

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

Direct: ☎ 0118 9372432

5 December 2023

Your contact is: **Jemma Durkan - Committee Services (jemma.durkan@reading.gov.uk)**

NOTICE OF MEETING - POLICY COMMITTEE 13 DECEMBER 2023

A meeting of the Policy Committee will be held on Wednesday, 13 December 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**
4. **PETITIONS AND QUESTIONS**

To receive any petitions from the public and any questions from the public and Councillors.

- | | | | |
|---|--|-------------------------|------------------|
| 5. | ARTICLE 4 MODIFICATION | BOROUGH
WIDE | 11 - 28 |
| This report recommends modification of an Article 4 direction relating to various permitted development rights that would result in new residential dwellings. | | | |
| 6. | 2023/24 QUARTER 2 PERFORMANCE AND MONITORING REPORT | BOROUGH
WIDE | 29 - 126 |
| This report sets out the projected Revenue and Capital outturn positions for 2023/24 for the General Fund and the Housing Revenue Accounts as at the end of Quarter 2 as well as the performance against the measures of success set out in the Council's Corporate Plan. | | | |
| 7. | MEDIUM TERM FINANCIAL STRATEGY | BOROUGH
WIDE | 127 - 170 |
| This report provides an update to the Council's Medium Term Financial Strategy. | | | |

CIVIC OFFICES EMERGENCY EVACUATION: If an alarm sounds, leave by the nearest fire exit quickly and calmly and assemble on the corner of Bridge Street and Fobney Street. You will be advised when it is safe to re-enter the building.

WEBCASTING NOTICE

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

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

Present: Councillor Brock (Chair);

Councillors Terry (Vice-Chair, in the Chair for Item 33), Barnett-Ward, Emberson, Ennis, Gittings, Hoskin, Leng, McEwan, Robinson, Rowland, Thompson and White

Apologies: Councillor Mitchell

31. DECLARATIONS OF INTEREST

Councillor Brock declared an interest in Item 33 on the grounds that he was a Council-appointed Director of Reading Economic Development Agency which had proposed and would administer the Business Improvement Districts.

32. MINUTES

The Minutes of the meeting held on 25 September 2023 were agreed as a correct record and signed by the Chair.

33. READING BUSINESS IMPROVEMENT DISTRICT BALLOTS

The Committee considered a report outlining proposals to renew Reading's two town centre Business Improvement Districts (BIDs) - Reading Central BID established in 2006 and Abbey Quarter BID established in 2019 – for the period 2024-2029. The report also sought approval for the Council to vote in favour of the proposals in respect of its properties within the proposed BID areas. The following documents were attached to the report:

- Appendix 1 Reading Central BID Business Plan 2019 – 2024
- Appendix 2 Abbey Quarter BID Business Plan 2019 – 2024
- Appendix 3 Street Names
- Appendix 4 BID Maps Central and Abbey Quarter
- Appendix 5 Impact Assessment CIA Tool
- Appendix 6 Baseline Statements – Reading 2024 – 2029
- Appendix 7 Formal BID Consultation Results August 2023
- Appendix 8 BID Themes
- Appendix 9 Budgets

The report noted that the BIDs had been managed since their inception by the Council's arm's length economic development company REDA and that the company was leading on proposals for the continued operation of the BIDs. The BIDs had successfully delivered a range of enhanced services that complemented the Council's statutory responsibilities and provided commercial, retail and hospitality businesses with a safer, cleaner, more attractive, more vibrant, and better-connected town centre. This was funded by the business levy in the designated area that amounted to nearly £1million per year during 2019-2024 and would be nearly £1.5million in the proposed BIDs for 2024-2029. The BIDs and their Committees also acted as a collective voice for businesses on issues of concern and an effective partner to the statutory bodies in bringing about improvements and positive

POLICY COMMITTEE MEETING MINUTES - 30 OCTOBER 2023

change. The report set out a summary of the projects and initiatives delivered as part of the 2019-2024 Business Plans which included Business Wardens, CCTV staff, floral installations, Christmas lighting and events, Seasonal and cultural events, recycling initiatives and deep cleaning.

The report explained that the experience of running two BIDs, one with a retail focus and the other an office focus, had shown that although some common themes existed the two areas had different needs. It had therefore been agreed to keep the two BID areas separate and to allow the resulting business plans to reflect the differences. It was proposed to extend the boundary of the Reading Central BID to include Greyfriars Road and Station Hill, as well as Cheapside and Minster Street. This would be a cohesive approach to the whole town centre and encompass the new commercial areas currently under construction. No changes were proposed to the geographical area of the Abbey Quarter BID. Appendix 3 listed the Streets included in the Central and Abbey Quarter BID areas and Appendix 4 maps of the Central and Abbey Quarter BID areas.

The report explained that the Day Time Levy Percentage had remained at 1% since 2007 but taking account inflation on goods and services to the BID and the level and breadth of services demanded by the businesses it had been agreed by the BID Committees to propose a rise to 1.4%. This levy was still well below most other BIDs in the country. It was also proposed to align the Night Time levy with that of the daytime (1.4%) instead of charging an additional 2% as in previous BID terms, due to Reading's hospitality and night-time economy having suffered disproportionately during Covid compared to the retail and office sectors.

The report summarised consultation carried out in developing the BID proposals and explained that the common themes identified would be featured in the Business Plans and prioritised according to the needs and demands of the two separate BID areas. These themes were:

- Social & Healthy (offering businesses and their staff opportunities to engage in activities that promoted their health and wellbeing as well as the opportunity to give back to our local communities)
- Enhancing & Exciting (animating our town centre to increase experiential activities attracting residents, employees and visitors to enjoy and use the town centre to live, work and play)
- Safe & Secure (ensuring that the town centre was safe day and night for all who used it)
- Environmental & Sustainable (involving BID levy payers in working towards our Reading 2050 vision, the Council's climate emergency and the Reading Climate Change Strategy)
- Informed & Represented (being a collective voice on matters in the town centre; supporting businesses to grow through the provision of information, recruitment, and retention of staff)

Footfall data for the town centre showed that weekend visitor numbers were nearing pre-Covid levels, but that Monday to Friday footfall sat at around 50% of pre-Covid levels. The BID services would reflect this change and aim to increase the number of experiential

POLICY COMMITTEE MEETING MINUTES - 30 OCTOBER 2023

events (trails, food markets, theatre, music) to drive footfall and ensure the town centre was seen as an exciting and vibrant place to work in, visit, shop and spend leisure time.

The report also noted that the Council was eligible to vote in the required ballots on both BID proposals in respect of its properties within the BID 'areas of benefit' and sought approval for the Council to vote in favour of the proposals.

Resolved –

- (1) That the proposals for the Reading Central BID and Abbey Quarter BID ballots be endorsed;**
- (2) That, in respect of its properties within the proposed BID areas, the Council vote in favour of both the Reading Central BID and Abbey Quarter BID ballots for the period 2024 – 2029 in the forthcoming ballots;**
- (3) That the Executive Director for Economic Growth and Neighbourhood Services be authorised to vote on behalf of the Council.**

(Councillor Brock declared an interest in the above item on the grounds that he was a Director of REDA who had developed the proposals and would administer the BIDs. He left the meeting and took no part in the debate or decision. Councillor Terry took the Chair for this item.)

34. SINGLE HOMELESSNESS ACCOMMODATION PROGRAMME

The Committee considered a report seeking authority to bid for capital funds to the value of £480,000 and revenue funds to the value of £167,789 from the Department for Levelling Up, Housing and Communities (DLUHC) Single Homelessness Accommodation Programme (SHAP) to purchase and provide support to six additional Housing First units from 1 April 2024 to relieve and prevent rough sleeping in Reading.

The report explained that in September 2022 the Government had published their new cross-government strategy 'Ending rough sleeping for good', setting out how they were investing £2 billion over the next three years to tackle homelessness and rough sleeping. The SHAP had been announced as part of this strategy, with the aim to increase the supply of good quality, specialist accommodation and housing-led approaches.

The report noted that Reading had limited existing Housing First provision, currently sourced through a combination of its own stock and registered providers accommodation. The funding under SHAP would allow the Council to increase its provision of longer-term accommodation meeting the needs of vulnerable residents to support in recovery and integration into the wider community. The expansion of Housing First provision would consequently improve throughput in existing supported accommodation widening the reach of these services to other individuals that required them. Expanding Housing First fitted with the Council's approach under the Rough Sleeping Initiative (RSI) 2022-25 grant funding for Housing First and tailored off the streets support, moving from outreach towards

POLICY COMMITTEE MEETING MINUTES - 30 OCTOBER 2023

in reach support once people were accommodated, helping them to sustain their accommodation long term.

The report therefore proposed that the Council purchase and provide support to six additional Housing First units from 1 April 2024 subject to the SHAP grant funds being allocated and awarded by DLUHC. There was an 'evergreen' grant funding condition which required that properties purchased under the SHAP scheme would need to be made available to the single homeless cohort in perpetuity. The revenue funding would provide for one additional FTE Housing First support worker over three years, from April 2024 to March 2027, to complement the existing RSI grant-funded contract delivering Housing First.

Resolved –

- (1) That the application to DLUHC for Single Homeless Accommodation Programme (SHAP) funding in the maximum sum of £647,789, the grant to cover both revenue and capital expenditure to (a) purchase six additional units and (b) acquire one additional Housing First support worker, be authorised;**
- (2) That, subject to the successful outcome of the application outlined in point 2 above, the Assistant Director of Housing and Communities, in consultation with the Lead Councillor for Housing, be authorised to enter into a grant agreement with DLUHC for it to provide SHAP funding of a maximum sum of £647,789;**
- (3) That a budget of £705,900 to match fund the capital element of the grant, funded through a combination of S106 contributions and Housing Revenue Account borrowing, be approved;**
- (4) That the total capital spend of £1,185,900 to purchase six homes as set out in the report be approved;**
- (5) That the Assistant Director of Housing and Communities be authorised to purchase the relevant properties.**

35. DIGITAL & CUSTOMER TECHNOLOGY DELIVERY UPDATE

The Committee received a report setting out an update on progress of implementing the 'Connected Reading' Digital Transformation Strategy.

The report noted that the Strategy had been approved by the Committee at its meeting on 12 July 2021 (Minute 21 refers) and that an update had been submitted to the meeting of the Committee on 31 October 2022 (Minute 34 refers). The Committee had approved the award of a framework contract for a Digital Transformation Partner, and PwC had been selected as the partner with the contract beginning in April 2023. In parallel with that procurement the Council had submitted a successful bid for digital transformation funding through the Future Councils Pilot competition run by Department for Levelling Up, Housing and Communities and received a grant of £750k in March 2023.

POLICY COMMITTEE MEETING MINUTES - 30 OCTOBER 2023

The report provided an update on progress since October 2022 and next steps for each of the following workstreams:

- Case and Customer Management
- Customer Journey Optimisation
- Web Services Development
- Digital Inclusion
- Independent Living
- Adult Social Care
- Microsoft 365 Adoption and Exploitation

Resolved –

That the progress made to date on digital technology delivery be noted.

36. RIPA & IPA POLICY AND PROCESS 2023

The Committee considered a report seeking approval for the updated RIPA & IPA Policy, governing the Council's lawful use of Covert Surveillance techniques and the lawful acquisition of Communications Data as investigative tools for investigations. The updated RIPA & IPA Policy was attached to the report at Appendix 1 and the confidential appendices to the Policy were attached to the report at Appendix 2.

The report noted that Regulation Investigatory Powers Act 2000 (RIPA) Part II provided the statutory framework to enable covert surveillance to be lawfully authorised and conducted by public authorities and that the Investigatory Powers Act 2016 (IPA) had been introduced as the new statutory framework governing the acquisition of Communications Data, which had previously been encapsulated within RIPA. The Council's previous RIPA Policy therefore required a comprehensive review and amendment to reflect the new statutory framework and mandatory processes for Local Authorities. Both RIPA and IPA were supported by Codes of Practice and the purpose of both statutory regimes was to provide the lawful basis for public authorities to ensure they did not infringe a person's Article 8 rights (Right to Privacy), except as may be permitted, to ensure a public authority acted in a way which was compatible with the European Convention on Human Rights 1950 and Human Rights Act 1998.

The report set out for approval the new RIPA & IPA Policy at Appendix 1. Attached at Appendix 2 were the 32 Appendices to the Policy which were procedural in nature and confidential for operational reasons. The report also set out a summary of recent regulatory activity which included a Directed Surveillance Application for authorisation of a Test Purchase operation for the underage sale of alcohol and nicotine inhaling products (vapes) at Reading Festival.

Resolved –

That the new RIPA & IPA Policy 2023 be adopted.

POLICY COMMITTEE MEETING MINUTES - 30 OCTOBER 2023

(Appendix 2 contained Exempt Information as defined in Paragraph 7 specified in Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).)

37. EXCLUSION OF THE PRESS AND PUBLIC

Resolved –

That pursuant to Section 100A of the Local Government Act 1972 (as amended), members of the press and public be excluded during consideration of item 38 below as it was likely that there would be a disclosure of exempt information as defined in Paragraph 3 specified in Part 1 of Schedule 12A to that Act.

38. RTL SHAREHOLDER REPORT

The Committee, acting in its capacity as shareholder of Reading Transport Limited (RTL), considered a report setting out a proposal from RTL. It was reported at the meeting that the proposal had been withdrawn.

Resolved –

That the report and the withdrawal of the proposal from RTL be noted.

(Exempt information as defined in Paragraph 3.)

(The meeting started at 6.30 pm and closed at 6.58 pm)

Policy Committee

13 December 2023



Reading
Borough Council
Working better with you

Title	Modification of Article 4 direction relating to new dwellings
Purpose of the report	To note the report for information
Report status	Public report
Report author	Mark Worringham, Planning Policy Manager
Lead Councillor	Councillor Micky Leng, Lead Councillor for Planning and Assets
Corporate priority	Healthy Environment
Recommendations	1. That the modification of the Article 4 direction relating to various permitted development rights that would result in new dwellings be noted.

1. Executive Summary

- 1.1. Permitted development rights are rights that have been granted in legislation to undertake certain developments without the need to apply for planning permission. The Local Planning Authority has the powers to make a direction removing specified permitted development rights within a defined area, known as an Article 4 direction.
- 1.2. The Council made an Article 4 direction on 10 November 2021, as agreed by Policy Committee on 23 September 2021 (Minute 35 refers), that would remove certain permitted development rights that would result in new residential dwellings across the town centre, district and local centres, core employment areas and a number of other commercial areas. Policy Committee confirmed the direction on 31 October 2022, (Minute 33 refers) and the direction came into force on 15 November 2022.
- 1.3. The Secretary of State has powers to modify or cancel an Article 4 direction at any point before or after it comes into force. The Secretary of State used these powers to modify the direction on 10 October 2023, and the modified direction is expected to come into force on 3 November. This report recommends that the modification is noted.
- 1.4 Appendices:
 - Appendix 1: Equality Impact Assessment
 - Appendix 2: Map summarising modification
 - Appendix 3: Modification letter and notice

2. Policy Context

Permitted development rights

- 2.1. There are a number of forms of development which benefit from 'permitted development rights' (PDR) under the Town and Country Planning (General Permitted Development) Order 1995 (as amended) (known as the GPDO) and therefore do not require planning permission. These are set out in Schedule 2 of the GPDO. The range of types of PDR are wide, but include minor alterations to houses, some telecommunications development and some development by statutory undertakers and the Crown.

- 2.2. The use of PDR has been expanded significantly in recent years to include a number of routes to deliver new homes, such as conversions from various commercial uses to residential, as well as rights allowing upward extension or demolition and rebuild of residential and commercial buildings to provide new dwellings.
- 2.3. The following PDR currently exist that would allow the creation of new dwellings, subject to a light-touch prior approval process. References are to Schedule 2 of the GPDO:
- Change of use of commercial, business and service use (use class E) to residential (Part 3, class MA);
 - Change of use of hot food takeaway, betting office, payday loan shop or launderette to residential (Part 3, class M);
 - Change of use of casino or amusement arcade to residential (Part 3, class N);
 - Demolition of single, purpose built, detached block of flats or a single, detached office, light industrial or research and development building and its replacement with a detached block of flats or detached house (Part 20, class ZA);
 - Up to two additional residential storeys on a detached, purpose built block of flats (Part 20, class A);
 - Up to two additional residential storeys on a detached commercial or mixed-use building (in use for retail, financial and professional, restaurant and café, office, research and development, light industrial, betting shop, payday loan shop, launderette) (Part 20, class AA);
 - Up to two additional residential storeys on a two or more storey terraced commercial or mixed-use building (see class AA for uses) or one additional storey on a one storey building (Part 20, class AB);
 - Construction of new residential above a terraced house, two storeys in the case of houses of two or more storeys or one additional storey in the case of a one storey house (Part 20, class AC);
 - Construction of new residential above a detached house, two storeys in the case of houses of two or more storeys or one additional storey in the case of a one storey house (Part 20, class AD).
- 2.4. Each of the above rights has its own set of restrictions which limit the ability to take up the right, and specified matters that can be considered through the prior approval process. However, these are far from comprehensive. For instance, there is no ability to specify the type of accommodation (in terms of number of bedrooms), and, for changes of use from use class E, no safeguard against loss of essential services and facilities (other than medical facilities and nurseries). Conditions around vacancy are weak, and there are no mechanisms to seek contributions towards affordable housing. Whilst these conditions and caveats may therefore be of some use, they will by no means address all the potential impacts that would have been part of determining a planning application.

Article 4 directions

- 2.5. Under Article 4 of the GPDO, a planning authority can remove specified PDR, and require that a planning application be made. There are a number of existing Article 4 directions in operation in Reading. For instance, for many years, small clusters of houses with patterned brickwork or other features have been subject to Article 4 to remove rights around development in the curtilage of a dwellinghouse. In addition, more recently, Article 4 directions have been put in place in much of Park, Redlands and Katesgrove wards, as well as Jesse Terrace, to control the conversion of dwellinghouses to small houses in multiple occupation.
- 2.6. There are two types of Article 4 direction: immediate and non-immediate. An immediate Article 4 direction, once served on an area, removes the specified PDR with immediate effect. However, under Sections 107 and 108 of the Town and Country Planning Act

1990, the Council would be liable to pay compensation to landowners if permitted development rights were removed less than 12 months before initial notification. For this reason, a non-immediate Article 4 direction, where the direction comes into force at least 12 months after it was initially made, would almost always be the preferred route.

2.7. The process for making a non-immediate Article 4 direction is broadly as follows:

- Article 4 is made (after agreement by the relevant committee) and notice given by advertisement, site notices and by serving notice on every owner and occupier (unless the number of owners and occupiers makes service impracticable). The date the notice comes into force must be specified, and must be at least 12 months after last notice of making the direction to avoid compensation issues.
- There would be a period of at least 21 days for consultation responses.
- At least 28 days after the last notice was served, the Article 4 would be confirmed by the relevant committee, and notice of confirmation served in the same way as the initial notice.
- The Article 4 direction would come into effect on the specified date.

2.8. The Secretary of State must be notified about any Article 4 direction, and has powers to modify and cancel directions. An Article 4 direction can be made only where it is 'expedient', and it therefore requires justification. Planning Practice Guidance states that

"The use of article 4 directions to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the wellbeing of the area. The potential harm that the direction is intended to address will need to be clearly identified, and there will need to be a particularly strong justification for the withdrawal of permitted development rights relating to:

...

- *cases where prior approval powers are available to control permitted development*
- ..."

2.9. Therefore, any proposal to put an Article 4 direction in place needs to be accompanied by clear evidence to show the harm that results from the PDR.

2.10. National policy also has a particularly high bar for Article 4 directions that control changes of use to residential. There was a Written Ministerial Statement (WMS) (1 July 2021) followed by corresponding changes to the National Planning Policy Framework (NPPF) (20 July 2021) that confirmed this. The NPPF states that the use of Article 4 directions should

"where they relate to change from non-residential use to residential use, be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts (this could include the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability, but would be very unlikely to extend to the whole of a town centre)"

2.11. The WMS clarified this matter further as follows:

"Article 4 directions should be very carefully targeted, applying only to those locations where they are necessary to avoid wholly unacceptable adverse impacts. For that reason, I want to make clear that the geographical coverage of all Article 4 directions should be the smallest area possible to achieve the aim of the Article 4 direction. In respect of historic high streets and town centres, this is likely to be the irreducible core of a primary shopping area. It is very unlikely to be applicable to a broad area, and is not expected to be applied to an entire local authority area. Local authorities will need to have robust evidence to justify the Article 4 direction and the area it covers."

2.12. Finally, the WMS makes clear that the Secretary of State will make use of his powers regarding Article 4 directions where necessary.

“I will instruct my officials to look closely at all new Article 4 directions to check that they comply with the new policy, and I will consider exercising my power to intervene if they do not.”

3. The Proposal

Current position

3.1 The Council has long had a number of very significant concerns with the impacts of PDR in Reading, which it has expressed frequently, and include the following:

- The poor quality and lack of outdoor space of dwellings;
- The small size of dwellings, which are dominated by studio or one-bedroom homes;
- The inappropriate location of homes due to matter such as noise and disturbance;
- The loss of valuable employment floorspace;
- The impacts on existing businesses by introducing new residents on adjacent sites;
- The loss of important shops and services;
- Failure to make provision for affordable housing; and
- Failure to make provision for vital infrastructure.

3.2 Policy Committee on 23 September 2021 agreed, in the light of these concerns as expressed in more detail in an evidence document provided to Committee, to make an Article 4 direction to remove the PDR of greatest concern within a number of areas of Reading (Minute 35 refers). The forms of PDR to be removed were:

- Change of use of commercial, business and service use (use class E) to residential (Part 3, class MA);
- Change of use of hot food takeaway, betting office, payday loan shop or launderette to residential (Part 3, class M);
- Change of use of casino or amusement arcade to residential (Part 3, class N);
- Demolition of single, purpose built, detached block of flats or a single, detached office, light industrial or research and development building and its replacement with a detached block of flats or detached house (Part 20, class ZA);
- Up to two additional residential storeys on a detached commercial or mixed use building (in use for retail, financial and professional, restaurant and café, office, research and development, light industrial, betting shop, payday loan shop, launderette) (Part 20, class AA); and
- Up to two additional residential storeys on a two or more storey terraced commercial or mixed use building (see class AA for uses) or one additional storey on a one storey building (Part 20, class AB).

3.3 The areas covered were:

- The entire town centre, as defined in the Local Plan;
- District and local centres, as defined in the Local Plan;
- Core employment areas, as defined in the Local Plan;
- Other primarily commercial or retail locations; and
- Areas with the poorest levels of air quality.

- 3.4 This direction was made on 10 November 2021, specifying that it would come into force on 15 November 2022, after a 12-month lead-in required to avoid the need for compensation. There were a number of notification requirements, including notifying the Secretary of State, and a period of consultation.
- 3.5 It is necessary for the Council to confirm a non-immediate Article 4 direction before it can come into force. After consideration of consultation responses, Policy Committee on 31 October 2022 decided to confirm the direction (Minute 33 refers). The direction as originally made came into force on 15 November 2022.
- 3.6 As set out in paragraphs 2.8 to 2.12, national policy sets a high bar for Article 4 directions that impact on changes of use to residential, and, as reported to Policy Committee on 31 October 2022, there was a very real possibility of the Secretary of State using his powers of modification or cancellation. Following notification to the Secretary of State in November 2021, officials from the Department for Levelling Up, Housing and Communities (DLUHC) first contacted Council officers on 19 May 2022 to highlight government concerns about the direction, in particular that the evidence provided was not sufficient to demonstrate wholly unacceptable adverse impacts or that the smallest possible geographical area had been chosen. A particular concern was that the evidence was not sufficiently geographically specific and relied too much on existing planning designations. It was clear at this point that the direction would need to be reduced in order to avoid cancellation.
- 3.7 In August 2022, officers provided a Supplementary Evidence document to DLUHC officials. This went into significant detail on the justification for each building or cluster of buildings being within the direction, and resulted in a suggested significant reduction to the geographical coverage of the direction from 482 ha to 111 ha, a 77% reduction. A large proportion of this reduction was achieved by excluding areas where the permitted development right would not be able to be used in any case, in particular because the areas were not in a land use to which the permitted development right applies. However, it did also result in the removal of around 82,000 sq m of commercial floorspace from the direction that would potentially be available to convert to residential, where it was not possible to demonstrate wholly unacceptable adverse impacts to a sufficiently specific degree.
- 3.8 DLUHC officials responded to this evidence on 30 September 2022, and requested further evidence, in particular relating to air quality and noise. Officers provided a Further Supplementary Evidence to DLUHC on 7 December 2022, which sought to further justify the inclusion of air quality and noise as justification for the extent of the direction.
- 3.9 On 3 July 2023, the Minister of State for Housing and Planning, Rachel Maclean, wrote to the Chief Executive of RBC setting out the Minister's view on the proposed amended Article 4 direction (i.e. the proposed reduction from the direction that is already in force as suggested in August 2022). The conclusion was that the Minister was minded to modify or cancel the direction unless further sites were excluded, namely where they were justified only by noise and/or air quality issues. Removal of these areas would further reduce the Article 4 direction area by 11 ha, a 10% reduction on the already reduced proposed area of 111 ha. In terms of total commercial floorspace to be covered, the reduction is somewhat larger, so there would be a 22% reduction on floorspace covered by the already reduced direction. The areas that would be removed would be primarily office locations on the edge of the town centre, in particular those around the Inner Distribution Road, although there are some other smaller noise or air quality hotspots that would be affected.
- 3.10 On 10 October, the Chief Planner at DLUHC wrote to the Chief Executive of the Council to notify that the Secretary of State has formally modified the Article 4 direction. This letter included the formal modification notice and accompanying maps. The letter and notice is included as Appendix 3.
- 3.11 The modification is in line with the Minister's expressed intentions of 3rd July 2023. This incorporated those reductions that had been suggested by officers in the Supplementary

Evidence of August 2022, as well as further reductions to exclude areas justified only by poor air quality and/or noise disturbance.

- 3.12 In total, therefore, the modified direction is much reduced from the direction as originally made and which was in force until 10 October, having reduced from 482 ha to 100 ha. A map showing the resulting coverage compared to previous proposed extents is included in Appendix 2.
- 3.13 The modified direction came into effect when notifications have been made in line with regulations, on 3 November 2023. The recommendation is to note the modification.

Other options considered

- 3.14 The only option other than noting the modification would be to cancel the Article 4 direction in its entirety, which can be done by making a subsequent direction. However, this would result in no areas within Reading being protected from damaging PDR and result in the forms of harm set out in paragraph 3.1 being much more widespread. There are no defined routes within the legislation for the Council to challenge or appeal the modification.

4. Contribution to Strategic Aims

- 4.1. The Council's vision is as follows:

“To help Reading realise its potential – and to ensure that everyone who lives and works here can share the benefits of its success.”

- 4.2. The direction helps to achieve the vision by ensuring that residents of new dwellings in Reading are not detrimentally affected by the poor quality or inappropriate mix of homes, and that development helps to realise Reading's potential through contributing to affordable housing, mitigating the impacts on infrastructure and securing economic growth.
- 4.3. The direction also contributes to the following Corporate Plan themes:

Healthy environment

- Ensuring that new development is subject to the Council's planning policies that seek to address the climate emergency through improved standards of new housing;
- Ensuring that new development is subject to policies that ensure adequate provision of outdoor amenity space and protection from high levels of noise and disturbance and poor air quality, thus helping to prevent impacts on physical and mental health.

Thriving Communities

- Ensuring that new developments contribute towards the provision of much-needed affordable housing;
- Ensuring that new development is subject to policies that secure high standards of accessibility and adaptability of new dwellings.

Inclusive economy

- Prevents developments that could negatively affect economic growth by eroding employment space or resulting in inappropriately located new homes that restrict the operations of existing businesses;
- Protects the health of Reading's high streets that provide a range of services and facilities for the whole community.

5. Environmental and Climate Implications

- 5.1 The Article 4 direction will not necessarily prevent development being undertaken, but will instead ensure that it is considered through the planning application process which will

mean consideration against the full range of Local Plan policies and associated documents. As it stands, major new-build residential development that benefits from PDR does not need to comply with policy H5 which requires zero carbon homes (defined as being, at a minimum, a 35% improvement over the emissions rate in the building regulations with a contribution towards carbon offset to cover the remainder). Currently, other matters such as landscaping, tree planting, climate change adaptation and the impacts of poor air quality on residents of the development are unable to be considered for PDR proposals. The direction therefore ensures that the adopted policies in the Local Plan apply, and as such the environmental and climate implications would be positive.

6. Community Engagement

- 6.1. There are notification requirements set out in Schedule 3 of the Town and Country Planning (General Permitted Development) Order 2015 (as amended) after an Article 4 direction is made. The Council complied with these requirements, as reported to Policy Committee on 31 October 2022, and consultation responses were considered as part of the decision to confirm the direction.
- 6.2. There are further requirements to carry out notifications of the Secretary of State's modification, in the same way as the original direction had been notified. These were complied with before 3 November 2023.

7. Equality Implications

- 7.1. The Scoping Assessment, included at Appendix 1 identifies that an Equality Impact Assessment (EqIA) is relevant to this decision. The EqIA (also at Appendix 1) identifies that, where there are identified impacts upon specific groups, these are expected to be positive. Compliance with the duties under S149 of the Equality Act 2010 can involve treating some persons more favourably than others, but it is not considered that there will be a negative impact on other groups with relevant protected characteristics.

8. Other Relevant Considerations

- 8.1 There are none

9. Legal Implications

- 9.1. The Town and Country Planning (General Permitted Development) Order 2015 (as amended) (known as the GPDO) grants planning permission to a number of specified forms of development. The forms of development for which permission is granted are set out in Schedule 2 of the GPDO.
- 9.2. Article 4 of the GPDO allows the local planning authority to make a direction that removes specified permitted development rights within a defined area if those rights would be prejudicial to proper planning of their area or constitute a threat to the amenities of the area. Schedule 3 of the GPDO describes the process by which these Article 4 directions are made. Paragraph 1 of Schedule 3 deals with non-immediate directions. Paragraph 1(13) states that the Secretary of State may cancel or modify any direction under article 4(1) made by a local planning authority at any time before or after its confirmation

10. Financial Implications

- 10.1 The costs of carrying out notifications relating to the modification will be met from the existing Planning service budget. These costs relate primarily to officer time and the cost of serving notices and local advertisements.
- 10.2 The financial implications of the direction itself were reported to Policy Committee on 31 October 2023 (Minute 33 refers). The effect of the modification itself will be to limit the degree to which this direction will result in additional application fee income to the Council due to the fact that the cost of an application for prior approval under PDR is considerably lower than the relevant application fee.

11. Timetable for Implementation

11.1. The modified direction came into force on 3 November 2023.

12. Background Papers

12.1. There are none.

Appendices

1. Equality Impact Assessment
2. Map summarising modification
3. Modification letter and notice

Appendix 1: Equality Impact Assessment

Provide basic details

Name of proposal/activity/policy to be assessed:

Article 4 direction to remove permitted development rights that would result in residential development

Directorate: DEGNS – Directorate of Economic Growth and Neighbourhood Services

Service: Planning, Transport and Public Protection

Name: Mark Worringham

Job Title: Planning Policy Manager

Date of assessment: 25/10/2023

Scope your proposal

What is the aim of your policy or new service?

To put in place a legal direction to remove certain permitted development rights in parts of Reading to include the town centre, district and local centres and employment and commercial areas.

Who will benefit from this proposal and how?

This proposal will benefit the whole community (including potential occupants of development) by ensuring that developments that would result in new dwellings are subject to a planning application process that ensures that impacts on the amenity of the area are considered.

What outcomes will the change achieve and for whom?

The main outcome will be that developments that would result in residential development are subject to a planning permission process. This will consider all of the many impacts on the amenity of the area and on the potential residents.

Who are the main stakeholders and what do they want?

Potential residents – a residential dwelling which does not detrimentally impact quality of life and physical and mental health.

Neighbouring residents – developments that do not detrimentally affect the residential amenity of the area

Neighbouring businesses – developments that do not detrimentally impact their operation.

Developers and landowners – planning processes that offer flexibility and/or provide certainty.

Whole community – developments that contribute towards meeting affordable housing needs and mitigating infrastructure impacts.

Assess whether an EIA is Relevant

How does your proposal relate to eliminating discrimination; promoting equality of opportunity; promoting good community relations?

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others? (Think about your monitoring information, research, national data/reports etc)

Yes ☒ No ☐

Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, feedback.

Yes ☐ No ☒

If the answer is **Yes** to any of the above you need to do an Equality Impact Assessment.

If No you **MUST** complete this statement

N/A

Assess the Impact of the Proposal

Your assessment must include:

- **Consultation**
- **Collection and Assessment of Data**
- **Judgement about whether the impact is negative or positive**

Consultation

Relevant groups/experts	How were/will the views of these groups be obtained	Date when contacted
Landowners	Local advertisement, site notice	October 2021

Collect and Assess your Data

Describe how could this proposal impact on Racial groups

No specific impacts are identified.

Is there a negative impact? Yes ☐ No ☒ Not sure ☐

Describe how could this proposal impact on Gender/transgender (cover pregnancy and maternity, marriage)

No specific impacts are identified.

Is there a negative impact? Yes ☐ No ☒ Not sure ☐

Describe how could this proposal impact on Disability

New dwellings provided as a result of permitted development rights do not need to comply with the housing standards set out in policy H5 of the Local Plan. This policy ensures that all new-build homes are to be accessible and adaptable (to ensure that adaptations can be made to a home as residents' life circumstances change), and that 5% of homes on developments of 20 or more dwellings are wheelchair accessible and adaptable. This means that developments through permitted development are unlikely to provide dwellings that meet these standards. The result of the recommended action will be to ensure that compliance with these standards is a condition of receiving permission, and will therefore represent a positive impact in disability.

Is there a negative impact? Yes ☐ No ☒ Not sure ☐

Describe how could this proposal impact on Sexual orientation (cover civil partnership)

No specific impacts are identified.

Is there a negative impact? Yes ☐ No ☒ Not sure ☐

Describe how could this proposal impact on Age

No specific impacts are identified.

Is there a negative impact?Yes ☐

No

☒

Not sure

☐**Describe how could this proposal impact on Religious belief?**

No specific impacts are identified.

Is there a negative impact?Yes ☐

No

☒

Not sure

☐**Make a Decision**

Tick which applies

- | | | |
|--|----------------|-------------------------------------|
| 1. No negative impact identified | Go to sign off | <input checked="" type="checkbox"/> |
| 2. Negative impact identified but there is a justifiable reason | | <input type="checkbox"/> |
| You must give due regard or weight but this does not necessarily mean that the equality duty overrides other clearly conflicting statutory duties that you must comply with. | | |
| Reason | | |
| 3. Negative impact identified or uncertain | | <input type="checkbox"/> |
| What action will you take to eliminate or reduce the impact? Set out your actions and timescale? | | |

How will you monitor for adverse impact in the future?

Compliance with accessibility requirements will be a condition of receiving planning permission, and this will be capable of being monitored on an annual basis.

Signed (completing officer)

Mark Worringham

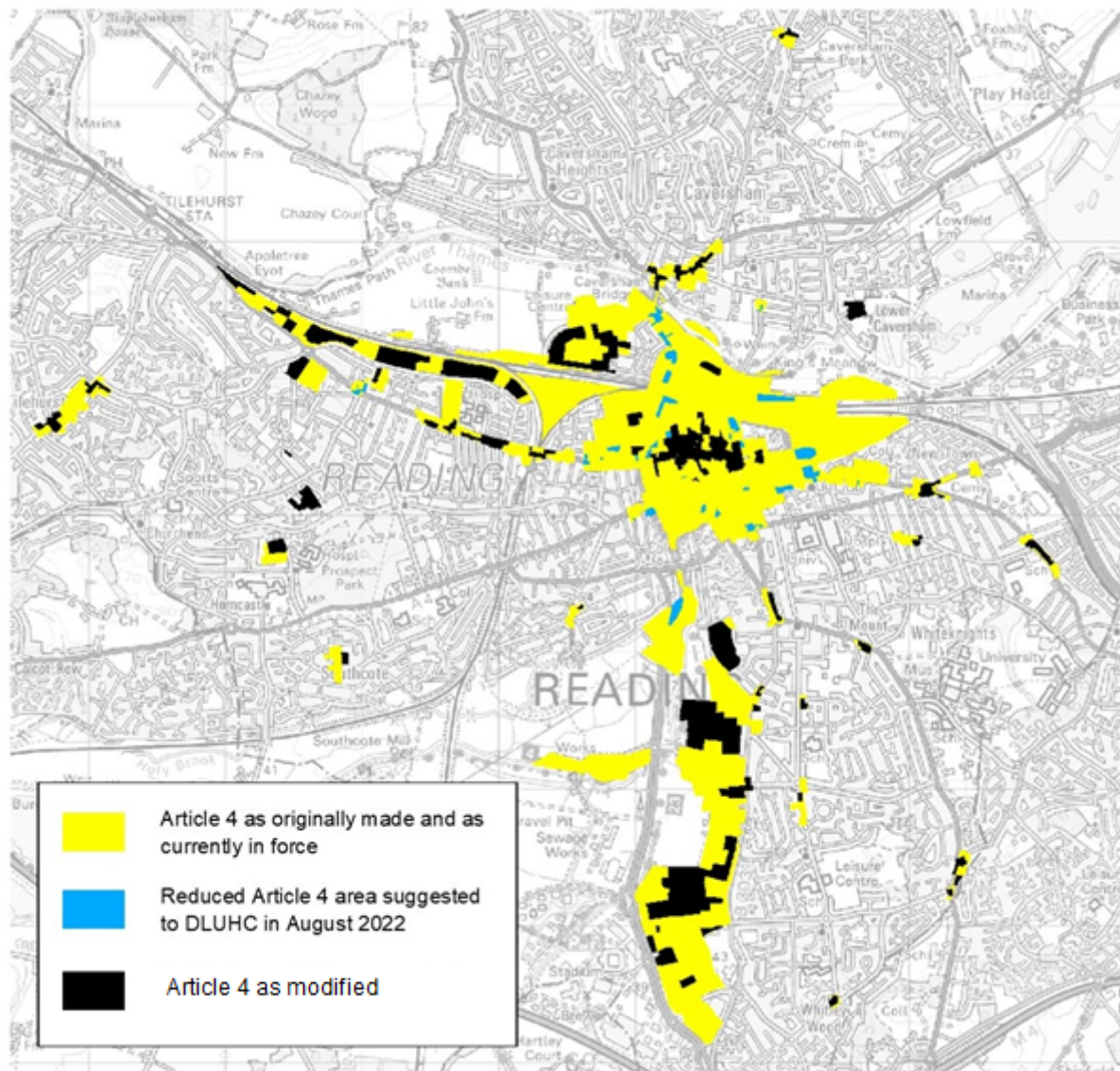
Date: 25th October 2023

Signed (Lead Officer)

Mark Worringham

Date: 25th October 2023

Appendix 2: Evolution of area covered by Article 4 direction





Department for Levelling Up,
Housing & Communities

Joanna Averley
Chief Planner

**Department for Levelling Up,
Housing and Communities**
3rd Floor, Fry Building
2 Marsham Street
London SW1P 4DF

Jackie Yates
Chief Executive
Reading Borough Council
Civic Offices
Bridge Street
Reading
RG1 2LU

Your reference:
Our reference:

10 October 2023

Dear Jackie Yates,

Re. Modification of Article 4 Direction in relation to Classes M, MA and N of Part 3 of Schedule 2; and Classes ZA, AA and AB of Part 20 of Schedule 2 of the of the Town and Country Planning (General Permitted Development) (England) Order 2015 for sites within the Borough of Reading

Background

As you are aware, with effect from 1st August 2021 Class MA was inserted into Part 3 of Schedule 2 to the Town and Country Planning (General Permitted Development) (England) Order 2015 ("the General Permitted Development Order"). Class MA permits development consisting of a change of use of a building and any land within its curtilage from a use falling within Class E (commercial, business and service) of Schedule 2 to the Town and Country Planning (Use Classes) Order 1987 to a use falling within Class C3 (dwellinghouses) of Schedule 1 of that Order. Class M permits development consisting of a change of use of a building in certain uses (laundrette, betting office, pay day loan shop, hot food takeaway) to dwellinghouses. Class N permits development consisting of a change of use of a building and any land within its curtilage from specified sui generis uses (an amusement arcade or centre, or a casino) to dwellinghouses.

Class ZA of Part 20 of Schedule 2 to the General Permitted Development Order, permits development consisting of the demolition of a building which was in use as a single purpose-built block of flats or the demolition of a detached building which was in use as an office, research and development or light industrial use, or any combination of these uses, on 12 March 2020, and its replacement with a purpose built detached block of flats or a purpose built detached dwellinghouse, with a use falling within Class C3 (dwellinghouses) of Schedule 1 of the Town and Country Planning (Use Classes) Order 1987. Classes AA and AB of Part 20 allow for the construction of new dwellinghouses on detached and terrace buildings respectively that are in commercial or mixed use.

On 10th November 2021, Reading Borough Council made a non-immediate direction under Article 4(1) of the General Permitted Development Order disapplying Classes, M, MA, N of Part 3 of Schedule 2; and, Classes ZA, AA and AB of Part 20 of Schedule 2 of the General Permitted Development Order for various sites within The Borough of Reading ("the Article 4 direction"). The Article 4 direction was confirmed by the Council on 31st October 2022 and came into force on 15th November 2022.

Consideration and Reasons

In considering the Article 4 direction the Secretary of State has had regard to national policy on Article 4 directions. Paragraph 53 of the National Planning Policy Framework provides that-

The use of Article 4 directions to remove national permitted development rights should:

- where they relate to change from non-residential use to residential use, be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts (this could include the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability, but would be very unlikely to extend to the whole of a town centre);*
- in other cases, be limited to situations where an Article 4 direction is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 directions to require planning permission for the demolition of local facilities);*
- in all cases, be based on robust evidence, and apply to the smallest geographical area possible.*

Paragraph 050 of the Planning Practice Guidance provides that the Secretary of State will only intervene in Article 4 Directions where there are clear reasons for doing so. The Secretary of State considers that there are clear reasons justifying his intervention in the Article 4 Direction.

The Class MA permitted development right provides new opportunities for the conversion of vacant commercial buildings to support housing delivery, economic recovery and high street regeneration. The permitted development right includes a number of national safeguards: all new residential delivered through the permitted development right must meet nationally described space standards, the rights do not apply where the cumulative floor space of the building changing use exceeds 1,500 square metres, the building must have been vacant for at least 3 months, and there are prior approvals for, amongst other things, the ground floor of buildings in conservation areas. Similarly, the Classes M and N permitted development rights also provide opportunities for high street regeneration and support housing delivery, and these permitted development rights also include a number of national safeguards.

The Class ZA permitted development right provides new opportunities for the demolition and replacement of vacant, detached buildings used as blocks of flats, offices, for research and development or in light industrial use, with purpose-built flats or a dwellinghouse, and Classes AA and AB permitted development rights provide opportunities for the construction of new dwellinghouses on existing commercial or

mixed use buildings. These permitted development rights support the delivery of new housing and economic recovery and also include a number of safeguards.

The Article 4 direction, as made, does not take a sufficiently targeted approach in the assessment of the wholly unacceptable adverse impacts of the permitted development right in each location. Such an approach is necessary to ensure that the Article 4 direction applies only to the smallest geographical area possible. The Secretary of State is therefore of the view that the boundary must now be modified in accordance with the notice attached to this letter.

This will ensure that the Article 4 Direction is focused on protecting the most significant areas of commercial activity within the Borough of Reading, and locations where the permitted development rights would have a wholly unacceptable adverse impact. It covers various locations across the Borough.

These modifications will ensure that the Article 4 Direction boundary for areas within the Borough of Reading are justified by robust evidence and comply with national planning policy.

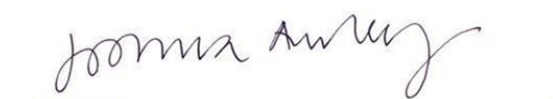
Decision

The Secretary of State has decided to modify the Article 4 direction to restrict the Article 4 direction to the areas shown on the attached map and we attach a direction to that effect.

