funding resources requires project prioritisation.

- 7.15. 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**

- 7.16. The Council follows the requirements of The Local Government Act 2003 (the Act) and supporting regulations in managing its Treasury Management activities.
- 7.17. The Audit & Governance Committee is the body responsible for overseeing the governance of the treasury management function within the Council. The Act requires that an annual Treasury Management Strategy be presented to Council for approval. Members also receive a mid-year review report and an outturn report, but from April 2023 will receive quarterly reports in line with the revised Treasury Management Code.
- 7.18. The Council 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 internal audit.

#### **Review of Governance Arrangements**

- 7.19. In view of the very high levels of slippage in the delivery of the Capital Programme the Capital Programme Board, led by the Director of Finance, as set out in the attached Action Plan, is carrying out a review of Governance arrangements 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. The Council's cash position is managed centrally to ensure that there is enough liquidity in the short and medium term to meet cashflow requirements including the Council's running costs, 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 in the Council's assets, 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. 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.
- 8.5. The Council's appetite for these risks are set out below.

**Table 6. Council's Risk Appetite**

Risk	Appetite
Financial	<b>Moderate appetite</b> 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. <b>No appetite</b> for currency risk, emerging markets and high volatility investments.
Macroeconomic	<b>Moderate appetite</b> for exposure to national and global growth. <b>High appetite</b> for exposure to local economic growth. <b>Low appetite</b> for interest rate risk, and inflation risk.
Credit and Counterparty	<b>High appetite</b> for investment grade or secured credit risk, as well as exposure to highly rated counterparties and financial institutions with strong balance sheets.

	<b>Low appetite</b> 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	<b>Low appetite</b> 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	<b>High appetite</b> 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	<b>No appetite</b> 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

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

- 8.10. Under the Council's Constitution, risk management is overseen by the Audit and Governance Committee, which reviews the Strategic Risk Register at its meetings. Risk management is an integral aspect of the Council's project methodology, with projects required pre-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. 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.
- 8.11. 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**

- 8.12. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure and investment decisions (including treasury management decisions).
- 8.13. 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.
- 8.14. The Council will ensure that the resources required to manage the Council's assets and regeneration aspirations are available. 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 2023/24 - 2025/2 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 D) is maintained that outlines actions, owners of those actions and timelines for delivery.

## Appendix A - Prioritisation Matrix for Capital Schemes

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

## Appendix B - Schedule of Properties identified for, or in the process of Disposal

The Capital receipts assumptions set out in paragraph 6.7 of the Strategy (Table 5) 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 mural. Disposal potential subject to planning permission.
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
117 Cumberland Road	Vacant 3 bed detached house and grounds, previously used as voluntary sector offices.
Southcote library	Vacant library
Bridge St, Caversham	Vacant land behind advert hoarding
Coley Place	Joint development opportunity 50% share
1 Acre Road	Freehold purchase by head lessee
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
Southside - Island Road	Vacant landfill site - former speedway/greyhound stadium
10 Oak Tree Road	Back garden



## Appendix C - Capital Programme Board Terms of Reference (ToR)

### Overall Responsibilities of the board

- To advise on the Council's Capital Strategy in line with Council's priorities
- To ensure the effective development and delivery of the Capital Programme in line with the Council's Capital Strategy and Council's priorities
- To develop, implement and review the effectiveness of the gateway process for the Capital Programme
- To identify and monitor the resources available to fund the Capital Programme in the most efficient way
- To monitor the progress of the Capital Programme against plan and performance, identifications of risk and issues
- To ensure capital project and programme managers across the Council have the appropriate training, skills and capacity to effectively deliver capital projects
- To develop toolkits for Project and Programme Managers, including the use of post project reviews
- To drive value for money
- To report progress of Capital Programme delivery together with associated risks and mitigations to the Corporate Management Team on a quarterly basis
- To act as a clearing house for any issues/blockers which Boards have not been able to resolve

### Priority Outcomes from the Board

- An effective Capital Strategy and Capital Programme that optimise the resources available to deliver the Council's priorities
- To ensure continuous improvement in the development and delivery of the Capital Programme
- To ensure strategic capital investment is planned and delivered in the most efficient and effective way
- To improve the management of capital projects, in line with best practice, ensuring benefits are realised
- To ensure effective bidding for external capital funding
- To enhance cross-service working and partnerships with other organisations on the development and management of capital projects
- To ensure the Capital Strategy and Programme is funded in the most efficient way and fully integrated into the Medium Term Financial Strategy of the Council
- To embed lessons learnt from capital projects undertaken by the Council
- To monitor and realign the Capital Programme to ensure there is accurate forecasting and less pressure on borrowing
- Appropriately addressing and reporting any risk to the programme

**Membership of the Board:**

Chair	Darren Carter	Director of Finance
<u>Members</u>	Emma Gee (deputy chair)	Deputy Director of Infrastructure, Economy & Capital Projects
	Martin Chalmers	Chief Digital & Information Officer
	Jonathan Hopkins	Assistant Director Procurement
	Anna Barefoot	Capital and Treasury Lead
	Charan Dhillon	Assistant Director Property & Asset Management
	Zoe Hobbs	PMO Manager
Additional Attendance	Assistant Directors/ Programme & Project Managers/leads	Attendance is driven by the focus of the agenda

**Frequency of the Board**

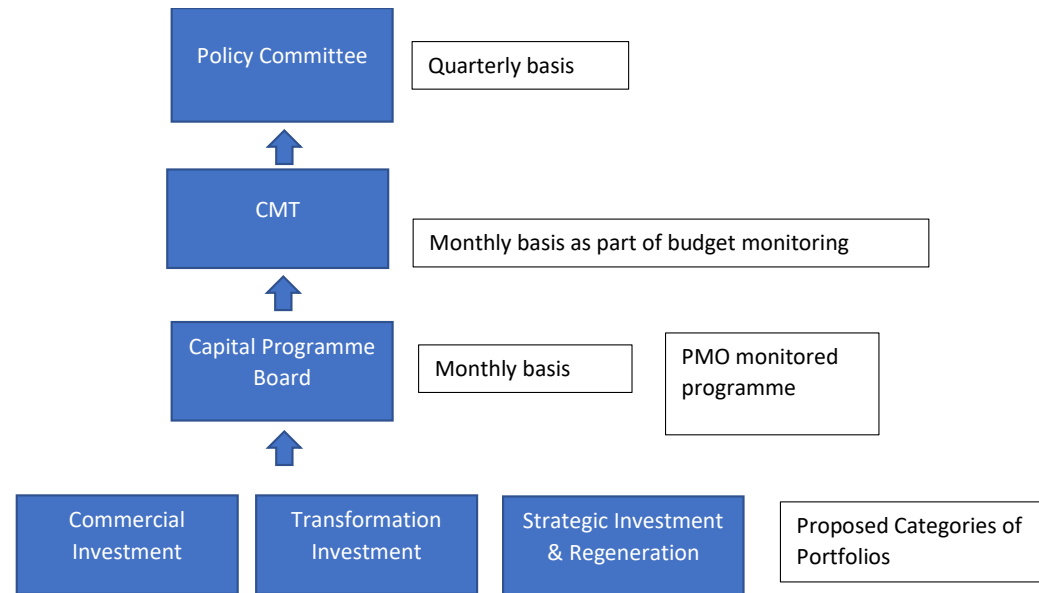
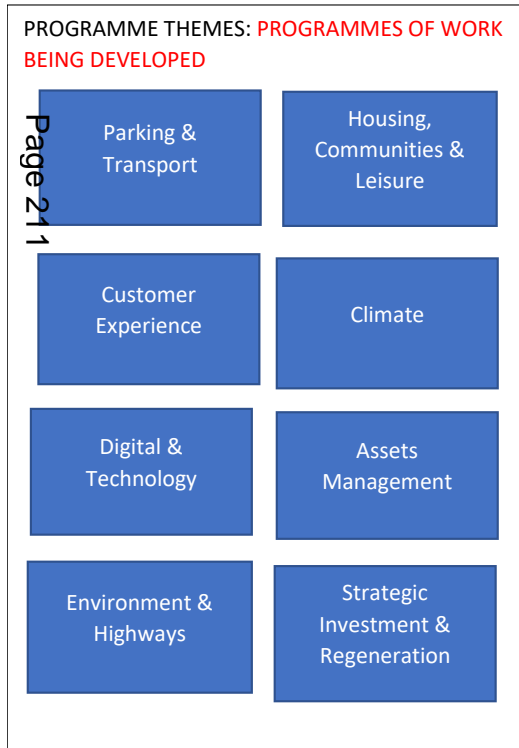
- Monthly for initial 6 months then review (more frequently may be required in the lead up to budget setting)

**Inputs of the Board - collaborative environment/ use of materials**

- Agenda, actions and decisions agreed
- Highlight reporting for projects and programmes reporting directly into the board
- Financial spend & monitoring against the programme
- Monitoring of resource and capacity management against the programme
- New Business Cases/projects for consideration

**Outputs of the Board**

- Actions and decisions agreed
- Communications/messages
- Reports to CMT
- Training and Learning opportunities
- Toolkits
- Prioritised schedule of business cases for review as part of the budget setting process
- Update programmes for approved/rejected activities



**Commercial Investment:**

- Includes develop new and innovative solutions that provide a mix between Council functions, Public Sector, Commercial Return and Place Shaping

**Transformation Investment**

- Non property service - Invest in and re-develop direct service delivery, but not necessarily physical assets or property.
- Assets to manage growth
- Assets to manage rationalisation

**Strategic Investment & Regeneration (includes Economic Growth) \*\*could break out economic growth\*\***

- Infrastructure: Acquire land for infrastructure and build. commission strategic infrastructure also with potential for a commercial return, potentially to reduce costs, potentially to create wider strategic opportunity for development
- Economic Growth: Acquire land, provide investment (including via provision of funding or loans) and build, re-develop, manage, sell property with a focus on place shaping and regeneration that is financially viable in that, as a minimum, it remains affordable and delivers value for money to the Council.

## Appendix D - Action Plan

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

There are four areas where work is required:

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

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

Action	Lead	Progress update	Deadline
Commission work to gain a better understanding of the asset base to include such aspects as: the condition of the assets; their remaining useful life; likely maintenance costs over their remaining useful life; costs of disposal/decommissioning and; costs of replacement if appropriate, etc.	AD Property & Asset Management	<p>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.</p> <p>An Asset Strategy is being developed working with all services across the council to review and agree future direction, taking into account need, condition, climate and cost.</p>	30/04/2023

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

Action	Lead	Progress update	Deadline
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Tasks are now completed under this heading.