Procedural issues

For the purposes of paragraph 1(13) and (16) of Schedule 3 of the General Permitted Development Order we hereby notify you of the modification of the Article 4 direction.

Under paragraph 1(17) of Schedule 3, you must give notice of the attached direction in accordance with the provisions of paragraphs 1(1) to (3) of Schedule 3 of the General Permitted Development Order. You are required to give notice of this direction as soon as reasonably practicable after receipt of this letter. Although it is a matter for you, it is suggested that you give notice of the direction in the same manner as for the original form of the direction. In due course, please confirm when and where the notice is published or served so we know the date the direction comes into force.



Joanna Averley
Chief Planner
Department for Levelling Up, Housing and Communities

DIRECTION UNDER THE TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT) (ENGLAND) ORDER 2015

Modification of the Article 4 direction made by Reading Borough Council on 10th November 2021 in relation to development under Classes M, MA and N of Part 3 of Schedule 2; and Classes ZA, AA and AB of Part 20 of Schedule 2 of the of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended)

The Secretary of State for Levelling Up, Housing and Communities, in exercise of the powers conferred by paragraph 1(13) of Schedule 3 of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) and of all other powers enabling him in that behalf, makes the following direction:

Interpretation

1. In this Direction-

" General Permitted Development Order" means the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended);

"Use Classes Order" means the Town and Country Planning (Use Classes) Order 1987 (as amended; and

"Article 4 direction" means the Direction made by Reading Borough Council under Article 4 of the General Permitted Development Order on 10th November 2021 in respect of development permitted by:

- Class M of Part 3 of Schedule 2 to the General Permitted Development Order, namely a change of use of a building in certain uses (launderette, betting office, pay day loan shop, hot food takeaway, or a mixed use combining use as a dwellinghouse with a launderette, betting office or pay day loan shop) to a use falling within Class C3 (dwellinghouses) of Schedule 1 to the Use Classes Order; or such development together with building operations reasonably necessary to convert the building to a use falling within Class C3 (dwellinghouses);
- Class MA of Part 3 of Schedule 2 to the General Permitted Development Order, namely a change of use of a building and any land within its curtilage from a use falling within Class E (commercial, business and service) of Schedule 2 to the Use Classes Order to a use falling within Class C3 (dwellinghouses) of Schedule 1 to that Order;
- Class N of Part 3 of Schedule 2 to the General Permitted Development Order, namely a change of use of a building and any land within its curtilage from specified sui generis uses (an amusement arcade or centre, or a casino) to a use falling within Class C3 (dwellinghouses) of Schedule 1 to the Use Classes Order; or such development together with building operations reasonably necessary to convert the building to a use falling within Class C3 (dwellinghouses);
- Class ZA of Part 20 of Schedule 2 to the General Permitted Development Order, namely the demolition of a building comprising a single purpose-built detached block of flats, or a single detached building comprising premises in a use falling within offices, or research and development of products and processes or light industrial appropriate in a residential area, or any combination of those uses, and its replacement

with a purpose built block of flats or a purpose built detached dwellinghouse, together with prescribed operational development;

- Class AA of Part 20 of Schedule 2 to the General Permitted Development Order, namely the construction of up to two additional storeys of new dwellinghouses on detached buildings in specified commercial or sui generis uses (as a shop, financial and professional services, restaurants and cafes or offices, or as a betting office, pay day loan shop or launderette) or in a mixed use combining those uses or a use within Class C3 (dwellinghouse) of Schedule 1 to the Use Classes Order, together with prescribed works and operations.
- Class AB of Part 20 of Schedule 2 of the General Permitted Development Order, namely the construction of up to two new dwellinghouses on terrace buildings in specified commercial or sui generis uses (as a shop, financial and professional services, restaurants and cafes or offices, or as a betting office, pay day loan shop or launderette) or in a mixed use combining those uses or a use within Class C3 (dwellinghouse) of Schedule 1 to the Use Classes Order, together with prescribed works and operations.

The Article 4 direction relates to sites in the Borough of Reading.

Direction

2. The Secretary of State hereby directs that the Article 4 direction is modified as follows.
3. Instead of the Article 4 direction applying to the land described in the Second Schedule to that direction, it shall apply only to the land specified in this Direction and only in the manner described in paragraph 5.
4. The specified land is the areas shaded grey on the attached maps numbered 1 -39, divided into categories A to G.
5. In each category of area shaded grey, the permitted development right(s) to be removed is specified in the table below:

Area (as shown on attached Maps to this Direction numbered 1 - 39)	Permitted development right(s) removed
A	Part 3, Class MA; Part 3, Class M; Part 3, Class N; Part 20, Class AA; Part 20, Class AB
B	Part 3, Class MA; Part 3, Class M; Part 3, Class N
C	Part 3, Class MA
D	Part 3, Class MA; Part 3, Class M
E	Part 3, Class MA; Part 3, Class M; Part 20, Class AA; Part 20, Class AB
F	Part 3, Class MA; Part 20, Class AA; Part 20, Class AB

G	Part 3, Class MA; Part 20, Class ZA; Part 20, Class AA; Part 20, Class AB
---	--


6. For the avoidance of doubt, this Article 4 Direction does not apply to any land outside the areas shaded.

Entry into force

7. This Direction comes into force in accordance with paragraph 1(18) of Schedule 3 of the General Permitted Development Order.

Signed for and on behalf of the Secretary of State for Levelling Up, Housing and Communities

On: 10 October 2023



Joanna Averley
Chief Planner

Policy Committee

13 December 2023



Reading
Borough Council
Working better with you

Title	2023/24 Quarter 2 Performance and Monitoring Report
Purpose of the report	To make a decision
Report status	Public report
Report author (name & job title)	Stuart Donnelly, Financial Planning & Strategy Manager Gavin Handford, Assistant Director of Policy, Performance & Customer Services
Lead Councillor (name & title)	Councillor Terry, Deputy Leader of the Council and Lead Councillor for Corporate Services & Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	<p>That Policy Committee notes:</p> <ol style="list-style-type: none"> 1. That the forecast General Fund revenue outturn position for Quarter 2 is an adverse net variance of £3.685m which is a net improvement of £0.120m from Quarter 1; 2. That the forecast General Fund revenue outturn position for Quarter 2 includes £3.117m of Recovery Plan mitigations identified during the Quarter; 3. That £0.235m (3%) of previously approved Medium Term Financial Strategy savings have been delivered (blue) to date in this financial year, with a further £3.219m (39%) of savings on track to be delivered (green) by March 2024. £2.985m (37%) of savings are currently categorised as non-deliverable (red) and £1.679m (21%) categorised as at risk of delivery (amber); 4. That the General Fund Capital Programme is forecasting a positive net variance of £1.078m against the proposed revised budget of £67.090m; 5. That there is a total £4.595m Delivery Fund available for 2023/24 (inclusive of 2022/23 approved carry forwards). At Quarter 2, £3.753m of this funding has been allocated out to approved schemes; 6. That the Housing Revenue Account (HRA) is projecting a positive net variance of £0.457m as at the end of Quarter 2, which results in a forecast drawdown from HRA Reserves of £2.042m rather than the originally budgeted £2.499m; 7. That the HRA Capital Programme is forecasting to spend to budget against the proposed revised budget of £33.564m. 8. The performance achieved against the Corporate Plan success measures as set out in Section 12 of this report and appendices 5 and 6. <p>That Policy Committee approves:</p> <ol style="list-style-type: none"> 9. The amendments to the General Fund Capital Programme (as set out in Section 8 of this report and Appendix 4a and 4b), which incorporate virements between schemes, including transfers of budget into the Hexagon and Library LUF schemes. These

	<p>amendments result in a revised Capital Programme budget of £67.090m for 2023/24, £93.811m for 2024/25 and £50.221m for 2025/26;</p> <p>10. The amendments to the HRA Capital Programme (as set out in Section 11 of this report and Appendix 4a and 4b) resulting in a revised Capital Programme budget of £33.564m for 2023/24, £49.183m for 2024/25 and £67.802m for 2025/26;</p> <p>11. Scheme & Spend approval for the Local Authority Housing Fund scheme within the HRA Capital Programme as set out in Section 11.</p>
--	--

1. Executive Summary

General Fund - Revenue

- 1.1 The General Fund Revenue Budget is forecasting an overall adverse net variance of £3.685m as at the end of Quarter 2, consisting of £10.984m of net pressures within Service expenditure budgets which is partially offset by a positive net variance of £7.299m across Corporate Budgets. The overall forecast variance is a net improvement of £0.120m from Quarter 1.
- 1.2 The net improvement of £0.120m includes £3.117m of identified recovery plan mitigations that each directorate was tasked with developing as part of the 2023/24 Quarter 1 Performance and Monitoring Report. These mitigations have however been predominantly offset by £2.200m of increased pressures relating to Children's Services delivered by Brighter Futures for Children (BFfC) which is now forecasting an overall adverse net variance of £7.019m; £0.375m of increased pressures within Waste Disposal; and £0.422m of other net pressures across other council services.
- 1.3 The £3.117m of identified recovery plan mitigations are set out individually in Appendix 1.
- 1.4 The most significant movement from Quarter 1 relates to Children's Services delivered by Brighter Futures for Children (BFfC) which is now forecasting an overall adverse net variance of £7.019m; an increase of £1.190m from Quarter 1. The majority of the movement from Quarter 1 relates to Children's placements. More detail is set out in Appendix 2.
- 1.5 The second most significant adverse movement since Quarter 1 is in Waste Disposal within Environmental & Commercial Services, which has seen £0.375m of increased pressures as a result of increased overall waste tonnage levels.
- 1.6 Non-delivery of previously approved Medium Term Financial Strategy savings continues to be a concern with only 42% of these savings currently showing as on track or delivered. The Savings Tracker which lists progress against each individual saving is attached as Appendix 3.
- 1.7 As has been previously reported, all budgeted contingencies have already been released and factored into the Corporate Budgets forecast.

General Fund - Capital

- 1.8 The provisional General Fund Capital Programme outturn is forecasting a positive net variance of £1.078m against a proposed revised budget of £67.090m in 2023/24. This variance relates solely to the Delivery Fund.
- 1.9 During this quarter, the Capital Programme Board led a review of all Capital Programme schemes in respect of scheme deliverability with project managers and re-forecast

spending plans with the aim of right sizing the budget to match individual scheme delivery profiles, and to address historic reprofiling/slippage issues.

- 1.10 The Capital Programme, including the impacts of this review is set out in more detail in Section 8 and Appendices 4a and 4b.

Housing Revenue Account (HRA) - Revenue

- 1.11 The approved Housing Revenue Account (HRA) budget assumed a drawdown from HRA reserves of £2.499m. At Quarter 2, the forecast revenue outturn position for the HRA is a positive net variance of £0.457m. Therefore, a drawdown from HRA Reserves is forecast of £2.042m rather than the originally budgeted £2.499m.

Housing Revenue Account (HRA) - Capital

- 1.12 The HRA Capital Programme is forecasting to spend to budget against a revised budget of £33.564m in 2023/24.
- 1.13 The HRA Capital Programme, including the impacts of the Capital Programme review mentioned above is set out in more detail in Section 11 and Appendices 4a and 4b.

Performance

- 1.14 The report also sets out performance against the measures of success published in the Council's Corporate Plan.
- 1.15 Of the 26 Corporate Plan Performance Measures monitored monthly or quarterly, 54% are currently "green", 19% "amber" and 27% "red". 58% have improved since Quarter 1 of 2023/24, whilst 38% have worsened.
- 1.16 Of the 48 Corporate Plan Projects, 46% are currently "green" and 48% "amber". The status for 2 projects is currently outstanding and 1 project is no longer proceeding: procure and implement crowdfunding solution to support projects delivered by the voluntary and community sector.
- 1.17 The full list of Performance Measures is attached at Appendix 5 and Projects and Initiatives as Appendix 6.

2. Policy Context

- 2.1. The Council approved the 2023/24 Budget and Medium-Term Financial Strategy (MTFS) 2023/24 – 2025/26 in February 2023.

3. General Fund - Revenue

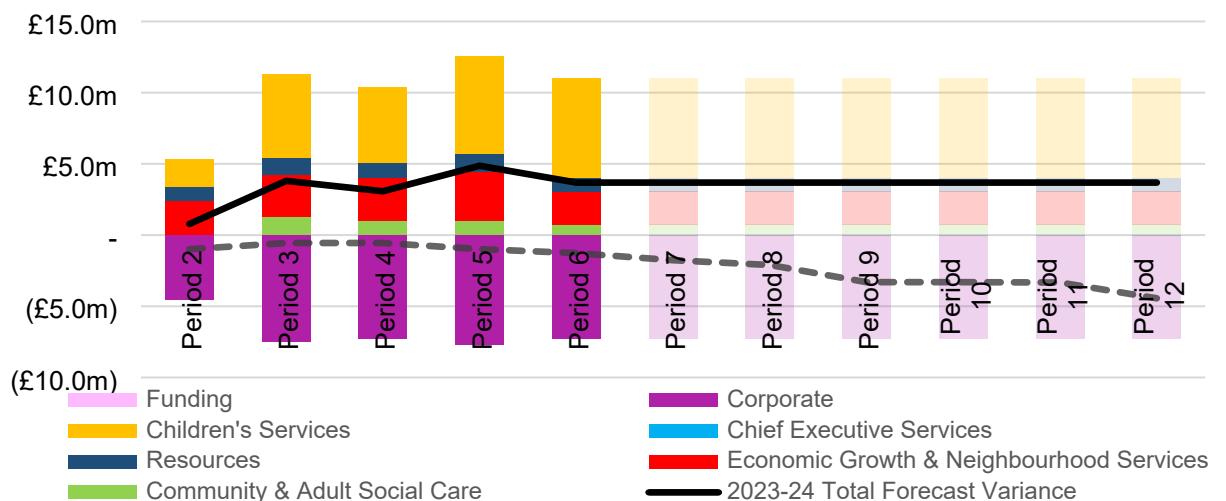
- 3.1. The forecast outturn position of the General Revenue Fund is an adverse net variance of £3.685m as at the end of Quarter 2, which is a net improvement of £0.120m since Quarter 1, and is broken down by Directorate in the following table:

Table 1. General Revenue Fund Forecast by Directorate 2023/24

	Budget	Forecast Outturn	Forecast Variance	Increase/ (decrease) from Quarter 1
	£m	£m	£m	£m
Community and Adult Social Care	50.467	51.215	0.748	(0.540)
Economic Growth and Neighbourhood Services	17.855	20.176	2.321	(0.659)
Resources	18.519	19.440	0.921	(0.221)
Chief Executive Services	1.584	1.559	(0.025)	(0.040)
Children's Services retained by Council	0.838	0.838	0.000	0.000
Children's Services delivered by BfC	51.430	58.449	7.019	1.190
Total Service Expenditure	140.693	151.677	10.984	(0.270)
Capital Financing	17.601	15.348	(2.253)	0.219
Contingencies	4.108	0.000	(4.108)	0.000
Other Corporate Budgets	(4.099)	(3.630)	0.469	0.095
Movement in Reserves	6.108	4.701	(1.407)	(0.164)
Total Corporate Budgets	23.718	16.419	(7.299)	0.150
Net Budget Requirement	164.411	168.096	3.685	(0.120)
Financed by:				
Council Tax Income	(111.086)	(111.086)	0.000	0.000
NNDR Local Share	(28.489)	(28.489)	0.000	0.000
New Homes Bonus	(1.453)	(1.453)	0.000	0.000
Section 31 Grant	(15.183)	(15.183)	0.000	0.000
Revenue Support Grant	(2.487)	(2.487)	0.000	0.000
Other Government Grants	(1.498)	(1.498)	0.000	0.000
One-off Collection Fund Surplus	(4.215)	(4.215)	0.000	0.000
Total Funding	(164.411)	(164.411)	0.000	0.000
(Positive)/Adverse Variance	0.000	3.685	3.685	(0.120)

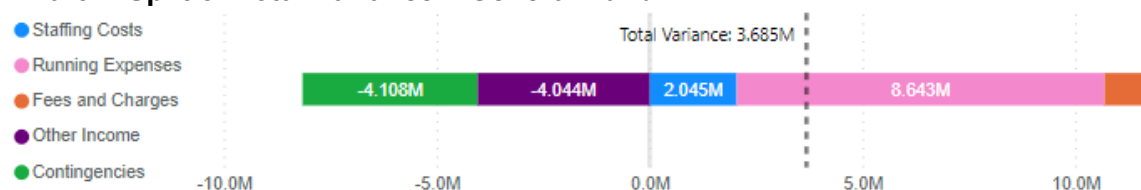
- 3.2. The following chart summaries the forecast budget variance, split by directorate, for each period to date.

Chart 1. Forecast Variance Period Comparison – General Fund



- 3.3. The following chart summaries the overall forecast budget variance for the Council by high level category:

Chart 2. Split of Total Variance – General Fund



Community & Adult Social Care - £0.748m adverse variance

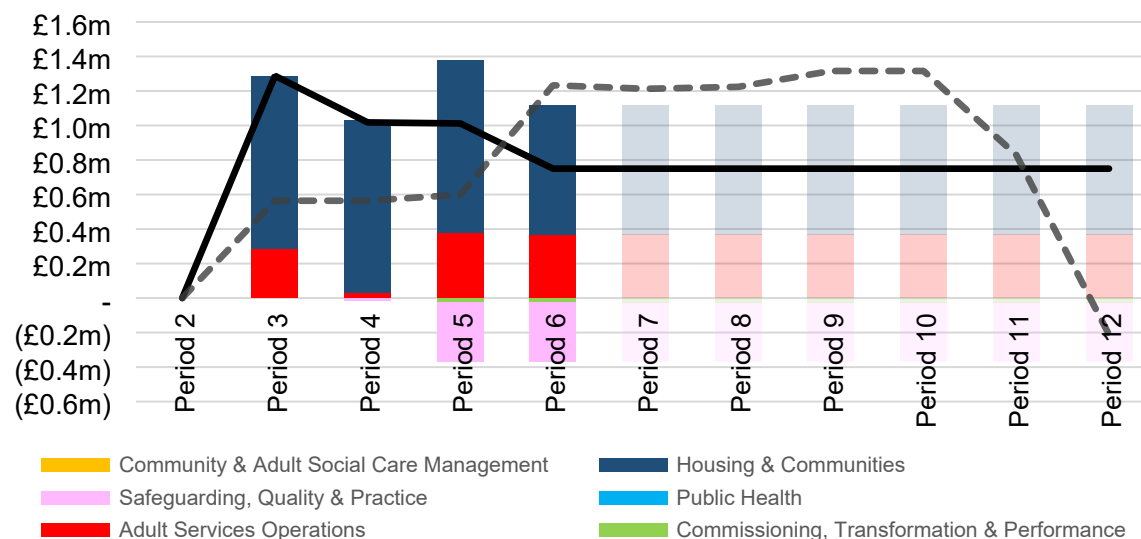
- 3.4. Community & Adult Social Care is forecasting an adverse net variance of £0.748m at Quarter 2, which includes £1.563m of identified recovery plan mitigations. The forecast position is a positive movement of £0.540m from Quarter 1 and is summarised by service below.

Table 2. Community & Adult Social Care Services Forecast 2023/24

Service	Budget	Forecast Outturn	Forecast Variance	Increase/ (decrease) from Quarter 1
	£m	£m	£m	£m
Commissioning, Transformation & Performance	2.572	2.548	(0.024)	(0.024)
Adult Services Operations	41.049	41.417	0.368	0.080
Community & Adult Social Care Management	1.401	1.401	0.000	0.000
Safeguarding, Quality & Practice	3.536	3.190	(0.346)	(0.346)
Public Health	0.000	0.000	0.000	0.000
Housing & Communities	1.908	2.658	0.750	(0.250)
Total	50.467	51.215	0.748	(0.540)

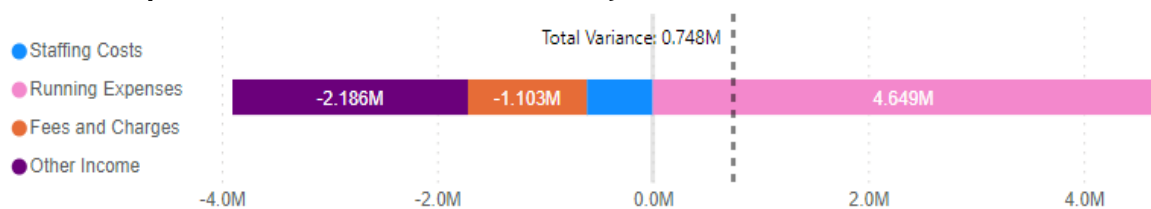
- 3.5. The following chart summaries the forecast budget variance, split by services within Community and Adult Social Care, for each period to date.

Chart 3. Forecast Variance Period Comparison – Community & Adult Social Care



- 3.6. The following chart summaries the overall forecast budget variance for Community and Adult Social Care by high level category:

Chart 4. Split of Total Variance – Community & Adult Social Care



3.7. The explanation for these forecast variances is set out below.

Commissioning, Transformation & Performance - £0.024m positive variance

3.8. Commissioning, Transformation & Performance is forecasting a positive net variance of £0.024m, which is a positive movement of £0.024m from Quarter 1, due to a forecast overachievement of income within the Deputies service.

Adult Services Operations - £0.368m adverse variance

3.9. Adult Services Operations is forecasting an adverse net variance of £0.368m, which is an adverse movement of £0.080m from Quarter 1.

3.10. There is an overall forecast pressure within Placement budgets of £1.366m. This forecast is based on the latest committed placement spend data, mitigated by forecast grant funding and client contributions to care.

3.11. The recovery plan identified £1.319m of in-year mitigations to partially offset these placement pressures. Mitigations have already been achieved in-year totalling £0.321m which have contained the placements pressure to £1.366m. A further £0.998m of further mitigations are forecast to be delivered by the end of the year, reducing the overall forecast pressure to £0.368m.

3.12. The recovery plan includes cost reducing schemes within the directorate, aiming to:

- Reduce waiting lists;
- Review all care packages to deliver best service;
- Minimise costs;
- Work with Health to increase Health Contributions to care packages;
- Initiate the Front Door Programme.

Safeguarding, Quality & Practice - £0.346m positive variance

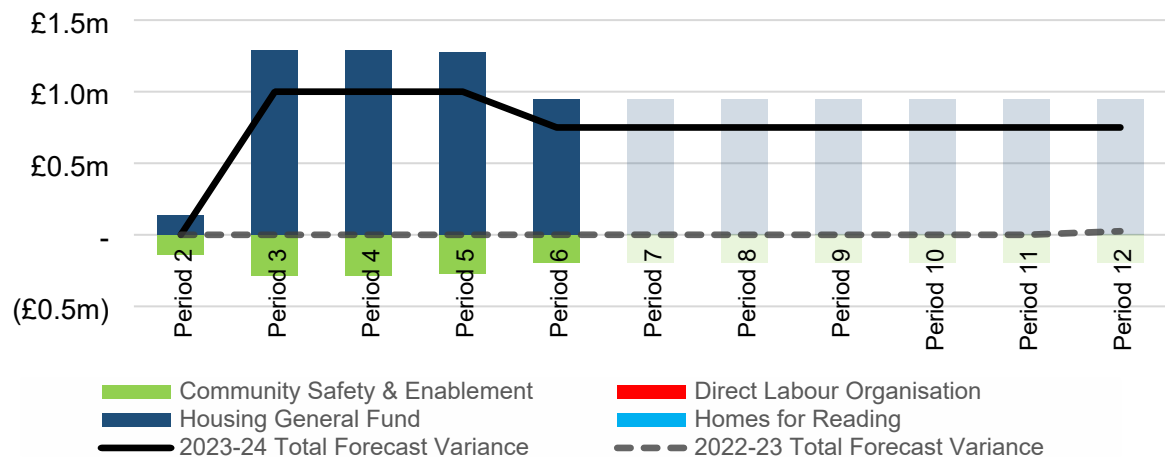
3.13. Safeguarding, Quality & Practice is forecasting a positive net variance of £0.346m, which is a positive movement of £0.346m from Quarter 1. This variance consists of a positive variance of £0.325m due to staffing vacancies and a £0.021m positive variance due to an increase of income in provider services.

Housing & Communities - £0.750m adverse variance

3.14. Housing & Communities is forecasting a £0.750m adverse variance for the year, which is an improvement of £0.250m from Quarter 1. This forecast includes £0.244m of identified recovery plan mitigations.

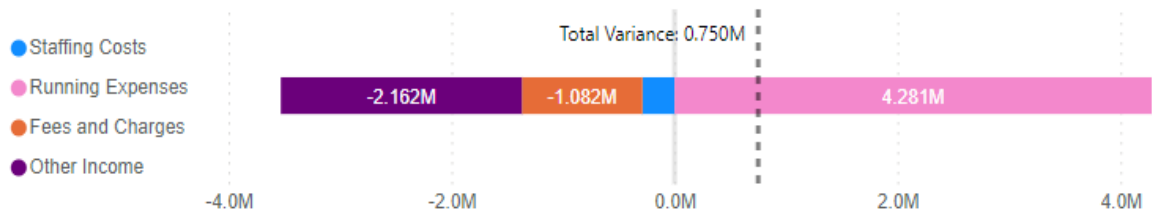
3.15. The following chart summaries the forecast budget variance across Housing & Communities for each period to date.

Chart 5. Forecast Variance Period Comparison – Housing & Communities



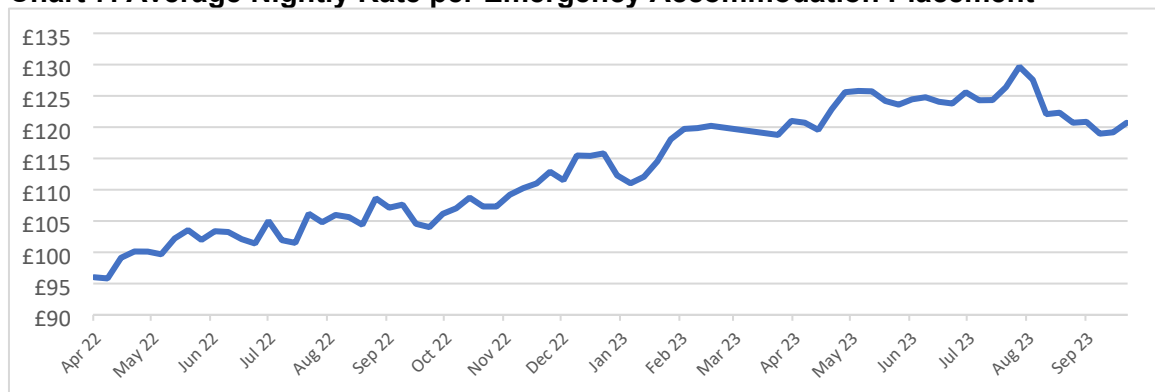
3.16. The following chart summaries the overall forecast budget variance for Housing & Communities by high level category:

Chart 6. Split of Total Variance – Housing & Communities

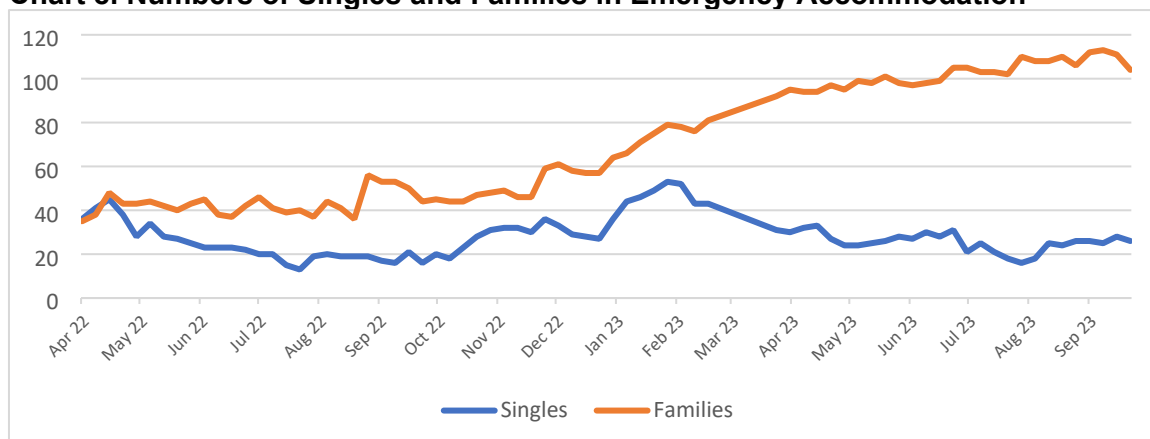


3.17. An area of ongoing concern is the potential impact of the ongoing cost-of-living crisis affecting the Homelessness budgets. Private sector evictions have been steadily rising following on from the Covid restrictions being released, with additional cost of living pressures placed on the sector. High Inflation pressures are being seen in the cost of Emergency Accommodation, the average nightly rate in April 2022 was £90 compared to £121 in September 2023 (as illustrated in Chart 7 below). There has also been a reduction in the number of available properties to use.

Chart 7. Average Nightly Rate per Emergency Accommodation Placement



3.18. This area is a demand led service, and numbers of families in particular in emergency accommodation have been rising since April 2022; the total number of singles and families in April 2022 was 71, rising to a total of 130 in September 2023 (as illustrated in Chart 8 below).

Chart 8. Numbers of Singles and Families in Emergency Accommodation

- 3.19. If the current high numbers of placements and the high cost of placements seen between April 2023 to September 2023 were to continue unchanged it would suggest an adverse variance on this budget of around £2.300m. It is felt that the current efforts to target both the numbers of placements and the nightly costs will achieve significant reductions to this pressure, as will applying all available brought forward grants. However, even with these mitigations being successful over the coming months, the likely pressure is currently thought to be around £0.750m that will not be able to be offset. In previous years there have been one-off grants given by Central Government in order to offset these pressures, these figures currently assume none will be made available in 2023/24, further information on this forecast pressure and any announcements regarding additional grant funding will be provided in future reports.

Economic Growth and Neighbourhood Services - £2.321m adverse variance

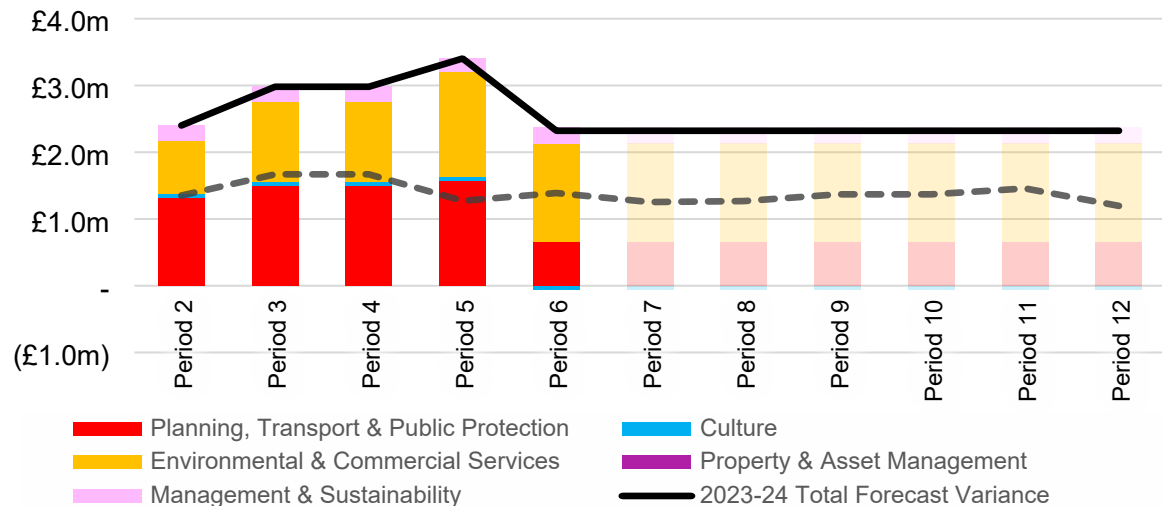
- 3.20. Economic Growth and Neighbourhood Services' is forecasting an adverse net variance of £2.321m at Quarter 2, which includes £1.197m of identified recovery plan mitigations. The forecast position is a net improvement of £0.659m from Quarter 1 and is summarised by service below.

Table 3. Economic Growth and Neighbourhood Services Forecast 2023/24

Service	Budget	Forecast Outturn	Forecast Variance	Increase/ (decrease) from Quarter 1
	£m	£m	£m	£m
Planning, Transport & Public Protection	0.512	1.168	0.655	(0.840)
Culture	3.059	3.004	(0.055)	(0.115)
Environmental & Commercial Services	16.845	18.320	1.475	0.275
Property & Asset Management	(3.145)	(3.145)	0.000	0.000
Management & Sustainability	0.584	0.830	0.246	0.021
Total	17.855	20.176	2.321	(0.659)

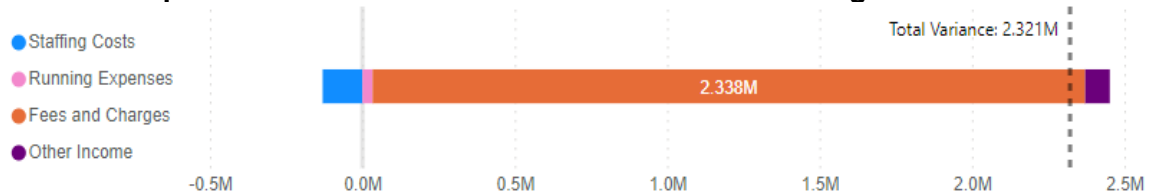
- 3.21. The following chart summaries the forecast budget variance, split by services within Economic Growth and Neighbourhood Services, for each period to date.

Chart 9. Forecast Variance Period Comparison – Economic Growth and Neighbourhood Services



3.22. The following chart summaries the overall forecast budget variance for Economic Growth and Neighbourhood Services by high level category:

Chart 10. Split of Total Variance – Economic Growth and Neighbourhood Services



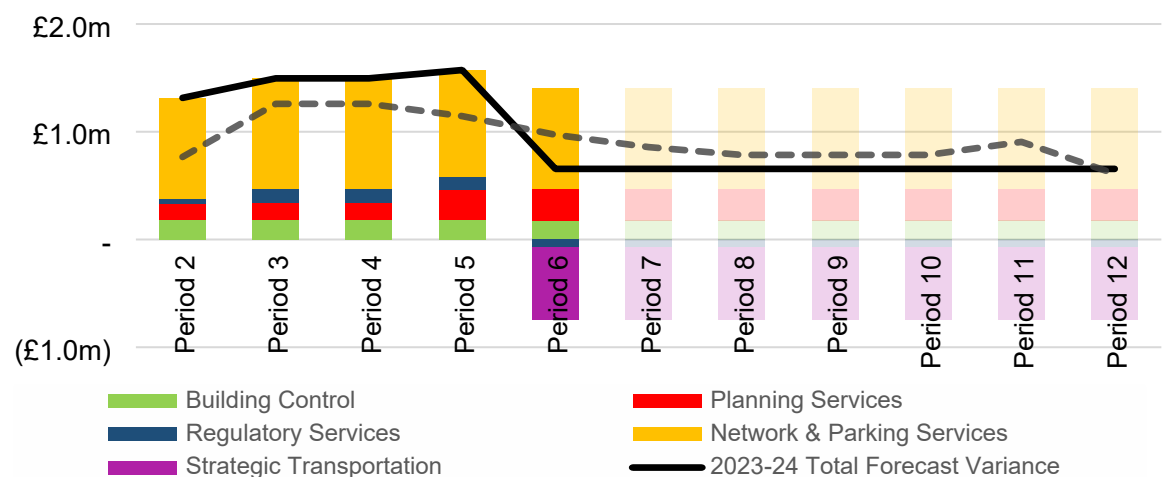
3.23. The explanation for these variances is set out below.

Planning, Transport and Public Protection - £0.655m adverse variance

3.24. Planning, Transport and Public Protection is reporting an adverse variance of £0.655m, which is an improvement of £0.840m from Quarter 1 and includes £0.821m of identified recovery plan mitigations.

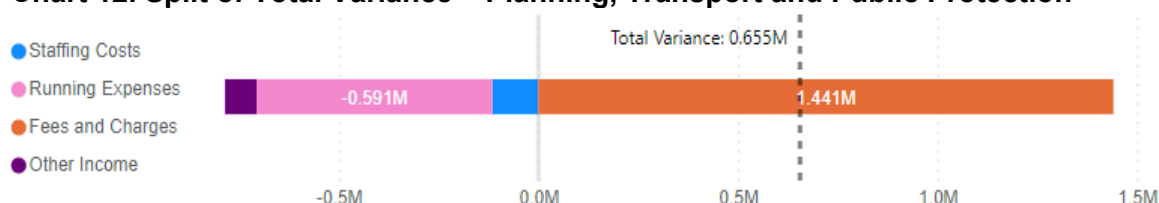
3.25. The following chart summaries the forecast budget variance across Planning, Transport and Public Protection for each period to date.

Chart 11. Forecast Variance Period Comparison – Planning, Transport and Public Protection



- 3.26. The following chart summaries the overall forecast budget variance for Planning, Transport and Public Protection by high level category:

Chart 12. Split of Total Variance – Planning, Transport and Public Protection



- 3.27. These shortfalls are arising from a combination of post covid impacts and economic challenges associated with inflation, the effect of high interest rates on business, the availability of skilled professional staff and the support provided for the Homes for Ukraine scheme.
- 3.28. The net positive variance on all Off-Street and On-Street Parking Services is £0.091m. This variance consists of a net £0.304m overachievement of income, partially offset by £0.213m of running cost pressures. The variances relating to the Off-Street and On-Street Parking income is explained further below.
- 3.29. Based on year-to-date activity levels in parking and traffic enforcement, income levels as at Quarter 2 continue to rise above those in the same period last year and the recovery continues to gain momentum, particularly for Off-Street Car Parking - the most material Parking income stream by budget. Table 4 below shows the position since 2019/20 (the baseline year before the impact of the Covid Pandemic).

Table 4. Off-Street Car Parking Income Trend

Financial Year	Budget £m	Actual/Forecast £m	Variance £m
2019/20	(4.244)	(4.333)	(0.089)
2020/21	(4.734)	(1.183)	3.551
2021/22	(3.668)	(2.933)	0.735
2022/23	(4.126)	(3.540)	0.586
2023/24	(5.304)	(4.442)	0.862

- 3.30. The equivalent figures for On-Street parking are set out below and shows that activity levels have moved beyond recovery and the continuing positive performance of this area has offset the off-street parking pressure.

Table 5. On-Street Car Parking Income Trend

Financial Year	Budget £m	Actual/Forecast £m	Variance £m
2019/20	(1.440)	(1.821)	(0.381)
2020/21	(1.994)	(0.893)	1.101
2021/22	(1.760)	(2.003)	(0.243)
2022/23	(1.952)	(2.761)	(0.809)
2023/24	(1.957)	(3.123)	(1.166)

- 3.31. Therefore, overall there is a net positive variance of £0.304m on income across Car Parking (Off-Street and On-Street combined) as the recovery trend continues, however the recovery is at a slower rate of increase in income compared to 2021/22 and 2022/23. Examination of the rebasing of budgets between these areas is being considered and will be approached as part of the wider view of new proposals being brought forward in the budget setting process for 2024/25 in this area.
- 3.32. Risks remain with Off-Street parking where the ongoing cost of living crisis, working from home and high fuel costs has led to fewer visits to town centre and renting spaces to

Royal Berkshire Hospital at Queens Road has not delivered the income anticipated due to the Hospital trialling other arrangements. Town Centre car parks are subject to competition from providers such as the Oracle, who currently undercut the council's tariffs and have newer facilities. The decreasing draw of the high street for shoppers is another factor and in the next period, there may be a measurable impact with the loss of another high street shop, Wilko.

- 3.33. There is a net adverse variance of £0.508m relating to Bus Lane Enforcement income, where some equipment issues (which are now resolved) led to a temporary reduction in the amount of Penalty Charge Notices (PCNs) issued, as well as additional leasing costs. There is also a measurable decrease in penalties being issued due to better compliance. The new Civil Enforcement contract in place from November 2023 should help the position moving forward into 2024/25. It should be noted, that whilst reducing numbers of PCN's being issued in bus lanes has a significant financial impact, it is achieving compliance, which is the goal of all traffic enforcement.
- 3.34. There is an adverse variance of £0.277m within Residents Parking where the income is not expected to exceed the amount achieved in 2022/23. There was additional income budget added to this area within 2023/24 which does not appear likely to be achieved, partly as the trend following Covid is for the consolidation of household vehicles meaning that fewer people are renewing permits for additional cars.
- 3.35. There is a net adverse variance on income within the Special Parking area of £0.237m, linked to challenges in recruiting additional Civil Enforcement staff. This is currently anticipated to reduce for 2024/25 when the new contract is in place, with all staff in place, new hours of operation and new equipment securing a high rate of issue.
- 3.36. The Building Control income shortfall of £0.167m directly correlates to the lack of staffing and a lack of availability of suitable agency staff to undertake the fee earning work. A new round of recruitment aims to both provide statutory cover and support fee earning work.
- 3.37. Premises licence fees are forecasting an income shortfall of £0.103m. Within this, the largest element relates to a shortfall of £0.075m in respect of Reading Festival which is largely based on Festival Republic's need for a licence variation which was not required in 2022/23. The need in future years is under discussion and will be considered as part of the 2024/25 budget setting process.
- 3.38. Planning applications and planning fees are forecasting an income shortfall of £0.255m. This area is market driven so it is difficult to control the level of fees particularly as the level of fee is statutorily set. Following on from the Covid recovery the supply chain issues around costs, availability of construction materials, skills shortages in the construction and design industry, and the impact of changing legislation (Building Safety Act in particular), is impacting on commercial viability and therefore delaying the planning application process.
- 3.39. There has also been an impact arising from when development triggers have been activated, meaning that there has been a shortfall in Community Infrastructure Levy (CIL) 5% income of £0.145m.
- 3.40. Houses in Multiple Occupancy (HMO) is forecasting an income shortfall of £0.130m. There was a requirement to inspect homes under the Homes for Ukraine scheme. Whilst this has been largely completed, there has been a direct correlation with the generation of a backlog of inspection and enforcement work which has been the priority for officers. As a result, work on generating new enforcement leads on unlicensed HMOs and prioritising work to potentially deliver a new discretionary licensing scheme has fallen behind. The Council receives income under the Homes for Ukraine scheme, and some funds were diverted into this area in 2022/23. As part of the 2023/24 recovery plan,

£0.148m has been applied within this forecast to cover the staffing costs of inspecting the properties and a contribution towards the related shortfall in income.

- 3.41. These pressures are partially mitigated by a positive variance on staff costs due to vacancies arising within the service and lack of suitable agency staff of £0.115m and an additional £0.170m within Running Expenses, as well as an overachievement of £0.118m income from Private Hire driver's licences.
- 3.42. In order to further mitigate pressures within the service, consideration has been given under the directorate's recovery plan to Concessionary Fares which was agreed in 2022/23 to be reviewed after 6 months. This has resulted in an in year mitigation of £0.650m which has now been included within the overall forecast.
- 3.43. The recovery plan work also reviewed budgets within Community Transport, and a further mitigation of £0.023m of inflationary growth has been identified as not being required in-year and has also been included within the overall forecast.

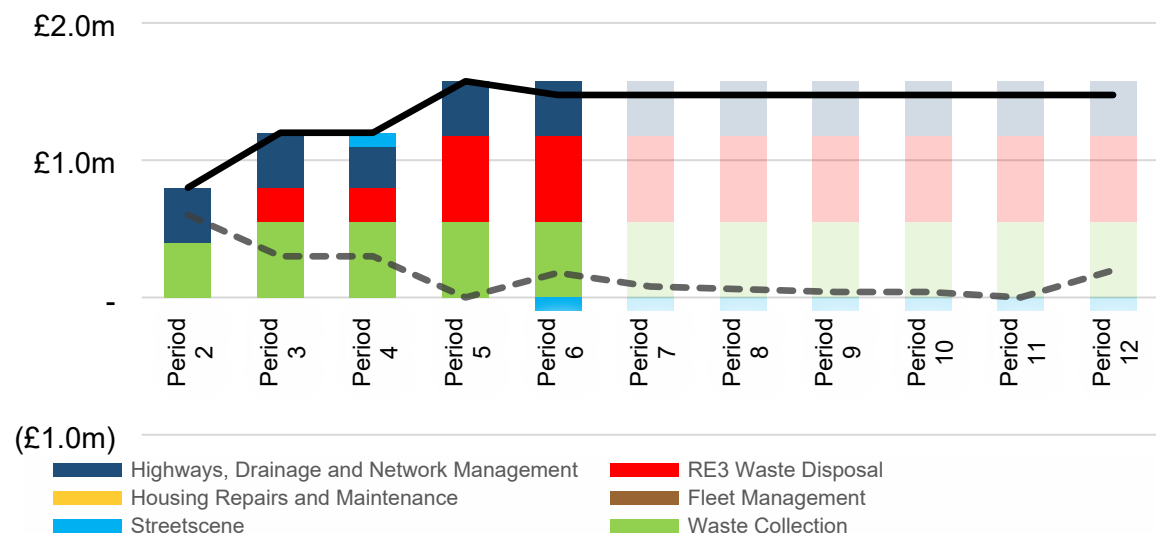
Culture - £0.055m positive variance

- 3.44. Culture is forecasting a positive variance of £0.055m, which is an improvement of £0.115m from Quarter 1 and includes £0.276m of identified recovery plan mitigations. The forecast variance is comprised of the following elements:
- £0.030m positive net variance is forecasted in Leisure and Recreation. Across Active Reading there is a net pressure of £0.128m, comprised of £0.195m flowing from the delayed café opening and less than predicted usage at the Ranger Station, partially offset by a range of staffing and running cost savings totalling £0.067m within the Education Play Team. Additionally, there are further positive variances totalling £0.155m relating to the management fee for GLL in Leisure Centres, pavilion works and the holding of staffing vacancies. In addition, there is a positive variance of £0.003m within the Park Service.
 - £0.184m adverse net variance is forecast in Arts and Theatres and the Town Hall. Within the Town Hall there is a £0.050m pressure within salaries including staff cover and agency spend for catering staff. Additionally, there is an £0.084m pressure due to income levels not recovering post pandemic mainly due to the reduction in uptake of formal catering. There is also a £0.050m income pressure from the Concert Hall driven by low ticket sales.
 - £0.137m positive net variance is forecasted in Libraries and Museums primarily due to a £0.110m business rates rebate, along with other mitigating actions contributing £0.030m, both identified through the recovery plan. This is net of a reduced level of rent from the top floor of the library of £0.011m, which includes the application of £0.045m of Covid grant as identified in the recovery plan. In addition, one area of the service has a further £0.008m underspend on salaries due to vacant hours.
 - £0.072m positive net variance is forecasted in Archives and Records which was identified as part of the recovery plan work.
- 3.45. As laid out within the GLL Leisure contract, a utilities Benchmarking exercise is underway. This exercise is likely to generate an additional £0.700m pressure due to the increases in energy costs seen in the past few years relating to 21 months of the contract. Allocations based on estimates were made as part of the 2023/24 budget setting process and the pressure is anticipated to be funded from the Energy Reserve.

Environmental & Commercial Services – £1.475m adverse variance

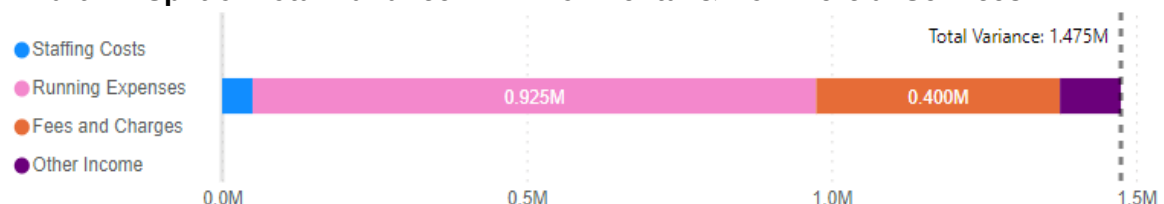
- 3.46. Environmental & Commercial Services is reporting an adverse variance of £1.475m for the year and includes £0.100m of recovery plan mitigations. This is an adverse movement of £0.275m from Quarter 1.
- 3.47. The following chart summaries the forecast budget variance across Environmental & Commercial Services for each period to date.

Chart 13. Forecast Variance Period Comparison – Environmental & Commercial Services



- 3.48. The following chart summaries the overall forecast budget variance for Environmental & Commercial Services by high level category:

Chart 14. Split of Total Variance – Environmental & Commercial Services



- 3.49. Recycling and Waste Collection is presently forecasting an overall pressure of £0.550m in staffing. The Staffing Establishment budget is not sufficient to cover the full employee costs of maintaining the required service level. Agency usage, overtime and staff sickness remain high. The service continues to consider measures targeted at the reduction of this adverse variance. Sickness has recently fallen to its lowest level for a long time, and it is hoped that agency usage will reduce in the coming months as part of the recovery plan. This pressure will be considered as part of the 2024/25 Budget Setting process.
- 3.50. Waste Disposal is currently forecasting an adverse variance of £0.625m. Waste Collection tonnages were broadly in line with budget overall, however the mix is significantly different. Residual Waste is much higher than budgeted, which is attributable to:
- Food waste tonnages being lower than forecast. The expectation from flats was the same as single households and this is not the case. Additionally, the roll out to flats has been slower than hoped for;
 - Deposits at the Smallmead Household Waste Recycling Centre (HWRC) have increased significantly in the year to date;

- Transfers of collected waste from Bennet Road are much higher than anticipated and are returning to pre-Covid levels;
- Green waste has also increased compared to last year and income from recycling is expected to be lower as market prices have fallen.

- 3.51. These issues will be reviewed as part of the 2024/25 Budget Setting process.
- 3.52. Also included within this variance are additional cost pressures relating to Persistent Organic Pollutants (POPS) additional processing and haulage costs, an expected loss on HWRC income and an anticipated increase in other haulage costs in Quarter 4 of 15%, as the contract is up for renegotiation during the year. A number of projects have recently been instigated across the RE3 partnership to look at composition analysis, participation rates and marketing to increase the use of the food waste and recycling services and to reduce contamination.
- 3.53. Highways is forecasting an adverse variance of £0.300m due the cost of materials and waste disposal. The inflationary pressure on highways and civil engineering materials has seen items like road surfacing materials increase in price by 40% and other materials by 20-25% which is above the 2023/24 budgeted inflationary increases. These pressures will be further reviewed as part of the 2024/25 Budget Setting process and a further set of actions will be looked into to close the rest of the gap going forward.
- 3.54. Network Management is forecasting an adverse variance of £0.100m, mainly due to a reduced capital recharge for the staffing element of the budget. The current level of staff budget and high vacancy levels does not allow for the size of capital recharge that is required to meet the budget. The completion of the workforce review will hopefully help to reduce this issue with some vacant posts being filled. It is hoped that use of the delivery fund will allow the introduction of street works permits, which will generate additional income to offset the existing shortfall from 2024/25.
- 3.55. Streetscene is forecasting a positive variance of £0.100m as identified through the recovery plan. There are a high number of vacancies due to turnover and the workforce review, resulting in a forecast positive variance on staffing costs of £0.500m. However, the staffing position has also impacted on the level of income that can be generated and there is a forecast underachievement of income of £0.400m.

Management & Sustainability – £0.246m adverse variance

- 3.56. Management & Sustainability is reporting an adverse variance of £0.246m, which is an adverse movement of £0.021m from Quarter 1.
- 3.57. Advertising income within the Business Development service is forecast to create an income pressure of £0.146m. There are delays to the planning process for new sites and changes to existing sites. There are still contractual and developer delays around new sites which have not yet come online.
- 3.58. There is also a pressure totalling £0.100m relating to management team staffing costs.

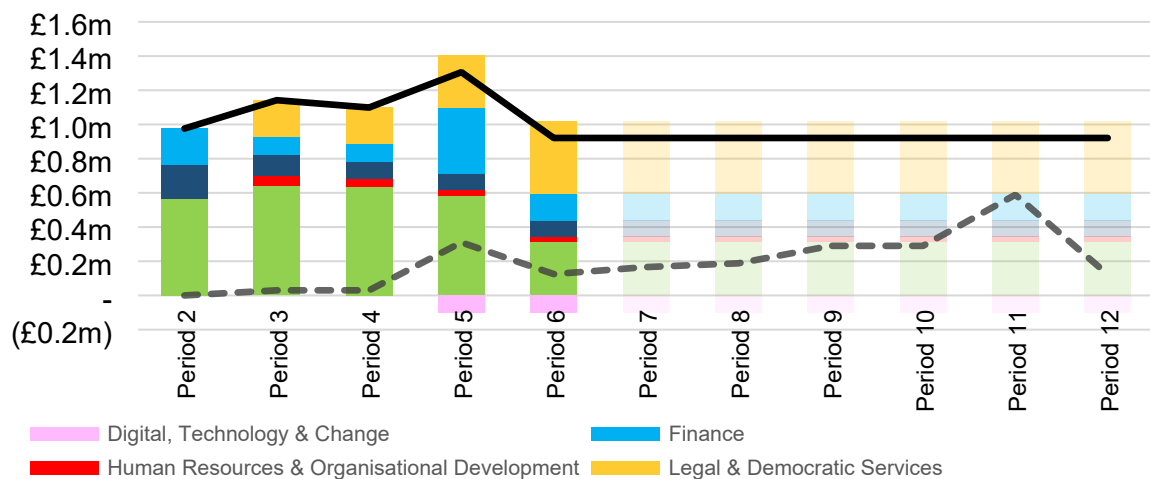
Resources - £0.921m adverse variance

- 3.59. The Directorate of Resources' is forecasting an adverse net variance of £0.921m at Quarter 2, which includes £0.666m of identified recovery plan mitigations. The forecast position is a net improvement of £0.221m from Quarter 1 and is summarised by service below.

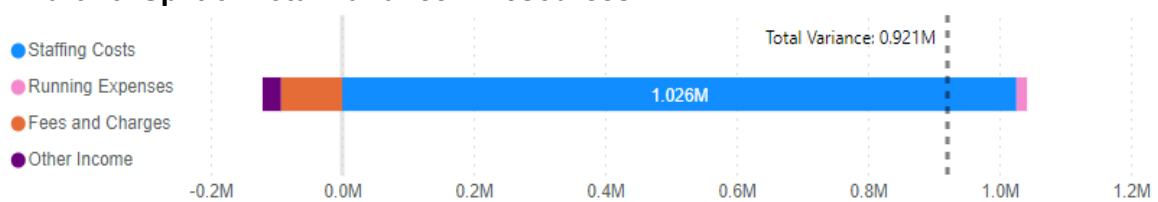
Table 6. Resources Services Forecast 2023/24

Service	Budget	Forecast Outturn	Forecast Variance	Increase/ (decrease) from Quarter 1
	£m	£m	£m	£m
Policy, Performance & Customer Services	2.302	2.614	0.312	(0.331)
Human Resources & Organisational Development	1.918	1.950	0.032	(0.024)
Procurement & Contracts	0.381	0.476	0.095	(0.030)
Finance	4.489	4.645	0.156	0.053
Legal & Democratic Services	2.981	3.407	0.426	0.211
Digital, Technology & Change	6.448	6.348	(0.100)	(0.100)
Total	18.519	19.440	0.921	(0.221)

- 3.60. The following chart summaries the forecast budget variance, split by services within Resources, for each period to date.

Chart 15. Forecast Variance Period Comparison – Resources

- 3.61. The following chart summaries the overall forecast budget variance for Resources by high level category:

Chart 16. Split of Total Variance – Resources

- 3.62. The explanations for these variances are set out below.

Policy, Performance & Customer Services - £0.312m adverse variance

- 3.63. Policy, Performance & Customer Services is reporting an adverse net variance of £0.312m, which is an improvement of £0.331m from Quarter 1. This forecast position includes £0.333m of mitigations identified through the recovery plan.
- 3.64. Customer services is forecasting £0.515m of expenditure pressures primarily relating to corporate cross-council savings of £0.607m from 2021/22 through to 2023/24 still needing to be identified and allocated, linked to the Customer Experience Programme. A business

case has been developed reviewing the delivery of improvements and savings in later years. One-off offsetting staffing vacancies of £0.092m are helping to reduce the impact of the corporate savings.

- 3.65. Registrations and Bereavements is forecasting an overall positive variance of £0.161m, consisting of £0.073m linked to an increase in fees and charges from 1st November 2023, and £0.088m of reduced running costs which include holding staffing vacancies.
- 3.66. Policy and Performance is forecasting a positive variance of £0.042m through the holding of vacancies.

Human Resources & Organisational Development - £0.032m adverse variance

- 3.67. Human Resources & Organisational Development is forecasting an adverse net variance of £0.032m. This is an improvement of £0.024m from Quarter 1.
- 3.68. Recruitment pressures at Kennet Day Nursery is resulting in agency staff covering vacancies, partially offset by additional income with a small adverse net variance of £0.020m. Additionally, a small adverse variance of £0.035m is being experienced across the main HR & OD employee budget, partially offset by vacancies across Health and Safety of £0.023m.

Procurement & Contracts - £0.095m adverse variance

- 3.69. Procurement & Contracts is forecasting an adverse variance of £0.095m, which is an improvement of £0.030m from Quarter 1. This includes £0.100m of expenditure pressures relating to savings targets that are currently not allocated. A Contracts Pipeline Oversight Group has been formed, which is reviewing the Council's contracts that are being retendered aiming to deliver as much of the £0.200m target as possible, with approximately 50% estimated to be at risk.
- 3.70. There is a small positive variance of £0.005m across employee and other non-pay budgets, identified as part of the recovery plan.

Finance - £0.156m adverse variance

- 3.71. Finance is forecasting an adverse net variance of £0.156m. This is an adverse movement of £0.053m from Quarter 1.
- 3.72. Finance is forecasting £0.212m of expenditure pressures relating to a delay in being able to deliver efficiency savings from procuring the new finance system. This pressure is being partially offset by the holding of vacancies of £0.128m which were identified through the recovery plan, resulting in a net adverse variance of £0.084m.
- 3.73. There are additional pressures relating to agency costs of £0.120m within Accounts Payable and Internal Audit linked to sickness and workload pressures.
- 3.74. Revenues and Benefits anticipate being able to over-achieve their income and funding resulting in a positive variance of £0.048m.
- 3.75. A previously reported pressure of £0.100m relating to insurance premiums has been removed from the forecast as part of the recovery plan as this will now be funded from the Insurance Reserve.

Legal & Democratic Services – £0.426m adverse variance

- 3.76. Legal & Democratic Services is forecasting an adverse net variance of £0.426m. This is an adverse movement of £0.211m from Quarter 1.

- 3.77. The local elections in May 2023 and the recent by-election required additional support to facilitate the new Voter Identification requirements resulting in an adverse variance of £0.210m. A business case proposal seeking to review the methodology and budget available for supporting elections across the borough is being considered as part of the 2024/25 budget setting process.
- 3.78. Employee shortages and the use of agency staff is resulting in a pressure of £0.136m due to workload pressures along with associated pressure on the use of expert Counsel of £0.050m.
- 3.79. Reduced building activity is resulting in a small adverse impact on Land Charges income levels of £0.030m.

Digital, Technology and Change – £0.100m positive variance

- 3.80. Digital, Technology and Change is forecasting a positive net variance of £0.100m, due to a one-off saving on licences identified via the recovery plan. This is an improvement of £0.100m from Quarter 1.

Chief Executive Services - £0.025m positive variance

- 3.81. Chief Executive Services is forecasting a positive net variance of £0.025m at Quarter 2, which is summarised below. This is an improvement of £0.040m from Quarter 1.

Table 7. Chief Executive Services Forecast 2023/24

Service	Budget	Forecast Outturn	Forecast Variance	Increase/ (decrease) from Quarter 1
	£m	£m	£m	£m
Corporate Management Team	0.891	0.891	0.000	(0.020)
Communications	0.693	0.668	(0.025)	(0.020)
Total	1.584	1.559	(0.025)	(0.040)

- 3.82. Communications is forecasting a positive net variance of £0.025m relating to one-off income contributions towards events run by the Council.

Children's Services Delivered by Brighter Futures for Children (BFfC) - £7.019m adverse variance

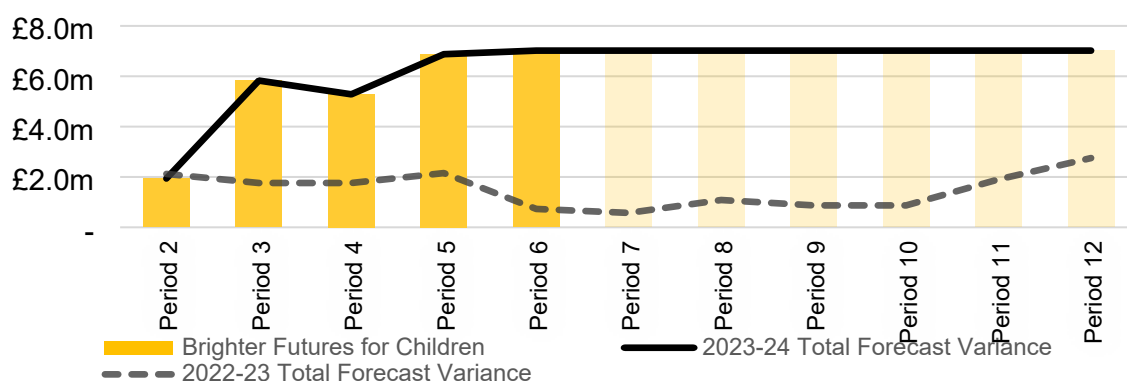
- 3.83. Brighter Futures for Children's (BFfC) is forecasting an adverse net variance of £7.019m over the 2023/24 Contract Sum at Quarter 2. This is an adverse movement of £1.190m from Quarter 1. The majority of the movement from Quarter 1 relates to Children's placements. More detail is set out in Appendix 3.

Table 8. Children's Services delivered by BFfC Forecast 2023/24

Service	Budget	Forecast Outturn	Forecast Variance	Increase/ (decrease) from Quarter 1
	£m	£m	£m	£m
Children's Services delivered by BFfC	51.430	58.449	7.019	1.190
Total	51.430	58.449	7.019	1.190

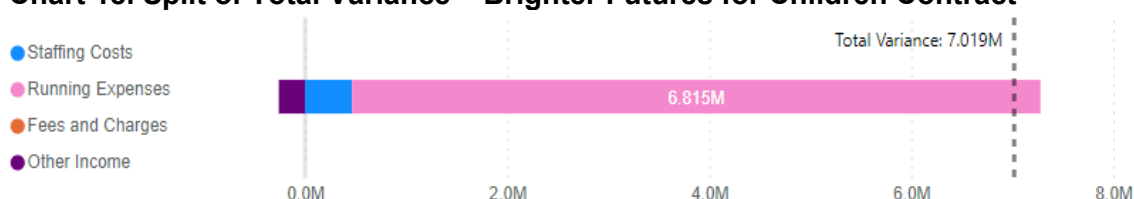
- 3.84. The following chart summaries the forecast budget variance, split by services within Children's Services Delivered by BFfC, for each period to date.

Chart 17. Forecast Variance Period Comparison – Childrens Services (BFfC)



3.85. The following chart summaries the overall forecast budget variance for Children's Services Delivered by BFfC by high level category:

Chart 18. Split of Total Variance – Brighter Futures for Children Contract



3.86. BFfC are forecasting £8.145m of pressures as follows:

- £4.730m on Social Care Placements;
- £1.805m on High-Cost Social Care Placements;
- £0.718m on agency staff;
- £0.161m on school travel costs;
- £0.126m on demand management in SEN;
- £0.100m on restructure costs;
- £0.096m on internal nurseries;
- £0.164m of 2023/24 pay award pressures;
- £0.245m of other pressures.

3.87. These are reduced by positive variances from income and savings totalling £1.126m.

3.88. Further details are included in Appendix 3.

Corporate Budgets - £7.299m positive variance

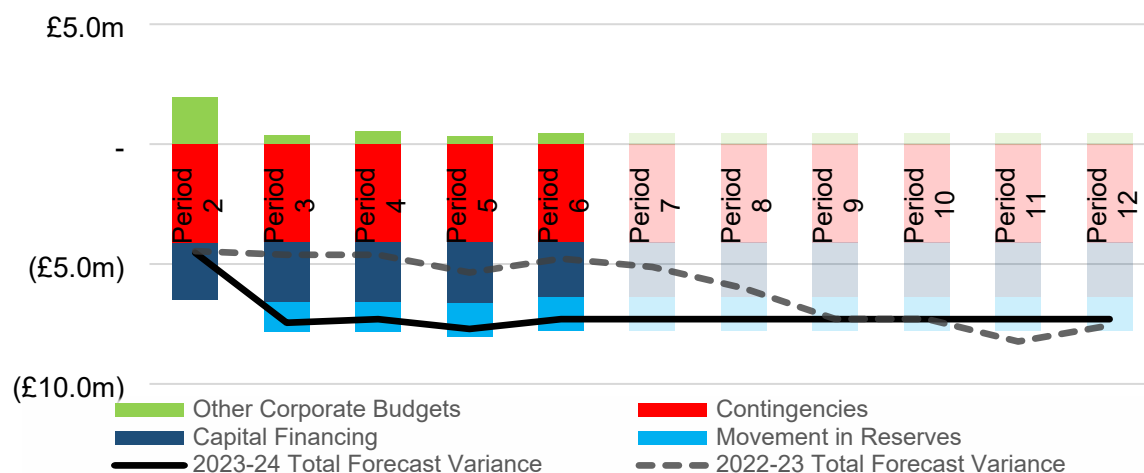
3.89. Corporate Budgets are forecasting a positive net variance of £7.299m at Quarter 2 which is summarised below. This is an adverse movement of £0.150m from Quarter 1, primarily relating to the Capital Financing costs.

Table 9. Corporate Budgets Forecast 2023/24

Service	Budget	Forecast Outturn	Forecast Variance	Increase/ (decrease) from Quarter 1
	£m	£m	£m	£m
Capital Financing Costs	17.601	15.348	(2.253)	0.219
Contingency	4.108	0.000	(4.108)	0.000
Other Corporate Budgets	(4.099)	(3.630)	0.469	0.095
Movement to/(from) Reserves	6.108	4.701	(1.407)	(0.164)
Total	23.718	16.419	(7.299)	0.150

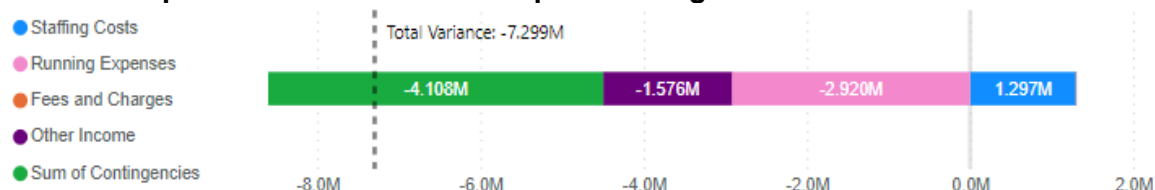
- 3.90. The following chart summaries the forecast budget variance, split by services within Corporate Budgets, for each period to date.

Chart 19. Forecast Variance Period Comparison – Corporate Budgets



- 3.91. The following chart summaries the overall forecast budget variance for Corporate Budgets by high level category:

Chart 20. Split of Total Variance – Corporate Budgets



- 3.92. Capital Financing Costs is reporting a positive total net variance £2.253m. As a result of the slippage on the Capital Programme reported in the 2022/23 Outturn Report, there is a positive variance of £0.067m relating to the Minimum Revenue Provision (MRP). There is a further positive variance of £1.879m on the interest payable budget which is forecast to arise from a combination of the slippage on the Capital Programme and the Council's strategy of maximising internal borrowing, supported by temporary borrowing where required, in terms of managing the Council's cashflow. Finally, there is a positive variance forecast of £0.307m on the interest receivable budget relating to treasury investments due to interest rates currently being higher than originally forecast.
- 3.93. The Contingency budget of £4.108m to mitigate against non-delivered in-year savings has not been allocated out to services and therefore contributes a further positive variance.
- 3.94. Other Corporate Budgets is reporting an adverse net variance of £0.469m. This variance includes a forecast pressure of £1.243m relating to current 2023/24 pay award assumptions and a forecast pressure of £0.600m relating to Housing Benefits, which is predominantly offset by positive net variances of £1.374m within Other Corporate Budgets which is mainly due to the forecast release of all other contingencies.
- 3.95. The 2023/24 Budget assumes a total net transfer to reserves of £6.108m. The current 2023/24 pay award assumptions outlined previously in the report have created forecast pressures of £1.243m in RBC and £0.164m in BFFC. As a result, a drawdown of £1.407m from the Pay & Inflation earmarked reserve is now anticipated, resulting in a positive net variance on Movement to/(from) Reserves of £1.407m.

4. Savings Delivery

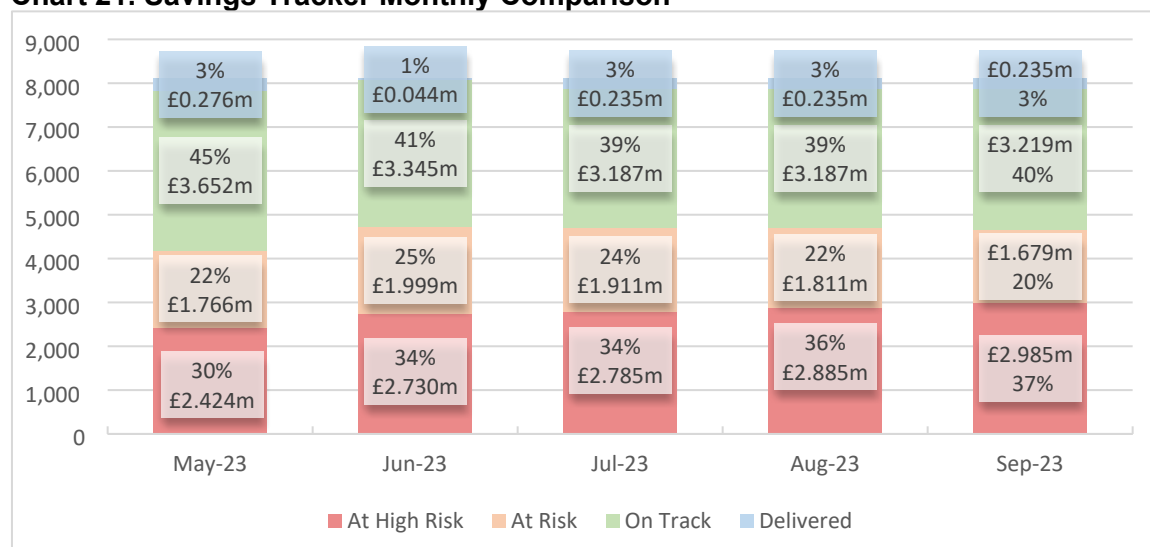
- 4.1. Delivery of the Council's budget is predicated on achieving savings and additional income as agreed as part of the budget setting process in February 2023. Detailed monitoring of agreed savings is tracked on a monthly basis.
- 4.2. The projected financial impact of any non-delivery of savings has been included in the projected outturn position reported above.
- 4.3. A total of £7.401m of savings were delivered in 2022/23. The residual £2.823m have been carried forward for delivery in 2023/24, giving a revised 2023/24 savings target of £8.118m.
- 4.4. The following table summarises the current forecast savings delivery for 2023/24 (a further detailed breakdown by saving is provided in Appendix 3):

Table 10. General Funds Savings Tracker Summary

Service	Savings At Risk £m	Savings Delayed or at Risk £m	Savings on Track £m	Savings Achieved £m	Directorate Total £m
Community and Adult Social Care	0.000	(0.108)	(0.191)	(0.191)	(0.490)
Economic Growth and Neighbourhood Services	(1.538)	(1.471)	(2.702)	0.024	(5.687)
Resources	(0.881)	(0.100)	(0.265)	(0.068)	(1.314)
Chief Executive Services	0.000	0.000	0.000	0.000	0.000
Corporate	(0.266)	0.000	(0.061)	0.000	(0.327)
Children's Services delivered by BFfC	(0.300)	0.000	0.000	0.000	(0.300)
Total	(2.985)	(1.679)	(3.219)	(0.235)	(8.118)

- 4.5. The following chart shows the Savings Tracker Summary trend by period:

Chart 21. Savings Tracker Monthly Comparison



- 4.6. Any savings not delivered in 2023/24 will cause an immediate pressure on 2024/25, unless mitigated with alternative ongoing savings. Delivery of existing savings within the

Medium-Term Financial Strategy will also be reviewed as part of the 2024/25 Budget setting and 2024/25-2026/27 Medium-Term Financial Strategy processes over the upcoming months.

5. Debt Performance

- 5.1. Total General Fund sundry debt as at the end of Quarter 2 is £8.060m, compared to £7.945m at the end of Quarter 1. In addition to this, the General Fund also has £10.948m of current debt and £0.901m of deferred debt which is not yet considered overdue. A breakdown of this debt by age and directorate is provided below.

Chart 22. Split of General Fund Debt by Directorate and Days Outstanding

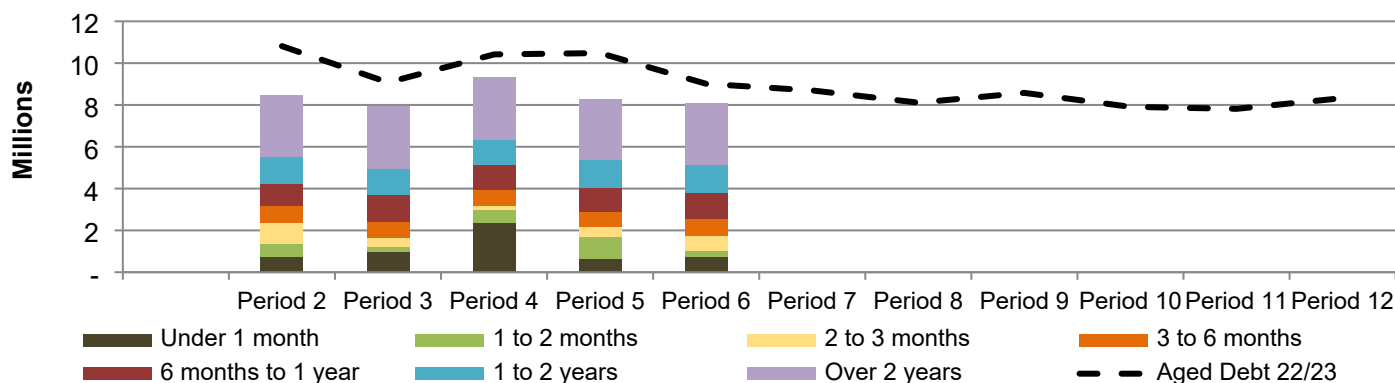
Split of General Fund Debt by Category



Split of General Fund Debt Balance by Days Outstanding



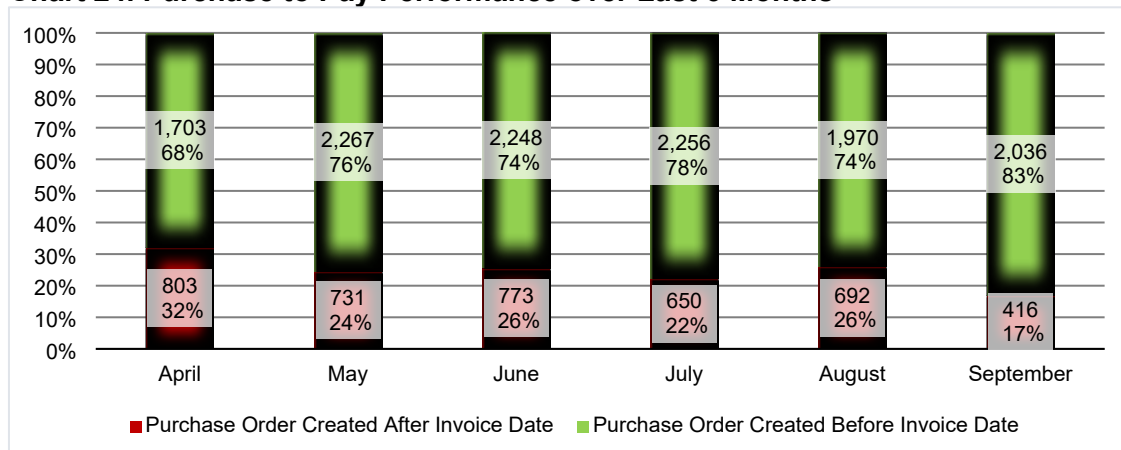
Chart 23. Overdue General Fund Debt Monthly Comparison



6. Purchase to Pay Performance

- 6.1. The chart below shows the total numbers of Purchase Orders raised before and after the invoice date over the last six months.

Chart 24. Purchase to Pay Performance over Last 6 Months

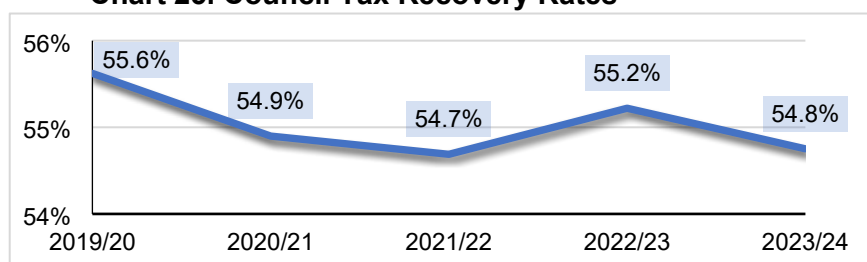


- 6.2. As at the end of Quarter 2, there were 2,411 open Purchase Orders, with a total open ordered amount of £60.923m.

7. Collection Fund

- 7.1. The following chart shows the Council's collection rate of the total annual debit raised for Council Tax and Non-Domestic (Business) Rates as at the end of Quarter 2.
- 7.2. Council Tax collection rates are marginally behind the collection levels at the same point when compared to pre-Covid-19 pandemic rates (2019/20) and 2022/23 collection rates at the same point last year. Collection rates for 2022/23 ultimately ended up being only 0.10% behind 2019/20 at the end of the year so the current forecast is that collection rates will continue to improve over the remainder of the year, however this will continue to be closely monitored in light of the ongoing cost of living crisis.

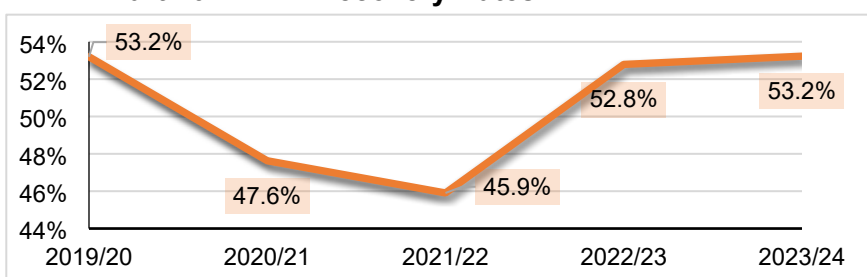
Chart 25. Council Tax Recovery Rates



Comparison to 2022/23	Comparison to 2019/20
↓ 0.47%	↓ 0.87%

- 7.3. Non-Domestic collection rates are ahead of pre-Covid-19 pandemic rates (2019/20) and 2022/23 collection rates at the same point last year. This will continue to be monitored but current expectations are that this position will be maintained over the coming months.

Chart 26. NNDR Recovery Rates



Comparison to 2022/23	Comparison to 2019/20
↑ 0.44%	↑ 0.03%

8. General Fund - Capital Programme

- 8.1. The General Fund Capital Programme for 2023/24 has an approved budget of £107.178m. The following amendments are requested to be formally approved which would result in a revised Capital Programme budget of £67.090m. These amendments are set out on an individual scheme basis in Appendix 4a.
- 8.2. Against the proposed revised budget of £67.090m there is a forecast positive net variance of £1.078m. This variance relates solely to the Delivery Fund, as set out in paragraph 9.2.

Table 11. General Fund Capital Programme Amendments

General Fund Capital Programme	£m
Revised Approved Budget 2023/24	107.178
Budget Transfers between Existing Schemes (Reduction)	(6.287)
Budget Transfers between Existing Schemes (Increase)	6.287

Additional Budgets added to the Programme - Funded by Grants & Contributions	0.816
Additional Budgets requested to be added to the Programme - Funded by Capital Receipts, Revenue Contributions and Borrowing	0.000
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	0.404
Budgets reprogrammed (to)/from Future Years	(41.308)
Proposed Revised Budget Quarter 2 2023/24	67.090

- 8.3. Included within the budget movements between schemes are a number of adjustments in respect of the New Performance Space at the Hexagon Theatre and New Reading Library at the Civic Centre Levelling Up schemes. This includes budget movements from other schemes as set out in Appendix 4a.
- 8.4. A total of £0.816m of additional budgets across seven schemes (as set out in Appendix 4a) that are fully funded by grants and contributions are requested to be formally added into the Capital Programme. This includes:
- £0.375m for The Renewable Energy scheme;
 - £0.195m for capital expenditure directly incurred by schools and funded by devolved formula capital grant funding;
 - £0.153m for the Restoration of Historic Wall at Caversham Court Gardens scheme;
 - £0.072m for the Forbury Gardens Bandstand scheme;
 - £0.016m for the Levelling Up Delivery Plan – New Reading Library at the Civic Centre scheme;
 - £0.005m for other schemes.
- 8.5. A net total of £0.404m of budgets over 15 schemes, as set out in Appendix 4a, are requested to be formally added into the Capital Programme to correct the 2022/23 budget carry forward figure.
- 8.6. A net total of £41.308m of budgets are requested to be reprogrammed between 2023/24 and future years of the Capital Programme as set out in Appendix 4a. This includes the following adjustments in excess of £0.500m:

From 2023/24 to future years:

- £12.016m for grant funded Education schemes;
- £4.850m for the Levelling Up Delivery Plan - New performance space at the Hexagon Theatre scheme due to delays in appointing a contractor;
- £3.795m for the Levelling Up Delivery Plan - New Reading Library at the Civic Centre scheme due to delays in appointing a contractor;
- £2.954m for the Bus Service Improvement scheme due to funding delays and procurement and feasibility works;
- £2.509m for the Highways Infrastructure Programme scheme due to reprofiling following procurement;
- £2.500m for the Loan to RTL (Bus replacement programme) scheme as there are currently no plans to issue a loan to RTL during 2023/24;
- £2.432m for the Leisure Centre Procurement scheme due to a delay on the Rivermead build works and the athletics track at Palmer Park;
- £1.202m for the Co-located Profound and Multiple Learning Disabilities Day Opportunities and Respite Facility and Sheltered Housing Flats scheme where construction is now due to commence in 2024/25;
- £0.988m for the S106 Individual schemes list scheme due to internal delivery capacity;

- £0.757m for the Corporate and Community Buildings scheme to reflect the revised expenditure projections for the current year;
- £0.724m for the CIL Local Funds – Transport scheme due to internal delivery capacity;
- £0.643m for the Renewable Energy scheme relating to works at the Smallmead site;
- £0.584m for the CIL Local Funds – Community scheme to reflect the revised expenditure projections for the current year;
- £0.532m for the Minster Quarter scheme due to a delay in the original time scales as entered negotiation phase;

From future years into 2023/24:

- £2.204m for the Regeneration Projects scheme has been brought forward from 2024/25 and has then been moved into the New Performance Space at the Hexagon Theatre and New Reading Library at the Civic Centre Levelling Up schemes.
- 8.7. Further work has been undertaken this period to re-profile the re-programmed budgets from 2023/24, as set out above, and the existing approved budgets for 2024/25 and 2025/26 more accurately across future years.
- 8.8. The overall impact of the requested re-programming, as set out in Appendix 4b, is a £0.068m net decrease to budgets in 2024/25 and a £28.766m net increase to budgets in 2025/26. This includes a request to re-programme £12.610m of budgets past 2025/26. The requested changes include:
- £8.800m to 2025/26 for the Maintenance & Enhancement of Council Properties scheme which is currently on hold until funding can be identified;
 - £1.641m to 2025/26 for the Burial Land Acquisition scheme due to delays in identifying a suitable site/an alternative solution;
 - £1.534m to 2025/26 for the Reading Football Club Social Inclusion Unit to SRLC where the scheme is due to be funded from S106 funding from a delayed planning development;

9. Delivery Fund

- 9.1. Costs of service transformation and the delivery of future ongoing savings are able to be charged to capital (and financed from new capital receipts) due to the introduction of the Flexible Capital Receipts Regulations. These regulations are currently due to end at 31st March 2025.
- 9.2. There is a total £4.595m Delivery Fund available for 2023/24 (inclusive of 2022/23 approved carry forwards). At Quarter 2, £3.753m of this funding has been allocated out to approved schemes, leaving £0.842m available to be allocated. At Quarter 2, the forecast spend is £3.517m, which represents a positive net variance against approved allocations of £0.236m. The overall forecast positive net variance is therefore £1.078m.

10. Housing Revenue Account – Revenue

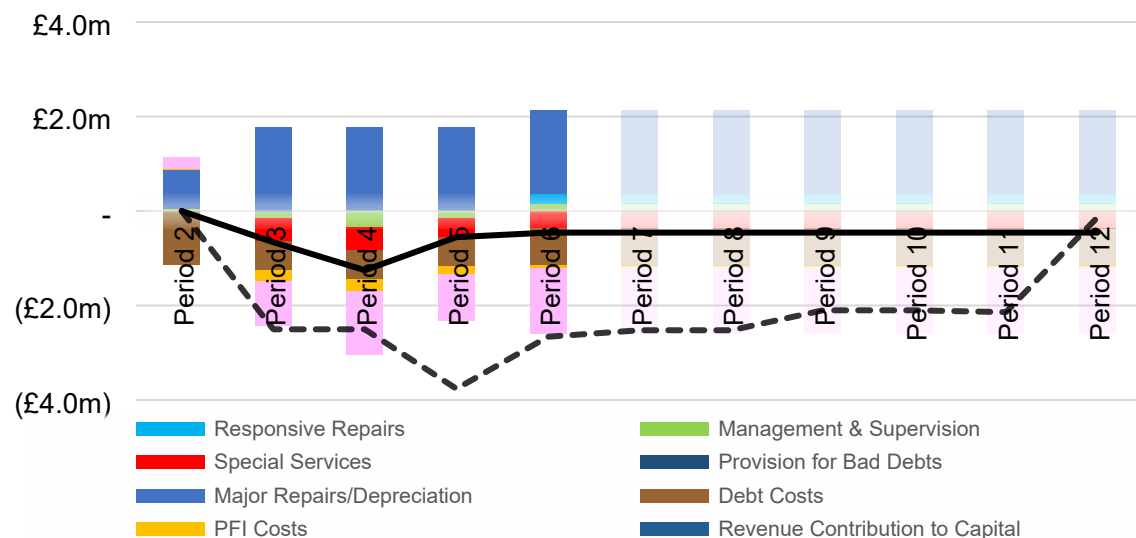
- 10.1. The approved Housing Revenue Account budget assumed a drawdown from HRA reserves of £2.499m. At Quarter 2 the forecast revenue outturn position for the HRA is a positive net variance of £0.457m. Therefore, a drawdown from HRA Reserves is forecast of £2.042m rather than the originally budgeted £2.499m. The breakdown of the net variance is set out in the following table and explained below.