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

The following areas have been identified where work is required:

- Skills and knowledge

Action	Lead	Progress update	Deadline
<p>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</p> <p>Page 21</p>	<p>Director of Finance/AD Procurement &amp; Contracts</p>	<p>A number of staff have now undertaken existing training courses on project management &amp; procurement framework.</p> <p>Delays in delivering the new Finance system, which is now due for full implementation from April 2023, have meant this action has needed to be pushed back.</p>	<p>31/07/2023</p>
<p>Review working practices within Assets &amp; Regeneration to identify skills and knowledge gaps.</p>	<p>AD Property &amp; Asset Management</p>	<p>The peer review undertaken by Hampshire County Council has now been completed. RBC are now reviewing the recommendations and implementing agreed actions.</p> <p>A new service structure was implemented in March 2022 and already the service is beginning to see the benefits with a more stable service and enhancement of service delivery.</p>	<p>Complete</p>

- 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="writing-mode: vertical-rl; transform: rotate(180deg);">Page 215</p>	AD Property & Asset Management	<p>An Property Asset Strategy is in the process of being developed.</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 was submitted to the January 2022 Policy Committee. Current plans are assessed to be affordable within existing capital budgets.</p>	30/04/2023
Secure an asset management database	AD Property & Asset Management	New Asset Management software has been procured. We are now at implementation stage and hope that full implementation will be achieved by June 2023.	30/06/23

- 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.	30/09/2023
Review corporate governance arrangements for Capital across the organisation, including post project review and scheme monitoring arrangements.	Director of Finance	<p>The Capital Programme Board was established in December 2022. It will now need to develop a prioritised programme of work. This will include:</p> <ul style="list-style-type: none"> <li>• Review of the prioritisation of limited capital resources</li> <li>• Review of the monitoring arrangements for the delivery of capital projects</li> <li>• Review of the governance framework for capital management.</li> <li>• Review of this Capital Strategy</li> <li>• Monitoring of progress of this Action Plan.</li> <li>• Develop and implement new Capital Gateway process.</li> </ul>	31/03/2024



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
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## 5. Review capacity within the organisation

Action	Lead	Progress update	Deadline
Review current capacity to deliver capital schemes and achieve the desired outcomes.  Page 218	AD Property & Asset Management	<p>A new service structure was implemented in March 2022 and already the service is beginning to see the benefits with a more stable service and enhancement of service delivery.</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>	Complete

## 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.

READING BOROUGH COUNCIL  
REPORT BY DIRECTOR OF FINANCE

TO:	POLICY COMMITTEE		
DATE:	20 FEBRUARY 2023		
TITLE:	TREASURY MANAGEMENT STRATEGY STATEMENT (2023/24); MINIMUM REVENUE PROVISION POLICY (2023/24); ANNUAL INVESTMENT STRATEGY (2023/24)		
LEAD COUNCILLOR:	COUNCILLOR BROCK	PORTFOLIO:	LEADER OF THE COUNCIL
SERVICE:	FINANCE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	STUART DONNELLY	TEL:	01189 373468
JOB TITLE:	FINANCIAL PLANNING & STRATEGY MANAGER	E-MAIL:	<a href="mailto:stuart.donnelly@reading.gov.uk">stuart.donnelly@reading.gov.uk</a>

## 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 2021 and the CIPFA Prudential Code for capital finance in local authorities (2021), 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 2023/24 under which the Council's Treasury Team will manage day to day activity. The TMSS reflects the Council's Draft Capital Programme 2023/24 - 2025/26.
- 1.3 The successful identification, monitoring and control of financial risk are central to the Strategy.
- 1.4 The CIPFA 2021 Prudential 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. The CIPFA Treasury Management Code 2021 further breaks down non-treasury investment into:
  - Investments for service purposes - taken or held primarily for the provision and for the purposes of delivering public services (including housing, regeneration, and local infrastructure), or in support of joint working with others to deliver such services.
  - Investment for commercial purposes - taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services.

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

- CIPFA Code of Practice for Treasury Management in the Public Services 2021
- CIPFA The Prudential Code 2021
- 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 2023/24 as set out in Appendix A section 2;
- 2.2. The Capital Prudential Indicators as set out in Appendix A section 3;
- 2.3. The Minimum Revenue Provision (MRP) Policy for 2023/24 as set out in Appendix A section 4;
- 2.4. The Borrowing Strategy for 2023/24 as set out in Appendix A section 5;
- 2.5. The Annual Investment Strategy for 2023/24 as set out in Appendix A section 6; and
- 2.6. The Prudential and Treasury Management indicators as set out in Appendix A Annex 1.

**That Policy Committee note:**

- 2.7. The requirement within the Prudential Code 2021 for quarterly reporting on the Council's Treasury Management activities from 2023/24. These reports will be presented to Audit & Governance Committee in line with the current delegation.

### **Appendices:**

Appendix A - Treasury Management Strategy Statement 2023/24 (including the Borrowing & Investment Strategy, Treasury Management Indicators and Prudential Indicators); Treasury Management Policy (2023/24); Minimum Revenue Provision Policy (2023/24); Annual Investment Strategy (2023/24).

## **3. ECONOMIC BACKGROUND**

- 3.1 Following the Bank of England Monetary Policy Committee (MPC) meeting on 2 February 2023 the bank rate was increased from 3.50% to 4.00%. The Council's Treasury Management advisors, Link Group, Link Treasury Services Limited are forecasting that bank rate will peak at 4.5% in June 2023 before starting to reduce in December 2023.
- 3.2 CPI inflation peaked in October at a 41-year high of 11.1% and fell to 10.7% in November and 10.5% in December. Goods price inflation, which is driven largely by global factors, has peaked. The sharp rises in energy prices in 2022 should result in energy price inflation falling sharply in 2023. Additionally, the large fall in agricultural prices since May means that food price inflation should start to decline soon and upward pressures on goods price inflation from global supply shortages is expected to fade quickly.

3.3 Domestic inflation pressures also eased in Q4. The 0.2% month on month rise in core CPI inflation in November was the smallest monthly gain since August 2020 and drove a fall in core CPI inflation from 6.5% in October to 6.3% in November. Services CPI inflation was stable at 6.3% in November despite the resilience of wage growth. And the easing of price expectations in the Bank of England's Decision Maker Panel survey in November suggests that inflation may become less persistent.

#### 4. BORROWING

4.1 Under the Prudential Code, the Council can borrow to fund capital expenditure if such borrowings are sustainable, affordable, and prudent. In order to comply with the Prudential Code, an authority must not borrow to invest primarily for financial return.

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, housing and community facilities etc. The value of the Council's assets is circa £1.1bn. As at 31<sup>st</sup> December 2022, the Council had £376.010m of loans outstanding in respect of General Fund and Housing Revenue Account (HRA) assets.

4.4 The Council has not taken out any borrowing (short or long-term) in 2022/23 to 31<sup>st</sup> December 2022.

4.5 Market projections, per Table 11 in Appendix A, indicate that long-term borrowing costs will continue to rise for the first two quarters of 2023 before starting to reduce again. 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 borrowing is required to fund the capital expenditure incurred).

4.6 The Capital Programme 2023/24-2025/26 totals £339.349m (£188.045m General Fund and £151.304m 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 £127.669m per Table 2 of Appendix A (£61.869m General Fund and £65.800m HRA). The cost of borrowing together with any associated revenue savings is included within the Council's Medium-Term Financial Strategy 2023/24 - 2025/26.

4.8 All schemes included in the approved Capital Programme, including those planned to start in 2023/24 shall remain subject to spending approval in detail by the responsible Committee or Policy Committee or Council, as appropriate, for schemes over £2.5m, with the exception of expenditure on rolling programmes of routine capital expenditure.

4.9 After reducing the borrowing requirement by a total Minimum Revenue Provision charge of £37.313m across the period, the Council has a projected increase in its CFR of £90.356m, 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 £15m). 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 section 5. 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 fluctuations in cash-flow. Treasury investments can be called on at short-notice and in the main are held in Money Market Funds or short-term fixed term deposits. These are low-risk investments and give higher rates of interest compared to leaving balances in the Council's bank account. The long-term treasury investment held by the Council is in the CCLA property fund.
- 5.2 The level of investments fluctuates throughout the year dependent on cash balances. The balance of treasury investments was £67.746m at the end of December 2022 (per Table 6 in Appendix A). The average interest was 3.52% and the average weighted rate of return 3.59%.
- 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. APPROVED INVESTMENTS AND COUNTERPARTIES**

- 6.1 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.
- 6.2 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.
- 6.3 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.
- 6.4 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.
- 6.5 CIPFA's Treasury Management Code (2021) requires the Council to set out its policies and practices relating to environmental, social and governance (ESG) investment considerations within its credit and counterparty policies. The framework for taking investment decisions in the coming year is set out in the Council's TMSS, attached at Appendix A section 6 and includes the use of credit rating agencies' criteria, which incorporate Environmental, Social & Governance (ESG) risks alongside more traditional financial risk metrics, and the application of the Freedom House Global Freedom rating system.
- 6.6 The Freedom House Global Freedom rating system is a scored assessment of people's access to political rights and civil liberties in 210 countries and territories. In its annual Freedom in the World report, Freedom House assigns a numerical score and a Free/Partly Free/Not Free status to each country. The Council will only invest in organisations from countries with a 'Free' rating. Ratings will be regularly monitored to determine if ratings have changed.

## **7. MINIMUM REVENUE PROVISION (MRP) CONSULTATION**

- 7.1 The Department for Levelling Up, Housing and Communities launched a consultation on 30<sup>th</sup> November 2021 until 8<sup>th</sup> February 2022, seeking views on proposed changes to regulations to improve enforcement of the duty on local authorities to make prudent Minimum Revenue Provision each year.
- 7.2 One of these proposals would, if implemented, require councils 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.
- 7.3 The latest information we have is that any changes will take effect from 2024/25 at the earliest; it is not the Government's intention that these changes are applied retrospectively.

## **8. RISK CONTROLS**

### **Investment Risk**

- 8.1 The main risk of investing is that the borrower or counterparty defaults on the loan and cannot repay it.
- 8.2 The main controls on investment risk are the application of counterparty criteria which limit the amount and duration of investments with both individual and groups of related counterparties. The criteria are generally based on rating agency evaluations as detailed in Appendix A section 6.

### **Borrowing Risk**

- 8.3 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.
- 8.4 The latest guidance requires the use of other information as well as rating agency evaluations. When ratings change, the Treasury Team are notified on the same day by our treasury advisors. There are regular internal and external meetings the Treasury Team attend to keep abreast of latest topics. The monthly updates from Link Group include other market sources of information, such as the prices of financial instruments and shares. In addition, professional publications and sector specific reports are reviewed by the Team to ensure that any decision to borrow is based a broad array of available information.
- 8.5 The Treasury Management Policies deal with risk controls, decision making and reporting processes, along with high level administration of the Treasury Management activities.

## **9. CONTRIBUTION TO STRATEGIC AIMS**

- 9.1 The Council's vision is to ensure that Reading realises its potential - and to ensure that everyone who lives and works in Reading can share the benefits of its success. The Council has three inter-connected themes which contribute to delivering this vision. The themes are:
- Healthy environment;
  - Thriving communities;



- Inclusive economy.

9.2 Delivery of the Council's revenue and capital budgets is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward. The treasury management functions are crucial in ensuring that the Council has access to funds when required and in investing surplus funds in secure investments.

## **10. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

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

10.2 As set out in the Council's Annual Investment Strategy (Appendix A paragraph 6.18), 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).