Table 12. Housing Revenue Account Forecast 2023/24

	Budget	Forecast Outturn	Forecast Variance	Increase/ (decrease) from Quarter 1 £m
	£m	£m	£m	
Management & Supervision	8.796	8.962	0.166	0.318
Special Services	4.404	4.034	(0.370)	0.116
Provision for Bad Debts	0.405	0.405	0.000	0.000
Responsive Repairs	4.144	4.341	0.197	0.197
Planned Maintenance	3.488	3.484	(0.004)	(0.004)
Major Repairs/Depreciation	12.871	14.649	1.778	0.000
Debt Costs	7.148	6.362	(0.786)	(0.164)
PFI Costs	7.975	7.932	(0.043)	0.193
Revenue Contribution to Capital	0.000	0.000	0.000	0.000
HRA Income	(46.731)	(48.126)	(1.395)	(0.451)
Over/(Under) Budget	2.499	2.042	(0.457)	0.204
Movement to/(from) HRA Reserves	(2.499)	(2.042)	0.457	(0.204)

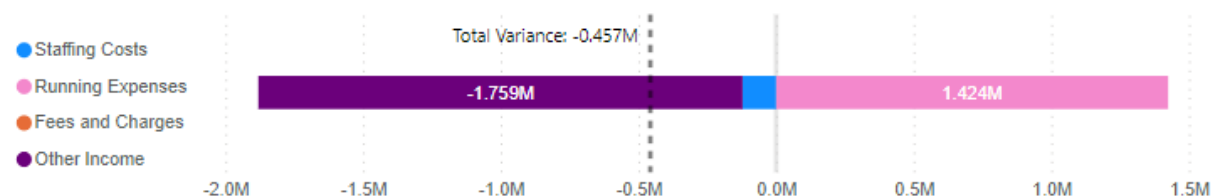
- 10.2. The following chart summaries the forecast budget variance, split by services within the HRA, for each period to date.

Chart 27. Forecast Variance Period Comparison – Housing Revenue Account



- 10.3. The following chart summaries the overall forecast budget variance for the HRA by high level category:

Chart 28. Split of Total Variance – Housing Revenue Account



- 10.4. Within Management and Supervision, there is a forecast adverse net variance of £0.166m which primarily relates to increased spend on temporary accommodation. This is offset by a smaller positive variance on staffing costs.

- 10.5. Within Special Services, there are a number of vacant posts leading to a current projected positive variance on salary budgets of £0.098m. Furthermore, there is an additional positive variance of £0.350m in respect of sheltered housing rents and Right-to-Buy housing association charges. This is partially offset by an adverse variance on running costs of £0.078m.
- 10.6. Recruitment attempts to fill the aforementioned vacancies are ongoing.
- 10.7. Responsive Repairs is currently forecasting a net adverse variance of £0.197m. This variance is primarily made up of a £0.400m adverse variance on major voids, partially offset by positive variances on plumbing and minor voids totalling £0.203m.
- 10.8. Planned Maintenance is currently forecasting a net positive variance of £0.004m.
- 10.9. Major Repairs/Depreciation is currently forecasting an adverse variance of £1.778m. This directly relates to the higher external valuation figures seen within the HRA over the past few years. Depreciation is set based on the prior year valuation level. Unlike the General Fund, depreciation is a real charge to the HRA however any increase in the level of depreciation is moved to the Major Repairs Fund and is available to be used on capital expenditure.
- 10.10. Debt costs are forecast to be lower than budgeted by £0.786m due to less borrowing currently being required within the HRA to meet its capital expenditure.
- 10.11. PFI Costs is forecasting a positive variance of £0.043m due to minor contractual variances in respect of the payments to Affinity.
- 10.12. HRA Income is forecasting a positive net variance of £1.395m. Interest income is forecast to overachieve by £1.637m due to a combination of the increases in the Bank of England base rate compared to the assumptions in the HRA Business Plan and as the HRA has a high level of reserve balances, it takes a high share of the Council's overall interest income. This is partially offset by adverse variances on the following income streams:
- £0.085m underachievement on Dwelling Rents (0.2% less than budget);
 - £0.099m underachievement on service charges;
 - £0.058m underachievement forecast on Other Income.

11. Housing Revenue Account - Capital Programme

- 11.1. The HRA Capital Programme for 2023/24 has an approved budget of £36.442m. The following amendments are requested to be formally approved which would result in a revised HRA Capital Programme budget of £33.564m. These amendments are set out on an individual scheme basis in Appendix 4a.

Table 13. HRA Capital Programme Amendments

HRA Capital Programme	£m
Revised Approved Budget 2023/24	36.442
Budget Movements Between Schemes	0.000
Additional Budgets added to the Programme - Funded by Grants & Contributions	3.461
Additional Budgets requested to be added to the Programme - Funded by Capital Receipts, Revenue Contributions and Borrowing	4.080
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	0.150
Budgets reprogrammed (to)/from Future Years	(10.269)
Proposed Revised Budget Quarter 1 2023/24	33.564

- 11.2. A total of £3.461m of additional budget funded by grants and contributions is requested to be formally added into the Capital Programme in respect of the Local Authority Housing Fund as set out in paragraphs 11.8 – 11.10.
- 11.3. A total of £4.080m of additional budget funded by HRA borrowing is requested to be formally added into the Capital Programme in respect of the Local Authority Housing Fund as set out in paragraphs 11.8 – 11.10.
- 11.4. A net total of £0.150m budget adjustments are requested to be formally added to the capital programme, as set out in Appendix 4a, to correct the 2022/23 carry forward figure.
- 11.5. A net total of £10.269m of budgets are requested to be reprogrammed between 2023/24 and future years of the Capital Programme as set out in Appendix 4a. This includes:
 - £1.647m for Major Repairs – Existing Homes Renewal and £0.713m for Major Repairs – Zero Carbon Retrofit Works schemes from 2023/24 into future years to re-state budgets back to the levels set out in 2023/24 HRA Business Plan. Work on the 2024/25 HRA Business Plan is due to be finalised in January 2024 and this will amend the budgets for these schemes to reflect the latest expenditure budgets;
 - £2.196m for the Local Authority New Build programme for Older People and Vulnerable Adults scheme from 2023/24 into future years to reflect the revised expenditure projections for the current year;
 - £5.714m for the New Build & Acquisitions - Phase 2 – 4 scheme from 2023/24 into future years to reflect the revised expenditure projections for the current year;
 - £0.001m for the Disabled Facilities Grant scheme from future years into 2023/24.
- 11.6. Further work has been undertaken this period to re-profile the re-programmed budgets from 2023/24, as set out above, and the existing approved budgets for 2024/25 and 2025/26 more accurately across future years.
- 11.7. The overall impact of the requested re-programming, as set out in Appendix 4b, is a £26.231m net decrease to budgets in 2024/25 and a £29.316m net increase to budgets in 2025/26. This includes a request to re-programme £7.184m of budgets past 2025/26.

Local Authority Housing Fund

- 11.8. In April 2023, Policy Committee received a report and approved the recommended actions relating to the Local Authority Housing Fund (Round 1). This report set out the acquisition of 15 properties at a total estimated cost of £5.410m, funded with £2.460m of DLUHC grant (including £0.020m per property for refurbishment costs), and £2.950m of match funding (S106 grant and HRA borrowing). Scheme and spend approval for the £5.410m was requested and given.
- 11.9. Round 2 of this programme assumes the acquisition of a further 6 properties, taking the total to 21. The total revised budget requested to be approved and formally added into the Capital Programme is £7.541m, of which £3.402m is funded by DLUHC grant and £4.139m of match funding (S106 and HRA borrowing). Policy Committee is therefore requested to give scheme and spend approval for the revised amount of £7.541m.
- 11.10. The 21 properties will be ready for letting once any refurbishment works have been carried out, resulting in an immediate revenue stream. As detailed in the April Policy Committee report, the financial viability of each acquisition is assessed before an offer is made and properties will only be considered once an assessment of their condition has been carried out by the Housing Surveying Team.

11.11. The viability of each acquisition is also evaluated against the full 30-year HRA business plan.

12. Corporate Plan Performance

Summary

12.1. This section of the Performance Report sets out progress against the Performance Measures and Projects included in the Council's Corporate Plan "Investing in Reading's Future".

12.2. The Corporate Plan sets out the Council's vision "To help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success" and three priority themes of:

- Healthy Environment
- Thriving Neighbourhoods
- Inclusive Economy

12.3. These themes are supported by the strong Foundations of effective service delivery, improvement and transformation needed to ensure the effective delivery of the ambitious programme set out in the Corporate Plan.

12.4. The Corporate Plan update agreed in March 2023, includes fifty-seven performance measures and forty-eight¹ key projects and initiatives which underpin delivery of the Council's vision and priorities. Of the fifty-seven performance measures, thirty-one are annual measures that will not be reported on until after March 2024.

12.5. The following sections set out performance against the key measures and projects published in the Council's Corporate Plan and specifically detail:

- Measures where there has been a significant positive shift in performance since the last relevant reporting period;
- Measures where there has been a significant negative shift in performance since the last relevant reporting period.
- Measures where performance against target is red (variance is > 10% of target)
- Projects and initiatives where status reported as red.

12.6. For each of these the explanation and any action taken to get back to green by the service is included.

12.7. The full list of Performance Measures is at Appendix 5 and Projects and Initiatives as Appendix 6.

12.8. The table below provides a summary of the status of the projects and initiatives reported quarterly at the end of Quarter 2 2023/24:

Table 14. Performance Overview

What	Status		
	Green	Amber	Red
Key Measures	54%	19%	27%
Key Projects ²	51%	49%	0%

¹ One project is no longer proceeding "Procure and implement crowdfunding solution to support projects delivered by the voluntary and community sector."

² The project "Procure and implement crowdfunding solution to support projects delivered by the voluntary and community sector" is no longer proceeding.

Corporate Plan Measures

- 12.9. The tables and charts below compare the movement in Corporate Plan measures between Q1 and Q2 for the 26 measures reported quarterly. The following table, shows a summary of the direction of travel where performance is getting better, remains the same or is getting worse compared to the previous quarter:

Table 15. Summary of Direction of Travel

Status	Q3-Q4	Q4 – Q1		Q1 – Q2	
	%	%	No. of measures	%	No. of measures
Getting Better	70	38	10	58	15
Unchanged	11	8	2	0	0
Getting Worse	19	50	13	38	10
N/A – No Target / Comparison	0	4	1	4	1
Total	100	100	26	100	26

- 12.10. The following table shows performance against the target (red/amber/green) for the measures monitored in year:

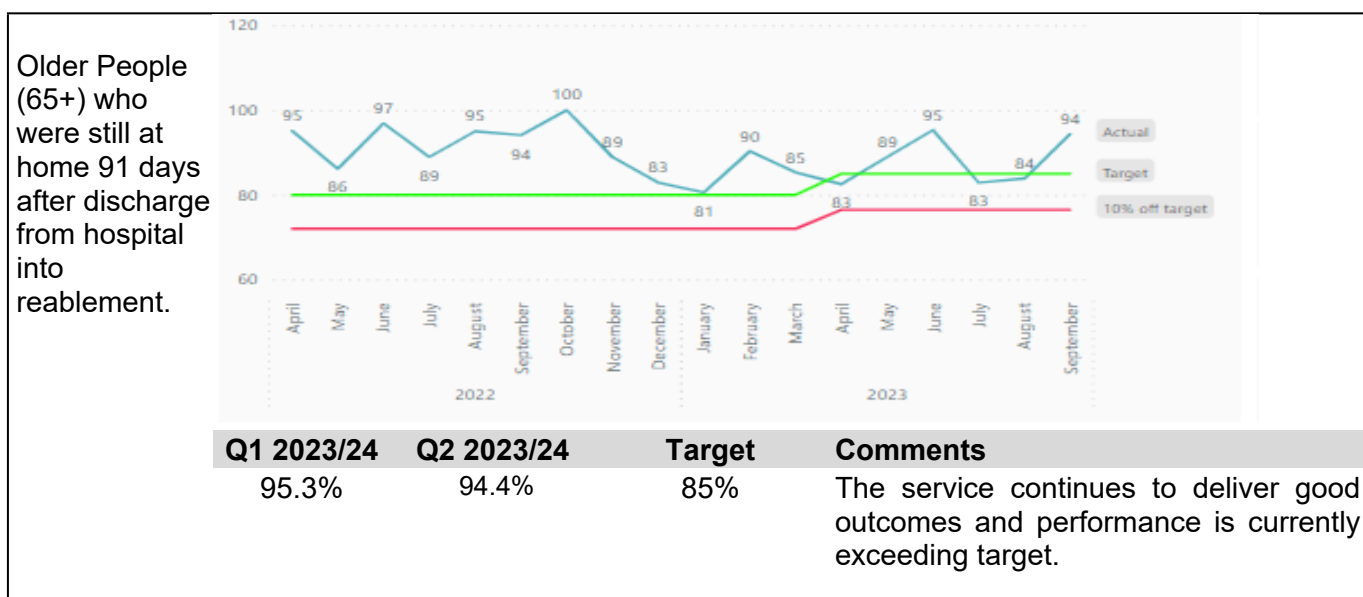
Table 16. Summary of Performance against Target

Status	Q3		Q4		Q1		Q2	
	No.	%	No.	%	No.	%	No.	%
Green	19	70	41	72	13	50	14	54
Amber	4	15	9	16	6	23	5	19
Red	4	15	7	10	7	27	7	27
N/A – No Target / Comparison	0	0	1	2	0	0	0	0
Total	27	100	58	100	26	100	26	100

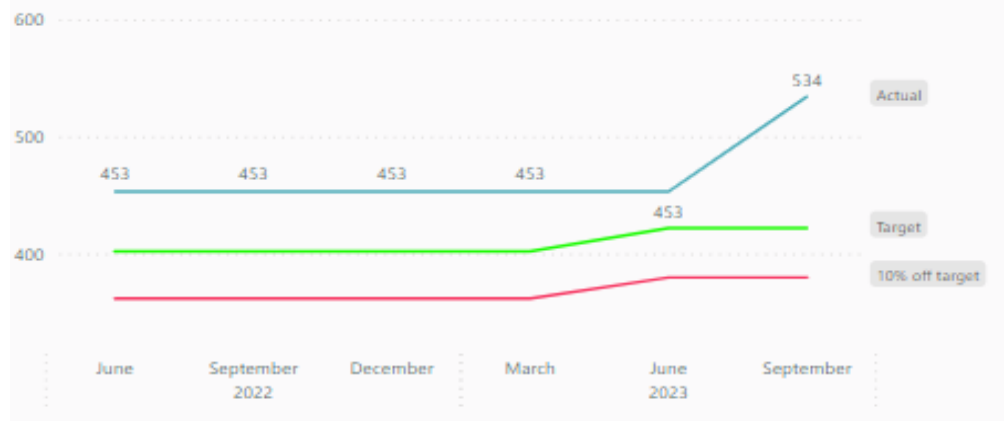
- 12.11. The following table details measures where there has been notable change since the previous period:

Table 17. Measure Showing Significant Change Since Previous Period

Measures showing notable change since previous period - Positive.

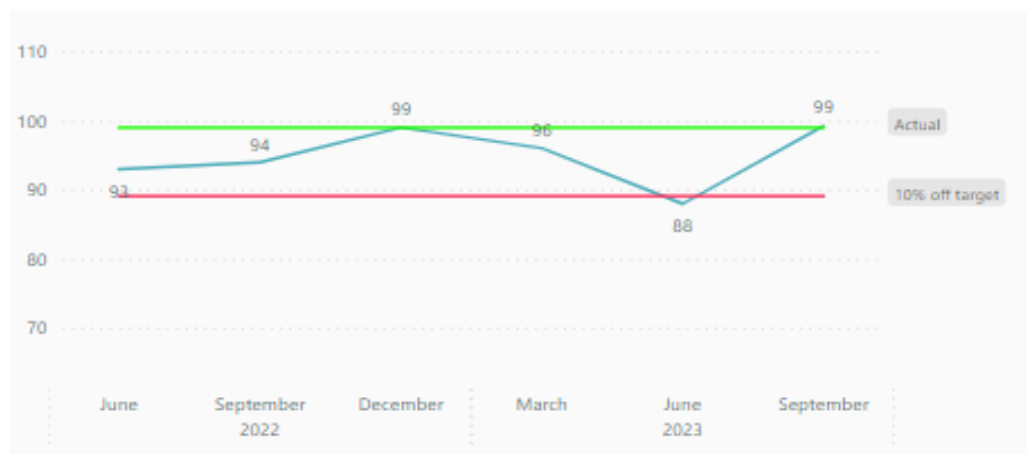


Number of places for children & young people with Special Education needs.



Q1 2023/24	Q2 2023/24	Target	Comments
	534	422	Additional places became available in September 2023 and has increased capacity by 112 places.

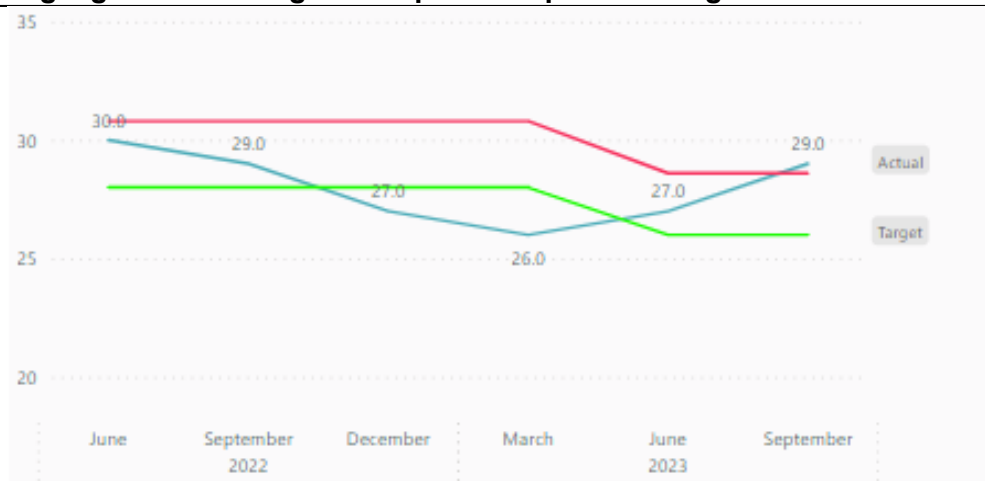
Percentage of actionable (40mm depth) potholes repaired within 28 days.



Q1 2023/24	Q2 2023/24	Target	Comments
			There was an issue with the Asset management system (WDM) not exporting the data in April this has been resolved but caused a small number of potholes to go out of date in Q1. This has been resolved and performance is meeting its target with an 11% improvement this quarter.

Measures showing significant change since previous period – Negative

Percentage of children in care living more than twenty miles from Reading



Q1 2023/24

27%

Q2 2023/24

29%

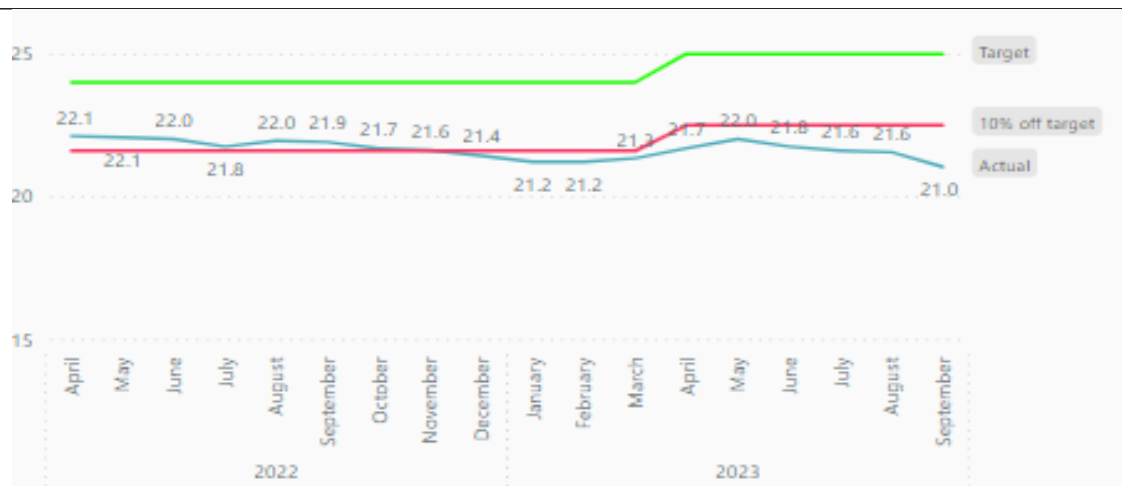
Target

26%

Comments

Proactive action taken to address the challenge of local place sufficiency (a challenge that Local Authorities across England are experiencing is beginning to evidence impact with more children initially being placed in or returning to placements in Reading. A reduction in the overall number of children coming into care means that the number of children who became looked after some years ago and are settled with long term carers beyond twenty miles continues to have a high proportionate impact on this indicator

Percentage of service users in receipt of Adult Social Care Direct Payments



Q1 2023/24

21.6

Q2 2023/24

21%

Target

25%

Comments

As part of the Commissioning restructure in ASC additional management support for Direct Payments (DP) will be provided to help increase numbers and identify Personal Assistants. We have a number of DP users who pass away & those who no longer want to manage a DP, but also a number of people who need to move into a care home so can no longer have a direct payment.

Measures where performance against target is red

	Q1 2023/24	Q2 2023/24	Target	
Direct Payments (Red last Quarter)	21.6%	21%	25%	See above graph and comments
Cumulative reduction in crime (Red last Quarter)	Sixteen percent increase	Sixteen percent increase	7% Reduction	Data adjusted by Data Provider, Iquanta, following verification process. This now reflects a significant increase in crime reports and shows a 16% increase in crime, against 2019/20 baseline, for Q1 23/24. National data not yet available for Q2 23/24, so have estimated based on the Q1 position.
Percentage of children in care living more than 20 miles from Reading	27%	29%	26%	See previous graph and comments.
Number of stop smoking service users, who have set a date to stop smoking and are still not smoking 4 weeks later, that are routine and manual workers. (Red last Quarter)	34	40	45	Due to the lag in stop smoking service data, the previous quarter's data can now be confirmed (Q1 23/24 = 34%). Q2 figure is only provisional.
Percentage of people with a learning disability in paid employment (Red last Quarter)	4.94%	4.81%	5.5%	This KPI remains a high priority in the Transition and SEND groups, proactive work is being undertaken with the Elevate and New Direction College to target residents with LD. We are in the process of commissioning a supported employment provision for service users with an LD and Mental Health.
Youth Reoffending Rate	30%	35.4%	28%	There is a lag in reporting of data for this national measure. Therefore, the latest available performance figure is included here. Re-offending rates within Reading had historically been beneath our comparators. More recently our reoffending rate has risen and the latest cohort data (Oct 20 – Sept 21) has a rate of 35.4%. This is in excess of the statistical comparators who average a rate of 31.5%.
Customer satisfaction in the Customer Fulfilment Centre	61%	84.4%	90%	<p>Performance was disrupted during a period of service restructure, with a number of vacancies including in management roles – these have now been recruited to.</p> <p>Although below target, this indicator continues to improve each month. Improvements to the performance management systems within the service continue, including enhancing the use of qualitative feedback. Stronger recording and reporting are in place, improving the understanding of demand drivers and satisfaction levels.</p>

Corporate Plan Projects

12.12. The RAG status for the Corporate Plan projects³ is shown below:

Table 18. Summary RAG Status Corporate Plan Projects

Status	Q3	Q4	Q1	Q2	
	%	%	%	%	No.
Green	56	67	52	51	24
Amber	38	31	46	49	23
Red	6	2	2	0	0
Total	100	100	100	100	47

13. Contribution to Strategic Aims

- 13.1. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical.
- 13.2. Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

14. Environmental and Climate Implications

- 14.1. The Council declared a Climate Emergency at its meeting on 26th 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 enroute to net zero by 2030. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.
- 14.2. There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

15. Community Engagement

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

16. Equality Implications

- 16.1. The equality duty is relevant to the development of the Budget. The specific savings and income proposals included in the budget are subject to consultation and equality impact assessments where required and these are being progressed as appropriate.

17. Other Relevant Considerations

- 17.1. There are none.

³ "Procure and implement crowdfunding solution to support projects delivered by the voluntary and community sector" is no longer proceeding.

18. Legal Implications

- 18.1. The Local Government Act 2003 requires that the Authority reviews its Budget throughout the year and takes any action it deems necessary to deal with the situation arising from monitoring. Currently monitoring reports are submitted to Policy Committee quarterly throughout the year.

19. Financial Implications

- 19.1. The financial implications are set out in the body of this report.

20. Timetable for Implementation

- 20.1. Not applicable.

21. Background Papers

- 21.1. There are none.

Appendices

- 1. Recovery Plan Quarter 2 (2023/24)**
- 2. Brighter Futures for Children (BFfC) Budget Monitoring Report Quarter 2 (2023/24)**
- 3. Savings Tracker Quarter 2 (2023/24)**
- 4. a. Capital Programme Quarter 2 (2023/24)**
b. Capital Programme Quarter 2 (2023/24 to 2025/26)
- 5. Corporate Plan Performance Measures (Monthly & Quarterly) Quarter 2 (2023/24)**
- 6. Corporate Plan Projects and Initiatives Quarter 2 (2023/24)**

Appendix 1 - Recovery Plan Quarter 2 (2023/24)

Summary of Budget Monitoring Forecast Movements and Variances from Quarter 1 to Quarter 2

Dir	Service	Q1 Variances	Recovery Plan	Other Movements	Q2 Variances	Q1 to Q2 Movement
DCASC	Commissioning, Transformation & Performance	-	0	(24)	(24)	(24)
DCASC	Adult Services Operations	288	0	80	368	80
DCASC	Community & Adult Social Care Management	-	0	0	0	0
DCASC	Safeguarding, Quality & Practice	-	0	(346)	(346)	(346)
DCASC	Public Health	-	0	0	0	0
DCASC	Housing & Communities	1,000	(244)	(6)	750	(250)
DCASC Total		1,288	(244)	(296)	748	(540)
DEGNS	Planning, Transport & Public Protection	1,496	(821)	(19)	655	(840)
DEGNS	Culture	60	(276)	161	(55)	(115)
DEGNS	Environmental & Commercial Services	1,200	(100)	375	1,475	275
DEGNS	Property & Asset Management	-	0	0	0	0
DEGNS	Management & Sustainability	225	0	21	246	21
DEGNS Total		2,981	(1,197)	538	2,321	(659)
DOR	Policy, Performance & Customer Services	643	(333)	2	312	(331)
DOR	Human Resources & Organisational Development	56	0	(24)	32	(24)
DOR	Procurement & Contracts	125	(5)	(25)	95	(30)
DOR	Finance	103	(228)	281	156	53
DOR	Legal & Democratic Services	215	0	211	426	211
DOR	Digital, Technology & Change	-	(100)	0	(100)	(100)
DOR Total		1,142	(666)	445	921	(221)
CEX	Corporate Management Team	20	0	(20)	0	(20)
CEX	Communications	- 5	0	(20)	(25)	(20)
CEX Total		15	0	(40)	(25)	(40)
CORP	Capital Financing	- 2,472	0	219	(2,253)	219
CORP	Contingencies	- 4,108	0	0	(4,108)	0
CORP	Other Corporate Budgets	374	0	95	469	95
CORP	Movement in Reserves	- 1,243	0	(164)	(1,407)	(164)
CORP Total		- 7,449	0	150	(7,299)	150
Council Total		- 2,023	(2,107)	796	(3,334)	(1,310)
BFFC	Brighter Futures for Children	5,829	(1,010)	2,200	7,019	1,190
BFFC Total		5,829	(1,010)	2,200	7,019	1,190
Total		3,806	(3,117)	2,997	3,685	(120)

Appendix 1 - Recovery Plan Quarter 2 (2023/24)

Recovery Plan Tracker

Direct orate	Service	Lead	Overview of Activity	Estimated Over spend Recovery £			Amount Included in Q1	Amount Included in Q2	Change from Q1	Amount of Target Excluded
				Target	Delivered	Outstanding				
DCASC	Continuing HealthCare/Joint Funding	Sunny Mehmi	To maximise the CHC recharges for applicable adults Possibility of Joint team with BFfC to work across CHC funding	100	0	100	100	100	0	0
DCASC	Review Team	Sunny Mehmi	To review packages to reduce the commitment in ASC, ensuring the package is fit for the individual needs There are 1543 clients open to DACHS. The Care Act means that we have a statutory duty to ensure that every client has an annual review (and a light-touch review of new/considerably changed care packages; please note we are currently unable to quantify the amount of packages per year that require this) In 22/23, DACHS averaged 126 reviews per month (based on 1381 being completed across April-February), split across: Reviewing Team – 690 (average of 63 per month) of which 62% were simple / 38% complex Other teams – 771 (average of 70 per month); please note that these were reassessments counted as reviews. Assuming the trends & resourcing remained as they currently are, in 23/24 we would see: Reviewing Team – 756 (reviews) Other teams – 840 (reassessments counted as reviews).	519	285	234	519	519	0	0
DCASC	Transitions Project	Sunny Mehmi	To support children under BFfC prior to turning 18, or as soon as they turn 18 to reduce the financial commitment within ASC	100	0	100	100	100	0	0
DCASC	Grant Maximisation	Melissa Wise/Claire Gavagan	To review grants within ASC, to see what can be used to support the increase in package costs	200	0	200	200	200	0	0
DCASC	DACHS Reset Day	DMT	DACHS Reset Day	100	0	100	100	100	0	0

Appendix 1 - Recovery Plan Quarter 2 (2023/24)

Recovery Plan Tracker

Direct orate	Service	Lead	Overview of Activity	Estimated Over spend Recovery £			Amount Included in Q1	Amount Included in Q2	Change from Q1	Amount of Target Excluded
				Target	Delivered	Outstanding				
DCASC	Agency to Permenant	DMT	Agency Conversion to permanent recruitment	0		0				
DCASC	Sickness Absence	DMT	Sickness Absence	0		0				
DCASC	1:1/2:1 Spot Check	Sunny Mehmi Chris Greenway	Ensuring Value for Money – Placement Checking	0	0	0	0	0	0	0
DCASC	Direct Payments	Chris Greenway	Direct Payments - increased numbers of DP's/recoups	300	100	200	300	300	0	0
DCASC	Homelessness	Zelda Woffle	High Numbers of placements into Emergency Accommodation and a higher placement costs are causing a pressure in General Fund Housing. Various plans are in place to help address the current issues, and hopefully reduce demand •Recruitment of 2 temporary Homelessness Prevention Officer roles •Incentive package for residents to find their own accommodation •Incentive package for RGS landlords •Procurement of alternative emergency/temp accommodation	0		0	0	0	0	0
DCASC	Homelessness	Zelda Woffle	Offset of costs against Asylum/Refugee budget where applicable	244	0	244	0	244	244	0
DCASC	Homelessness	Zelda Woffle	Additional Government Grants	0	0	0	0	0	0	0
DCASC Total				1,563	385	1,178	1,319	1,563	244	0
DEGNS	PTPP	Chris Maddocks	Community Transport Review	23	23	0	0	23	23	0

Appendix 1 - Recovery Plan Quarter 2 (2023/24)

Recovery Plan Tracker

Direct orate	Service	Lead	Overview of Activity	Estimated Over spend Recovery £			Amount Included in Q1	Amount Included in Q2	Change from Q1	Amount of Target Excluded
				Target	Delivered	Outstanding				
DEGNS	PTPP	Chris Maddocks	Concessionary Travel Review	650	650	0		650	650	0
DEGNS	PTPP	James Crosbie	Increase on and off street parking charges	69	0	69	0	0	0	69
DEGNS	PTPP	Matthew Golledge	Application of Homes for Ukraine Grants	148	148	0	0	148	148	0
DEGNS	Culture	Donna/Emma/Steve	Application of outstanding covid grants to culture operations	45	45	0	0	45	45	0
DEGNS	Culture	Simon Smith	Unexpected income from Sustrans in 23/24.	10	10	0	0	10	10	0
DEGNS	Culture	Simon smith	Business rates rebate for 5 library sites.	110	110	0	0	110	110	0
DEGNS	Culture	Simon Smith	Pause book fund spend	30	30	0	0	30	30	0
DEGNS	Culture	Simon Smith	Ceasing to staff town Hall reception on Mondays	3	3	0	0	3	3	0
DEGNS	Culture	Simon Smith	Reduce hours of Archaeologist	6	6	0	0	6	6	0
DEGNS	Environment	Trevor Pugh	Vacancy management	100	100	0	0	100	100	0
DEGNS	Environment	Trevor Pugh	Street Lights Energy Efficiency Saving	25	0	25	0	0	0	25
DEGNS	DEGNS		Fees and charges review	0	0	0	0	0	0	0
DEGNS	Culture	Mark Stevens	Revision of Archives forecast	72	72	0	0	72	72	0
DEGNS Total				1,291	1,197	94	0	1,197	1,197	94

Appendix 1 - Recovery Plan Quarter 2 (2023/24)

Recovery Plan Tracker

Direct orate	Service	Lead	Overview of Activity	Estimated Over spend Recovery £			Amount Included in Q1	Amount Included in Q2	Change from Q1	Amount of Target Excluded
				Target	Delivered	Outstanding				
DOR	Finance	Darren Carter	A fundamental review has been carried out into all aspect of the finance budget, including updating forecasts for every post across the team and all planned non-staffing spend. It is now proposed to hold 6 vacant posts in order to deliver savings during the remainder of the year and to put a hold on all non-staffing expenditure that that isn't contractually committed	128	0	128	0	128	128	0
DOR	Finance	Darren Carter	There is a forecast overspend of £100k against insurance premiums. This will now be charged against the insurance reserve.	100	100	0	0	100	100	0
DOR	PPCS - Policy	Gavin Handford	HSF4 Recharge	30	25	5	0	30	30	0
DOR	PPCS - Policy	Gavin Handford	Vacancy management	40	0	40	0	40	40	0
DOR	PPCS - Policy	Gavin Handford	Homes for Ukraine - Policy Recharge	3	3	0	0	3	3	0
DOR	PPCS - Policy	Gavin Handford	GIS - one off income	5	5	0	0	5	5	0
DOR	PPCS - CFC	Gavin Handford	Vacancy management	76	0	76	9	66	57	10
DOR	PPCS - Bereavement	Gavin Handford	Premises and income review on Cemeteries	31	0	31	0	31	31	0
DOR	PPCS - Bereavement	Gavin Handford	Utilities	40	0	40	0	40	40	0
DOR	PPCS - Bereavement	Gavin Handford	Vacancy management	25	0	25	0	25	25	0
DOR	PPCS - Bereavement	Gavin Handford	Fee increase from 1 November	63	0	63	0	63	63	0
DOR	PPCS - Bereavement	Gavin Handford	Review of supplies and services	40	0	40	0	40	40	0
DOR	Procurement	Jonathan Hopkins	Contract Pipeline	100	0	100	100	100	0	0
DOR	Procurement	Jonathan Hopkins	Vacancy management	5	5	0	0	5	5	0
DOR	DTAC	Martin Chalmers	IT spend management	100	0	100	0	100	100	0
DOR Total				785	138	647	109	775	666	10
BFfC			Vacancy savings / freeze on recruitment	663	589	74	155	589	434	74
BFfC			Freeze on non-statutory and essential services	176	121	55	0	121	121	55
			Cease agency cover	153	0	153	0	0	0	153
BFfC			Contract savings	24	18	6	0	18	18	6
BFfC			Reduce or remove transport provided for identified children/routes	150	150	0	0	150	150	0
BFfC			Integrate mangement posts on nursery provision	15	15	0	0	15	15	0
BFfC			Increase bank interest	168	168	0	126	168	42	0
BFfC			Remand income	180	180	0	0	180	180	0
BFfC			Homes for Ukraine	50	50	0	0	50	50	0
BFfC Total				1,579	1,291	288	281	1,291	1,010	288
Grand Total				5,218	3,011	2,207	1,709	4,826	3,117	392

This page is intentionally left blank



Budget Monitoring Report Period 6



For decision



For discussion



For information

SUMMARY

The purpose of this report is to provide the Board with budget monitoring report for period six.

OWNER

Report Author:

BFfC Finance Team

DRAFT

V1.0

DATE

15th October 2023

© Brighter Futures for Children

Brighter Futures for Children
Civic Offices, Bridge Street,
Reading RG1 2LU

Company number 11293709

Contents

1.	Purpose of report	3
2.	Executive summary.....	3
3.	Income and Expenditure Summary	4
4.	Risk and Opportunities Table.....	5
5.	Budget by Directorate 2023-2024	6
6.	Children’s Social Care (CSC) – Maria Young	7
7.	Early Help and Preventative Services – Graham Genoni	8
8.	Education Services – Brian Grady	9
9.	Finance and Resources – Kit Lam.....	11
10.	Corporate – Kit Lam & Lara Patel.....	12
	Appendix 1 – Dedicated Schools Grant Monitoring.....	13
	Appendix 2 – School Travel Update	15
	Appendix 3 – Cash Flow	17
	Appendix 4 – Debtors Update.....	18
	Appendix 5 – Inter-Company update.....	18
	Appendix 6 – Grants update	19
	Appendix 7 – Reserves update.....	20
	Appendix 8 – Transformation update including shadow of covid funding	20
	Appendix 9 – Monthly Budget Monitoring Information Schedule 2023/24	21

1. Purpose of report

- 1.1 The purpose of this report is to provide Finance Committee with the latest budget monitoring position as at Period 6 (September 2023).

2. Executive summary

- 2.1 Contract sum (excluding SLAs and Property) totals £44.933m against a forecast outturn of **£51.952m** at Period 6. This represents a negative variance of **£7.019m** which relates to:

• Children's placements and placement-related costs	£6.535m
• Payroll/agency	£0.463m
• School transport	£0.161m
• Other net positive movements across the Company	(£0.140m)

A summary of the forecast variance by directorate is shown in Table 3.

- 2.2 The forecast out-turn of £51.952m represents a negative movement of **£0.143m** from that reported in Period 5 relating to:

• Payroll / agency	£0.079m
• Placements	£0.068m
• Other net movements	-£0.004m

- 2.3 The 'risks and opportunities' table provided in Table 2 categories the overall pressure of £7.019m to be 'inflation' (£0.205m), 'demand' (£6.601m) and 'general budget' pressure (£0.213m). The impact of inflation on placements and any additional funding support from RBC is not known or confirmed at this stage and is shown as "TBC" within the table.

- 2.4 As at Period 6, the main areas of concern relate to children's placements (see page 7) and school travel (see page 9).

- Placement pressures are driven by the increasingly complex needs and risks of children and their families. If we are unable to place a child under a Special Guardianship Order (SGO) or with a foster carer (in house IFA or external IFA), we are reliant on the external residential placement market. The number of foster carers is reducing nationally. We have seen our internal IFA reduce from 53 placements at Q4 2022/23 to 47 in Q2 2023/24. The number of children placed with external IFA's remains at 94. This coupled with the lack of sufficiency of external placements with fewer providers being able to meet increasingly complex needs, has put significant strain on the placements budget.

The external placements and CYPDT residential placements attributes £6.023m of the £6.535m overspend. We currently have 145 external and CYPDT placements, of which 23 (16%) of those bring a total cost of £7.730m (57%) of the total spend of £13.662m. Our recent deep dive into all higher cost placements (weekly cost >£4,000 per week) has evidenced robust placement decisions and highlighted the complexity of needs and risks that are leading to an escalation in care costs and increased number of high-cost placements. The deep dive is ongoing and will extend to all placements.

- School transport pressures are driven by the increasing number of children with EHCPs, rising prices from fuel inflation and increasing eligibility for transport. These pressures are exacerbated by the lack of local specialist school places which impact the number and cost of transport routes (see analysis in Appendix 2).

- 2.5 In relation to managing and containing the forecast overspend, it is important to note that the Company commenced the financial year with pressures totaling £0.700m (school transport MTFS savings target of £0.150m and unbudgeted agency of c£0.550m) that was not included in the baseline budget. In line with previous years, vacancy savings are used to offset against agency cost pressures.

- 2.6 In addition, further pressures were confirmed over Q1 relating to unmanageable SEND caseloads from historical and new EHCPs in the system (£0.126m), and children's placements (c£5-6m).

- 2.7 To manage these pressures, the Company identified mitigations, savings and budget reductions totaling £1.291m at Period 6, which is reflected in the P6 forecast out-turn:

• Pay savings	£0.589m
• Budget reductions	£0.154m
• School transport (savings target)	£0.150m
• Interest and other income	£0.398m

3. Income and Expenditure Summary

The budget for 2023-2024 with a contract value of **£44.933m** is shown below:

Table 1: Summary of income and expenditure at Period 6

BUDGET SUMMARY	22/23 Outturn £000	22/23 Variance £000	23/24 Budget YTD £000	23/24 Spend YTD £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance £000
Employee Expenditure	25,778	(2,479)	15,795	13,105	(2,690)	31,591	28,902	(2,689)
Agency Expenditure	4,962	4,944	9	1,212	1,203	18	3,170	3,152
Other Employee Related Expenditure	736	(81)	424	348	(76)	849	849	0
Employee & Agency Total	31,476	2,385	16,229	14,665	(1,564)	32,457	32,921	464
Premises Related Expenditure	304	126	67	(110)	(176)	133	141	8
Transport Related Expenditure	3,632	813	1,538	1,377	(161)	3,666	3,827	161
Supplies and Services Expenditure	11,516	(335)	5,722	5,963	242	11,524	11,611	87
Contracted Expenditure	44,352	5,759	21,629	22,750	1,120	42,444	49,003	6,559
Support Services & Recharges Expenditure	3,248	(2,701)	3,296	3,401	105	5,434	5,486	52
Other Expenditure Total	63,052	3,663	32,251	33,381	1,129	63,201	70,068	6,867
Government Grant Income	(2,205)	1,864	(1,380)	(2,829)	(1,449)	(4,105)	(4,120)	(15)
Other Income	(9,186)	385	(4,460)	(1,148)	3,312	(9,123)	(9,420)	(297)
Contract Sum Income	(45,043)	(3,477)	(22,466)	(22,357)	110	(44,933)	(44,933)	0
Dedicated Schools Grant Income	(38,197)	(4,921)	(18,749)	(18,749)	(0)	(37,498)	(37,498)	0
Income Total	(94,630)	(6,149)	(47,055)	(45,083)	1,973	(95,658)	(95,970)	(312)
Grand Total	(102)	(102)	1,425	2,963	1,538	0	7,019	7,019

Description notes to I&E lines:

- **Employee and Agency:** agency spending relates to filling vacant posts, agency/interim staff who are employed to undertake project work that is funded from transformation or other grants and cover for maternity and long-term sickness.
- **Premises Related:** limited budget as most property costs are part of the lease and SLA facilities management with RBC.
- **Transport Related:** most of the budget relates to School Travel (£3.452m out of £3.666m) and the remaining elements relate to car allowances and other staff travel.
- **Supplies and Services:** this budget line includes over £11m budget relating to Early years Block universal entitlement expenditure. There is also a smaller element that relates to minor (non-placement) contracts.
- **Contracted Expenditure:** this largely relates to Education SEN provisions and Social Care placements and allowances.
- **Support Services and Recharges:** this relates to two main areas: (1) £6m budget relating to SLAs with RBC and property leases; and (2) movement of grant internally to avoid duplicate capture of the same income e.g., income is receipted for DSG and transferred from the early years block to our internal nurseries. This is therefore treated as an internal recharge.
- **Other Income:** mostly include SLA and property Lease income from RBC alongside other government grants transported via RBC and fees and charges that relate to Schools SLAs, Charges to Adults and Health.

4. Risk and Opportunities Table

Table 2: Summary of identified risks and opportunities at Period 6

Risks	Pressure	Pressure	Budget	Mitigated
	(Inflation)	(Demand)	Variance	Reported Total
	£0	£0	£0	£0
School Travel	41	120	0	161
Social Care Placements	TBC	4,730	0	4,730
Social Care (High-Cost Placements)	TBC	1,805	0	1,805
Social Care agency costs	0	0	718	718
Freeze on Staff recruitment	0	0	-589	-589
National Pay Award (based on 6%)	164	0	0	164
Redundancy Costs	0	0	100	100
Demand Management in SEN	0	126	0	126
Internal Nurseries Agency	0	0	96	96
Other Pressures	0	0	245	245
Other Savings	0	0	-139	-139
Interest from investments and Bank	0	0	-168	-168
Homes for Ukraine	0	0	-50	-50
Remand Income	0	-180	0	-180
Total Risks and Opportunities (incl. in P6)	205	6,601	213	7019
Early Help Targeted Savings	0	0	-4	-4
Additional Contract Funding	TBC	0	0	0
Potential Placement Mitigations	0	-180	0	-180
Unacc. Asylum Seeker Net Spend	0	150	0	150
Total Risks and Opportunities (excl. in P6)	0	-30	-54	-84
Grand Total	205	6,571	209	6985

4.1 A forecast outturn (including mitigations) of £7.019m is reported. This relates to:

- £0.205m inflation pressure (school travel, payroll)
- £6.601m net demand pressure, which largely relates to placements and high-cost placements
- £0.213m general budgetary pressures

4.2 Further opportunities/savings/mitigations/reductions will be discussed within the wider Reading Borough Council in year budget mitigations process.