## **11. COMMUNITY ENGAGEMENT AND INFORMATION**

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

## **12. EQUALITY IMPACT ASSESSMENT**

12.1 None arising directly from this report.

## **13. LEGAL IMPLICATIONS**

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

## **14. FINANCIAL IMPLICATIONS**

14.1 Financial implications are set out within in the body of this report and within the appendix.

## **15. BACKGROUND PAPERS**

15.1 None.

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# Reading Borough Council

## Treasury Management Strategy Statement

**2023/24**

February 2023

## CONTENTS

1. Introduction
2. Treasury Management Strategy 2023/24
3. Capital Prudential Indicators 2023/24 - 2025/26
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6. Annual Investment Strategy
7. Annexes
  - Annex 1 - Prudential and Treasury Indicators
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## 1. INTRODUCTION

### Background

- 1.1 The Council is required to set 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 before considering investment return.
- 1.2 The second main function of treasury management is providing for the financing of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council and inform the Council's longer-term cash flow planning. This management of longer-term cash may involve arranging long or short-term loans, or using cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured or repaid to reduce cost and mitigate risk.
- 1.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity and 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.
- 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 2021 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 Annual Investment Strategy, (the parameters within which investments are to be managed).
- b. A mid-year treasury management report, delegated to Audit & Governance Committee, this is primarily a progress report and updates Members on the Investment and capital position, amending prudential indicators as necessary and indicating whether any policies require revision.
- c. An annual treasury outturn report, delegated to Audit & Governance Committee, this is a backward-looking review and compares actual prudential and treasury indicators and operations to the estimates within the Strategy
- 1.8 In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required by the Prudential Code. However, these additional reports do not have to be reported to Full Council but are required to be adequately scrutinised. As Council have delegated scrutiny of the mid and outturn reports to the Audit and Governance Cttee it is proposed that these additional reports also be reported to Audit and Governance.

### ***Capital Strategy***

- 1.9 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.
- 1.10 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***

- 1.11 Where the Council has borrowed to fund any non-treasury investment, there should be an explanation of why borrowing was required.
- 1.12 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 procedure set out in the Capital Strategy.
- 1.13 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.
- 1.14 The Council has no plans to undertake new investment in property primarily for yield in the period 2023/24-2025/26. 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 remain allowable under the revised PWLB borrowing terms announced in November 2020.

## 2. TREASURY MANAGEMENT STRATEGY FOR 2023/24

### 1.1 The Strategy for 2023/24 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 Treasury Management Code requires the responsible officer (Section 151 Officer) to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny.

1.4 Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making. The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs.”

1.5 Further “Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.”

1.6 This Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. The Council will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 Officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.



- 1.7 The Section 151 Officer will ensure that Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.
- 1.8 The Section 151 Officer will have regular communication with officers and members, encouraging them to highlight training needs on an ongoing basis.
- 1.9 During 2022/23 a member training session was delivered by the Council's Treasury Management advisors, Link Group, Link Treasury Services Ltd. Appropriate training will continue to be made available to members with sessions being offered at least annually.
- 1.10 The training needs of treasury management officers are periodically reviewed and a record of training received by officers central to the Treasury function will be maintained by the Capital and Treasury Lead.

#### **Treasury Management Consultants**

- 1.11 The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.
- 1.12 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.
- 1.13 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.

### 3. THE CAPITAL PRUDENTIAL INDICATORS 2023/24 - 2025/26

1.14 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

1.15 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 (2022/23 - 2025/26)**

	Estimate 2022/23 £m	2023/24-2025/26 Estimate			
		2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Adult Social Care & Health Services	1.818	3.879	1.623	0.878	6.380
Economic Growth & Neighbourhood Services	52.560	74.659	42.299	14.415	131.373
Economic Growth & Neighbourhood Services - Education Schemes	14.217	18.297	10.656	3.562	32.515
Resources	4.317	2.879	0.968	0.000	3.847
Corporate	7.115	6.948	4.382	2.600	13.930
<b>General Fund</b>	<b>80.027</b>	<b>106.662</b>	<b>59.928</b>	<b>21.455</b>	<b>188.045</b>
<b>Housing Revenue Account (HRA)</b>	<b>27.828</b>	<b>56.856</b>	<b>55.962</b>	<b>38.486</b>	<b>151.304</b>
<b>Total</b>	<b>107.855</b>	<b>163.518</b>	<b>115.890</b>	<b>59.941</b>	<b>339.349</b>

1.16 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 (2022/23 - 2025/26)**

General Fund & HRA	Estimate 2022/23 £m	2023/24-2025/26 Estimate			
		2023/24 £m	2024/25 £m	2025/26 £m	Total £m
<b>Capital Expenditure</b>	<b>107.855</b>	<b>163.518</b>	<b>115.890</b>	<b>59.941</b>	<b>339.349</b>
Capital receipts	(4.980)	(5.075)	(7.060)	(1.711)	(13.846)
Capital grants	(47.767)	(66.616)	(50.875)	(24.150)	(141.641)
Capital reserves (HRA)	(12.161)	(21.697)	(16.883)	(13.498)	(52.078)
Revenue	(3.042)	(3.647)	(0.468)	0.000	(4.115)
<b>Net Borrowing Requirement</b>	<b>39.905</b>	<b>66.483</b>	<b>40.604</b>	<b>20.582</b>	<b>127.669</b>

#### Capital Financing Requirement

1.17 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.

1.18 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.

1.19 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.