5. Budget by Directorate 2023-2024

3.1 The budget for 2023-2024 with a contract sum of **£44.933m** is shown below:

Table 3: Contract Budget for 2023/2024

DEPARTMENTAL SUMMARY	22/23 Outturn £000	22/23 Variance £000	23/24 Budget YTD £000	23/24 Spend YTD £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance £000
Education	43,551	5,518	22,567	21,048	(1,519)	43,167	43,478	311
Early Help and Preventative Services	2,939	(507)	2,044	1,844	(200)	3,691	3,495	(196)
Childrens Social Care	32,406	3,675	15,625	19,344	3,719	30,801	37,960	7,159
Finance & Resources	2,940	(320)	2,006	1,622	(384)	3,727	3,444	(283)
Corporate Services	1,302	(69)	399	210	(189)	1,045	1,072	27
Dedicated Schools Grant	(38,197)	(4,921)	(18,749)	(18,749)	(0)	(37,498)	(37,498)	0
Contract sum	(45,043)	(3,477)	(22,466)	(22,357)	110	(44,933)	(44,933)	0
Total	(102)	(102)	1,425	2,962	1,538	0	7,019	7,019

3.2 The key areas of focus:

Education:

- School Travel forecast for Autumn term changes.
- High Needs Deficit/management plan.
- Budget Monitoring DSG grant and forecasting High Needs.
- Early Years Settings – Increased funding vs Agency Vs numbers.

Children Social Care

- Social Care Placements and Placement related costs
- Income forecast for UASC.
- Agency monitoring.

6. Children's Social Care (CSC) – Maria Young

Table 3: Overview of 2023-2024 Children Social Care Budget as of Period 6

Departmental & Income and Expenditure Summary (Children Social Care Services)	22/23 Outturn £000	22/23 Variance £000	23/24 Budget YTD £000	23/24 Spend YTD £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance £000	Key
By Directorate									
Together for Families	7,453	1,137	3,495	3,341	(154)	6,792	6,802	10	
Corporate Parenting, Fostering, Special Guardianship & Adoption	7,502	1,004	8,642	12,190	3,548	17,125	22,259	5,134	
Childrens and Young People Disability Team	5,291	1,153	2,498	3,058	560	4,825	6,731	1,906	
CSC Senior Management Team	2,160	380	990	755	(234)	2,059	2,168	109	
Total Childrens Social Care	32,406	3,675	15,625	19,344	3,719	30,801	37,960	7,159	
By Income and Expenditure									
Employee Expenditure	10,532	(1,653)	6,933	5,316	(1,617)	13,866	11,432	(2,434)	1
Agency Expenditure	3,558	3,540	9	1,181	1,172	18	3,170	3,152	1
Other Staff related Expenditure	167	(227)	207	96	(111)	414	414	0	
Premises Related	14	(22)	18	1	(17)	36	36	0	
Transport Related	87	9	43	41	(2)	87	87	0	
Supplies and Services Expenditure	978	(129)	414	273	(141)	1,041	1,067	26	
Contracted Expenditure	20,840	4,082	8,491	11,541	3,049	16,922	23,481	6,559	2
Support Services & Recharges	(131)	89	(107)	(120)	(12)	(273)	(273)	0	
Government Grant Income	(2,996)	(1,775)	(334)	1,079	1,412	(1,211)	(1,211)	0	
Other Income	(645)	(240)	(50)	(63)	(13)	(100)	(244)	(144)	3
Total Childrens Social Care	32,406	3,675	15,625	19,344	3,719	30,801	37,960	7,159	

Key information

- Net pay – the net cost of agency due to vacant post and cover for absent staff has impacted the Together for Families Team (TffT) (£209k), IFA team (£276k), CSPOA (£102k), CYPDT (£66k) and the Family & Friends Team (£55k) the most. In relation to the TffT, the permanency rate has improved from 44% in Sept 2022 to 69% in October 2023, with a pipeline of 8 new starters in the next 3 months. In relation to the other teams, we are focused on actively managing staff absences and progressing recruitment to minimise the spend on agency. The net overspends is forecast at **£0.718m** at Period 6. **HIGH**
- Contracted expenditure – largely relates to the Placement and Placement related budget which has a forecast overspend of £6.535m. Further work is underway to ensure costs have been coded to the correct categories. However, the greatest pressure is in External Placements and CYPDT residential placements categories with a total variance of £6.023m:
 - External placements – there is a forecast outturn of £11.101m against a budget allocation of £6.711m (variance of £4.390m). There are 114 placements, of which 15 (13%) of those placements costs £4.977m (75% of the budget).
 - CYPDT: the forecast outturn is £3.047m against a budget allocation of £1.415m (variance of £1.633m). There are 31 placements, of which 8 (26%) of those placements costs £2.752m (more than the base budget by £1.337m).**HIGH**
- We have received the majority of the 2022/23 UASC claims but still have some post 18 and high levels of children payments to be confirmed by the Home Office. **MED**
- As the capital works at Cressingham have not yet commenced, this is having a negative impact on the planned opportunities to generate income. The current state of repair and level of accessible facilities both internally and externally means that until the capital work has concluded there will be limited opportunities to generate income. **MED**

7. Early Help and Preventative Services – Graham Genoni

Table 4: Overview of 2023-2024 Early Help and Preventative Services Budget at period 6

Departmental & Income and Expenditure Summary (Early Help and Preventative Services)	22/23 Outturn £000	22/23 Var £000	23/24 Budget YTD £000	23/24 Spend YTD £000	23/24 Var YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Var £000	Key
By Directorate	-	-							
Childrens Centres & Childcare Provision	1,223	(64)	706	622	(85)	1,413	1,362	(51)	
Youth Family Workers and Welfare	1,597	(43)	980	1,095	114	1,841	1,758	(83)	
Youth Offending Service	284	(121)	195	343	149	393	346	(48)	
Partnership and Preventions and Troubled Families	(147)	(147)	108	(259)	(367)	0	(15)	(15)	
Early Help Management	(17)	(132)	55	43	(12)	45	45	0	
Total Early Help and Preventative Services	2,939	- 507	2,044	1,844	(200)	3,691	3,496	(196)	
By Income and Expenditure	-	-							
Employee Expenditure	4,700	238	2,576	2,466	(111)	5,153	4,978	(175)	1
Agency Expenditure	18	18	0	34	34	0	0		
Other Staff related Expenditure	8	8	0	5	5	0	0		
Premises Related	91	(40)	43	27	(16)	85	93	8	2
Transport Related	17	(8)	7	12	4	14	14		
Supplies and Services Expenditure	984	585	117	387	270	233	224	(9)	3
Contracted Expenditure	48	48	0	21	21	0	0		
Support Services & Recharges	(323)	(21)	(66)	(140)	(75)	(406)	(406)		4
Government Grant Income	(2,293)	(1,145)	(579)	(962)	(382)	(1,215)	(1,230)	(15)	5
Other Income	(311)	(190)	(54)	(5)	49	(173)	(178)	(5)	6
Total EH and PS	2,939	507	2,044	1,844	(200)	3,691	3,495	(196)	

Key information

- Vacancies across Youth (£0.121m), Children Centres (£0.054m) contributed to **(£0.175m)** savings. There is a waiting list for Early Help Services. **LOW**
- An overspend of **£0.015m** in premises costs (business rates) from the Caversham nursery is offset by the other premise-related savings **(£0.007m)**. **LOW**
- Further savings from activities and equipment generated **(£0.009m)** of savings. **LOW**
- Supporting Families grant (PbR) is forecast to generate **(£0.015m)** of savings. This is achieved in relation to the budgeted PbR income for Q1 & Q2. However, there are some indications that the income from Q3 & Q4 will be lower. **LOW**
- We anticipate that the income from PCC Community Safety Fund Grant will be lower by **£0.0175m**. This will partly be offset by additional income **(£0.015m)** from the Park Lane and Moorland schools relating to 22/23 and an additional income (probation 22/23) **(£0.0075m)**. We are also liaising with Thames Valley regarding the income towards a probationary post. Once agreed, the additional income (£0.039m) will be reflected on the P7 report. **LOW**

8. Education Services – Brian Grady

Table 5: Overview of 2023-2024 Education Budget at period 6

Please note that the Early Help areas that moved to Education have been included from Period 6

Departmental & Income and Expenditure Summary (Education Services)	22/23 Outturn £000	22/23 Variance £000	23/24 Budget YTD £000	23/24 Spend YTD £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance £000	Key
By Directorate	-	-							
Director of Education	77	(7)	52	(76)	(127)	103	103	0	
Education Access & Support	239	(183)	220	(65)	(285)	427	402	(25)	1
Virtual School	(30)	(30)	118	254	136	0	0	0	
School Effectiveness	(0)	(0)	0	12	12	0	0	0	
SEND & School Travel	4,191	889	1,843	1,613	(230)	4,107	4,394	287	2/3
Early Years	72	72	45	(203)	(248)	5	77	72	3
Dedicated Schools Grant	38,194	4,917	19,614	18,841	(774)	37,507	37,507	0	
Education Psychology and Mental Health	809	(140)	675	672	(3)	1,018	995	(23)	
Total Education Services	43,551	5,518	22,567	21,048	(1,519)	43,167	43,478	311	
By Income and Expenditure	-	-							
Employee Expenditure	6,092	(586)	3,793	3,326	(467)	7,586	7,667	81	
Agency Expenditure	446	446	0	101	101	0	0		
Other Staff related Expenditure	87	85	2	25	24	4	4		
Premises Related	29	18	6	3	(3)	12	12		
Transport Related	3,529	823	1,484	1,326	(158)	3,557	3,718	161	2
Supplies and Services Expenditure	9,032	(781)	4,754	5,112	358	9,886	9,883	(3)	3
Contracted Expenditure	23,462	1,629	13,138	11,169	(1,969)	25,522	25,522		
Support Services & Recharges	4,556	4,278	663	584	(79)	(108)	(56)	52	
Government Grant Income	(1,874)	(174)	(467)	(62)	405	(1,581)	(1,581)		
Other Income	(1,808)	(218)	(805)	(536)	269	(1,711)	(1,691)	20	
Total Education Services	43,551	5,518	22,567	21,048	(1,519)	43,167	43,478	311	

Key Information

- School Attendance (Education Welfare) is one of the areas that has moved into Education following the redesign of Early Help. Funding for this area comes from public health, School SLA income and DSG (de-delegated funding). It is currently reporting savings of £0.025m through vacancies and activities savings of **£0.025m**.
- Within 2023/2024 the service has been supported with additional staff to manage the demand for EHCPs and to data clean the SEN data to complete the SEN data migration to the new Education Management System (Synergy). An approved pressure of **£0.126m** is included in the forecast. **MED**

3. Over the course of the year there has been a reduction in the number of high-cost, single child taxi routes which has supported achievement of the savings target (£0.150m) attached to the baseline budget to 2023/24. The Period 6 forecast includes a reported pressure of **£0.161m** to reflect the summer term requirements and transport route changes. **HIGH**

Risks

- 'Invest to save' projects are underway in SEN placements, and this will increase the pressure on the High Needs Block for 23/24. RBC are exploring enhanced governance around this area, given that the spend/deficit on DSG rests with RBC.
- The high demand of work within the SEN team is placing additional pressure on the team, which is impacting the timeliness of EHCP processes.

Notes relating to 2023-2024

- Education continues to have 3 pressure areas:
 - School transport
 - SEN Team
 - Dedicated School Grant (High Needs Block)
- Dedicated Schools Grant activity/Outturn will be shown as a break-even position for BFfC, as the deficit/surplus is accounted for in the RBC reserve accounts. Funds are either provided by RBC to pay for additional expenditure or BFfC would refund any surplus funds to RBC. Additional funds are recorded under the DSG income line in Table 1.

9. Finance and Resources – Kit Lam

Table 6: Overview of 2023-2024 Finance and Resources Budget at period 6

Departmental & Income and Expenditure Summary (Finance & Resources)	22/23 Outturn £000	22/23 Variance £000	23/24 Budget YTD £000	23/24 Spend YTD £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance £000	Key
By Directorate									
Human Resources	362	(54)	230	149	(81)	461	437	(24)	
Communications & Marketing	287	(80)	231	174	(57)	461	389	(72)	
Finance & Audit	416	25	89	62	(27)	398	460	62	
Information, Advice and Support Service	73	(54)	66	47	(20)	133	133	0	
Commissioning	433	(51)	221	336	115	504	392	(112)	
Finance & Resources	145	(22)	86	87	1	172	172	0	
Performance Management	259	(36)	461	272	(188)	355	355	0	
Business Support	966	(48)	622	495	(127)	1,243	1,106	(137)	
Total Finance & Resources	2,940	(320)	2,006	1,622	(384)	3,727	3,444	(283)	
By Income and Expenditure									
Employee Expenditure	3,363	(330)	2,106	1,703	(402)	4,211	3,917	(295)	1
Agency Expenditure	138	138	0	91	91	0	0		
Other Staff related Expenditure	115	34	50	46	(4)	101	101		
Premises Related	0	0	0	5	5	0	0		
Transport Related	(1)	(9)	3	(3)	(6)	6	6		
Supplies and Services Expenditure	242	(144)	421	237	(183)	331	343	12	2
Contracted Expenditure	(5)	(5)	0	0	0	0	0		
Support Services & Recharges	(441)	42	(362)	(396)	(34)	(362)	(362)		
Government Grant Income	15	15	0	(39)	(39)	(98)	(98)		
Other Income	(486)	(62)	(212)	(24)	188	(462)	(462)		
Total Finance & Resources	2,940	(320)	2,006	1,622	(384)	3,727	3,444	(283)	

Key Information

- Vacancy savings mainly driven by the Commissioning team (£0.112m), Marketing (£0.072m), Human Resources (£0.024m) and Business Support (£0.137m) will generate in-year savings of (£0.295m). There will be additional agency cost relating to the finance team £0.030m. **LOW**
- The RSM audit review cost £0.019m. There will be an additional recruitment cost (£0.013m). The impact will be partly offset by savings from Marketing (0.020m) **LOW**

Actions to be taken.

- The inter-company transactions 22/23 was finalised resulting in £4m being transferred to BFFC bank account. The interest earned from the current account (5.15%) should generate around £0.024m income monthly basis.
- The bank balance floor limit will be changed from £2m to £0.5m during Sep 23 – Dec23.

10. Corporate – Kit Lam & Lara Patel

Table 7: Overview of 2023-2024 Corporate Budget at period 6

Departmental & Income and Expenditure Summary (Corporate Services)	22/23 Outturn £000	22/23 Variance £000	23/24 Budget YTD £000	23/24 Spend YTD £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance £000	Key
By Directorate									
Chair and Non-Executive Directors	207	6	100	102	1	201	201	0	
Operational Directors	634	36	168	64	(105)	473	473	0	2
Support Services SLAs	393	(68)	130	211	81	371	234	(137)	2 / 3
Holding Codes and Old Codes	69	(43)	0	(167)	(167)	0	164	164	
Total Corporate Services	1,302	(69)	399	210	(189)	1,045	1,072	27	1
By Income and Expenditure	-	-							
Employee Expenditure	1,091	(148)	388	294	(93)	775	909	134	
Agency Expenditure	802	802	0	(196)	(196)	0	0		
Other Staff related Expenditure	359	19	165	176	11	330	330		4
Premises Related	170	170	0	(146)	(146)	0	0		
Transport Related	1	(2)	0	1	1	1	1		
Supplies and Services Expenditure	277	132	17	(47)	(63)	33	94	61	2
Contracted Expenditure	6	6	0	19	19	0	0		
Support Services & Recharges	5,063	(1,637)	3,277	3,473	196	6,802	6,802		4
Government Grant Income	415	415	0	0	0	0	0		
Other Income	(6,882)	174	(3,448)	(3,365)	83	(6,896)	(7,064)	(168)	3
Total Corporate Services	1,302	(69)	399	210	(189)	1,045	1,072	27	1

Key Information

- Corporate Services are currently forecasted to overspend by (£0.027m). **LOW**
- This includes funding unbudgeted items such as arbitration costs (Elite care dispute) (£0.025m), a provision for settlement costs (£0.020m), EDI training (£0.010m) and ESOS (environmental survey) costs (£0.006m). **LOW**
- Due to Interest rates increasing, the Company will be over performing on interest receivable by an estimated (£0.168m). Further opportunities in January and February 2024 via investing £1m - £1.5m for another year could increase this figure.
- Property service level agreements have not changed in value since April 2019, we are expecting this to happen in year and this could create a small positive variance as we pay more property costs than we receive from RBC. To be reviewed when the agreements have been revised and approved. **LOW**
- There will be (£0.030m) savings from the Operational director post (Q4). **LOW**
- Estimated 2023-2024 Payroll inflation figures based on 6% rather than the budgeted average of 4% has been included for RBC reporting. This equates to £0.164m. **LOW**

Appendix 1 – Dedicated Schools Grant Monitoring

DSG Block	Reading Allocation (£m)	Recoupment & Adjustments (£m)	LA DSG Allocation (£m)	Forecasted Outturn (£m)	In year Variance (£m)	C/Fwd from 22/23 (£m)	DSG Balance (£m)
Schools Block	117.762	(66.289)	51.473	50.583	(0.890)	(1.546)	(2.436)
Central Schools Block	1.133	0.000	1.133	1.140	0.007	(0.007)	0.000
Early Years Block	13.620	(0.352)	13.268	13.557	0.289	(0.289)	0.000
High Needs Block	30.364	(4.006)	26.358	30.546	4.188	5.307	9.495
Total Net Expenditure	162.879	(70.647)	92.232	95.826	3.594	3.465	7.059

Funding changes to be expected.

- There are no scheduled conversions of maintained schools to academy status. When a school converts there funding is paid by the ESFA rather than the LA. The LA's school block funding is therefore reduced. However, this is funding already budgeted to the school/academy and would have minimal impact on the overall budget. **LOW**
- High needs block funding was adjusted in July due to the import/export adjustment. If there is a change to the number of Reading pupils placed in settings outside Reading or a change in the number of pupils from other LAs attending settings in Reading. This is because the LA where the setting is located is responsible for the place funding, so this adjustment ensures any changes in pupil numbers transferring between LAs are properly funded. Reading's position as a "Net" exporter worsened, with the position changed by a further 23 pupils. The High Needs allocation reduced by £122k. High needs funding is also adjusted for any changes in the number of high needs places in academies, which is deducted from our allocation. **MED**
- We were anticipating a reduction on the Early Year block due to lower than anticipated pupil uptake. The Early year block allocation reduced by £343k. **LOW**
- The total overall reduction in the July DSG settlement was £465k. Only £122k applied to the High Needs block. **LOW**
- The government announcement in March 2023 regarding increased entitlement within the early years sector and additional funding will need to be distributed to nurseries as a 100% pass through. This has no impact on the overall DSG budget. Final confirmation of the distribution of the additional funding are being now being worked on. **LOW**

Risks and Opportunities

Schools Block (SB)

- No request for bulge class funding was received this year. The current growth fund budget remains unspent currently with no anticipation of spending through bulge class requests.
- Falling Rolls was re-introduced in June 2022 and a revised policy was agreed at Schools Forum in March 2023. Falling rolls does not have a dedicated budget and any funding required in year will be met from the Growth fund. No request has currently been received for falling rolls funding.
- The only impact that could be felt within the school's block were a maintained school to convert to academy status would be the fall in de-delegated funding. De-delegated funding applied only to maintained schools and supports central services. Upon conversion, the maintained school would cease to contribute to these budgets. No conversions are scheduled.

Central Schools Services Block (CSSB)

- Most of the central school services budgets are contributions and the majority will not therefore have a variance. There will be no variance on copyright licences, as this is a national contract agreed in advance. The small surplus brought forward from 2022/23 is likely to be required in 2023/24 as the DSG allocation for this block has reduced again for 2023/24. Any

surplus at the end of the financial year will be carried forward. This will contribute towards the reduction in the central block allocation in which the historic cost allocation is reducing annually by 20%.

Early Years Block (EYB)

- Over 95% of Early Years Funding is relating to the free early year's entitlement for 2, 3 and 4 -year-olds. The budget for 2023/24 is based on the draft Spring 2023 census hours at the set hourly rates laid out in March 2023 Schools Forum paper. The DSG funding due to be received this year is based on an average of January 2023 and January 2024.
- It is difficult to make any reasonable forecast when both funding and expenditure is based on actual take up of places at a date in the future. If the budget was to overspend, this would then have an impact on the funding rate to providers in the following financial year.
- Government have announced supplementary funding rates for nurseries. This is 100% pass through, meaning the LA will need to delegate any funding received to nurseries. As separate funding stream and all funds will be delegated, this will have no impact on the DGS.
- There is £289k contingency carried forward from 2022/23. Note that the contingency can only be used to fund providers through the Early Years' formula as already set and cannot be used to increase the hourly rates or to change the formula after these have been set for the year.

High Needs Block (HNB)

- Annual expenditure in the HNB is increasing the deficit due to the ongoing growth of the EHCP population and the increasing need of pupils. The High Needs budget has increased, and more budget has been added to the placement/top-up expenditure, but this will be tested with the national demand and inflation issues. Top-up Rates for Reading schools were increased by 5% in April 2023 and forms part of the increase to this budget. It is unlikely that the budget will be contained within its annual DSG allocation, and the overall deficit is increasing.
 - The High Needs Block allocation has reduced due to the increasing Import/Export ratio. Reading is stopped £2.412m as a net exporter of SEN pupils.
 - 12% increase in pupils requiring support from the High Needs Budget since the start of the financial year.
 - Cost of Education Health and Care Plans have increased by £1.486m since the start of the financial year.
- As top up/placement fees represent 89% of the high needs budget this will be closely monitored throughout the year, including comparing actual number and average cost of placements by each type to the original budget set.
- Reading is part of the "Delivering Better Value (DBV) in SEND Programme". This programme is commissioned by the DfE which supports LAs to identify the highest impact, sustainable changes that the LA can make to better support local CYP with SEND. Part of this programme results in an application of grant funding which can be used to implement improvements within the SEN support structure for schools and children. This grant funding has been approved and the initial stages of the project have been started.
- The DBV plan aims to deliver (cumulative) circa £2m additional savings year on year from 2024/25 through both savings and cost avoidance. Reducing the growth rate of EHCP request as well as reducing the number of young people requiring support from the High Needs Block. The full impact of any savings from the DBV are not likely to be felt until the next financial year.

Appendix 2 – School Travel Update

Number of travel routes:

	2022/2023	2023/2024	Increase	% change
April	183	208	25	14%
May	191	208	17	9%
June	188	209	21	11%
July	173	220	47	27%
September	192	216	24	13%
October	194	216	22	11%
November	196	216	20	10%
December	189	216	27	14%
January	197	216	19	10%
February	197	216	19	10%
March	192	216	24	13%
Financial Year Average	190	214	24	13%
Academic Year Average	200	216	16	8%
Apr-Jul	184	211	28	15%
Sep-Mar	194	216	22	11%

Average cost per route

	2022/2023	2023/2024	Increase	% change
April	1,184	1,120	-64	-5%
May	1,643	1,698	55	3%
June	1,655	1,790	134	8%
July	1,252	1,222	-30	-2%
September	1,613	2,090	477	30%
October	1,379	1,777	397	29%
November	1,987	2,299	313	16%
December	1,273	1,359	86	7%
January	1,823	2,195	372	20%
February	1,574	1,672	98	6%
March	2,047	2,090	43	2%
Financial Year Average	1,585	1,756	171	10%
Academic Year Average	1,593	1,926	333	21%
Apr-Jul	1,434	1,458	24	2%
Sep-Mar	1,671	1,926	255	15%

	2022/2023	2023/2024
Summer	14,844	20,295
Autumn	16,691	22,575
Spring	18,572	22,575
Year	16,533	21,746

Average cost per day pre and post summer

Average Cost per day	2022 / 2023	2023 / 2024	% change
Apr-Jul	14,844	20,295	37%
Sep-Mar	17,497	22,575	29%

- The number of routes required to provide for pupils eligible for transport is increasing. For the period April to July this increased by 15% against the same period last year. Since the start of the financial year there has been an increase of 8 additional routes above those stopped or merged.
- The figures for July peaked as these include the early establishment of September requirements before the updated for ceased routes.
- The average cost of a route has also increased. For the April to July period the average cost of a route has increased by 2% against the same period last year.
- The average daily cost of providing transport has risen between summer and autumn by £2,280 per day, with an increased cost to the budget of £0.294m to the end of the financial year.
- Savings targets are being met, with in-year savings of £0.150m already achieved and an additional saving for reducing single occupancy taxis savings a further £0.135m up to period 6.

Appendix 3 – Cash Flow

		Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	opening balance		-7,409,077	-7,586,650	-8,788,102	-3,790,140	-588,545	-1,549,136	-2,421,374	-2,405,392	-669,411	-1,005,043	-1,489,062
	BACS	609,700						400,000	400,000	400,000	400,000	400,000	400,000
	BACS												
8th	Contract Sum	-8,230,843				-8,230,843	-8,230,843	-8,230,843	-8,230,843	-8,230,843	-8,230,843	-8,230,843	-8,230,843
	Other income							-996,605					
	BACS		1,150,000	2,065,000	1,514,000	1,528,000	2,500,787	1,360,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
	Investment												
	Other income	-255,700	-164,000	-163,000	-352,000	-150,000	-70,847	-150,000	-150,000	-150,000	-150,000	-150,000	-150,000
14th	VAT monthly		251,613	251,613		251,613	251,613		251,613	251,613		251,613	251,613
15th	High needs payments	1,310,822	1,691,106	1,825,502	1,127,835	1,955,689	1,510,916	1,600,000	1,550,000	2,000,000	2,000,000	1,800,000	3,600,000
	Residential placement	96,323	472,653	180,159	190,797	326,510	58,456	334,949	334,949	334,949	334,949	334,949	334,949
	External Placements	135,483	1,075,634	1,253,803	775,271	1,014,363	826,268	1,060,262	1,060,262	1,060,262	1,060,262	1,060,262	1,060,262
18th	BACS 22/23 (outstanding)				614,401								
19th	Grant 22/23 (outstanding)	-106,250		-234,300	-5,528,775		-996,576						
20th	Grant 23/24 (outstanding)			-1,084,887				-700,000	-700,000	-1,500,000	-700,000	-700,000	-500,000
	BACS	1,987,503	620,939	373,076	1,906,741	1,757,188	603,416	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	EY payments	1,000,000				1,000,000				1,000,000			
25th	Payroll	2,148,169	2,227,724	2,235,425	2,182,580	2,135,075	2,113,918	2,150,000	2,150,000	3,220,000	2,400,000	2,400,000	2,400,000
27th	VAT quarterly	847,799			2,044,112			450,000			1,200,000		
31st	Bank balance	-456,994	-83,407	-884,259	-4,313,140	-2,202,545	-2,021,436	-3,271,374	-3,255,392	-1,519,411	-1,855,043	-2,339,062	176,919
	Contract Sum paid 1 week earlier	-8,230,843	-8,230,843	-8,230,843									-8,230,843
4th	2 bacs payments	1,278,760	727,600	327,000	523,000	1,614,000	472,300	850,000	850,000	850,000	850,000	850,000	850,000
6th	balance on 6th	-7,409,077	-7,586,650	-8,788,102	-3,790,140	-588,545	-1,549,136	-2,421,374	-2,405,392	-669,411	-1,005,043	-1,489,062	-7,203,924

The key expenditure areas (in blue) have the biggest impact on the cashflow:

- High needs payments
- Placements costs
- EY payments
- Quarterly VAT.

We fell below the ideal 'floor limit' during Q1 due to outstanding grants from 2022/23 that were not transferred to BfFC until July 2023. BfFC are proactively collecting outstanding grants from RBC. The floor limit was updated to reflect the cashflow re-forecast (from £2m to £0.5m between Sep 23 – Dec 23).

Appendix 4 – Debtors Update

Customer	Outstanding Amount	Current	1-30	31-60	61-90	91-120	121-150	150+
	574,757.44	441,544.70	1,282.00	13,950.00	1,726.25	2,201.60	23,041.90	91,010.99

150 + days is driven by:

CHRIST THE KING RC PRIMARY [33230]	12,792.10	0.00	0.00	1,140.00	0.00	0.00	0.00	11,652.10
SOUTHCOTE PRIMARY SCHOOL [33305]	25,647.86	0.00	0.00	0.00	0.00	0.00	0.00	25,647.86
Thames Valley Police [24002]	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00

Current process

Aged Debt is being reviewed monthly. Accounts assistant is chasing the oldest and the largest balances first.

Appendix 5 – Inter-Company update

Inter-company transactions 2022/23 have been finalised and the remaining grants have been transferred to BfFC.

BfFC has collected £997,094 of grants relating to 2023/24.

RBC and BfFC agreed to quarterly reconciliations & payments, which would directly improve the BfFC cashflow.

We are projecting £6m of grant income for 2023/24.

Appendix 6 – Grants update

Name of grant	Allocation 23.24	Already Collected in 23.24
Supporting Families Grant	688,334.00	494,334.00
Extended Rights to Free School Transport	18,500.00	14,900.00
S31 Staying Put Implementation Grant (New Burdens)	52,559.50	52,559.50
Youth Justice Board	319,700.00	
Unaccompanied asylum-seeking children (UASC) funding	1,500,000.00	
Public Health (from RBC Adults)	310,000.00	
Sec 31 Extension of the Role of Virtual School Heads (Pupils)	400,000.00	
Sec 31 Extension of the Role of Virtual School Heads S31	102,800.00	
S31 PPP Post 16	25,000.00	
Reducing Parental Conflict	18,116.00	
Mental Health Trailblazer	440,100.00	
MHST 2	368,100.00	
Futures in Mind	100,000.00	
Holiday Activities and Food Programme	520,000.00	435,300.50
Turnaround Funding	75,900.00	
DBV	1,000,000.00	
Young carers	11,000.00	
PCC funding	73,000.00	
	6,023,109.50	997,094.00

Appendix 7 – Reserves Update

Subjective	Description	Final Outturn 2023-2024	Notes	Type of grant	Unconditional Grants	Conditional Grants
Unapplied Revenue Grant	School Improvement Monitoring and Brokering Grant	- 80,356.00	Request to be submitted	Unconditional	- 80,356.00	-
Unapplied Revenue Grant	Sec 31 Extension of the Role of Virtual School Heads to Certain Pr	- 90,000.00	Request to be submitted	Unconditional	- 90,000.00	-
Unapplied Revenue Grant	S31 PPP Post 16	- 21,610.00	Request to be submitted	Unconditional	- 21,610.00	-
Unapplied Revenue Grant	Supporting Families Grant	- 95,761.00	Request to be submitted	Unconditional	- 95,761.00	-
Unapplied Revenue Grant	SEND Preparation for Employment Grant	- 41,750.00	Request to be submitted	Unconditional	- 41,750.00	-
Unapplied Revenue Grant	Reducing Parental Conflict	- 25,704.30	Request to be submitted	Unconditional	- 25,704.30	-
Unapplied Revenue Grant	Unaccompanied asylum-seeking children (UASC) funding	-	Ringfenced for Improvement	Unconditional	-	-
Unapplied Revenue Grant	Retained deficit correction & Deficit Outturn	-	Reserves Policy	Unconditional	-	-
	Consolidation of Unconditional reserves	- 355,181.30			- 355,181	-
Unapplied Revenue Grant	One Reading Social Impact Bond	-	Committed	Conditional	-	-
Unapplied Revenue Grant	Youth Justice Board	- 158,757.00	Ring Fenced	Conditional	-	- 158,757.00
Unapplied Revenue Grant	Sec 31 Extension of the Role of Virtual School Heads to children w	- 15,951.00	Committed	Conditional	-	- 15,951.00
Unapplied Revenue Grant	Mental Health Trailblazer	- 75,443.00	Committed	Conditional	-	- 75,443.00
Unapplied Revenue Grant	MHST 2	- 48,316.00	Committed	Conditional	-	- 48,316.00
Unapplied Revenue Grant	Flexible Support Fund	- 13,893.00	Committed	Conditional	-	- 13,893.00
Unapplied Revenue Grant	Data Accelerator	- 476,185.00	Partnership Provision	Conditional	-	- 476,185.00
Unapplied Revenue Grant	Futures in Mind	- 98,518.00	Committed	Conditional	-	- 98,518.00
Unapplied Revenue Grant	Early Years Professional Development Programme	- 27,300.00	Ring fenced	Conditional	-	- 27,300.00
Unapplied Revenue Grant	Delivering Better Value	- 23,200.00	Ring fenced	Conditional	-	- 23,200.00
Unapplied Revenue Grant	Holiday Activities and Food Programme	- 2,193.00	Ring fenced	Conditional	-	- 2,193.00
		- 939,756.00			-	- 939,756
		- 1,294,937.30				

Appendix 8 – Transformation update including shadow of covid funding

Synergy project

The budget for 2023/24 was £167k. YTD spend is £94k. The remaining amount £73k will be fully spend in the next 6 months.

Shadow of Covid

Shadow of Covid funding is finishing in 2023/24.

Both cost centers (Vulnerable Adolescence) and (O-2 Recovery) are trending on budget.

Vulnerable Adolescence (EBSA) – staffing budget 2023/24 £272,400:

- £70,900 (funded by BfFC)
- £201,500 (funded by RBC).

O-2 Recovery – budget 2023/24 £363,360 fully funded by RBC.

Appendix 9 – Monthly Budget Monitoring Information Schedule 2023/24

Information Sets	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Outturn
Income and Expenditure	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Estimated Outturn		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risks and Opportunities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Children Social Care Summary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Early Help Summary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Education Summary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Summary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dedicated Schools Grant		✓				✓			✓			✓
Schools Balances		*					✓			✓		✓
High Needs Management Plan					✓**		✓			✓		✓
School Transport (Review)			✓			✓						✓
Agency (Review)			✓		✓				✓			✓
Social Care Placements (Review)			✓		✓		✓		✓		✓	✓
UASC (Review)			✓				✓					✓
Inflation (Review)							✓		✓			✓
Cash Flow			✓			✓			✓			✓
Debtors Update						✓				✓		✓
Inter-Company Update			✓			✓			✓			✓
Grants Update						✓			✓			✓
Reserves Update			✓			✓			✓			✓
Transformation Funding			✓			✓			✓			✓

*Schools Balances will have its own separate report in Period 2 that will go into more detail per school and will include updated balances information.

** Committee agreed to mover High Needs to Period 5 Finance Committee

End of Report

BRIGHTER FUTURES FOR CHILDREN						
RECOVERY PLAN TRACKER						
	To P5	From P6	TOTAL	POTENTIAL SAVINGS	POTENTIAL SAVINGS	RISK AND IMPACT ASSESSMENT
	2023/24			2024/25	2025/26	
WORKSTREAMS						
WORKSTREAM 1: PAY SAVINGS			0			
1.1 Vacancy savings / freeze on recruitment	410	179	589	250	250	Staff overcapacity and / or work not being delivered
1.2 Cease agency cover	0	0	0	0	0	
1.3 Remove post from establishment	0	0	0	25	0	Staff overcapacity and / or work not being delivered
1.4 Restructure or redesign	0	0	0	151	0	
WORKSTREAM 2: NON-PAY SAVINGS			0			
2.1 Freeze on non-statutory and essential services	92	29	121	0	0	
2.2 Contract savings	0	18	18	8	0	
WORKSTREAM 3: PLACEMENTS			0			
3.1 Deep dive of placements (VFM incl. /decisions/commissioning)	0	0	0			
3.2 More stringent 'sign-off'	0	0	0			
3.2 Contributions from Health	0	0	0			
3.4 Edge of Care			0			
WORKSTREAM 4: SCHOOL TRANSPORT			0			
4.1 Chiltern Edge Bus route			0	90		Politically sensitive. Consultation required.
4.2 Reduce or remove transport provided for identified children/routes	150		150			
4.3 Transport planning efficiencies (working with RBC Transport Team)			0			
WORKSTREAM 5: SERVICE CHANGES			0			
5.1 Review/Redesign of Children's Centres			0	252		Further detailed consideration needed
5.2 Review/Redesign of Early Help / Youth Services offer			0	486		Further detailed consideration needed
5.3 Integrate management posts on nursery provision		15	15	60		Staff overcapacity and / or work not being delivered
5.4 Greater use of RBC support functions						
WORKSTREAM 6: INCOME			0			
6.1 Increase bank interest	168		168			
6.2 Remand income	180		180			
6.3 Homes for Ukraine		50	50			
TOTAL SAVINGS	1,000	291	1,291	1,322	250	
Unbudgeted items						
- Placements	(6,467)	(68)	(6,535)			
- School Travel	(161)	0	(161)			
- Agency	(526)	(192)	(718)			
- SEND support (EHCPs)	(126)	0	(126)			
- Restructure cost	(100)	0	(100)			
- National pay award	(164)	0	(164)			
- Internal nurseries	(96)	0	(96)			
- Other	(236)	(246)	(482)			
TOTAL PRESSURES	(7,876)	(506)	(8,382)	0	0	
NET POSITION	(6,876)	(215)	(7,091)	1,322	250	
Management accounts Variance - check						
	6,876		7091			
	0		0			

Appendix 3 - Savings Tracker Quarter 2 (2023/24)

Service Area	Description	Red £000s	Amber £000s	Green £000s	Blue £000s	Total £000s
Adult Services Operations	TEC: Promoting the use of Assistive Technology	0	0	(51)	(27)	(78)
Adult Services Operations	Efficiency savings secured through Public Health re-procurement	0	0	0	(50)	(50)
Adult Services Operations	Development of an Accommodation Pathway for Vulnerable Working Age Adults	0	0	0	(25)	(25)
Adult Services Operations	Continuing Healthcare / Joint Funding	0	0	(111)	(89)	(200)
Adult Services Operations	Increase in Extra Care Income	0	(108)	0	0	(108)
Housing & Communities	Increase in fees and charges	0	0	0	0	0
Housing & Communities	Workforce Review (Housing)	0	0	(29)	0	(29)
Total Directorate of Community & Adult Social Care		0	(108)	(191)	(191)	(490)
Transportation	Fundamental Service Review - Parking	0	0	(225)	0	(225)
Transportation	Introduction of Moving Traffic Enforcement under TMA Powers	0	(280)	0	0	(280)
Transportation	Increased revenue from on-street Pay and Display	0	0	(545)	0	(545)
Transportation	Increased income from Parking Enforcement	0	(160)	0	0	(160)
Transportation	Extend Residents Parking permit areas	(10)	0	0	0	(10)
Transportation	Review Public Car Park provision borough wide	0	(200)	0	0	(200)
Transportation	Increase off street parking charges	0	(150)	0	0	(150)
Transportation	Electric Vehicle Charging	0	0	(26)	0	(26)
Transportation	Increase in fees and charges	0	0	(65)	0	(65)
Transportation	Workforce Review (Transportation)	0	(14)	0	0	(14)
Transportation	Increase parking permit charges	(86)	0	0	0	(86)
Transportation	Recovery of reduced parking income due to Covid-19*	(900)	0	(400)	0	(1,300)
Planning & Public Protection	Mandatory HMO Licensing	(75)	0	0	0	(75)
Planning & Public Protection	Discretionary HMO Licensing	(70)	0	0	0	(70)
Planning & Public Protection	Fundamental Service Review - Planning and Regulatory	0	0	(64)	0	(64)
Planning & Public Protection	Increase in charges for pre-planning application and planning fees	(55)	0	0	0	(55)
Planning & Public Protection	Proposed Fee Income Reading Festival	(75)	0	0	0	(75)
Planning & Public Protection	Increase in fees and charges	0	0	0	0	0
Planning & Public Protection	Workforce Review (Planning & Regulatory Services)	0	0	(38)	0	(38)
Culture	In-house management restructuring of Cultural Services	(25)	0	0	0	(25)
Culture	Increase in fees and charges	0	0	0	0	0
Culture	Workforce Review (Cultural Services)	(52)	0	0	0	(52)
Culture	Arts Fundraising campaign	0	(65)	0	0	(65)
Culture	Revenue impact of new contract for borough leisure facilities	0	0	(828)	0	(828)
Culture	Covid19 income pressure on the Town Hall and recovery plan*	0	(250)	0	0	(250)
Culture	Covid19 income pressure on the Hexagon and South Street Theatres and recovery plan*	0	(145)	0	0	(145)
Culture	New Directions College	0	0	(36)	0	(36)
Culture	Leisure Activity Review of Filming & Events	0	0	(40)	0	(40)
Environmental & Commercial Services	Increase in Savings - Waste Operations	(65)	0	0	0	(65)
Environmental & Commercial Services	Increase income on green waste due to additional uptake in years 1-3 and fee increase in years 2-3	0	(75)	0	0	(75)
Environmental & Commercial Services	Fundamental Service Review - Parks and Street Cleansing	0	0	(150)	0	(150)
Environmental & Commercial Services	Increased income from traded waste services (previous ref to CIL & IPD not relevant)	0	0	(135)	0	(135)
Environmental & Commercial Services	Increase in fees and charges	0	0	0	0	0
Environmental & Commercial Services	Additional income from advertising	(25)	0	0	0	(25)
Environmental & Commercial Services	Waste Contract - Budget realignment inline with anticipated expenditure	(100)	0	0	0	(100)
Environmental & Commercial Services	Continued commercial growth of Highways service	0	0	(2)	0	(2)
Environmental & Commercial Services	In-sourcing of Highways Structures Consultancy	0	0	(10)	0	(10)
Environmental & Commercial Services	Workforce Review (Environmental and Commercial Services)	0	0	(82)	0	(82)
Environmental & Commercial Services	Reduced fuel costs due to increase in electrical vehicles	0	(132)	0	0	(132)
Property & Asset Management	Workforce Review (Regeneration and Assets)	0	0	(32)	0	(32)
Property & Asset Management	Increase in fees and charges	0	0	(24)	0	(24)
Management & Sustainability	Maximising income from digital advertising (roadside)	0	0	0	24	24
Total Directorate of Economic Growth and Neighbourhood Services		(1,538)	(1,471)	(2,702)	24	(5,687)
Policy, Performance & Customer Services	New customer services model	(519)	0	0	0	(519)
Policy, Performance & Customer Services	Additional Service Proposals for Bereavement Services	0	0	0	(7)	(7)
Policy, Performance & Customer Services	Income generation opportunity - Cremation & Cemetery Service	0	0	(137)	0	(137)
Human Resources & Organisational Development	Traded Services with HR&OD	0	0	(28)	0	(28)
Procurement & Contracts	Procurement & Contracts savings - Resources Directorate	(100)	0	(100)	0	(200)
Finance	Efficiencies from procuring new finance system	(212)	0	0	0	(212)
Finance	General Fund-HRA Recharge Realignment	0	0	0	34	34
Legal & Democratic Services	Review of counsel use in JLT	(50)	0	0	0	(50)
Legal & Democratic Services	Legal Support for Enforcement Work	0	0	0	184	184
Digital, Technology & Change	Digital & ICT Transformation	0	0	0	(279)	(279)
Digital, Technology & Change	Efficiencies through digitisation	0	(100)	0	0	(100)
Total Directorate of Resources		(881)	(100)	(265)	(68)	(1,314)
Brighter Futures For Children	BFFC Contract	(300)	0	0	0	(300)
Total Brighter Futures for Children		(300)	0	0	0	(300)
Human Resources & Organisational Development	Corporate Contractual Savings	(250)	0	0	0	(250)
Human Resources & Organisational Development	Reducing mileage expenses through increased use of alternatives e.g. online meetings	(16)	0	(61)	0	(77)
Total Corporate		(266)	0	(61)	0	(327)
Grand Total		(2,985)	(1,679)	(3,219)	(235)	(8,118)

This page is intentionally left blank

Appendix 4a - Capital Programme Quarter 2 (2023/24)

Scheme Name	Approved Budget 2023/24 with Q1 changes £000	Budget Movements Between Schemes £000	Budgets added to the Programme - Funded by £000	Budgets requested to be added to the £000	Budgets - Completed Schemes & Other carry £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 2 2023/24 £000	Spend to 30 September 2023 £000	Forecast Spend £000	Forecast Variance £000
General Fund										
Community & Social Care Services										
Adult Care and Health Services										
e-Marketplace & Equipment Renewal Portal Software	170					(170)	0	0	0	0
Mobile Working and Smart Device	150					(150)	0	0	0	0
Replacement of Community Re-ablement Software	62					(62)	0	0	0	0
Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats	1,600				57	(1,202)	455	27	455	0
Adult Care and Health Services - Sub Total	1,982	0	0	0	57	(1,584)	455	27	455	0
Housing & Communities										
Provision of Gypsy & Traveller Accommodation	100						100	42	100	0
Harden Public Open Spaces to Prevent Illegal Encampments	13						13	0	13	0
Green Homes Scheme - GF element	41						41	1	41	0
Disabled Facilities Grants (Private Sector)	1,197						1,197	306	1,197	0
Foster Carer Extensions	400					(175)	225	0	225	0
Private Sector Renewals	655					(480)	175	3	175	0
Housing & Communities - Sub Total	2,406	0	0	0	0	(655)	1,751	351	1,751	0
Community & Social Care Services - Total	4,388	0	0	0	57	(2,239)	2,206	378	2,206	0

Appendix 4a - Capital Programme Quarter 2 (2023/24)

Scheme Name	Approved Budget 2023/24 with Q1 changes £000	Budget Movements Between Schemes £000	Budgets added to the Programme - Funded by £000	Budgets requested to be added to the £000	Budgets - Completed Schemes & Other carry £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 2 2023/24 £000	Spend to 30 September 2023 £000	Forecast Spend £000	Forecast Variance £000
Economic Growth and Neighbourhood Services										
Transportation, Planning & Public Protection										
Air Quality Monitoring	15		3				18	18	18	0
Active Travel Tranche 2	787				18		805	612	805	0
Active Travel Tranche 3	1,000				(17)	(483)	500	8	500	0
Active Travel Tranche 4	75						75	0	75	0
Berkshire Coroner's Removals	29					(29)	0	0	0	0
Bus Service Improvement	5,000				(46)	(2,954)	2,000	58	2,000	0
Local Transport Plan Development	750				25	(375)	400	17	400	0
National Cycle Network Route 422	137						137	1	137	0
Reading West Station	2,751				(287)	0	2,464	(1,596)	2,464	0
South Reading MRT (Phases 1 & 2)	394						394	0	394	0
South Reading MRT (Phases 3 & 4)	1,216				46		1,262	63	1,262	0
South Reading MRT (Phases 5 & 6)	0						0	0	0	0
Town Centre Street Trading Infrastructure	0						0	0	0	0
Construction of Green Park Station	225						225	26	225	0
Car Park Investment Programme (inc P&D, Red Routes & Equipment)	326						326	16	326	0
CIL Local Funds - Community	598				1	(584)	15	15	15	0
CIL Local Funds - Transport	724					(724)	0	(25)	0	0
CIL Local Funds -Neighbourhood Allocation	477					(477)	0	0	0	0
S106 individual schemes list	988					(988)	0	0	0	0
Defra Air Quality Grant - Bus Retrofit	388					(388)	0	0	0	0
Defra Air Quality Grant - Go Electric Reading	17				1	(18)	0	0	0	0
Electric Vehicle Charging Points	250					(250)	0	0	0	0
Air Quality Grant - AQ sensors awareness & behaviour change	220					(100)	120	0	120	0
Transport Demand Management Scheme	100					(50)	50	0	50	0
Rogue Landlord Enforcement	75						75	0	75	0
Transportation, Planning & Public Protection - Sub Total	16,542	0	3	0	(259)	(7,420)	8,866	(787)	8,866	0

Appendix 4a - Capital Programme Quarter 2 (2023/24)

Scheme Name	Approved Budget 2023/24 with Q1 changes £000	Budget Movements Between Schemes £000	Budgets added to the Programme - Funded by £000	Budgets requested to be added to the £000	Budgets - Completed Schemes & Other carry £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 2 2023/24 £000	Spend to 30 September 2023 £000	Forecast Spend £000	Forecast Variance £000
Culture										
Leisure Centre Procurement	8,432					(2,432)	6,000	2,711	6,000	0
Development of facilities at Prospect Park/Play	22						22	(8)	22	0
Reading Football Club Social Inclusion Unit to SRLC	0						0	0	0	0
Small Leisure Schemes	273						273	0	273	0
Levelling Up Delivery Plan - New performance space at the Hexagon Theatre	3,245	2,430				(4,850)	825	166	825	0
Levelling Up Delivery Plan - New Reading Library at the Civic Centre	1,603	3,476	16			(3,795)	1,300	4	1,300	0
Abbey Quarter restoration works	40					(15)	25	(0)	25	0
High Street Heritage Action Zone	982				4	(186)	800	217	800	0
Berkshire Record Office - extension of storage space	0						0	0	0	0
Hexagon lighting & emergency lighting replacement	262						262	2	262	0
Hexagon replacement of PA System	360					(360)	0	0	0	0
Shared Prosperity Fund	33						33	0	33	0
Town Hall Equipment	44						44	26	44	0
Tilehurst Library Works	38						38	22	38	0
Culture - Sub Total	15,334	5,906	16	0	4	(11,638)	9,622	3,140	9,622	0
Environmental & Commercial Services										
Playground equipment and Refreshment: Boroughwide	547					(1)	447	161	447	0
New Capital Bid - S106 Kenavon Drive Landscape	31						31	0	31	0
Victoria Rec	462					(450)	12	0	12	0
Levelling Up Parks Fund	54						54	0	54	0
Restoration of historic Wall at Caversham Court Gardens	85		153				238	0	238	0
Forbury Gardens Bandstand	0		72				72	0	72	0
Ecological Works	21						21	0	21	0
John Rabson skatepark	352					(275)	77	0	77	0
Tree Planting	51						51	0	51	0
Highways Infrastructure Programme	9,400	(200)			9	(2,509)	6,700	572	6,700	0

Appendix 4a - Capital Programme Quarter 2 (2023/24)

Scheme Name	Approved Budget 2023/24 with Q1 changes £000	Budget Movements Between Schemes £000	Budgets added to the Programme - Funded by £000	Budgets requested to be added to the £000	Budgets - Completed Schemes & Other carry £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 2 2023/24 £000	Spend to 30 September 2023 £000	Forecast Spend £000	Forecast Variance £000
Chestnut Walk Improvements	29						29	0	29	0
CIL Local Funds - Heritage and Culture	274				11		285	0	285	0
CIL Local Funds - Leisure and Play	749					(50)	699	311	699	0
Highway Signals_Capital Bid	234						234	14	234	0
Invest to save energy savings - Street lighting	578				10	(160)	428	150	428	0
Pedestrian Defined Urban Pocket Gardens	75						75	0	75	0
Pedestrian dropped kerb facilities with tactile pavers	240						240	0	240	0
Pedestrian handrails	240						240	0	240	0
Pumping Station Upgrade Scheme (new)	42						42	(34)	42	0
Purchase of Electric Road Marking Machine	65	21					86	86	86	0
Railway footbridge lighting in West Reading	70						70	0	70	0
Reading Station Subway	206	200					406	14	406	0
Smart City Cluster project and C-ITS	0						0	55	0	0
Town Centre Improvements	251						251	38	251	0
Cattle Market Car Park	516						516	0	516	0
Digitising TRO's	300					(300)	0	0	0	0
Eastern Area Access Works	199					(180)	19	0	19	0
Local Traffic Management and Road Safety Schemes	476					(238)	238	1	238	0
Oxford Road Corridor Works	299					(275)	24	0	24	0
Traffic Management Schools	431					(398)	33	0	33	0
Western Area Access Works	128					(115)	13	0	13	0
Vehicle Maintenance Workshop	1,312						1,312	41	1,312	0
Replacement Vehicles	4,703	(21)			6		4,688	941	4,688	0
Environmental & Commercial Services - Sub Total	22,420	0	225	0	35	(5,049)	17,631	2,347	17,631	0

Appendix 4a - Capital Programme Quarter 2 (2023/24)

Scheme Name	Approved Budget 2023/24 with Q1 changes £000	Budget Movements Between Schemes £000	Budgets added to the Programme - Funded by £000	Budgets requested to be added to the £000	Budgets - Completed Schemes & Other carry £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 2 2023/24 £000	Spend to 30 September 2023 £000	Forecast Spend £000	Forecast Variance £000
Property & Asset Management										
The Heights Permanent Site Mitigation	356					(326)	30	29	30	0
Corporate and Community Buildings	4,140	(1,370)			12	(757)	2,025	767	2,025	0
1 Dunsfold Fitout for BFfC Family Contact Centre - Development	0	20			36		56	20	56	0
Katesgrove Community and YOS Refurbishment - Development for	37				4		41	24	41	0
BFFC Accommodation Review	150	(150)					0	0	0	0
Maintenance & Enhancement of Council Properties	0						0	0	0	0
Regeneration Projects	200	(2,404)				2,204	0	0	0	0
Acre Business Park	478					(448)	30	0	30	0
The Keep building works and improved arts/culture facilities	94	(94)				0	0	0	0	0
Property & Asset Management - Sub Total	5,455	(3,998)	0	0	52	673	2,182	840	2,182	0
Management & Sustainability										
Renewable Energy	1,411	(1,138)	375			(643)	5	5	5	0
Salix Decarbonisation Fund	1,365				7	(364)	1,008	272	1,008	0
Salix Re-Circulation Fund	520	(352)					168	18	168	0
Corporate Solar Programme	491	(218)				30	303	0	303	0
Management and Sustainability - Sub Total	3,787	(1,708)	375	0	7	(977)	1,484	295	1,484	0
Economic Growth and Neighbourhood Services Total	63,538	200	619	0	(161)	(24,411)	39,785	5,835	39,785	0
Resources										
Customer Digital Experience	790	(200)			77	200	867	115	867	0
Universal Digital Systems	2,379				48		2,427	468	2,427	0
IT Future Operating Model	1,782				14	145	1,941	234	1,941	0
Democratic Hybrid AV	190						190	0	190	0
Re-Procurement / Reimplementation of Finance System	236				(34)		202	378	202	0
Education Management System	77						77	0	77	0
Cemeteries and Crematorium	85	(85)					0	0	0	0
Cremator Procurement	0	140				45	185	9	185	0
Cremator	55	(55)					0	0	0	0
Burial Land Acquisition	0					0	0	5	0	0
Resources Total	5,594	(200)	0	0	105	390	5,889	1,209	5,889	0

Appendix 4a - Capital Programme Quarter 2 (2023/24)

Scheme Name	Approved Budget 2023/24 with Q1 changes £000	Budget Movements Between Schemes £000	Budgets added to the Programme - Funded by £000	Budgets requested to be added to the £000	Budgets - Completed Schemes & Other carry £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 2 2023/24 £000	Spend to 30 September 2023 £000	Forecast Spend £000	Forecast Variance £000
Economic Growth and Neighbourhood Services (Education Schemes)										
Additional School Places - Contingency	500					(450)	50	(1)	50	0
Blessed Hugh Faringdon - Asperger Unit 30 place expansion (SEN)	0						0	(24)	0	0
Primary Schools Expansion Programme - 2013-2017	0						0	(8)	0	0
DFC	0		195				195	195	195	0
SEN Provision - Avenue Centre	1,053		1				1,054	54	1,054	0
Asset Management	348						348	0	348	0
Children in care Emergency Provision	35						35	0	35	0
Civitas- Synthetic Sports Pitch	24					(19)	5	(4)	5	0
Crescent Road Playing Field Improvements	126					(126)	0	0	0	0
Critical Reactive Contingency: Health and safety (Schools)	860					(360)	500	224	500	0
Fabric Condition Programme	3,175				1	(276)	2,900	669	2,900	0
Green Park Primary School	60					(60)	0	(109)	0	0
Heating and Electrical Renewal Programme	1,708				(5)	(703)	1,000	649	1,000	0
Initial Viability work for the Free School at Richfield Avenue	36					(32)	4	1	4	0
Kates Grove Primary Trooper Potts Building	56					(56)	0	0	0	0
Meadow Early Years Building Renovation	0		1				1	0	1	0
Modular Buildings Review	1,000					(750)	250	0	250	0
New SPA funded schools - Phoenix College	0						0	22	0	0
Pinecroft-Children who have complex health,	2						2	0	2	0
Cressingham- Community Short Breaks Provision	300						300	0	300	0
Dee Park Regeneration - Housing Infrastructure Fund (school)	5,960				408	(3,590)	2,778	180	2,778	0
Public Sector Decarbonisation Funds - School Estate Double Glazing	787				(1)		786	0	786	0
SCD Units	78						78	40	78	0

Appendix 4a - Capital Programme Quarter 2 (2023/24)

Scheme Name	Approved Budget 2023/24 with Q1 changes £000	Budget Movements Between Schemes £000	Budgets added to the Programme - Funded by £000	Budgets requested to be added to the £000	Budgets - Completed Schemes & Other carry £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 2 2023/24 £000	Spend to 30 September 2023 £000	Forecast Spend £000	Forecast Variance £000
School Estate Solar PV Programme	0						0	(7)	0	0
Schools - Fire Risk Assessed remedial Works	463					(163)	300	30	300	0
SEN Norcot	83						83	0	83	0
SEN High Needs provision capital allocations	5,931					(5,431)	500	0	500	0
The Heights Temporary School	351						351	0	351	0
Park Lane Primary School Annexe Replacement	2,500						2,500	31	2,500	0
Economic Growth and Neighbourhood Services (Education Schemes) Total	25,436	0	197	0	403	(12,016)	14,020	1,942	14,020	0
Corporate										
Delivery Fund (Pump priming for Transformation projects)	4,595						4,595	43	3,517	(1,078)
Loan To RTL (Bus replacement programme)	2,500					(2,500)	0	0	0	0
Oracle Shopping Centre capital works	100						100	0	100	0
Minster Quarter - Brownfield Land Grant Element	0						0	0	0	0
Minster Quarter	1,027					(532)	495	76	495	0
Corporate Total	8,222	0	0	0	0	(3,032)	5,190	120	4,112	(1,078)
General Fund Total	107,178	0	816	0	404	(41,308)	67,090	9,484	66,012	(1,078)

Appendix 4a - Capital Programme Quarter 2 (2023/24)

Scheme Name	Approved Budget 2023/24 with Q1 changes £000	Budget Movements Between Schemes £000	Budgets added to the Programme - Funded by £000	Budgets requested to be added to the £000	Budgets - Completed Schemes & Other carry £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 2 2023/24 £000	Spend to 30 September 2023 £000	Forecast Spend £000	Forecast Variance £000
Housing Revenue Account (HRA)										
Disabled Facilities Grants	665				(1)	1	665	169	665	0
Extra care (cedar court)	0						0	35	0	0
Housing Management System	504						504	172	504	0
Major Repairs - Existing Homes Renewal	5,630				1,136	(1,647)	5,119	3,566	5,119	0
Major Repairs - Zero Carbon Retrofit works	7,847					(713)	7,134	0	7,134	0
Homes Provided under Local Authority Housing Fund	0		3,461	4,080			7,541	0	7,541	0
Local authority new build programme for Older people and vulnerable adults	3,681				(543)	(2,196)	942	30	942	0
New Build & Acquisitions - Phase 2 - 4	18,115				(742)	(5,714)	11,659	5,986	11,659	0
Housing Revenue Account (HRA) Total	36,442	0	3,461	4,080	(150)	(10,269)	33,564	9,960	33,564	0

Appendix 4b - Capital Programme Quarter 2 (2023/24 to 2025/26)

Scheme Name	Approved Budget 2023/24 with Quarter 1 changes £000	Proposed Total 2023/24 Budget Changes £000	Revised Budget Quarter 2 2023/24 £000	Approved Budget 2024/25 with Quarter 1 changes £000	Proposed Total 2024/25 Budget Changes £000	Revised Budget Quarter 2 2024/25 £000	Approved Budget 2025/26 with Quarter 1 changes £000	Proposed Total 2025/26 Budget Changes £000	Revised Budget Quarter 2 2025/26 £000	Total Revised Budget 2023/24 to 2025/26 £000	Total Budget Re-programmed into 2026/27 £000
General Fund											
Community & Social Care Services											
Adult Care and Health Services											
e-Marketplace & Equipment Renewal Portal Software	170	(170)	0	0	170	170	0	0	0	170	0
Mobile Working and Smart Device	150	(150)	0	0	150	150	0	0	0	150	0
Replacement of Community Re-ablement Software	62	(62)	0	0	62	62	0	0	0	62	0
Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats	1,600	(1,145)	455	5,131	(1,618)	3,513	878	2,820	3,698	7,666	0
Adult Care and Health Services - Sub Total	1,982	(1,527)	455	5,131	(1,236)	3,895	878	2,820	3,698	8,048	0
Housing & Communities											
Provision of Gypsy & Traveller Accommodation	100	0	100	3,355	0	3,355	0	0	0	3,455	0
Hardened Public Open Spaces to Prevent Illegal Encampments	13	0	13	25	0	25	25	0	25	63	0
Green Homes Scheme - GF element	41	0	41	0	0	0	0	0	0	41	0
Disabled Facilities Grants (Private Sector)	1,197	0	1,197	1,197	0	1,197	1,197	0	1,197	3,591	0
Foster Carer Extensions	400	(175)	225	0	175	175	0	0	0	400	0
Private Sector Renewals	655	(480)	175	300	480	780	300	0	300	1,255	0
Housing & Communities - Sub Total	2,406	(655)	1,751	4,877	655	5,532	1,522	0	1,522	8,805	0
Community & Social Care Services - Total	4,388	(2,182)	2,206	10,008	(581)	9,427	2,400	2,820	5,220	16,853	0

Appendix 4b - Capital Programme Quarter 2 (2023/24 to 2025/26)

Scheme Name	Approved Budget 2023/24 with Quarter 1 changes £000	Proposed Total 2023/24 Budget Changes £000	Revised Budget Quarter 2 2023/24 £000	Approved Budget 2024/25 with Quarter 1 changes £000	Proposed Total 2024/25 Budget Changes £000	Revised Budget Quarter 2 2024/25 £000	Approved Budget 2025/26 with Quarter 1 changes £000	Proposed Total 2025/26 Budget Changes £000	Revised Budget Quarter 2 2025/26 £000	Total Revised Budget 2023/24 to 2025/26 £000	Total Budget Re-programmed into 2026/27 £000
Economic Growth and Neighbourhood Services											
Transportation, Planning & Public Protection											
Air Quality Monitoring	15	3	18	0	0	0	0	0	0	18	0
Active Travel Tranche 2	787	18	805	0	0	0	0	0	0	805	0
Active Travel Tranche 3	1,000	(500)	500	1,404	483	1,887	0	0	0	2,387	0
Active Travel Tranche 4	75	0	75	0	0	0	0	0	0	75	0
Berkshire Coroner's Removals	29	(29)	0	0	29	29	0	0	0	29	0
Bus Service Improvement	5,000	(3,000)	2,000	10,656	2,954	13,610	0	0	0	15,610	0
Local Transport Plan Development	750	(350)	400	905	375	1,280	400	0	400	2,080	0
National Cycle Network Route 422	137	0	137	0	0	0	0	0	0	137	0
Reading West Station	2,751	(287)	2,464	0	0	0	0	0	0	2,464	0
South Reading MRT (Phases 1 & 2)	394	0	394	0	0	0	0	0	0	394	0
South Reading MRT (Phases 3 & 4)	1,216	46	1,262	0	0	0	0	0	0	1,262	0
South Reading MRT (Phases 5 & 6)	0	0	0	9,000	0	9,000	5,000	0	5,000	14,000	0
Town Centre Street Trading Infrastructure	0	0	0	28	0	28	0	0	0	28	0
Construction of Green Park Station	225	0	225	70	0	70	0	0	0	295	0
Car Park Investment Programme (inc P&D, Red Routes & Equipment)	326	0	326	326	0	326	326	0	326	978	0
CIL Local Funds - Community	598	(583)	15	0	584	584	0	0	0	599	0
CIL Local Funds - Transport	724	(724)	0	0	724	724	0	0	0	724	0
CIL Local Funds -Neighbourhood Allocation	477	(477)	0	0	477	477	0	0	0	477	0
S106 individual schemes list	988	(988)	0	0	988	988	0	0	0	988	0
Defra Air Quality Grant - Bus Retrofit	388	(388)	0	0	388	388	0	0	0	388	0
Defra Air Quality Grant - Go Electric Reading	17	(17)	0	0	18	18	0	0	0	18	0
Electric Vehicle Charging Points	250	(250)	0	0	250	250	0	0	0	250	0
Air Quality Grant - AQ sensors awareness & behaviour change	220	(100)	120	0	100	100	0	0	0	220	0
Transport Demand Management Scheme	100	(50)	50	500	50	550	0	0	0	600	0
Rogue Landlord Enforcement	75	0	75	0	0	0	0	0	0	75	0
Transportation, Planning & Public Protection - Sub T	16,542	(7,676)	8,866	22,889	7,420	30,309	5,726	0	5,726	44,901	0

Appendix 4b - Capital Programme Quarter 2 (2023/24 to 2025/26)

Scheme Name	Approved Budget 2023/24 with Quarter 1 changes £000	Proposed Total Budget 2023/24 Budget Changes £000	Revised Budget Quarter 2 2023/24 £000	Approved Budget 2024/25 with Quarter 1 changes £000	Proposed Total Budget 2024/25 Budget Changes £000	Revised Budget Quarter 2 2024/25 £000	Approved Budget 2025/26 with Quarter 1 changes £000	Proposed Total Budget 2025/26 Budget Changes £000	Revised Budget Quarter 2 2025/26 £000	Total Revised Budget 2023/24 to 2025/26 £000	Total Budget Re-programmed into 2026/27 £000
Culture											
Leisure Centre Procurement	8,432	(2,432)	6,000	812	2,432	3,244	170	0	170	9,414	0
Development of facilities at Prospect Park/Play	22	0	22	0	0	0	0	0	0	22	0
Reading Football Club Social Inclusion Unit to SRLC	0	0	0	1,534	(1,534)	0	0	1,534	1,534	1,534	0
Small Leisure Schemes	273	0	273	488	0	488	0	0	0	761	0
Levelling Up Delivery Plan - New performance space at the Hexagon Theatre	3,245	(2,420)	825	10,455	(6,529)	3,926	0	11,379	11,379	16,130	0
Levelling Up Delivery Plan - New Reading Library at the Civic Centre	1,603	(303)	1,300	6,884	3,795	10,679	113	0	113	12,092	0
Abbey Quarter restoration works	40	(15)	25	144	15	159	0	0	0	184	0
High Street Heritage Action Zone	982	(182)	800	0	186	186	0	0	0	986	0
Berkshire Record Office - extension of storage space	0	0	0	320	0	320	0	0	0	320	0
Hexagon lighting & emergency lighting replacement	262	0	262	0	0	0	0	0	0	262	0
Hexagon replacement of PA System	360	(360)	0	0	360	360	0	0	0	360	0
Shared Prosperity Fund	33	0	33	201	0	201	0	0	0	234	0
Town Hall Equipment	44	0	44	0	0	0	0	0	0	44	0
Tilehurst Library Works	38	0	38	0	0	0	0	0	0	38	0
Culture - Sub Total	15,334	(5,712)	9,622	20,838	(1,275)	19,563	283	12,913	13,196	42,381	0
Environmental & Commercial Services											
Playground equipment and Refreshment: Boroughwide	547	(100)	447	0	99	99	0	0	0	546	0
New Capital Bid - S106 Kenavon Drive Landscape	31	0	31	0	0	0	0	0	0	31	0
Victoria Rec	462	(450)	12	0	450	450	0	0	0	462	0
Levelling Up Parks Fund	54	0	54	0	0	0	0	0	0	54	0
Restoration of historic Wall at Caversham Court Gardens	85	153	238	0	0	0	0	0	0	238	0
Forbury Gardens Bandstand	0	72	72	0	0	0	0	0	0	72	0
Ecological Works	21	0	21	0	0	0	0	0	0	21	0
John Rabson skatepark	352	(275)	77	0	275	275	0	0	0	352	0
Tree Planting	51	0	51	50	0	50	50	0	50	151	0
Highways Infrastructure Programme	9,400	(2,700)	6,700	6,000	509	6,509	4,900	2,000	6,900	20,109	0
Chestnut Walk Improvements	29	0	29	0	0	0	0	0	0	29	0
CIL Local Funds - Heritage and Culture	274	11	285	0	0	0	0	0	0	285	0
CIL Local Funds - Leisure and Play	749	(50)	699	100	50	150	0	0	0	849	0
Highway Signals_Capital Bid	234	0	234	0	0	0	0	0	0	234	0

Appendix 4b - Capital Programme Quarter 2 (2023/24 to 2025/26)

Scheme Name	Approved Budget 2023/24 with Quarter 1 changes £000	Proposed Total 2023/24 Budget Changes £000	Revised Budget Quarter 2 2023/24 £000	Approved Budget 2024/25 with Quarter 1 changes £000	Proposed Total 2024/25 Budget Changes £000	Revised Budget Quarter 2 2024/25 £000	Approved Budget 2025/26 with Quarter 1 changes £000	Proposed Total 2025/26 Budget Changes £000	Revised Budget Quarter 2 2025/26 £000	Total Revised Budget 2023/24 to 2025/26 £000	Total Budget Re- programmed into 2026/27 £000
Invest to save energy savings - Street lighting	578	(150)	428	0	160	160	0	0	0	588	0
Pedestrian Defined Urban Pocket Gardens	75	0	75	0	0	0	0	0	0	75	0
Pedestrian dropped kerb facilities with tactile pavers	240	0	240	0	0	0	0	0	0	240	0
Pedestrian handrails	240	0	240	0	0	0	0	0	0	240	0
Pumping Station Upgrade Scheme (new)	42	0	42	0	0	0	0	0	0	42	0
Purchase of Electric Road Marking Machine	65	21	86	0	0	0	0	0	0	86	0
Railway footbridge lighting in West Reading	70	0	70	0	0	0	0	0	0	70	0
Reading Station Subway	206	200	406	0	0	0	0	0	0	406	0
Smart City Cluster project and C-ITS	0	0	0	0	0	0	0	0	0	0	0
Town Centre Improvements	251	0	251	0	0	0	0	0	0	251	0
Cattle Market Car Park	516	0	516	0	0	0	0	0	0	516	0
Digitised TRO's	300	(300)	0	0	300	300	0	0	0	300	0
Eastern Area Access Works	199	(180)	19	0	180	180	0	0	0	199	0
Local Traffic Management and Road Safety Schemes	476	(238)	238	150	238	388	150	0	150	776	0
Oxford Road Corridor Works	299	(275)	24	0	275	275	0	0	0	299	0
Traffic Management Schools	431	(398)	33	0	398	398	0	0	0	431	0
Western Area Access Works	128	(115)	13	0	115	115	0	0	0	128	0
Vehicle Maintenance Workshop	1,312	0	1,312	0	0	0	0	0	0	1,312	0
Replacement Vehicles	4,703	(15)	4,688	0	0	0	0	0	0	4,688	0
Environmental & Commercial Services - Sub Total	22,420	(4,789)	17,631	6,300	3,049	9,349	5,100	2,000	7,100	34,080	0
Property & Asset Management											
The Heights Permanent Site Mitigation	356	(326)	30	100	326	426	0	0	0	456	0
Corporate and Community Buildings	4,140	(2,115)	2,025	1,000	757	1,757	1,000	0	1,000	4,782	0
1 Dunsfold Fitout for BFFC Family Contact Centre - Development for Community Use	0	56	56	0	0	0	0	0	0	56	0
Katesgrove Community and YOS Refurbishment - Development for Community Use	37	4	41	0	0	0	0	0	0	41	0
BFFC Accommodation Review	150	(150)	0	0	0	0	0	0	0	0	0
Maintenance & Enhancement of Council Properties	0	0	0	8,800	(8,800)	0	0	8,800	8,800	8,800	0
Regeneration Projects	200	(200)	0	2,204	(2,204)	0	0	0	0	0	0
Acre Business Park	478	(448)	30	122	448	570	0	0	0	600	0
The Keep building works and improved arts/culture facilities	94	(94)	0	0	0	0	0	0	0	0	0
Property & Asset Management - Sub Total	5,455	(3,273)	2,182	12,226	(9,473)	2,753	1,000	8,800	9,800	14,735	0

Appendix 4b - Capital Programme Quarter 2 (2023/24 to 2025/26)

Scheme Name	Approved Budget 2023/24 with Quarter 1 changes £000	Proposed Total Budget 2023/24 Budget Changes £000	Revised Budget Quarter 2 2023/24 £000	Approved Budget 2024/25 with Quarter 1 changes £000	Proposed Total Budget 2024/25 Budget Changes £000	Revised Budget Quarter 2 2024/25 £000	Approved Budget 2025/26 with Quarter 1 changes £000	Proposed Total Budget 2025/26 Budget Changes £000	Revised Budget Quarter 2 2025/26 £000	Total Revised Budget 2023/24 to 2025/26 £000	Total Budget Re-programmed into 2026/27 £000
Management & Sustainability											
Renewable Energy	1,411	(1,406)	5	15	643	658	0	0	0	663	0
Salix Decarbonisation Fund	1,365	(357)	1,008	0	364	364	0	0	0	1,372	0
Salix Re-Circulation Fund	520	(352)	168	0	0	0	0	0	0	168	0
Corporate Solar Programme	491	(188)	303	896	(30)	866	784	0	784	1,953	0
Management and Sustainability - Sub Total	3,787	(2,303)	1,484	911	977	1,888	784	0	784	4,156	0
Economic Growth and Neighbourhood Services Total	63,538	(23,753)	39,785	63,164	698	63,862	12,893	23,713	36,606	140,253	0
Resources											
Customer Digital Experience	790	77	867	958	(200)	758	0	0	0	1,625	0
Universal Digital Systems	2,379	48	2,427	0	0	0	0	0	0	2,427	0
IT Future Operating Model	1,782	159	1,941	145	(145)	0	0	0	0	1,941	0
Demographic Hybrid AV	190	0	190	0	0	0	0	0	0	190	0
Re-Procurement / Reimplementation of Finance	236	(34)	202	0	0	0	0	0	0	202	0
Education Management System	77	0	77	0	0	0	0	0	0	77	0
Cemeteries and Crematorium	85	(85)	0	0	0	0	0	0	0	0	0
Crematorium Procurement	0	185	185	857	(45)	812	0	0	0	997	0
Crematorium	55	(55)	0	0	0	0	0	0	0	0	0
Burial Land Acquisition	0	0	0	1,641	(1,641)	0	0	1,641	1,641	1,641	0
Resources Total	5,594	295	5,889	3,601	(2,031)	1,570	0	1,641	1,641	9,100	0
Economic Growth and Neighbourhood Services (Education Schemes)											
Additional School Places - Contingency	500	(450)	50	250	50	300	250	50	300	650	350
Blessed Hugh Faringdon - Asperger Unit 30 place	0	0	0	0	0	0	0	0	0	0	0
Primary Schools Expansion Programme - 2013-2017	0	0	0	0	0	0	0	0	0	0	0
DFC	0	195	195	0	0	0	0	0	0	195	0
SEN Provision - Avenue Centre	1,053	1	1,054	0	0	0	0	0	0	1,054	0
Asset Management	348	0	348	306	0	306	312	0	312	966	0
Children in care Emergency Provision	35	0	35	0	0	0	0	0	0	35	0
Civitas- Synthetic Sports Pitch	24	(19)	5	0	19	19	0	0	0	24	0
Crescent Road Playing Field Improvements	126	(126)	0	0	126	126	0	0	0	126	0
Critical Reactive Contingency: Health and safety (Schools)	860	(360)	500	500	0	500	500	(200)	300	1,300	560
Fabric Condition Programme	3,175	(275)	2,900	2,000	(543)	1,457	1,000	(100)	900	5,257	919
Green Park Primary School	60	(60)	0	0	60	60	0	0	0	60	0
Heating and Electrical Renewal Programme	1,708	(708)	1,000	1,000	(305)	695	1,000	(718)	282	1,977	1,726

Appendix 4b - Capital Programme Quarter 2 (2023/24 to 2025/26)

Scheme Name	Approved Budget 2023/24 with Quarter 1 changes £000	Proposed Total Budget 2023/24 Budget Changes £000	Revised Budget Quarter 2 2023/24 £000	Approved Budget 2024/25 with Quarter 1 changes £000	Proposed Total Budget 2024/25 Budget Changes £000	Revised Budget Quarter 2 2024/25 £000	Approved Budget 2025/26 with Quarter 1 changes £000	Proposed Total Budget 2025/26 Budget Changes £000	Revised Budget Quarter 2 2025/26 £000	Total Revised Budget 2023/24 to 2025/26 £000	Total Budget Re-programmed into 2026/27 £000
Initial Viability work for the Free School at Richfield Avenue	36	(32)	4	0	4	4	0	0	0	8	28
Katesgrove Primary Trooper Potts Building	56	(56)	0	0	56	56	0	0	0	56	0
Meadway Early Years Building Renovation	0	1	1	0	0	0	0	0	0	1	0
Modular Buildings Review	1,000	(750)	250	500	100	600	500	(250)	250	1,100	900
New ESFA funded schools - Phoenix College	0	0	0	0	0	0	0	0	0	0	0
Pinecroft-Children who have complex health, physical,sensory,disabilities & challenging behaviour	2	0	2	0	0	0	0	0	0	2	0
Cressingham- Community Short Breaks Provision	300	0	300	0	0	0	0	0	0	300	0
Dee Park Regeneration - Housing Infrastructure Fund	5,960	(3,182)	2,778	6,000	(2,563)	3,437	0	0	0	6,215	6,153
Public Sector Decarbonisation Funds - School Estate Double Glazing Programme	787	(1)	786	0	0	0	0	0	0	786	0
SCD Units	78	0	78	0	0	0	0	0	0	78	0
School Estate Solar PV Programme	0	0	0	0	0	0	0	0	0	0	0
Schools - Fire Risk Assessed remedial Works	463	(163)	300	100	0	100	0	0	0	400	163
SEN Norcot	83	0	83	0	0	0	0	0	0	83	0
SEN High Needs provision capital allocations	5,931	(5,431)	500	0	1,810	1,810	0	1,810	1,810	4,120	1,811
The Heights Temporary School	351	0	351	0	0	0	0	0	0	351	0
Park Lane Primary School Annexe Replacement	2,500	0	2,500	0	0	0	0	0	0	2,500	0
Economic Growth and Neighbourhood Services (Education Schemes) Total	25,436	(11,416)	14,020	10,656	(1,186)	9,470	3,562	592	4,154	27,644	12,610
Corporate											
Delivery Fund (Pump priming for Transformation	4,595	0	4,595	1,782	0	1,782	0	0	0	6,377	0
Loan To RTL (Bus replacement programme)	2,500	(2,500)	0	2,500	2,500	5,000	2,500	0	2,500	7,500	0
Oracle Shopping Centre capital works	100	0	100	100	0	100	100	0	100	300	0
Minster Quarter - Brownfield Land Grant Element	0	0	0	2,000	0	2,000	0	0	0	2,000	0
Minster Quarter	1,027	(532)	495	0	532	532	0	0	0	1,027	0
Corporate Total	8,222	(3,032)	5,190	6,382	3,032	9,414	2,600	0	2,600	17,204	0
General Fund Total	107,178	(40,088)	67,090	93,811	(68)	93,743	21,455	28,766	50,221	211,054	12,610

Appendix 4b - Capital Programme Quarter 2 (2023/24 to 2025/26)

Scheme Name	Approved Budget 2023/24 with Quarter 1 changes £000	Proposed Total 2023/24 Budget Changes £000	Revised Budget Quarter 2 2023/24 £000	Approved Budget 2024/25 with Quarter 1 changes £000	Proposed Total 2024/25 Budget Changes £000	Revised Budget Quarter 2 2024/25 £000	Approved Budget 2025/26 with Quarter 1 changes £000	Proposed Total 2025/26 Budget Changes £000	Revised Budget Quarter 2 2025/26 £000	Total Revised Budget 2023/24 to 2025/26 £000	Total Budget Re- programmed into 2026/27 £000
Housing Revenue Account (HRA)											
Disabled Facilities Grants	665	0	665	688	0	688	701	(1)	700	2,053	0
Extra care (cedar court)	0	0	0	0	0	0	0	0	0	0	0
Housing Management System	504	0	504	0	0	0	0	0	0	504	0
Major Repairs - Existing Homes Renewal	5,630	(511)	5,119	14,740	(6,219)	8,521	10,820	7,866	18,686	32,326	0
Major Repairs - Zero Carbon Retrofit works	7,847	(713)	7,134	16,892	(5,310)	11,582	11,803	(1,136)	10,667	29,383	7,159
Homes Provided under Local Authority Housing Fund	0	7,541	7,541	0	0	0	0	0	0	7,541	0
Local authority new build programme for Older people and vulnerable adults	3,681	(2,739)	942	30,295	(17,558)	12,737	10,885	14,271	25,156	38,835	25
New Build & Acquisitions - Phase 2 - 4	18,115	(6,456)	11,659	12,799	2,856	15,655	4,277	8,316	12,593	39,907	0
Housing Revenue Account (HRA) Total	36,442	(2,878)	33,564	75,414	(26,231)	49,183	38,486	29,316	67,802	150,549	7,184

This page is intentionally left blank

Appendix 5: Corporate Plan Performance Measures (Monthly & Quarterly) Quarter 2 (2023/24)

Status	DOT	Corporate Plan Theme	Title	Frequency	Target	Unit	Q2/Sept 23	Previous	Comments
		Foundations	Customer satisfaction in the Customer Fulfilment Centre	Quarterly	90	%	77.10	73.50	<ul style="list-style-type: none"> Performance was disrupted during a period of service restructure, with a number of vacancies including in management roles – these have now been recruited to. Although below target, this indicator continues to improve each month Improvements to the performance management systems within the service continue, including enhancing the use of qualitative feedback Stronger recording and reporting is in place, improving the understanding of demand drivers and satisfaction levels
		Foundations	Deliver the Medium Term Financial Strategy	Quarterly	164.4	£ million	168.22	145.55	
		Foundations	Number of invoices paid within 30 days of invoice date	Quarterly	85	%	85.05	85.56	The total Invoices paid within 30 days of the invoice date for 23/24 Q2 is 85.05%, which is no significant change from the Q1 performance of 85.56%.
		Foundations	Number of self- service transactions via My Account self- service	Monthly	25000	No.	24,488.00	24,238.00	<p>Following the recent Google Analytics platform switch in the summer, we identified discrepancies in our KPI reporting in early September. Specifically, the new platform has been incorrectly reporting the number of submitted forms to the Granicus platform. Instead of the expected 20,000 submissions per month, the platform is showing less than 200. We are actively investigating this issue to identify the root cause and implement a resolution. In the meantime, our team is considering transition options to new metrics that can accurately reflect our operations.</p> <p>We have also now been able to pull back the data from before the full Google platform switch for the following months (however we will need the new metric/way of measuring in place for October figures</p>

Appendix 5: Corporate Plan Performance Measures (Monthly & Quarterly) Quarter 2 (2023/24)

Status	DOT	Corporate Plan Theme	Title	Frequency	Target	Unit	Q2/Sept 23	Previous	Comments
●	↑	Foundations	Percentage of responses to complaints within agreed timescales	Quarterly	70	%	86.00	71.70	<p>459 complaints cases received (Increase of 72 cases from Q4).Response rate is 86% ((Will change as cases still open and not due). Stats still being pulled together fully as not all data has been finalised due to timescales. Q1 reports are due to be pulled together from to provide full and comprehensive results including the stage 0's.</p> <p>We do not have the data collated for Q2, these will be ready at the end of November 23.</p>
▲	↑	Foundations	Percentage of responses to the public on Freedom of Information Act requests made within 20 days	Quarterly	90	%	85.60	81.40	<p>348 FOI's received (Increase of 14 cases from Q4). Response rate - 85.6% (Will change as cases still open and not due as at end June). Analysis to identify trends is being conducted to understand the increase seen in Q4 & Q1</p> <p>We do not have the data collated for Q2, these will be ready at the end of November 23.</p>
◆	↑	Healthy Environment	Food waste recycled (percentage of household waste)	Quarterly	15	%	11.60	11.40	<p>Food waste (from schools and the kerbside) represented 11.6% of household waste in Qtr2 2023/24. This compares to 12.6% in the same quarter last year. Food tonnages have declined whilst total household waste has increased.</p> <p>Lower food waste tonnes compared to the same period last year could be the result of residents having become more aware of the amount of food they were wasting. If lower tonnages are the result of waste reduction, this is a positive outcome. Increased financial pressures may also be causing residents to waste less food.</p> <p>However we are also aware that some food waste is present in the residual waste, and we need to capture this for recycling. Officers will continue to monitor the tonnages.</p>

Appendix 5: Corporate Plan Performance Measures (Monthly & Quarterly) Quarter 2 (2023/24)

Status	DOT	Corporate Plan Theme	Title	Frequency	Target	Unit	Q2/Sept 23	Previous	Comments
●	↑	Healthy Environment	Percentage of actionable (40mm depth) potholes repaired within 28 days	Quarterly	99	%	99.28	88.00	There was an issue with the Asset Management System (WDM) not exporting the data - this has been resolved but caused a small amount to go out of date during April. April figure 69% due to system issues, now resolved. May & June figures over 97% (giving an average of 88% for Q1)
●	↑	Healthy Environment	Percentage of Houses of Multiple Occupation that are licensed	Quarterly	43	%	43.60	42.80	1389 Number licences 1st quarter 42.8%
●	↑	Healthy Environment	Percentage total household waste recycled	Quarterly	52	%	52.10	51.90	The provisional recycling rate for Qtr2 2023/24 is 52.1%. This compares to 49.0% for the same quarter last year. More garden waste (caused by a wetter summer) is the main factor. Some other recycling tonnages have declined.
●		Inclusive Economy	Cumulative reduction in crime (based on Thames Valley Police crime reporting figures)	Quarterly	7	%	16.00		Data adjusted by Data Provider, Iquanta, following verification process. This now reflects a significant increase in crime reports and shows a 16% increase in crime, against 2019/20 baseline, for Q1 23/24. National data not yet available for Q2 23/24
●	↑	Inclusive Economy	Number of school places for children and young people with Special educational need and disability (SEND)	Quarterly	422	No.	534.00	453.00	Additional places became available in September 2023
●	↑	Inclusive Economy	Number of visits to our libraries	Monthly	125	No. (k)/yr	141.00	116.90	Tracking well to target Some estimations included Cumulative figures
●	↑	Inclusive Economy	Participation at Council cultural venues	Quarterly	162.5	No. (k)/yr	39,924.00	85.19	

Appendix 5: Corporate Plan Performance Measures (Monthly & Quarterly) Quarter 2 (2023/24)

Status	DOT	Corporate Plan Theme	Title	Frequency	Target	Unit	Q2/Sept 23	Previous	Comments
▲	↓	Inclusive Economy	Percentage of Care Leavers who are not in education, employed or training for work (NEET)	Quarterly	30	%	30.30	30.00	
◆	↓	Inclusive Economy	Percentage of people with a learning disability in paid employment	Monthly	5.5	%	4.81	4.83	This KPI remains a high priority in the Transition and SEND groups, proactive work is being undertaken with the Elevate and New Direction College to target residents with LD. We are in the process of commissioning a supported employment provision for service users with an LD and Mental Health.
●	↓	Thriving Communities	Number of carers supported to maintain their caring role	Quarterly	140	No.	224.00	323.00	With the new commissioned service the number of carers assessment continues to increase.
●	↑	Thriving Communities	Number of households prevented from becoming homeless	Monthly	225	No/yr	352.00	323.00	Data is cumulative to date.
●	↓	Thriving Communities	Number of NHS Health Checks delivered to residents	Quarterly	385	No. per qtr	935.00	1,250.00	<p>The total number of NHS Health Checks provided to eligible Reading residents fell this quarter to 935. Of this number 77 were delivered by RBH to their staff and 858 by GPs (down from 1,210 in Q1). Of the 858 GP Checks, 62% were targeted.</p> <p>It is anticipated that the new Community Wellness Outreach Service will start offering targeted NHS Health Checks in November. So Q3 data should include those as well as the GP and RBH ones.</p>

Appendix 5: Corporate Plan Performance Measures (Monthly & Quarterly) Quarter 2 (2023/24)

Status	DOT	Corporate Plan Theme	Title	Frequency	Target	Unit	Q2/Sept 23	Previous	Comments
		Thriving Communities	Number of stop smoking service users, who have set a date to stop smoking and are still not smoking 4 weeks later, that are routine and manual workers	Quarterly	36	No. per qtr	40	34	Due to the lag in stop smoking service data, the previous quarter's data can now be confirmed (Q1 23-24 = 34%). Q2 figure is only provisional. Targeted work is continuing to increase the proportion of all 4-week quits that are in routine and manual groups.
		Thriving Communities	Older People (65+) who were still at home 91 days after discharge from hospital into reablement	Monthly	85	%	94.40	83.90	The service continues to deliver good outcomes and performance is currently exceeding target
		Thriving Communities	Percentage of children in care living more than 20 miles from Reading	Quarterly	26	%	29.00	27.00	Proactive action taken to address the challenge of local place sufficiency (a challenge that Local Authorities across England are experiencing) is beginning to evidence impact, with more children being initially placed in or returning to placements in Reading. A reduction in the overall number of children coming into care means that the number of children who became looked after some years ago and are settled with long term carers beyond 20 miles continues to have a high proportionate impact on this indicator.
		Thriving Communities	Percentage of new contacts to the Advice & Wellbeing hub resulting in a successful outcome not requiring an on-going service	Monthly	82	%	88.00	89.00	Staff are supporting residents in a proactive manner, signposting residents to voluntary sector and continuing to use a Strength Based Approach
		Thriving Communities	Percentage of service users in receipt of Adult Social Care Direct Payments	Monthly	25	%	21.04	21.55	We have a number of Direct Payment (DP) users who pass away & those who no longer want to manage a DP, but also a number of people who need to move into a care home so can no longer have a direct payment. As part of the Commissioning restructure in ASC additional management support for Direct Payments will be provided to help increase numbers and identify Personal Assistants

Appendix 5: Corporate Plan Performance Measures (Monthly & Quarterly) Quarter 2 (2023/24)

Status	DOT	Corporate Plan Theme	Title	Frequency	Target	Unit	Q2/Sept 23	Previous	Comments
▲	▲	Thriving Communities	Percentage of service users supported to live independently in the community	Monthly	76	%	75.00	74.70	Community Based provision remains a priority for Adult Social Care and teams are working with residents and families to remain at home as long as possible. Residential and nursing care would always be the last resort based on complexity and need.
◆	▼	Thriving Communities	Youth re-offending rate	Quarterly	28	%	35.40	30.00	Re-offending rates within Reading had historically been beneath our comparators. More recently our reoffending rate has risen and the latest cohort data (Oct 20 – Sept 21) has a rate of 35.4%. This is in excess of the statistical comparators who average a rate of 31.5%.