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

**Table 3. CFR Projections**

Capital Financing Requirement	Estimate 2022/23 £m	2023/24-2025/26 Estimate			
		2023/24 £m	2024/25 £m	2025/26 £m	Total £m
CFR - General Fund	425.276	456.690	457.080	449.832	
CFR - HRA	199.006	222.593	250.094	264.806	
<b>Total CFR</b>	<b>624.282</b>	<b>679.283</b>	<b>707.174</b>	<b>714.638</b>	
<b>Movement in CFR</b>	<b>29.589</b>	<b>55.001</b>	<b>27.891</b>	<b>7.464</b>	<b>90.356</b>
<b>Movement in CFR represented by:</b>					
Net financing need for year	39.905	66.483	40.604	20.582	127.669
Less MRP/VRP* and other financing movements	(10.316)	(11.482)	(12.713)	(13.118)	(37.313)
<b>Movement in CFR</b>	<b>29.589</b>	<b>55.001</b>	<b>27.891</b>	<b>7.464</b>	<b>90.356</b>

\*Voluntary Revenue Provision

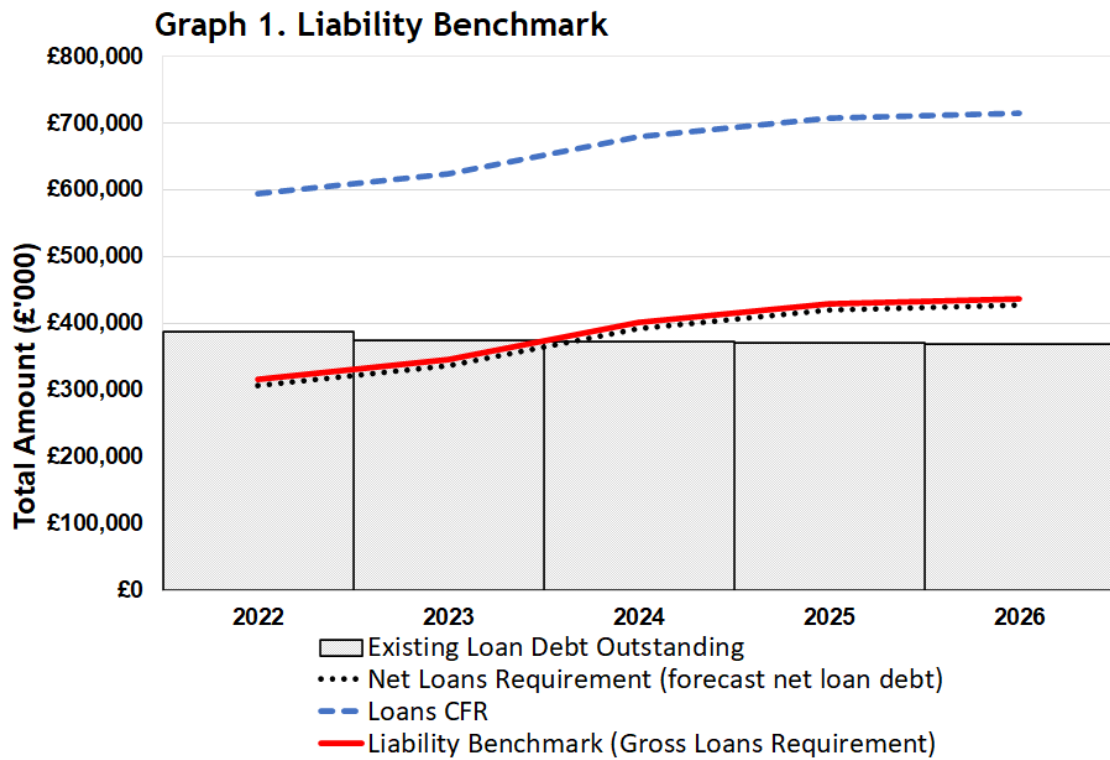
### Liability Benchmark

1.21 A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB), which provides a comparison of the existing loan portfolio against the committed borrowing needs. In future periods where external loans are less than the LB this indicates a borrowing requirement and where external loans exceed the LB this indicates excess cash requiring investment. The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

1.22 There are four components to the LB: -

1. **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Gross loans requirement:** this equals net loans requirement plus short-term liquidity allowance.

1.23 The Liability Benchmark graph below shows that at the end of 2021/22 the Council was in an overborrowed position where actual loans exceeded the benchmark. This was the result of short-term cashflows where grants and other funding had been paid to the Council in advance of expenditure being incurred. The forecast for 2022/23 shows a reduction in the overborrowed position followed by the benchmark overtaking the actual loans position in 2023/24. This represents a future borrowing requirement for the Council, which is as expected due to the Council’s actual level of borrowing being significantly lower than the Council’s projected Capital Financing Requirement.



#### 4. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

- 1.24 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 the 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 make additional voluntary payments if required.
- 1.25 As part of the regulatory framework, Full Council is required to approve its Minimum Revenue Provision (MRP) Policy annually.
- 1.26 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.
- 1.27 If regulations change, e.g. as a result of the outcome of the recent MRP Consultation, then this MRP Policy will be updated and presented to Council for approval.

#### General

- 1.28 Provision for the repayment of outstanding capital borrowing will generally be made in accordance with 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 Section 151 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

- 1.29 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.
- 1.30 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.
- 1.31 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.
- 1.32 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.
- 1.33 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**

- 1.34 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.
- 1.35 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.
- 1.36 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.
- 1.37 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.
- 1.38 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.

- 1.39 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. 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.
- 1.40 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.
- 1.41 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 Section 151 Officer will continue to ensure that the HRA Business Plan provides for the prudent repayment of debt over the longer term.
- 1.42 Subject to affordability and the sustainability of the budget and Medium Term Financial Strategy, the Council’s Section 151 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**

- 1.43 Capital receipts may ordinarily be applied to fund capital expenditure or be set aside for the repayment of debt. An exemption currently applies until 31<sup>st</sup> 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.
- 1.44 The Council’s Section 151 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.
- 1.45 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**

- 1.46 Under the MRP guidance, any charges made in excess of the statutory MRP are known as voluntary revenue provision (VRP). VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this Policy must disclose the cumulative overpayment made each year. Up until 31<sup>st</sup> March 2022 nil overpayments were made, and there is no expectation that any VRP contributions will be made in the period 2022/23-2025/26.