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Foundations	Embedding the Hub and Spoke structure. Deliver a programme of work to ensure that we get the best value for money for the goods and services that we buy	▲	●	↑	Final details are in progress. Implementation of Procurement Transformation board and Pipeline Oversight board have now been completed and this will aid in how Hub&Spoke model will work effectively.
Foundations	Implement new finance system with improved business processes	▲	▲	→	The User Acceptance Test Phase completed successfully in August with the core e5 solution approved. A cutover rehearsal was performed in September alongside the build and testing of interfaces. Further work is required in October to complete Civica and Mosaic interfaces. The training of core finance system users commenced in September and will continue through October and November. End users are to attend training events in October. The e5 Project Board are to meet on 20th October to assess go-live readiness and decide whether to commence cutover to the new system.
Foundations	Implement Social Value Strategy and reporting	▲	▲	→	Update on current Social Value process reviewed by CMT and interim fixes have been introduced to capture social value in contracts. New guidance and reporting system still in design phase. Complete review and introduction of new system due to be completed by 31/03/2023.
Foundations	Implementation of new customer platform	●	▲	↓	Although a challenging timeline, progress is going well with the Built Environment and Regulatory Services elements of the project which remains on track for delivery in February/March 2024. Supplier side delay on delivery of the required Discovery Report and associated delivery plan required as part of the Customer element of the project, required escalation and ultimately a proposal to the Customer Experience Board that this part of the project was pushed out for delivery to July 2024. This proposal was agreed by Board to mitigate risk and ensure that the product was of requisite quality, met the contractual requirements of the build, and would provide required benefits for the customer and for the colleagues using the system. Commercial conversations related to the need to delay and achieve this are ongoing.

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Foundations	Implementation of the Connected Reading Strategy	▲	▲	→	<p>Case and Customer Management: The Case stream (replacing Civica APP) remains on track for delivery in February; the delay to the discovery phase of the Customer stream (replacing Granicus) reported last quarter has led to the need to split the go-live of that stream from the Case stream; Customer will now go live in summer 24.</p> <p>The current status of work packages of our digital transformation delivery partner (PwC) is as follows:</p> <ol style="list-style-type: none"> 1) Customer Journey Optimisation – work package focused on Parking in progress; further work to demonstrate potential benefits of process redesign commissioned for delivery in November; pilot implementation of voice automation for two call types also commissioned for November 2) Adult Social Care System and Process review – work in progress to scope first implementation stage and finalise acceptance of scoping study 3) Adult Social Care Digital Front Door – work in progress to finalise acceptance of scoping study and agree implementation approach 4) Housing Digital Presence – first stage delivered; second stage in progress 5) PMO – work on revised PMO processes in progress <p>In October, we are bringing forward a report to Policy Committee rebaselining the overall digital transformation programme, taking account of the results of the work packages described above and the corporate portfolio prioritisation exercise. This will finally enable a return to green status.</p> <p>The status of other transformation projects is as follows:</p> <p>Independent Living – Our bid for £1m of NHS funding over 2 years to expand the pilot was successful, and mobilisation of the expanded project is in progress.</p> <p>Digital inclusion – As previously reported, all community centres are expected to have public WiFi by the end of December.</p>

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Foundations	Implementation of the Customer Experience Programme	▲	▲	➔	The Customer Experience Board continues to meet monthly and progress projects and initiatives in the Transformation Programme workstreams. A business Case was submitted to include reprofiled savings for the next MTFP. At the budget challenge session a request was made to relook at the opportunities to increase savings that will be delivered by the programme. As a result, a proposal was put to the Transformation and Efficiency Board to take forward work with the support of PWC that will accelerate the approach and establish more confidence in projected savings expected as a result. Focus of projects will now switch to delivering these elements over the next 1-2 months, delivering 3 technology-based projects injecting automation and AI into contact handling, and a deep dive into six end to end customer journeys that will seek to identify and implement efficiencies and an overall improved customer experience across them. Other identified priority projects will continue to be progressed alongside and are currently awaiting change resources to be allocated.
Foundations	Implementation of the Information Management Strategy	▲	▲	➔	The Data Stewards monthly meetings with BfC and DACHS are going well. They have been working on updating their ROPA's, Information Asset Registers, Privacy Notices and Information Sharing Agreements. OPA's, Information Asset Register's and Privacy Notices. The IG Team are in the process of checking the ROPA's and IAR's. The group are engaging with the IG Team and have said they find it useful and informative. In Q3 the Housing Data Stewards will be asked to join as part of the new Directorate DCASC. In Q4 a separate DS meeting for DoR and DEGNS will be arranged.
Healthy Environment	£9 million investment in resurfacing roads and pavements. (Complete) (Further £8m investment project underway)	▲	▲	➔	
Healthy Environment	Climate Emergency Strategy	▲	▲	➔	The majority of actions remain green (on track) or amber (progressing but at risk of not being delivered by the target date). Further details are included in the Annual Progress Report for 2021/22 which was produced and presented to SEPT Committee in November 2022 (see https://readingcan.org.uk/wp-content/uploads/2022/12/Reading-Climate-Emergency-Strategy-Annual-Report-2021-22.pdf). The process of reviewing the Strategy for the period 2025-30 has been initiated by the Reading Climate Change Partnership. Annual Report is published in November 2023
Healthy Environment	Decarbonisation of the Hexagon theatre through improved heating and lighting.	▲	▲	➔	Decarbonisation of the Hexagon is focusing on heating and lighting. The replacement of the house and emergency lighting commenced in September 2023 and is scheduled to complete by August 2024. This is because the work is being done on the days when the Hexagon is non-operational, rather than in one solid block. Work on the decarbonisation of the heating as part of the wider LUF project is ongoing. The Environment Agency have approved the permit to test the bore holes with defined bore hole design & test criteria, which will inform the viability of the Ground Source Heat Pump option. Procurement for contractors to carry out the testing will take place in Q3 with borehole testing anticipated to commence in Spring 2024.

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Healthy Environment	Delivery of Capital Education Property Development Programme	●	●	→	Projects and programme progressing as per the intended timescales
Healthy Environment	Delivery of over 150 actions to contribute to the overall vision to mitigate and adapt to climate change	▲	▲	→	The latest Annual Report (2021/22) on the Reading Climate Emergency Strategy detailed good progress, with the great majority of the 150 actions within the Strategy ranked 'Green' or 'Amber'. The reduction of 51% in Reading's carbon footprint between 2005 and 2021 (the latest year for which data is available) is the 8th highest reduction of 374 local authority areas in the UK and Reading's per capita emissions are also the lowest in Berkshire. Whilst Reading's relative performance is strong, however, the Borough's carbon footprint increased by almost 10% between 2020 and 2021 as emissions 're-bounded' following the lifting of pandemic restrictions, and the pace of emissions reduction needs to increase significantly to align with the target in the Reading Climate Emergency Strategy of 'net zero by 2030'. We don't have the 23/24 forecast as such. We only have 21 Reading borough footprint and 22/23 RBC footprint
Healthy Environment	Electrification of fleet	▲	▲	→	Awaiting delivery of next batch of eRCVs due Nov23 - Jan 24. Other vehicles being replaced in a programme with EV option where available.
Healthy Environment	New Local Transport Plan (LTP) for Reading	●	●	→	The consultation on the new LTP commenced on 18 September and will close on 11 December 2023.
Healthy Environment	Retaining our position on the 'A' list' for bold leadership on climate change	●	●	→	At the moment it remains 'Green' as we are still on the 'A' list – we submitted our 2023 data in July and will hear the outcome in November – so there will be an update in the Q3 returns
Healthy Environment	The allocation of £1.6 million Community Infrastructure Funds and commencement of the approved schemes	▲	▲	→	£1.6 million of Community Infrastructure Levy funds were allocated to 18 local projects in March 2022 by Policy Committee. Work has completed on nine of the projects, whilst the remainder are currently underway, in the preparatory stages or are awaiting the completion of projects previously allocated CIL funds in 2021.

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Inclusive Economy	Actions arising from the Powered by People strategy	●	●	→	<p>Powered by People –</p> <p>The next tranche of outreach delivery starts at the end of October. The first wave included 22 events at 6 venues reaching 366 residents. The second Rotary-organised self-employment course started on Oct 9th with 19 learners. The first 10-week course saw 11 people complete and start a business with mentor support, 7 of these have received start up grants from REDA. The self employment course by Supersonic StartUp (previously Enterprise Exchange) has begun with 17 participants, this runs until February with participants receiving intense one to one support. Work with Education Business Partnership is in its final few weeks and is on target to reach 3,860 student employer interactions through 27 events at 6 secondary schools including The Wren, Maiden Erlegh Reading and Blessed Hugh.</p> <p>A second Job Fest for 2023 took place at The Town Hall with close to 500 job seekers attending to meet 43 employers and training providers. This is the 10th year of DWP/REDA organised events.</p> <p>All delivery is being aligned with Tackling Inequality aims.</p> <p>REDA has now published its Screen Sector research updated to include partnerships with the LSIP, Screen Berks and Resource Productions. The first Creative Skills task and finish group has met with the aim of aligning Screen Production Skills with other creative industries and skills delivery across Reading.</p>
Inclusive Economy	Adoption of a new Town Centre Strategy	▲	▲	→	Stakeholder engagement ongoing.
Inclusive Economy	Bring forward the Minster Quarter site for development	▲	▲	→	Recommendation of a preferred bidder to take forward the scheme is scheduled for consideration by Policy Committee in January 2024.
Inclusive Economy	Complete and open Green Park Station	●	●	→	Reading Green Park Station was opened on Saturday 25 May 2023.
Inclusive Economy	Complete Reading West Station upgrade	▲	▲	→	Construction works by GWR's contractor near completion and Network Rail approval processes have commenced.
Inclusive Economy	Continued delivery of South Reading Mass Rapid Transport	●	●	→	Procurement complete with main contractor to be appointed in October.
Inclusive Economy	Create a diverse and inclusive workforce where everyone, regardless of their background, level or vocation, is able to thrive and reach their full potential	●	●	→	<p>CMT agreed (with a small number of amendments) the proposed Inclusion and diversity strategy and plan on 10th October 2023. This strategy and plan responds to input from staff as part of the Big Conversation on EDI (held in July) as well as to a deep dive into our workforce data as well as external expertise from Inclusive Employers. The strategy and plan are for a three year period and will include regular reviews. The plan has a range of metrics and measures embedded into it.</p> <p>Following CMTs agreement, the comms and engagement plan for this work will be further developed (including feedback to staff groups and staff more widely) with a view to a formal launch in Q4. Funds are being requested to support this work. The strategy and plan will be considered by Personnel Committee in November.</p>

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Inclusive Economy	Create a workforce that is fully representative of the population we serve	●	▲	↓	<p>Progress is being made towards this target - data from the recruitment team demonstrates a much more diverse set of appointments being made. The new Inclusion and Diversity strategy (agreed by CMT on 10th October) additionally has an action to develop an Inclusive Recruitment guide as well as for interview panels to be as diverse as possible. Monthly statistics are provided to CMT about the demographics of our workforce, including this aspect. . NB we are using our 2023 data and are comparing it to the 2021 census data for the borough as this is the most up to date information we can use for comparison purposes.</p> <p>Currently 17.8% of our staff are from a BME background compared to c30% of the Borough's population - this is an increase on previous quarters. We are running our ethnicity pay gap reports in October and expect to be able to report on these next time</p>
Inclusive Economy	Deliver our Reducing Inequality Strategy through a place based approach to improving skills education and training.	●	●	→	<p>The Tackling Inequality Action Plan is being delivered with 32 Actions reported with a Green RAG status, 12 Amber and 0 Red.</p> <p>The Place Based Pilots in the south of Reading are now gaining momentum with community and stakeholder engagement bringing forward a wide range of opportunities for activities and projects in the area. The next period will build on this to define the next phase of the programme including the specific targeted initiatives and activities that will be delivered through Q3 and Q4.</p>
Inclusive Economy	Deliver the High Street Heritage Action Zones project objectives.	▲	▲	→	<p>Conservation work on Oxford road had some delay and is now planned to be finished by mid/end of November.</p> <p>The Public Realm scheme is progressing with the appointment of Stantec to support the delivery of the scheme. The scope is been reviewed to fit the existing budget envelope. formal project programme with clear timescale of delivery to be produced with tendering timescale.</p> <p>Cultural and community engagement programme progressing well, looking at the final cultural activities that will showcase the 4 years programme and we are looking at the legacy of the programme.</p>
Inclusive Economy	Develop adult skills, employment support and implement training programmes	●	●	→	<p>The academic year has just commenced at New Directions College, we have already completed a short programme for Employment in Hospitality where all learners achieved their qualifications as well as the commencement of the Supported Hospitality program, and the return of learners from the previous academic year to higher-level courses.</p> <p>This current academic year, we have also welcomed a full class of 8 new learners into the Supported Hospitality program.</p> <p>we are currently delivering programmes on CV writing and Interview skills</p>

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Inclusive Economy	Employment and Skills programme delivered via REDA	●	●	➔	There are currently nine Employment and Skills Plans signed with developers locally, six of these are currently underway - including Greyfriars Church and most significantly Station Hill. There are at least six other significant plans in the development pipeline. Although new data is still awaited on some sites the cumulative ESP output is now 771: 25 apprenticeships, 452 local jobs, 38 work experience opportunities and education support to 256 students. Construction teams have engaged with several local schools including Civitas and Reading Girls, providers including New Meaning and Reading College, the University of Reading and Brighter Futures. ESP contributions continue to support the programme agreed by Policy Committee in Dec 22, outlined under Powered by People as above.
Inclusive Economy	Implement and subsequently expand a new apprenticeship and work experience mentoring scheme	▲	▲	➔	<p>The work experience pilots were successfully concluded in July and CMT agreed on 10th October to a new model of operation which will have three separate and fixed weeks of corporate work experience with 10-12 tyudents at a time from schools in the Church and Whitley wards. This aspect of the action is now complete.</p> <p>Work continues on the apprenticeship programme. We currently have 82 apprentices at the council ie 4.8% of the workforce. We have a target for 2.3% of our workforce to be comprised of newly recruited memers of staff - plans in hand suggest that we are on track with current recruitments to deliver 2% - work is underway to put remedial actions in place to meet or beat the 2.3% target by the end of the 23/24 year</p>
Inclusive Economy	Revitalisation of the Hexagon & Central Library	▲	▲	➔	Good progress on design on both pojects. Costings and funding under consideration with planning application submitted for Central Library and Civic Redesign and procurement for a contractor underway. Hexagon Studio Theatre is progressing well with planning application in Winter 2023/24.
Inclusive Economy	Shape the 3 year delivery plan 2022-25 for Reading's Culture and Heritage Strategy	●	●	➔	Started gathering data and feedback from the cultural sector as a whole on progress against intents.
Inclusive Economy	Work in partnership to further the community and Council ambitions for Reading Gaol	●	●	➔	The Ministry of Justice confirmed in September 2023 that the sale of Reading Prison is proceeding and, barring any unexpected complications, completion is expected later this autumn.

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Thriving Communities	Berks West Health & Wellbeing Strategy - Five implementation plans delivering in collaboration with statutory, voluntary and community partners a range of health improvement actions across the five priority areas: 1. Reducing the difference in health between different groups of people; 2 Support for individuals at high risk of bad health outcomes to live healthy lives; 3. Help children and families in early years; 4. Promote good mental health and wellbeing for all children and young people; 5. Promote good mental health and wellbeing for all adults	●	●	→	A report on the delivery against the KPIs in the Health and Wellbeing Strategy was taken to the Public Health Board meeting on 06.10.23. The summary showed that many of the indicators on the dashboard for the five priority implementation plans are Green with some that were amber progressing into green, some remain amber but progress continues to be made against these action, though progress may be slower. None of the actions are red - evidencing good progress against the 3 year implementation plans.

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Thriving Communities	<p>Health and Wellbeing for all adults</p> <p>BFFC have set four key priorities which are based on what success would look like by putting our young people at the heart of what we do, to drive all improvement and initiatives:</p> <p>Priority 1: work together and across local partnerships to provide the right support and services at the right time to deliver the best possible outcomes for children and their families.</p> <p>Priority 2: deliver effective early help services to prevent the escalation of need at a later stage while contributing to increased resilience across the partnership to meet children's need at the earliest opportunity.</p> <p>Priority 3: deliver a sustainable Children Social Care service through practice rooted in relational and timely statutory engagement with families.</p> <p>Priority 4: support education settings to offer high quality inclusive teaching and learning to support achievement for all, including those who require bespoke, specialised or SEND support.</p>	▲	▲	→	<p>The unprecedented rise in demand for early help, children's social care and services for children with SEND continues. A children's transformation programme is being developed to tackle demand across early help and children's social care to be implemented in 2024. Work has commenced on strengthening decision-making at the children's front door to ensure that children and families receive a timely and proportionate response and a partnership review of the Early Help Strategy is underway. A restructure of Early Help services to deliver a more integrated and seamless offer is underway and due to conclude by December 2023. Delivering Better Value funding has now been awarded by the DfE to meet children with SEND's needs earlier and mitigate the rise in EHCP's. Recruitment to posts to deliver this DBV funded service is underway with go-live planned for January 2024.</p>
Thriving Communities	Celebrate Reading's diverse arts, culture and heritage. Use arts, culture, heritage and leisure as a vehicle for delivering placemaking; health and wellbeing; inclusion; economic development and lifelong learning outcomes.	●	●	→	<p>July - Sept:</p> <p>Creative Lives will be working with Reading Borough Council in Phase 1 of a 3 phase project to help increase the number of traditionally underrepresented voices' at the table, within our creative networks. And to ensure that our programmes, funding streams and participation in creative activity are as representative of Reading's diversity as possible.</p> <p>Windrush 75 - In partnership with the Council and Community Partners, Windrush Thanksgiving Service at the Concert Hall, Windrush Sports and Heritage family fun day, Windrush Youth Performance by a local community theatre group, Windrush Elders panel discussion hosted by Dr Marcia Burrowes of the University of West Indies. Windrush Lives Display continues at the Museum until Nov (to include Black History month).</p> <p>Planning for Black History Month in October is on going.</p>

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Thriving Communities	Complete the restoration of the crematorium chapels and ancillary facilities	●	▲	↓	Significant investment has been made to the Crematorium Phase two of the programme has been delayed to avoid impacting the busier winter period Phase two will be considered within the capital review of the MTFP.
Thriving Communities	Continue to deliver investment in the borough's leisure facilities, including improvements at South Reading Leisure Centre and progress on the new Rivermead Leisure Centre.	●	●	→	The 250k Meadway changing room improvements were completed on the 9 October 2023. Contractors identified issues during the works in the form of asbestos and insufficient fire protection in the voids, above the changing rooms. Despite the issues, the works were completed on time and on budget. The South Reading improvements commenced on the 4 September 2023 and are programmed to run until April 2024. When draining the pool, contractors discovered some pool tiles inside the pool tank were damaged. They also identified asbestos in both the sealant of the pool tank and in the male changing room. Samples were sent off to determine the type of asbestos, early indications suggest it's low level in terms of risk. It also became evident that some of the steel supports within the concrete of the pool tank had corroded more than originally believed. The contractor and structural engineer agreed to change the work method as a result of this. Concrete was originally going to be applied by hand and in patches. It has been agreed that a 'pump and spray' method is a better approach. This will cost more in materials, but it's a quicker application process so savings will be made in contractor costs. Customers are being kept up to date with matters and its evident many are using the swimming pool at Palmer Park during this period. The demountable pool at Rivermead opened on the 4 September 2023 as planned. Customers access the pool via the original doors using a temporary ramp that was installed by Pellikaan. This will remain in place until the new pools open in Summer 24.
Thriving Communities	Deliver 300 new Council homes	●	●	→	Works are progressing well on site and we remain on target to deliver the new homes. However, risks continue as HS2, Inflation, Brexit and the war in Ukraine has had an impact on the construction industry. We are seeing issues throughout the supply chain and the procurement of main contractors has proved challenging on a couple of schemes.
Thriving Communities	Deliver key improvements to the library service, including plans for the Central Library.	●	●	→	LUF programme continues, site largely designed and goes to planning in October. Physical branding complete, and replacement self service second hand kiosks introduced at 6/7 sites for better customer experience. Summer Reading Challenge successful, increase in participation and usage. Digital use remains very high. Service has fully recovered issues to pre Covid levels Customer app now planned for launch November. Tilehurst self opening for hire groups should be live in November.
Thriving Communities	Deliver zero carbon initiatives within Council homes	●	●	→	New local authority housing at Passivhaus standards being developed e.g. at Wensley Road
Thriving Communities	Development of a Personal Assistant Market to enable people to live independently at home	●	●	→	End of Project Report presented to Transformation Board. Commissioning restructure will review the continued delivery as part of BAU.

Appendix 6: Corporate Plan Projects & Initiatives Quarter 2 (2023/24)

Corporate Plan theme	Project or activity	Q1	Q2	DOT	Q2 23-24 Commentary
Thriving Communities	Development of a voluntary sector-led Adult Social Care Front Door	▲	▲	→	In collaboration with local VCS organisations a new model has now been agreed. A Prior Information Notice will be published on Intend and via email distribution lists to ASC networks, to gauge interest and feedback of commissioning intentions. Due to delay in initially planned project timeline, a budget renewal proposal is under development for Reading Integration Board approval, as well as revised project planning. Currently, it is the aim to open the tender January 2024 leading to a contract start June 2024.
Thriving Communities	Embedding outcomes based working and independence skills within Supported Living	●	●	→	This work will now be superseded by a commissioning process and managed as part of business as usual and therefore the project will close.
Thriving Communities	Implement plans to commemorate the Forbury Gardens attacks and install a permanent memorial in the Gardens	●	●	→	The memorial stone was installed in Forbury Gardens in June 2023. This element of the project is now complete.
Thriving Communities	Implementation of the VCS action plan to build our relationship with the VCS and increase capacity within the sector.	●	●	→	A new VCS Compact Agreed was agreed at Policy Committee on 25th September 2023. This states the council's commitment to the Voluntary and Community Sector and the principles and ways of working that will apply. Regular contact and liaison with the VCS takes place at a number of levels including the VCS Information Network meetings. A VCS Assembly meeting has provided the forum for developing a new VCS Compact Action Pla.
Thriving Communities	Review and expansion of the Community Reablement Team to maximise peoples independence	◆	●	↑	The restructure of CRT will all be in place on 1st November 2023. They are now operating with the new revised reablement model and in time this will move to a full intake model when staffing is increased following the restructure. RT have fully embedded the Pass system and the project has now moved over to BAU.
Thriving Communities	Work with our partners and GLL new leisure provider to increase rates of physical activity and attendance at borough leisure centres	▲	▲	→	GLL recorded over 220,000 visits to our leisure centres in the second quarter. This was very pleasing to see especially considering there was some disruption in the centres in the form of programmed closures (to allow for improvement works) and the new Rivermead opening. We are waiting for data to confirm that the record footfall figures translate to an increase in physical activity levels.

This page is intentionally left blank

Policy Committee

13 December 2023



Reading
Borough Council
Working better with you

Title	Medium Term Financial Strategy 2024/25-2026/27 Update
Purpose of the report	To note the report for information
Report status	Public report
Report author	Darren Carter, Director of Finance
Lead Councillor	Councillor Brock, Leader of the Council
Corporate priority	Our Foundations
Recommendations	<p>That Policy Committee note the Medium Term Financial Strategy Update as set out in the body of this report and the associated appendices, including:</p> <ol style="list-style-type: none"> 1. The Council's General Fund Budget Requirement of £175.268m for 2024/25 and an assumed increase in the band D Council Tax for the Council of 2.99% plus an additional 2.00% Adult Social Care precept, or £95.86 per annum representing a band D Council Tax of £2,016.88 per annum; 2. The forecast budget gap of £4.107m in 2024/25 will need to be addressed in order to present a balanced budget to Council in February 2024; 3. The proposed service savings and efficiencies of £3.719m and additional income of £1.083m currently proposed in 2024/25 and set out in Appendix 2; 4. The overall savings currently proposed within the MTFS of £6.369m (of which changes to income, fees and charges is £1.417m); 5. The Housing Revenue Account budget for 2024/25 to 2026/27 as set out in Appendix 3; 6. The General Fund and Housing Revenue Account Capital Programmes as set out in Appendices 4 and 5 respectively; 7. The Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 6.

1. Executive Summary

- 1.1 This report provides an update on the development of the Council's Medium Term Financial Strategy (MTFS) 2024/25-2026/27.
- 1.2 Reading Borough Council remains financially stable, however it is not immune to national issues. This update on the development of the MTFS reflects the changing landscape in which Councils are now operating. The most significant impacts on this MTFS update include inflationary pressures across all service areas, in particular children's and adult social care, high cost placements in children's services arising from increased complexity

and market challenges, the cost of temporary accommodation arising from increased homelessness presentations and waste disposal.

- 1.3 At the time of writing the Provisional Local Government Finance Settlement has not been announced and so the funding figures in this report are subject to change, however it remains to be seen whether central government will address the financial pressures being felt across the local government sector by increasing the level of funding that councils receive.
- 1.4 This MTFS update only includes cost pressures that are deemed to be unavoidable.

Adult Social Care

- 1.5 There are significant pressures in the social care system. This updated MTFS includes an increase of £5.750m for Adult Social Care services in 2024/25 to address these pressures, including the Council's commitment to fund care providers at a level that allows them to pay staff the Living Wage Foundation rate rather than the lower national living wage rate set by central government.

Brighter Futures for Children

- 1.6 The figures in this report include a requested increase in the Brighter Futures for Children (BFfC) contract sum for 2024/25 of £7.525m. This includes inflationary increases and a significant growth pressure of £5.941m in respect of placements for Looked After Children due to increases in the costs as well as the age profile and complexity of need and associated costs. This request has not been agreed and further negotiations on the level of the contract sum will take place ahead of February 2024.

Homelessness

- 1.7 Private sector evictions have risen significantly following the lifting of Covid restrictions and cost of living pressures e.g. inflation. being felt within the housing market. Equally inflation pressures are being seen in the cost of Emergency Accommodation, the average nightly rate in April 2022 was £90 compared to £124 in October 2023. There has also been a reduction in the number of available properties to use. The MTFS update includes an increase of £1.000m in the budget in respect of funding this pressure.

Waste Disposal

- 1.8 An increase of £1.169m has been added to the waste disposal budget to address a combination of inflationary increases to the re3 waste disposal contract and rising costs due to changes in the make-up of waste being presented for disposal.

Council Tax

- 1.9 The MTFS currently assumes a general Council Tax increase of 2.99% and an additional Adult Social Care precept of 2.00% across all years of the MTFS period 2024/25-2026/27. No announcements were made with respect to Council Tax referendum principles in the 2023 Autumn Statement. These assumptions will be reviewed in line with any announcements in the Provisional Local Government Finance Settlement.
- 1.10 The Council will continue to provide additional support of £75 for residents in 2024/25 who are in receipt of Council Tax Support to further mitigate the increase in Council Tax in the current circumstances.

Business Rates

- 1.11 This update assumes the Business Rate reset originally assumed to happen in 2024/25 will not now take place until 2025/26 at the earliest. Realistically, given the lack of central government announcements and an impending general election, it is unlikely that the reset will be able to be implemented until 2026/27. However, until further announcements are made, given the forecast scale of the impact, it is considered prudent to assume at this point that the reset will occur in 2025/26.

New Homes Bonus

- 1.12 There is currently much uncertainty around the future of the New Homes Bonus grant. However, the MTFS currently assumes that New Homes Bonus will continue for 2024/25 at the same level as 2023/24 at £1.453m. For 2025/26 and 2026/27, it has been assumed that the grant will cease but that the total amount of grant in the national system will remain and be re-distributed using the Settlement Funding Assessment (SFA) methodology, resulting in a reduced funding allocation of £0.613m. No announcements were made with respect to the New Homes Bonus in the 2023 Autumn Statement. These assumptions will be reviewed following further announcements in the Provisional Local Government Finance Settlement.

Capital Financing

- 1.13 The revenue budget includes the cost of financing the Capital Programme update as set out in Appendices 4 and 5.
- 1.14 On 30th November 2021, the Department for Levelling Up, Housing & Communities published a consultation about proposed changes to the capital framework for Minimum Revenue Provision (MRP). MRP is the amount that has to be set aside from the revenue budget for the financing of capital expenditure. The original consultation proposed that the changes become effective from April 2023 onwards, however, as the outcome of this consultation is still outstanding, the MTFS update assumes that the changes are not implemented.

Summary

- 1.15 The overall impact of these changes across the three years of the MTFS can be summarised as follows:

Table 1. Current Budget Gap

	2024/25	2025/26	2026/27
	£000	£000	£000
Net Expenditure	175,268	185,993	193,469
Funding	(171,161)	(172,971)	(180,586)
Budget Gap	4,107	13,022	12,883

- 1.16 The estimated funding gap of £4.107m in 2024/25 will need to be addressed in order to comply with the legal requirement to set a balanced budget. A period of public consultation on the budget will commence on 18th December 2023 and will conclude on 18th January 2024.
- 1.17 Following the conclusion of the consultation period and the announcement of the Provisional Local Government Finance Settlement, a further report will be brought to Policy Committee on 19th February 2024 recommending approval of a balanced budget to Full Council in order that it can approve its budget, associated Council Tax level and precept for 2024/25 at its meeting on 27th February 2024.

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

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

Section A Background and Context

2. Background

1.19 The Medium Term Financial Strategy makes assumptions about income from Government grant, Council Tax, fees and charges and rents. It facilitates investment in key infrastructure to support transformational changes and improved customer service thereby underpinning fit for purpose; efficient service delivery and the themes set out in the Council's Corporate Plan:

- Healthy Environment;
- Thriving Communities; and
- Inclusive Economy.

1.20 As part of keeping Reading's environment clean, green, and safe, the Council has declared a climate emergency and recognised its potential impact on the health and well-being of residents, visitors, and the planet. The revenue and capital proposals set out in this report, take into account the obligations and responsibilities incumbent in this recognition, and include investment in a number of initiatives to improve air quality, reduce CO2 emissions and increase recycling rates.

3. The Current Economic and Financial Environment

1.21 The Council's future financial position, the demand for services and ability to recover previous and/or 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:

Coronavirus (Covid-19) Pandemic

1.22 In May 2023, the World Health Organisation declared an end to the Global Health Emergency issued ahead of the Covid-19 Pandemic more than three years prior. Although the immediate health threat has diminished, there are estimates of two million people living with 'long Covid'. The understanding of long Covid and the full extent of its implications are still under investigation, however it is likely that it will create additional demand for adult social care services over the coming years.

1.23 More immediately, the social and economic consequences of the pandemic continue to impact on local government income. Changes to the public's shopping, lifestyle and working behaviours have led to reductions in income in services such as parking and planning, with continued uncertainty around the potential for full recovery.

Cost of Living Crisis

1.24 Since late 2021, the UK has been experiencing what is referred to as a "cost of living crisis", whereby the cost of everyday essentials like energy and food are rising much faster than average household incomes.

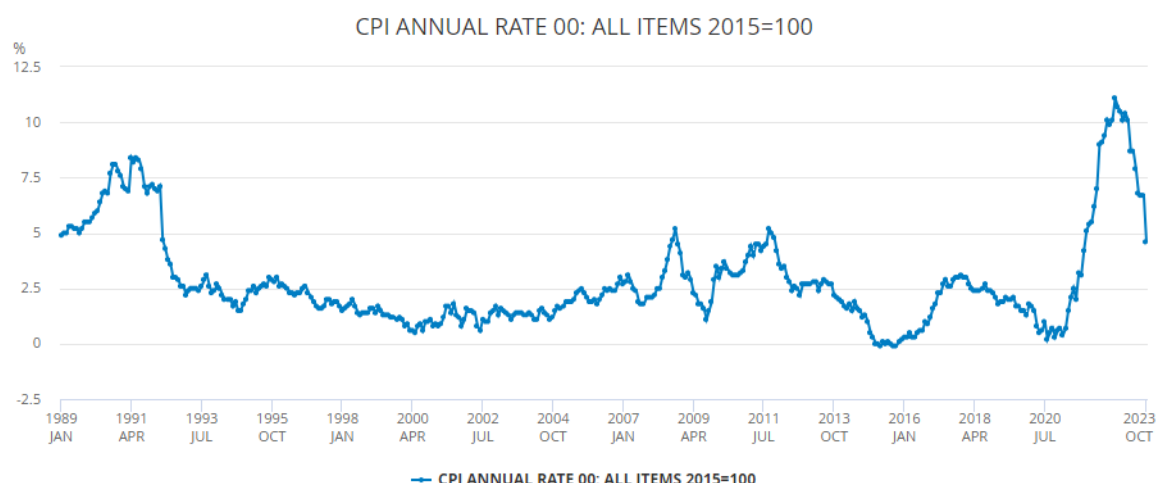
1.25 The increase in inflation underpinning the crisis was caused by the combined impact of multiple national and global events:

- Brexit - Slowed economic growth and caused delays at the borders for traded goods due to new import and export rules.
 - The Covid-19 Pandemic - Led to disruption of working practices and global supply chains, whilst surging demands for goods were experienced post-lockdown which also contributed to rising prices.
 - The Russia-Ukraine Conflict - Led to energy price rises and global food shortages.
- 1.26 In addition, in an attempt to control inflation, the Bank of England has gradually increased bank rate up to 5.25%. These increases have impacted on borrowers and mortgage holders by reducing their levels of disposable income.
- 1.27 The resulting pressures are impacting on the Council directly through increased costs but also through increased service demand. For example, pressures on the rental and private housing markets are putting more individuals at risk of homelessness, with the number of households living in temporary accommodation in England at an all-time high.

Inflation Expectations

- 1.28 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 rates income through the nationally set Non-Domestic Rates Multiplier.
- 1.29 The annual inflation rate in the United Kingdom as measured by the Consumer Prices Index (CPI) stands at 4.6% as at October 2023, down from 11.1% in October 2022. The Consumer Prices Index including owner occupiers' housing cost (CPIH) stands at 4.7% as at October 2023, down from 9.6% in October 2022.
- 1.30 Inflation climbed steadily between February 2021 and October 2022 due to increased demand and limited supply on various products, including gas, oil, and food supplies, following the pandemic restrictions easing and the Ukrainian invasion. The Bank of England has set a target to reduce inflation to 2% by the end of 2025 and has been gradually increasing interest rates to achieve this. As a result, since its peak in October 2022, inflation has fallen significantly and is expected to continue its decline.

Figure 1. CPI Annual Rate



UK Government

- 1.31 A general election is due to be held no later than 28th January 2025. This creates a level of uncertainty as, depending on the outcome of this election, the Government's existing policies and spending plans regarding local government may be subject to change.

Environmental Challenges

- 1.32 The Summer of 2023 has been confirmed by scientists as the hottest season the world has experienced since records began in 1880. Exceptional temperatures were felt across much of the world, exacerbating deadly wildfires in Canada and Hawaii, and searing heatwaves in Europe, South America, Japan and the USA.
- 1.33 The Council declared a Climate Emergency in February 2019, with the intention of achieving a carbon neutral Reading by 2030, which will require further financial commitment to achieve.
- 1.34 Reading has cut its carbon emissions by 51% since 2005 and the Council has cut its own carbon footprint by 74% in 14 years.

Public Sector Spending Plans

- 1.35 The Autumn Statement 2023 was delivered by the Chancellor on 22nd November 2023. The announcement included the following matters that are pertinent to the Council's finances and the wider environment in which it operates:
- For 2024/25, the small business rate multiplier in England will be frozen for a fourth consecutive year at 49.9p, while the standard multiplier will be uprated by September CPI to 54.6p. The retail, hospitality and leisure Business Rates relief has also been extended for 2024/25. Local Authorities will be fully compensated for the loss of income in respect of these.
 - DLUHC intend to bring forward plans for authorities to offer guaranteed accelerated decision dates for major developments in England in exchange for a fee, ensuring refunds are given where deadlines are not met and limiting use of extension of time agreements. This will also include measures to improve transparency and reporting of planning authorities' records in delivering timely decision-making.
 - The government is providing £110 million of funding to support Local Planning Authorities to deliver schemes to offset nutrient pollution, unlocking planning permissions that are otherwise stalled. The government is also investing £5 million in additional funding for DLUHC's Planning Skills Delivery Fund for Local Planning Authorities to target application backlogs.
 - The government is announcing £450 million for a third round of the Local Authority Housing Fund to deliver 2,400 new housing units to house Afghan refugees and ease wider housing and homelessness pressures.
 - The government intends to extend 'thank you' payments into a third year for Homes for Ukraine sponsors across the UK, remaining at £500 per month. The government is also providing £120 million funding for the devolved administrations and local authorities in England to invest in homelessness prevention, including to support Ukrainian households who can no longer remain in sponsorship.
 - From 2024/25, rates of the Local Housing Allowance will be increased to the 30th percentile of local market rents to help low income households with housing costs.
 - The NLW for individuals aged 21 and over will increase by 9.8% to £11.44 an hour from 1 April 2024.
- 1.36 The Office for Budget Responsibility (OBR) subsequently issued its assessment of the Autumn Statement, with the key points relating to local government set out below:

- The financial implications of the announcements contained within the Autumn Statement would require a 2.3% cut in ‘unprotected’ government departmental spending from 2025/26 in order to remain within the total spending envelope outlined in the Spending Review 2021. Delivering a 2.3% a year real terms fall in day-to-day spending would present challenges for local government. Performance indicators for local government continue to show signs of strain, and eleven ‘section 114s’ notices have been issued by local authorities since 2018, compared to two in the preceding 18 years (these notices indicate that the authority’s forecast income is insufficient to meet its forecast expenditure for the next year). *This total increased to 12 in the week following the Autumn Statement.*
- If Defence and Official Development Assistance spending increases in line with the Government’s ambitions, this would lead to unprotected spending (including local government) needing to fall by an average of 4.1% a year.
- Since 2010/11, local authority spending has fallen from 7.4% to 5.0% of Gross Domestic Product (GDP), and it falls further in the OBR forecast to 4.6% of GDP in 2028/29. Given local authorities’ statutory duty to provide a range of services where demand is likely to continue to grow, such as adult and child social care, pressure on local authority finances and services will continue.
- Locally financed capital expenditure is expected to fall slightly in 2023/24 to £8.0 billion and then to £7.7 billion in 2028/29. Borrowing for capital expenditure is expected to fall from its 2019/20 peak of £11.5 billion to £7.0 billion in 2028/29. This reflects the financial pressures facing local authorities and higher interest rates on loans from the Public Works Loan Board, their principal source of financing.
- Net use of current reserves increased by £2.3 billion in 2022/23. This is the first time since 2019/20 that local authorities have drawn on their reserves for current spending. The OBR estimates that due to the ongoing funding pressures on local authorities, there will be further drawdowns during the current Spending Review period, of £1.5 billion in 2023/24 and £0.8 billion in 2024/25, compared to an assumption of no drawdown in both years in their March forecast.

Demographic Forecasts

- 1.37 Demographic growth is one of the key drivers of demand for Council services and, consequently, cost pressures. Whilst general central government funding has seen real terms decreases over the last decade, service demand and demographic pressures have risen.
- 1.38 According to the Office of National Statistics’ latest census in 2021, since 2011 Reading’s total population has risen by 11.9% to 174,200, one of the highest percentage increases in the South East. However, its demographic composition has changed, shifting towards an older population, with increases of 17.2% of residents aged 65+, 11.7% aged 15-64, and 8.6% aged under 15, which includes a decrease of 14.2% in the 0-4 age category.

Unemployment

- 1.39 Around 3,800 people aged 16 and over in Reading were unemployed in the year ending June 2023. This is a rate of 3.9%. This was an increase compared to the year ending June 2022 when the unemployment rate was 3.5%. Across the South East, from the year ending June 2022 to the year ending June 2023, there was also a slight increase in the unemployment rate from 3.3% to 3.4%.

- 1.40 It is hoped that the relatively low levels of unemployment will keep the number of Local Council Tax Support Scheme claimants low, thereby maximising the tax base and thus the amount of Council Tax income collectable.

Deprivation

- 1.41 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).
- 1.42 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:

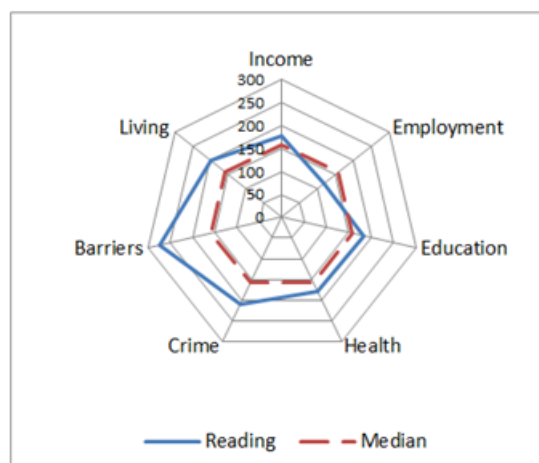
- Income Deprivation (22.5%)
- Employment Deprivation (22.5%)
- Education, Skills, and Training Deprivation (13.5%)
- Health Deprivation and Disability (13.5%)
- Crime (9.3%)
- Barriers to Housing and Services (9.3%)
- Living Environment Deprivation (9.3%)
- Index of income deprivation affecting children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

- 1.43 Key Headlines are:

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

- 1.44 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 – latest available)



Interest Rates

- 1.45 When the 2023/24 Budget and 2023/24-2025/26 MTFS was approved in February 2023, the Bank of England Bank Rate stood at 4.00%. In an attempt to control inflation, the Bank Rate was increased steadily up to 5.25% through to August 2023 where it currently remains, though further increases have not been ruled out and there is an expectation that interest rates will remain higher for longer than had been previously anticipated.
- 1.46 Interest rates impact on both the amount of interest that the Council forecasts it will need to pay in respect of current and forecast future borrowing, as well as the amount of interest receivable income in respect of the levels of forecast investments. As set out in the Council's Borrowing Strategy, the Council is currently attempting to avoid taking any long term borrowing whilst interest rates remain high ahead of forecast decreases in future years. As a consequence, the Council is utilising existing cash balances to cashflow Capital Programme expenditure and has less cash available to invest in longer term investments that generate higher levels of interest receivable income.
- 1.47 For planning purposes, the Council has assumed that the Bank of England will maintain interest rates at 5.25% through to September 2024 followed by gradual decreases to 3.00% by December 2025. The MTFS assumes an average borrowing rate of 4.70% for 2024/25, decreasing to 3.20% and 3.00% in 2025/26 and 2026/27 respectively. These assumptions will be further reviewed prior to the report to Policy Committee in February 2024.