## 5. BORROWING STRATEGY

1.47 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

1.48 The overall treasury management portfolio as at 31<sup>st</sup> March 2022 and the position as at 31<sup>st</sup> December 2022 are shown below for both borrowing and investments.

**Table 5. Treasury Portfolio**

General Fund & HRA	31 <sup>st</sup> March 2022		31 <sup>st</sup> December 2022	
Debt Portfolio	Principal (£m)	Average Rate %	Principal (£m)	Average Rate %
<b>Fixed Rate Loans</b>				
PWLB	357.180	3.27	356.010	3.27
Local Authorities	0.000	N/A	0.000	N/A
Market	30.000	4.18	20.000	4.14
<b>Total Debt</b>	<b>387.180</b>	<b>3.39</b>	<b>376.010</b>	<b>3.35</b>
<b>Total Investments</b>	<b>80.200</b>	<b>1.03</b>	<b>67.746</b>	<b>3.52*</b>
<b>Net Treasury Borrowing/ (Investments)</b>	<b>306.980</b>		<b>308.264</b>	

\*The weighted average rate of return was 3.59%

1.49 The Council's investment portfolio summary as at 31<sup>st</sup> March 2022 together with the position as at 31<sup>st</sup> December 2022 is summarised below:

**Table 6. Investment Portfolio Summary**

	31 <sup>st</sup> March 2022 (£m)	31 <sup>st</sup> March 2022 (%)	31 <sup>st</sup> December 2022 (£m)	31 <sup>st</sup> December 2022 (%)
<b>Treasury Investments</b>				
Banks	27.748	35%	36.076	53%
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)	37.452	47%	16.670	25%
<b>Total Managed In-house</b>	<b>65.200</b>	<b>81%</b>	<b>52.746</b>	<b>78%</b>
<b>Total Managed Externally - Property Funds</b>	<b>15.000</b>	<b>19%</b>	<b>15.000</b>	<b>22%</b>
<b>Total Treasury Investments</b>	<b>80.200</b>	<b>100%</b>	<b>67.746</b>	<b>100%</b>

1.50 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**

	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
<b>External Debt</b>				
Debt at 1 <sup>st</sup> April	387.180	414.745	478.888	517.492
Net Change in Debt	27.565	64.143	38.604	18.582
Debt at 31 <sup>st</sup> March	414.745	478.888	517.492	536.074
PFI Liabilities at 1 <sup>st</sup> April	24.260	23.147	21.843	20.479
Net Change in PFI Liabilities	(1.113)	(1.304)	(1.364)	(1.275)
PFI Liabilities at 31 <sup>st</sup> March	23.147	21.843	20.479	19.204
Total Gross Debt at 31 <sup>st</sup> March	437.892	500.731	537.971	555.278
Capital Financing Requirement	624.282	679.283	707.174	714.638
<b>(Under)/Over Funding of CFR</b>	<b>(186.390)</b>	<b>(178.552)</b>	<b>(169.203)</b>	<b>(159.360)</b>
<b>(Under)/Over Borrowing (exc PFI)</b>	<b>(209.537)</b>	<b>(200.395)</b>	<b>(189.682)</b>	<b>(178.564)</b>

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

**Table 8. Analysis of Non-Financial Investment Borrowing**

	2022/23 Forecast £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
<b>External Debt for Non-Financial Investments</b>				
Debt at 31 <sup>st</sup> March	57.542	57.542	57.542	57.542
<b>Percentage of Total External Debt</b>	<b>14%</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>

1.52 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 2023/24 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.

1.53 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**

1.54 **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**

	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Capital Financing Requirement	624.282	679.283	707.174	714.638
Headroom	20.000	20.000	20.000	20.000
<b>Operational Boundary</b>	<b>644.282</b>	<b>699.283</b>	<b>727.174</b>	<b>734.638</b>

1.55 **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.

1.56 The Authorised Borrowing limits are set out below:

**Table 10. Authorised Limit**

	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Operational Boundary	644.282	699.283	727.174	734.638
Headroom	40.000	40.000	40.000	40.000
<b>Authorised Limit</b>	<b>684.282</b>	<b>739.283</b>	<b>767.174</b>	<b>774.638</b>

### Prospects for Interest Rates

1.57 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 7<sup>th</sup> February 2023. These are forecasts for certainty rates (gilt yields plus 80bps).

**Table 11. Interest Rate Projections (%)**

	Mar 23	Jun 23	Sep 23	Dec 23	Mar 24	Jun 24	Sep 24	Dec 24	Mar 25	Jun 25	Sep 25	Dec 25	Mar 26
Bank Rate	4.25	4.50	4.50	4.25	4.00	3.75	3.25	3.00	2.75	2.75	2.50	2.50	2.50
3m av earnings	4.30	4.50	4.50	4.30	4.00	3.80	3.30	3.00	2.80	2.80	2.50	2.50	2.50
6m av earnings	4.40	4.50	4.40	4.20	3.90	3.70	3.20	2.90	2.80	2.80	2.60	2.60	2.60
1yr av earnings	4.50	4.50	4.40	4.20	3.80	3.60	3.10	2.70	2.70	2.70	2.70	2.70	2.70
5yr PWLB	4.00	4.00	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.10	3.10	3.10
10yr PWLB	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.50	3.40	3.30	3.30	3.20
25yr PWLB	4.60	4.60	4.40	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.50	3.40
50yr PWLB	4.30	4.30	4.20	4.10	3.90	3.80	3.60	3.60	3.40	3.30	3.20	3.20	3.10

1.58 The forecast reflects a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. Bank Rate stands at 4.00% currently but is expected to reach a peak of 4.5% by June 2023.

### **Borrowing Strategy**

- 1.59 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 medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2022 and the first half of 2023.
- 1.60 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.
- 1.61 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, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years. If it was felt that there was a significant risk of a sharp fall in borrowing rates, then borrowing may be postponed.
- 1.62 Any decisions will be reported subsequently to the Audit & Governance Committee.

### **Policy on Borrowing in Advance of Need**

- 1.63 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.
- 1.64 Risks associated with any borrowing in advance will be subject to prior appraisal and subsequent quarterly reporting.

### **Debt Rescheduling**

- 1.65 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)
- 1.66 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates. Any rescheduling will be reported to Members in a treasury report at the earliest meeting following its action.

- 1.67 The Authority holds £15m 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 if there is a financial benefit in doing so.

### Approved Sources of Long and Short-term Borrowing

- 1.68 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	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Overdraft		●
Finance leases	●	●

## 6. ANNUAL INVESTMENT STRATEGY

### Investment Policy - Management of Risk

1.69 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.

1.70 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 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

1.71 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.

1.72 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, the Council 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 31<sup>st</sup> 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 2021/22, the net unrealised gain relating to this investment was -£2.545m, however due to the statutory override there was no impact on the General Fund. In August 2022 the Government issues a consultation document seeking views regarding the future of the statutory override and announced a further two year extension to 31<sup>st</sup> March 2025 in December 2022, with the full Government response expected to be published in early 2023.
- 1.73 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**

- 1.74 The above criteria are unchanged from last year. There are no proposed changes for 2023/24.

### **Creditworthiness Policy**

- 1.75 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.
- 1.76 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.
- 1.77 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.
- 1.78 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**

	<b>Credit Rating</b>	<b>Counterparty Limit</b>	<b>Time Limit</b>
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-	1 Year	
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
	<b>Fund rating</b>	<b>Cash Limit</b>	<b>Time</b>
Money Market Funds	AAA	£20m (each)	liquid
Pooled Funds (including pooled property funds)	AAA	£30m (total)	liquid

- 1.79 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**

- 1.80 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, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded.

Accordingly, when setting minimum sovereign debt ratings, the Council will not set a minimum rating for the UK.

### Credit Default Swap (CDS) Prices

- 1.81 Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. 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, our treasury advisers, 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

- 1.82 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. In addition, the Council will apply the Freedom House Global Freedom rating system to inform decision making and will only invest in organisations from countries with a 'free' rating. The list of countries that qualify using these 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.

- 1.83 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

- 1.84 **In-house fund** 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. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.
- 1.85 Accordingly, 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.

1.86 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)

1.87 Further, the Council will only invest in countries deemed as “Free” as per the Freedom House Global Freedom rating system.

#### **Investment Return Expectations**

1.88 The current forecast shown in Table 11, includes a forecast for Bank Rate to reach 4.5% in Q2 2023. Bank Rate projections to December 2025 are set out in Table 11 above.

#### **Investment Treasury Indicator and Limit**

1.89 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.

1.90 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**

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Principal sums invested for longer than 365 days	£30m	£30m	£30m
Current investments as at 31.01.23 in excess of 1 year maturing in each year	Nil	Nil	Nil

1.91 As at 31<sup>st</sup> January 2023, the Council has £15.000m invested in pooled property funds which have no fixed maturity, as set out in Table 6.

1.92 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**

1.93 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.

- 1.94 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.
- 1.95 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**

- 1.96 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**

- 1.97 The Council does not currently employ external fund managers for any part of its investment portfolio, other than the pooled property fund, and does not plan to do so. If in future, officers determine that an external fund manager will add value to the Council's treasury management function, a report will be brought to the Audit and Governance Committee to first seek approval of a change in policy and subsequently the appointment of a preferred fund manager.

## 7. ANNEXES

- 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 2023/24 - 2025/26**

- 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 2022/23 £m	2023/24-2025/26 Estimate			
		2023/24 £m	2024/25 £m	2025/26 £m	Total £m
General Fund	80.027	106.662	59.928	21.455	188.045
HRA	27.828	56.856	55.962	38.486	151.304
<b>Total</b>	<b>107.855</b>	<b>163.518</b>	<b>115.890</b>	<b>59.941</b>	<b>339.349</b>

**Affordability Prudential Indicators**

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

**Ratio of Financing Costs to Net Revenue Stream**

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

	2022/23	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate	Estimate
General Fund	10.9	11.0	12.7	12.1
HRA	14.6	15.1	16.4	16.7
<b>Total</b>	<b>11.8%</b>	<b>12.0%</b>	<b>13.6%</b>	<b>13.2%</b>

**Maturity Structure of Borrowing**

- These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits. Council is asked to approve the limits in the following table. The only recommended change from previous years, is to increase the Upper Limit for Under 12 months borrowing from 10% to 20% as the current Borrowing Strategy is to borrow on a temporary basis whilst longer term borrowing rates are projected to decrease over future years.

Annex 1 - Treasury Management and Prudential Indicators

<b>Maturity structure of fixed interest rate borrowing 2023/24</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	20%
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%
<b>Maturity structure of variable interest rate borrowing 2023/24</b>		
	<b>Lower</b>	<b>Upper</b>
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 19<sup>th</sup> December 2022).

### AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Sweden
- Switzerland

### AA+

- Canada
- Finland
- United States of America

### AA

- France

### AA-

- Belgium
- United Kingdom

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