2 Local Government Finance Settlement

- 2.1 At the time of writing, the Provisional Local Government Finance Settlement (PLGFS) for 2024/25 has yet to be announced. Our assumptions around funding levels and changes to the finance system set out in this report are best estimates based on information so far available. Members will be briefed at the meeting should any announcement on the PLGFS be made prior to the December Policy Committee, whilst details of the Final Settlement will be incorporated into the budget report to be presented to Policy Committee in February 2024.
- 2.2 The formal announcement of the 2024/25 PLGFS is expected in mid-December. After a period for consultation, the final settlement will be confirmed in January/February 2024.

3 Future Changes to the Local Government Finance System

- 3.1 No official announcements on future changes to the Local Government Finance System were made as part of the 2023 Autumn Statement. However, the new minister for local government has stated categorically that there is currently no fair funding review taking place or that there are any plans to reform the local government funding formula.
- 3.2 In the absence of an official announcement, and the fact that a business rates reset can technically be implemented without a fair funding review, this MTFS update assumes that the business rates reset will be implemented for 2025/26. This assumption will be reviewed following the Provisional Local Government Finance Settlement.

4 Current Year Financial Position – as at the end of September 2023

- 4.1 The Council regularly monitors its revenue and capital budgets in order to ensure its financial position remains robust, that expenditure is spent as planned and that income due to the Council is received. Additionally, the monitoring process tracks the delivery of savings proposals and risks of non-delivery which may impact on the overall position and hence need to be mitigated.

- 4.2 The Quarter 2 Performance & Monitoring report, which appears elsewhere on the agenda, is forecasting a net adverse variance of £3.685m, consisting of £10.984m of net pressures within Service expenditure budgets partially offset by a positive net variance of £7.299m across Corporate Budgets.
- 4.3 The Housing Revenue Account is projecting a positive net variance of £0.457m as at the end of Quarter 2, which results in a forecast drawdown from HRA Reserves of £2.042m rather than the originally budgeted £2.499m.
- 4.4 The General Fund Capital Programme for 2023/24 has an approved budget of £107.178m. The Quarter 2 Financial Monitoring report is proposing that the budget is revised to reflect additional schemes that are fully funded by grants or contributions as well as budgets for several schemes being re-profiled to later years, which would result in a revised Capital Programme budget for 2023/24 of £67.090m.
- 4.5 The Housing Revenue Account Capital Programme for 2023/24 has an approved budget of £36.442m. It is proposed that the budget is also revised to reflect additional schemes that are fully funded by grants or contributions as well as the reprofiling of several schemes into later years, which would result in a revised HRA Capital Programme budget for 2023/24 of £33.564m.

Section B General Fund Revenue Budget

5 Overall Three-Year Budget Position

- 5.1 In February 2023 the Council agreed an MTFS which balanced in year 1 (2023/24) with a contribution of £6.128m to earmarked reserves, had a surplus of £2.781m in 2024/25 and a deficit of £5.687m in 2025/26. The Council has reviewed its income and expenditure assumptions across all three years of the MTFS period (2024/25-2026/27) with a view to setting a balanced budget for all three years. However, due to considerable levels of uncertainty and cost pressures within the system, this has not been possible at this stage of the process.
- 5.2 The biggest impact on the latest MTFS arises from the significant inflationary pressures currently being felt within contract pricing, pay and demand pressures in areas like homelessness. There remains considerable uncertainty regarding both the severity and the duration of these particular challenges, and a prudent approach has been taken throughout the MTFS refresh process.
- 5.3 As outlined above, the proposals as set out in this report do not result in a balanced budget for 2024/25 or a balanced 2024/25-2026/27 MTFS. The current budget gap is set out in the following table:

Table 2. Current Budget Gap over the MTFS Period 2024/25-2026/27

	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000
Budget Gap	4,107	8,915	(139)	12,883
Cumulative Budget Gap	4,107	13,022	12,883	12,883

- 5.4 Work is ongoing to refine and clarify planning assumptions and identify additional savings to close the budget gap and allow a balanced budget to be approved in February 2024.
- 5.5 The Council's policy is for the General Fund Balance to be 5% of the Net Budget Requirement. Based on the figures in this report the General Fund Balance would need to be increased from the current 2023/24 balance of £8.221m to £8.763m for 2024/25 rising to £9.673m by 2026/27. This percentage is considered appropriate and in light of

the significant uncertainties faced by the Council it would not be prudent to take them below this level.

- 5.6 The position set out in this report relies on achieving service savings and additional income of £6.369m over the three years 2024/25 to 2026/27. Of the £6.369m due to be delivered, £1.071m relates to savings needing to be found in Children's Services delivered in partnership with Brighter Futures for Children, the Council's wholly owned Children's company. The residual £5.298m has to be found from other directly managed Council services as summarised below:

Table 3. General Fund Savings Summary 2024/25 to 2026/27

	Efficiency Savings	Invest to Save Schemes	Income, Fees & Charges	Total
	£000	£000	£000	£000
Children's Services (BFfC)	(871)	0	(200)	(1,071)
Other Council Services	(3,498)	(583)	(1,217)	(5,298)
Total	(4,369)	(583)	(1,417)	(6,369)

- 5.7 The updated MTFS proposals include £32.194m of service growth items (£16.383m pay and other inflationary pressures and £15.811m other service-related pressures).
- 5.8 The proposals for 2024/25 include £20.119m of service growth items (£8.991m pay and other inflationary pressures and £11.128m other service-related pressures) and £4.802m of service savings (£3.719m efficiencies and invest-to-save initiatives and £1.083m from uplifted income). Within those growth and savings assumptions, BFfC represents £8.125m of the pressures with efficiency savings and income of £0.600m, resulting in a net contractual sum increase of £7.525m from the 2023/24 contract sum (a £7.158m increase from the previously agreed contract sum for 2024/25).
- 5.9 A summary of the current budget gap position across the three-year MTFS period are set out in the table below. Further detail is provided in Appendices 1–2 attached:

Table 4. Directorate and Corporate Budgets – Three-Year Summary

	2024/25 £000	2025/26 £000	2026/27 £000
Community and Adult Social Care	57,270	62,154	64,998
Economic Growth & Neighbourhood Services	19,104	19,226	19,307
Resources	18,245	18,180	18,256
Chief Executive Services	1,583	1,583	1,583
Children's Services retained by Council	833	833	833
Children's Services delivered by BFfC	58,955	60,150	61,521
Total Service Expenditure	155,990	162,126	166,498
Capital Financing	18,474	18,916	19,779
Contingency	4,129	4,332	4,332
Movement to / (from) Reserves	(200)	(220)	(220)
Other Corporate Budgets	(3,125)	839	3,080
Total Corporate Budgets	19,278	23,867	26,971
Total Net Budget Requirement	175,268	185,993	193,469
Financed by:			
Council Tax Income	(118,893)	(126,074)	(133,689)
NNDR Local Share	(30,724)	(42,389)	(42,389)
New Homes Bonus	(1,453)	(613)	(613)

Section 31 Grant	(16,196)	0	0
Revenue Support Grant	(2,654)	(2,654)	(2,654)
Other Government Grants	(1,241)	(1,241)	(1,241)
One-off Collection Fund (Surplus)/Deficit	0	0	0
Total Funding	(171,161)	(172,971)	(180,586)
Budget (Surplus)/Gap	4,107	13,022	12,883

6 Value for Money & Efficiency

- 6.1 During 2020/21, 2021/22 and 2022/23 the Council delivered savings totalling £7.579m, £14.319m and £7.401m respectively. As at the end of September 2023, £0.235m of savings have been delivered in year with a further £3.219m on track to be delivered by the end of the year, against the target of £8.118m, amidst the turbulent economic climate.
- 6.2 Over the next three years the proposals included in this MTFS update assume delivery of a further £4.952m of savings as well as additional income of £1.417m, (£3.719m and £1.083m respectively assumed in 2024/25).
- 6.3 Since 2017/18, to support the delivery of efficiencies and ongoing savings, transformation funding has been made available within the Council's Capital Programme funded from Capital Receipts. Appendix 6 attached sets out the Council's Strategy for the 'flexible use of capital receipts', together with the proposals to be funded and spend to date against those already agreed.
- 6.4 In order to deliver greater efficiency, the Council has focussed on service redesign, making greater use of technology and streamlining processes. Additionally, the Council is re-procuring a number of its key contracts to extract better value.

7 Reserve Levels

- 7.1 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 an increasing number of local authorities issuing s114 notices or requesting exceptional financial support over recent 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.
- 7.2 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 2022/23. As a result, reserves have been returned to a more sustainable level.
- 7.3 Based on the latest data available (2021/22), the level of reserves held by Reading Borough Council equated to 57.88% of net revenue expenditure. This placed Reading as the 23rd highest among 51 Unitary Authorities.
- 7.4 The Council is also placed towards the "lower risk" end of the scale in terms of the "Reserves Sustainability" and "Change to Reserves" measures.

8 Planning Assumptions

- 8.1 The following planning assumptions are included within this Medium Term Financial Strategy Update:

- a) **Base Budget** - The starting point for planning is the 2023/24 base budget as agreed by Council in February 2023, adjusted for any approved budget virements;
- b) **Council Tax Increase** - A 2.99% basic increase and a 2.00% Adult Social Care Precept for each year 2024/25-2026/27;
 - On these assumptions, the standard band D charge would rise by £95.86 to £2,016.88 for a full year in 2024/25;
 - The impact on taxpayer bills (before any reduction for discounts) of the Council's proposed increase is a £1.84 per week rise for a band D Council Tax household comprising at least two adults.
 - The majority of properties in Reading are band C and below (approximately 40% of properties are in Band C). Reading's Council Tax increase for a band C property in 2024/25 would be £85.21, an increase of £1.64 per week.
- c) **Council Tax Base** - Increases in the Tax Base for organic growth are currently assumed at 1.43% for 2024/25 and 1.00% for 2025/26 and 2026/27 and will be reviewed and updated as required as part of the Council Tax Base calculation which is reported to Council in January 2024;
- d) **Capital Borrowing Rates** – average borrowing rates of 4.70%, 3.20% and 3.00% have been assumed in respect of financing of the Capital Programme over the next three years respectively. This will need to be reviewed in light of the outcomes of the Bank of England Monetary Policy Committee (MPC) meeting on 14th December 2023 and the resulting interest rate forecasts provided from Link Group, the Council's Treasury Management advisors;
- e) **Investment Interest** – The Bank Rate set by the Bank of England is currently 5.25% and, for the purposes of forecast interest earnings, this will be reviewed in line with the updated interest rate forecasts following the MPC meeting on 14th December 2023. The Council currently also benefits from:
 - **Externally Managed Property Investments** – The Council has £15.000m invested in property funds. The Council makes a return of around 4.75% on a quarterly basis (based on 2023/24 returns); and
 - **Investment Properties** – The Council owns investment properties valued at £67.775m as at 31st March 2023. These properties provide a gross return of 7.76% pa (before capital financing costs).
- f) **Inflation** – CPI is currently at 4.6% as at October 2023 and is forecast to continue to fall over the MTFS period;
- g) **Pay Assumptions** – 3.0% per annum has been budgeted for 2024/25 with 2.0% for the remaining two years of the three-year period;
- h) **Pensions** - The triennial valuation of the Pension Fund took place on 31st March 2022. The primary rate is being held at 16.2% for the first two years of the MTFS period, with a forecast increase to 17.2% in the final year. The secondary (recovery) rate is expected to fall slightly as the primary rate increases. The impacts of these changes have been reflected in the MTFS at a corporate level at this stage;
- i) **Increases in Fees and Charges** – Changes to fees & charges have been incorporated within the budget proposals where appropriate. A full schedule of

fees & charges will be presented as an appendix to the Budget Report in February 2024;

- j) **Capital Financing** – The prudential borrowing costs associated with the proposed Capital Programmes are accommodated within the revenue budgets; and
- k) **Transformation Programme** – The Council has funded £15.352m of transformation projects to 31st March 2023 and has allocated £4.790m of funding for 2023/24, with a further £1.587m for 2024/25. This transformation programme is largely funded by capital receipts which is allowable due to Central Government extending the Flexible Use of Capital Receipts Directive through to March 2025.

8.2 The Council's MTFS and General Fund Budget updates are set out in Appendices 1 and 2.

9 General Fund Revenue Risk Implications

9.1 The current budget gap must be closed in order to set a legally balanced budget.

9.2 Aside from bridging the current budget gap, the main risks to delivering the proposals set out within this report include:

- The ability to contain demand pressures;
- The speed of recovery and buoyancy of the general and local economy;
- Adverse interest rate movements;
- Increased inflationary pressures;
- Delivery of capital receipts to fund the flexible use for transformation purposes and avoid prudential borrowing charges;
- Future local government finance settlements from central government;
- The capacity of Officers to deliver the savings and income projections in line with assumptions;
- Slippage in project delivery adversely impacting efficiencies assumed within the MTFS.

9.3 Additionally, the Council's 2020/21 to 2022/23 accounts are still subject to audit which may mean there could be some movement in the assumed baseline level of reserves.

9.4 However, in setting the new three-year MTFS, contingency provisions of £4.129m in 2024/25 and £4.332m in 2025/26 and 2026/27 have been provided for to allow for slippage or non-delivery of higher risk savings and income targets.

Section C Housing Revenue Account

10 Housing Revenue Account (HRA) Budget

10.1 The HRA is a ring-fenced account which deals with the finances of the Council's social housing stock. The HRA budget must avoid a deficit on reserves over the 30-year HRA Business Plan. Work is currently on-going to review the plan and the impact on the budget over the next 3 years. Any revisions will be reported to the Committee at its meeting in February.

10.2 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 £45.841m of new borrowing under the prudential code in 2024/25-2026/27. The Plan shows that the HRA is able to fund the proposed capital investment which will raise the peak debt in the HRA from £199.554m to £245.394m in 2026/27. However, the Plan

demonstrates that the proposed borrowing is prudent, affordable and sustainable as the HRA has the capacity to repay £124.839m of this in later years and that the projected outstanding debt level at year 30 is forecast to be £120.555m.

- 10.3 A summary of the HRA revenue budget over the three years of the current MTFS plan period is set out below and detailed in Appendix 3.
- 10.4 The rent increase for 2023/24 was capped by Government at 7% which avoided the rents being set at the standard CPI + 1% which would have been 11.1% for 2023/2024. The standard CPI + 1% rate is the baseline assumption for 2024/25 and is based on the CPI rate in September 2023 of 6.7%, therefore the presumed rate is 7.7%. Unlike 2023/24 the indications from Government are that there would be no cap imposed preventing this level being used.
- 10.5 Work has been undertaken to model the impact of a 7.7% increase on the 30-year business plan along with many other assumptions on future inflation. The modelling includes expenditure to maintain our properties, creating New Build properties and investing in low carbon investments in our housing stock to make council homes more energy efficient and reduce energy costs for tenants over the longer term.
- 10.6 The 30 year Business plan presumes a reduction of the current circa £40m HRA Reserve balance level over the next 10 years until the PFI contract is completed. Balances will however remain considerably above the minimum level approved by the Director of Finance (based on 10% of Rental values) throughout this period. Beyond 2035 when the PFI contract is completed and the houses return to the Council the Reserve balances are projected to return to current levels and rise beyond, this additional resource would be available in future years for further investment into Housing stock beyond the current assumptions built in.

Table 5. Summary HRA Three-Year Revenue Budget

(Opening balance reflects the provisional outturn position, subject to audit)

	2024/25	2025/26	2026/27
	£000	£000	£000
Total Income	(51,697)	(52,588)	(54,379)
Total Expenditure	54,329	54,507	56,176
Net (Surplus)/Deficit	2,632	1,919	1,797
Opening HRA Balances	(34,231)	(31,599)	(29,680)
Net (Surplus)/Deficit	2,632	1,919	1,797
Closing HRA Balances	(31,599)	(29,680)	(27,883)

11 Housing Revenue Account Risk Implications

- 11.1 Many of the risks identified in respect of the General Fund revenue budget (see para 11.1-11.2 inclusive) also have relevance for the Housing Revenue Account. Particular risks that pertain additionally to the HRA include:
- Rent collection levels that may be affected by any downturn in the local economy, for example as a consequence of the forecast recession;
 - Changes to benefits which may impact on rent collection levels;
 - Increases in debt financing costs arising from inflationary cost increases in relation to the new build programme; and
 - Maintenance cost increases - potentially additionally impacted by any change to workforce demographics that might arise following Brexit.

Section D Capital Programme

12 Overall Capital Programme

- 12.1 Details of the Capital Programme update for 2024/25 to 2026/27 are set out in Appendix 4 for the General Fund and Appendix 5 for the HRA. This includes carried forward underspends and overspends from 2022/23 and any consequential reprofiling of the budget over the remaining years of the programme. Also reflected are changes to the Delivery Fund, the details of which are shown in Appendix 6 to this report.
- 12.2 During 2023/24, the Capital Programme Board has reviewed all Capital Programme schemes in respect of scheme deliverability with project managers and re-forecast spending plans with the aim of right sizing the budget to match individual scheme delivery profiles, and to address historic reprofiling/slippage issues.
- 12.3 At this stage, other than fully grant funded and rolling programme schemes, no new schemes funded by borrowing have been added into the Capital Programme as this would result in an increased overall budget gap. The Capital Programme will be further reviewed in January, following the Local Government Finance Settlement.

13 Capital Programme Risk Implications

- 13.1 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.

14 Budget Next Steps

- 14.1 Statutory and wider consultation based on the budget proposals contained in this report will be undertaken and responses reported back to Policy Committee in February 2024. Similarly, the implications of the Local Government Finance Settlement (when it is announced) and the updated Capital Financing implications will also be reported to the Committee together with any additional savings proposals identified.
- 14.2 Policy Committee, at its meeting on 19th February 2024, will be asked to approve a balanced 2024/25 budget and three-year MTFS and recommend its adoption by Council at its meeting on 27th February 2024.

15 Contribution to Strategic Aims

- 15.1 Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical. An updated Corporate Plan is currently being drafted and will be presented to Policy Committee in February 2024 prior to Council, also in February 2024.
- 15.2 Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

16 Environmental and Climate Implications

- 16.1 The Council declared a Climate Emergency at its meeting on 26th 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 enroute to net zero by 2030. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.
- 16.2 Reading is one of only 119 towns and cities in the world to make the CDP A List 2023 – recognised as the gold standard of environmental reporting. It is the third successive year Reading has achieved the status which is shared with only 25 other UK local authorities this year. The Council has worked with local partners to make the A List and is calling on all Reading residents, businesses and organisations to work together to help us reach our ambitious target of a net zero Reading by 2030.
- 16.3 There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

17 Community Engagement

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

18 Equality Implications

- 18.1 The equality duty is relevant to the development of the Budget. The specific savings and income proposals included in the budget are subject to consultation and equality impact assessments where required and these are being progressed as appropriate.
- 18.2 An Equality impact Assessment of the proposals contained within this MTFS Update is attached as Appendix 7.

19 Other Relevant Considerations

- 19.1 There are none.

20 Legal Implications

- 20.1 The Local Government Act 2003 requires that the Authority reviews its Budget throughout the year and takes any action it deems necessary to deal with the situation arising from monitoring. Currently monitoring reports are submitted to Policy Committee quarterly throughout the year.

21 Financial Implications

- 21.1 The financial implications are set out in the body of this report.

22 Timetable for Implementation

- 22.1 Not applicable.

23 Background Papers

- 23.1 There are none.

Appendices

- 1. Summary of the Proposed General Fund Budget 2024/25 to 2026/27**
- 2. Summary of General Fund Budget Changes 2024/25 to 2026/27**
- 3. Summary of HRA Budget 2024/25 to 2026/27**
- 4. General Fund Capital Programme 2024/25 to 2026/27**
- 5. HRA Capital Programme 2024/25 to 2026/27**
- 6. Flexible Capital Receipts Strategy**
- 7. Equality Impact Assessment**

Appendix 1 - Summary of the Proposed General Fund Budget 2024/25 to 2026/27

Directorate/Service	Approved Budget 2023/24 £'000	Proposed Budget 2024/25 £'000	Proposed Budget 2025/26 £'000	Proposed Budget 2026/27 £'000
Community & Adult Social Care				
Commissioning, Transformation & Performance	2,572	2,739	2,827	2,918
Adult Services Operations	41,049	46,500	51,296	54,049
Safeguarding, Quality & Practice	3,536	3,668	3,668	3,668
Community & Adult Social Care Management	1,391	1,391	1,391	1,391
Housing & Communities	1,908	2,972	2,972	2,972
Public Health	0	0	0	0
Community & Adult Social Care	50,456	57,270	62,154	64,998
Economic Growth & Neighbourhood Services				
Planning, Transport & Public Protection	512	(944)	(1,386)	(1,386)
Culture	3,059	3,068	2,936	2,110
Environmental & Commercial Services	16,845	18,815	19,379	19,947
Property & Asset Management	(3,145)	(2,770)	(2,889)	(2,972)
Management & Sustainability	566	935	1,186	1,608
Economic Growth & Neighbourhood Services	17,837	19,104	19,226	19,307
Resources				
Policy, Performance & Customer Services	2,293	2,020	2,005	2,005
Human Resources & Organisational Development	1,975	1,986	1,990	1,990
Procurement & Contracts	381	381	381	381
Finance	4,481	4,631	4,681	4,681
Legal & Democratic Services	2,975	2,825	2,725	2,725
Digital, Technology & Change	6,444	6,402	6,398	6,474
Resources	18,549	18,245	18,180	18,256
Chief Executive Services				
Corporate Management Team	891	891	891	891
Communications	672	692	692	692
Chief Executive Services	1,563	1,583	1,583	1,583
Children's Services				
Retained by Council	838	833	833	833
Brighter Futures for Children	51,430	58,955	60,150	61,521
Children's Services	52,268	59,788	60,983	62,354
Total Service Expenditure	140,673	155,990	162,126	166,498

Appendix 1 - Summary of the Proposed General Fund Budget 2024/25 to 2026/27

Directorate/Service	Approved Budget 2023/24 £'000	Proposed Budget 2024/25 £'000	Proposed Budget 2025/26 £'000	Proposed Budget 2026/27 £'000
Corporate Budgets				
Capital Financing Costs	17,601	18,474	18,916	19,779
Contingency	4,108	4,129	4,332	4,332
Movement to / (from) Reserves	6,128	(200)	(220)	(220)
Other Corporate Budgets	(4,099)	(3,125)	839	3,080
Corporate Budgets	23,738	19,278	23,867	26,971
Net Budget Requirement	164,411	175,268	185,993	193,469
Financed By:				
Council Tax Income	(111,086)	(118,893)	(126,074)	(133,689)
Business Rates Local Share	(28,489)	(30,724)	(42,389)	(42,389)
New Homes Bonus	(1,453)	(1,453)	(613)	(613)
Section 31 Grant	(15,183)	(16,196)	0	0
Revenue Support Grant	(2,487)	(2,654)	(2,654)	(2,654)
Other Government Grants	(1,498)	(1,241)	(1,241)	(1,241)
One-off Collection Fund (Surplus)/Deficit	(4,215)	0	0	0
One-off Collection Fund (Surplus)/Deficit - Business Rates (Covid Reliefs)	0	0	0	0
Section 31 Grants Released from Reserves	0	0	0	0
Release from Collection Fund Smoothing Reserve	0	0	0	0
Total Funding	(164,411)	(171,161)	(172,971)	(180,586)
Over/(Under) Budget	0	4,107	13,022	12,883

Appendix 2 - Summary of General Fund Budget Changes 2024/25 to 2026/27

	2024/25	2025/26	2026/27	Total Changes
	£'000	£'000	£'000	£'000
Approved Service Budget	140,673	155,990	162,126	
Contractual Inflation	8,991	3,692	3,700	16,383
Budget Pressures	11,128	3,546	1,137	15,811
Efficiency Savings	(3,501)	(403)	(465)	(4,369)
Invest to Save	(218)	(365)	0	(583)
Income Fees & Charges	(1,083)	(334)	0	(1,417)
Proposed Total Service Expenditure	155,990	162,126	166,498	25,825
Approved Corporate Budgets	23,738	19,278	23,867	
Changes to Corporate Budgets	(4,460)	4,589	3,104	3,233
Proposed Corporate Budgets	19,278	23,867	26,971	3,233
Proposed Net Budget Requirement	175,268	185,993	193,469	29,058

This page is intentionally left blank

Appendix 3 - Summary of the Proposed Housing Revenue Account Budget 2024/25 to 2026/27

	Approved Budget 2023/24 £'000	Proposed Budget 2024/25 £'000	Proposed Budget 2025/26 £'000	Proposed Budget 2026/27 £'000
Dwelling Rents	(40,620)	(44,019)	(45,592)	(47,429)
Service Charges	(1,032)	(1,004)	(1,023)	(1,054)
PFI Credit	(3,997)	(4,452)	(4,517)	(4,584)
Other Income	(346)	(192)	(195)	(199)
Interest on Balances	(735)	(2,030)	(1,261)	(1,113)
Total Income	(46,731)	(51,697)	(52,588)	(54,379)
Economic Growth & Neighbourhood Services				
Management & Supervision	8,796	9,479	9,456	9,657
Special Services	4,404	4,534	4,624	4,741
Provision of Bad Debt	405	891	915	946
Responsive Repairs	4,144	4,603	4,350	4,437
Planned Maintenance	3,488	4,391	3,255	3,313
Major Repairs/Depreciation	12,871	15,192	15,804	16,048
Debt Costs	7,148	6,985	7,693	8,371
PFI Costs	7,975	8,254	8,410	8,663
Total Expenditure	49,230	54,329	54,507	56,176
Net (Surplus)/Deficit	2,499	2,632	1,919	1,797
Forecast Opening HRA Balances	(36,730)	(34,231)	(31,599)	(29,680)
Net (Surplus)/Deficit	2,499	2,632	1,919	1,797
Forecast Closing HRA Balances	(34,231)	(31,599)	(29,680)	(27,883)

This page is intentionally left blank

Appendix 4 - General Fund Capital Programme 2024/25 - 2026/27

Scheme Name	2023/24 Forecast			2024/25 Forecast			2025/26 Forecast			2026/27 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)
Community & Adult Social Care												
Adult Social Care												
e-Marketplace & Equipment Renewal Portal Software	-	-	-	170	(93)	77	-	-	-	-	-	-
Mobile Working and Smart Device	-	-	-	150	-	150	-	-	-	-	-	-
Replacement of Community Re-ablement Software	-	-	-	62	-	62	-	-	-	-	-	-
Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats	455	-	455	3,513	-	3,513	3,698	-	3,698	-	-	-
Adult Social Care - Sub Total	455	-	455	3,895	(93)	3,802	3,698	-	3,698	-	-	-
Housing & Communities												
Provision of Gypsy & Traveller Accommodation	100	-	100	3,355	-	3,355	-	-	-	-	-	-
Harden Public Open Spaces to Prevent Illegal Encampments	13	-	13	25	-	25	25	-	25	25	-	25
Green Homes Scheme - GF element	41	(41)	-	-	-	-	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector)	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-
Foster Carer Extensions	225	-	225	175	-	175	-	-	-	-	-	-
Private Sector Renewals	175	-	175	780	-	780	300	-	300	300	-	300
Housing & Communities - Sub Total	1,751	(1,238)	513	5,532	(1,197)	4,335	1,522	(1,197)	325	1,522	(1,197)	325
Community & Adult Social Care - Total	2,206	(1,238)	968	9,427	(1,290)	8,137	5,220	(1,197)	4,023	1,522	(1,197)	325
Economic Growth and Neighbourhood Services												
Planning, Transportation & Public Protection												
Air Quality Monitoring	18	(18)	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 2	805	(805)	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 3	500	(500)	-	1,887	(1,887)	-	-	-	-	-	-	-
Active Travel Tranche 4	75	(75)	-	-	-	-	-	-	-	-	-	-
Berkshire Coroner's Removals	-	-	-	29	-	29	-	-	-	-	-	-
Bus Service Improvement	2,000	(2,000)	-	13,610	(13,610)	-	-	-	-	-	-	-
Local Transport Plan Development	400	(400)	-	1,280	(1,280)	-	400	(400)	-	400	(400)	-
National Cycle Network Route 422	137	(137)	-	-	-	-	-	-	-	-	-	-
Reading West Station	2,464	(527)	1,937	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 1 & 2)	394	(394)	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 3 & 4)	1,262	(1,262)	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 5 & 6)	-	-	-	9,000	(7,000)	2,000	5,000	(5,000)	-	-	-	-
Town Centre Street Trading Infrastructure	-	-	-	28	-	28	-	-	-	-	-	-
Construction of Green Park Station	225	(225)	-	70	(70)	-	-	-	-	-	-	-
Car Park Investment Programme (inc P&D, Red Routes & Equipment)	326	(326)	-	326	(326)	-	326	(326)	-	326	(326)	-
CIL Local Funds - Community	15	(15)	-	584	(584)	-	-	-	-	-	-	-
CIL Local Funds - Transport	-	-	-	724	(724)	-	-	-	-	-	-	-
CIL Local Funds -Neighbourhood Allocation	-	-	-	477	(477)	-	-	-	-	-	-	-

[illegible]

Scheme Name	2023/24 Forecast			2024/25 Forecast			2025/26 Forecast			2026/27 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)
CIL Local Funds - Leisure and Play	699	(699)	-	150	(150)	-	-	-	-	-	-	-
Highway Signals_Capital Bid	234	-	234	-	-	-	-	-	-	-	-	-
Invest to save energy savings - Street lighting	428	-	428	160	-	160	-	-	-	-	-	-
Pedestrian Defined Urban Pocket Gardens	75	-	75	-	-	-	-	-	-	-	-	-
Pedestrian dropped kerb facilities with tactile pavers	240	-	240	-	-	-	-	-	-	-	-	-
Pedestrian handrails	240	-	240	-	-	-	-	-	-	-	-	-
Pumping Station Upgrade Scheme (new)	42	-	42	-	-	-	-	-	-	-	-	-
Purchase of Electric Road Marking Machine	86	-	86	-	-	-	-	-	-	-	-	-
Railway footbridge lighting in West Reading	70	-	70	-	-	-	-	-	-	-	-	-
Reading Station Subway	406	(406)	-	-	-	-	-	-	-	-	-	-
Town Centre Improvements	251	-	251	-	-	-	-	-	-	-	-	-
Cattle Market Car Park	516	(516)	-	-	-	-	-	-	-	-	-	-
Digitised TRO's	-	-	-	300	-	300	-	-	-	-	-	-
Eastern Area Access Works	19	(19)	-	180	(180)	-	-	-	-	-	-	-
Local Traffic Management and Road Safety Schemes	238	(238)	-	388	(388)	-	150	(150)	-	150	(150)	-
Oxford Road Corridor Works	24	(24)	-	275	(275)	-	-	-	-	-	-	-
Traffic Management Schools	33	(33)	-	398	(398)	-	-	-	-	150	(150)	-
Western Area Access Works	13	(13)	-	115	(115)	-	-	-	-	-	-	-
Vehicle Maintenance Workshop	1,312	-	1,312	-	-	-	-	-	-	-	-	-
Replacement Vehicles	4,688	-	4,688	-	-	-	-	-	-	-	-	-
Environmental & Commercial Services - Sub Total	17,631	(4,713)	12,918	9,349	(3,607)	5,742	7,100	(1,988)	5,112	3,350	(2,138)	1,212
Property & Asset Management												
The Heights Permanent Site Mitigation	30	(30)	-	426	(426)	-	-	-	-	-	-	-
Corporate and Community Buildings	2,025	-	2,025	1,757	-	1,757	1,000	-	1,000	1,000	-	1,000
1 Dunsfold Fitout for BfC Family Contact Centre - Development for Community Use	56	-	56	-	-	-	-	-	-	-	-	-
Katesgrove Community and YOS Refurbishment - Development for Community Use	41	-	41	-	-	-	-	-	-	-	-	-
Maintenance & Enhancement of Council Properties	-	-	-	-	-	-	8,800	-	8,800	-	-	-
Regeneration Projects	-	-	-	-	-	-	-	-	-	-	-	-
Acre Business Park	30	-	30	570	-	570	-	-	-	-	-	-
The Keep building works and improved arts/culture facilities	-	-	-	-	-	-	-	-	-	-	-	-
Property & Asset Management - Sub Total	2,182	(30)	2,152	2,753	(426)	2,327	9,800	-	9,800	1,000	-	1,000
Management & Sustainability												
Renewable Energy	5	-	5	658	-	658	-	-	-	-	-	-
Salix Decarbonisation Fund	1,008	-	1,008	364	-	364	-	-	-	-	-	-
Salix Re-Circulation Fund	168	-	168	-	-	-	-	-	-	-	-	-
Corporate Solar Programme	303	-	303	866	-	866	784	-	784	-	-	-
Management and Sustainability - Sub Total	1,484	-	1,484	1,888	-	1,888	784	-	784	-	-	-
Economic Growth and Neighbourhood Services Total	39,785	(14,623)	25,162	63,862	(40,354)	23,508	36,606	(19,139)	17,467	6,129	(2,864)	3,265

Scheme Name	2023/24 Forecast			2024/25 Forecast			2025/26 Forecast			2026/27 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)
Resources												
Customer Digital Experience	867	-	867	758	-	758	-	-	-	-	-	-
Universal Digital Systems	2,427	-	2,427	-	-	-	-	-	-	-	-	-
IT Future Operating Model	1,941	-	1,941	-	-	-	-	-	-	-	-	-
Democratic Hybrid AV	190	-	190	-	-	-	-	-	-	-	-	-
Re-Procurement / Reimplementation of Finance System	202	(139)	63	-	-	-	-	-	-	-	-	-
Education Management System	77	-	77	-	-	-	-	-	-	-	-	-
Cremator Procurement	185	-	185	812	-	812	-	-	-	-	-	-
Burial Land Acquisition	-	-	-	-	-	-	1,641	-	1,641	-	-	-
Resources Total	5,889	(139)	5,750	1,570	-	1,570	1,641	-	1,641	-	-	-
Economic Growth and Neighbourhood Services (Education Schemes)												
Additional School Places - Contingency	50	(50)	-	300	(300)	-	300	(300)	-	350	(350)	-
DFC	195	(195)	-	-	-	-	-	-	-	-	-	-
SEN Provision - Avenue Centre	1,054	(1,054)	-	-	-	-	-	-	-	-	-	-
Asset Management	348	(348)	-	306	(306)	-	312	(312)	-	-	-	-
Children in care Emergency Provision	35	-	35	-	-	-	-	-	-	-	-	-
Civitas- Synthetic Sports Pitch	5	(5)	-	19	(19)	-	-	-	-	-	-	-
Crescent Road Playing Field Improvements	-	-	-	126	(126)	-	-	-	-	-	-	-
Critical Reactive Contingency: Health and safety (Schools)	500	(500)	-	500	(500)	-	300	(300)	-	560	(560)	-
Fabric Condition Programme	2,900	(2,900)	-	1,457	(1,457)	-	900	(900)	-	919	(919)	-
Green Park Primary School	-	-	-	60	(60)	-	-	-	-	-	-	-
Heating and Electrical Renewal Programme	1,000	(1,000)	-	695	(695)	-	282	(282)	-	1,726	(1,726)	-
Initial Viability work for the Free School at Richfield Avenue	4	(4)	-	4	(4)	-	-	-	-	28	(28)	-
Katesgrove Primary Trooper Potts Building	-	-	-	56	(56)	-	-	-	-	-	-	-
Meadway Early Years Building Renovation	1	(1)	-	-	-	-	-	-	-	-	-	-
Modular Buildings Review	250	(250)	-	600	(600)	-	250	(250)	-	900	(900)	-
Pinecroft-Children who have complex health, physical,sensory,disabilities & challenging behaviour	2	-	2	-	-	-	-	-	-	-	-	-
Cressingham- Community Short Breaks Provision	300	-	300	-	-	-	-	-	-	-	-	-
Dee Park Regeneration - Housing Infrastructure Fund (school)	2,778	(2,778)	-	3,437	(3,437)	-	-	-	-	6,153	(6,153)	-
Public Sector Decarbonisation Funds - School Estate Double Glazing Programme	786	(786)	-	-	-	-	-	-	-	-	-	-
SCD Units	78	(78)	-	-	-	-	-	-	-	-	-	-
Schools - Fire Risk Assessed remedial Works	300	(300)	-	100	(100)	-	-	-	-	163	(163)	-
SEN Norcot	83	(83)	-	-	-	-	-	-	-	-	-	-
SEN High Needs provision capital allocations	500	(500)	-	1,810	(1,810)	-	1,810	(1,810)	-	1,811	(1,811)	-
The Heights Temporary School	351	(351)	-	-	-	-	-	-	-	-	-	-
Park Lane Primary School Annexe Replacement	2,500	(2,500)	-	-	-	-	-	-	-	-	-	-
Economic Growth and Neighbourhood Services (Education Schemes) Total	14,020	(13,683)	337	9,470	(9,470)	-	4,154	(4,154)	-	12,610	(12,610)	-

Scheme Name	2023/24 Forecast			2024/25 Forecast			2025/26 Forecast			2026/27 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)
Corporate												
Delivery Fund (Pump priming for Transformation projects)	4,595	-	4,595	1,782	-	1,782	-	-	-	-	-	-
Loan To RTL (Bus replacement programme)	-	-	-	5,000	-	5,000	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	-	-	-	2,000	(2,000)	-	-	-	-	-	-	-
Minster Quarter	495	-	495	532	-	532	-	-	-	-	-	-
Corporate Total	5,190	-	5,190	9,414	(2,000)	7,414	2,600	-	2,600	2,600	-	2,600
General Fund Total	67,090	(29,683)	37,407	93,743	(53,114)	40,629	50,221	(24,490)	25,731	22,861	(16,671)	6,190

This page is intentionally left blank

Appendix 5 - HRA Capital Programme 2024/25 - 2026/27

Scheme Name	2023/24 Forecast			2024/25 Forecast			2025/26 Forecast			2026/27 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	5,119	-	5,119	8,521	-	8,521	17,550	-	17,550	1,136	-	1,136
Major Repairs - Zero Carbon Retrofit works	7,134	-	7,134	11,582	-	11,582	11,803	-	11,803	6,023	-	6,023
Disabled Facilities Grants	665	-	665	688	-	688	700	-	700	-	-	-
New Build & Acquisitions - Phase 2 - 4	11,659	(4,626)	7,033	15,655	(4,134)	11,521	12,593	(6,392)	6,201	-	-	-
Local authority new build programme for Older people and vulnerable adults	942	(942)	-	12,737	(12,737)	-	25,156	(7,279)	17,877	25	-	25
Homes Provided under Local Authority Housing Fund	7,541	(3,461)	4,080	-	-	-	-	-	-	-	-	-
Housing Management System	504	-	504	-	-	-	-	-	-	-	-	-
Grand Total	33,564	(9,029)	24,535	49,183	(16,871)	32,312	67,802	(13,671)	54,131	7,184	-	7,184

This page is intentionally left blank

1. Background

- 1.1 Local authorities are limited in their ability to utilise capital receipts (the disposal proceeds from the sale of fixed assets or repayment of loans for capital purposes). Statutory guidance issued under s15(1) of the Local Government Act 2003 by the Ministry of Housing, Communities and Local Government (as amended) generally precludes capital receipts being used to fund revenue expenditure and requires them to be applied to either fund capital expenditure or repay debt. The Act also requires local authorities to have regard to other guidance as directed by the Secretary of State – this currently includes the following guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA):
- The Prudential Code for Capital Finance in Local Authorities; and
 - The Code of Practice on Local Authority Accounting.
- 1.2 The Spending Review 2015 included a relaxation to the above regulations allowing the use of capital receipts for a limited period; between 2016/17 and 2018/19, to fund revenue expenditure *“that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or improve the quality of service delivery in future years”*. This announcement was implemented by the issuing of regulations in March 2016. The period over which these amended regulations applied was extended to 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 2023 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 MTFS for consultation (to which this Strategy is attached as an appendix) contains £4.581m of savings and £1.417m 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 2024 and is, under regulations, funded from the use of capital receipts.

3. Delivery Fund

- 3.1 A report to Council on 26 June 2018 established the Delivery Fund and set out in detail how the £13.6m then allocated for the Delivery Fund would be invested. It included:
 - Capacity to set up and deliver the Council's programme of change and transformation; and
 - Resources to deliver specific savings.
- 3.2 Further reports to Council in February of each subsequent year have described how the Delivery Fund had been invested to date and provided a summary of Delivery Fund allocation from its inception in 2017/18 until the end of the planning period covered at the time.
- 3.3 Slippage in calls on the Delivery Fund saw an outturn for 2022/23 of £1.269m compared to the budgeted spend of £4.066m. This report updates latest projected project budgets to include that slippage together with further proposals being brought forward as well as changes in estimated future costs. Annexe A sets out the latest forecasts for 2023/24 and the proposed budget for 2024/25 (the final year the extended capital receipts flexibility can be applied).
- 3.4 The table below summarises the forecast budgets and historic actual spend by the Delivery Fund from positions previously presented to Members.

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

	Prior Years Actuals (£000's)	2022/23 Actuals (£000's)	2023/24 Budget (£000's)	2024/25 Budget (£000's)	Total (£000's)
<u>February 2023</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>December 2023</u>					
Capital Receipts Strategy	13,391	679	4,790	650	19,510
Supported by Revenue Funding	692	590	0	0	1,282
Contingency/Unallocated	0	0	0	937	937
	14,083	1,269	4,790	1,587	21,729

- 3.5 The change in forecast spend between February 2023 and December 2023 includes the roll forward of underspends from 2022/23, and further re-phasing of 2023/24 budgets together with new spend proposals being approved and others being identified as no longer required.
- 3.6 There is currently £0.937m of unallocated contingency available to fund future delivery fund bids in 2024/25. Any additional bids approved in 2023/24 will reduce the amount of unallocated contingency in 2024/25.
- 3.7 Annexe A to this Strategy contains a list of all Delivery Fund projects illustrating the changes to Delivery Fund allocations since those agreed in February 2023.

This page is intentionally left blank

Changes to Delivery Fund Projects Since February 2023

Saving Description	Resource Required	Prior Year Actuals (£000's)	2022/23 Budget (£000's)	2022/23 Change (£000's)	2022/23 Actuals (£000's)	2023/24 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	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.	74	-	-	-	-	-	74
	Pilot Thoughtonomy - Virtual workers	70	-	-	-	-	-	70
	Pilot Thoughtonomy - Develop role	37	-	-	-	-	-	37
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	-	-	-	-	-	260
Capacity to support delivery of change and savings across programme	Programme Officer x2	76	-	-	-	-	-	76
	Senior Project Manager x 2	217	-	-	-	-	-	217
	Business Analyst	112	-	-	-	-	-	112

Changes to Delivery Fund Projects Since February 2023

Saving Description	Resource Required	Prior Year Actuals (£000's)	2022/23 Budget (£000's)	2022/23 Change (£000's)	2022/23 Actuals (£000's)	2023/24 Budget (£000's)	2024/25 Proposed Budget (£000's)	2017-25 Total (£000's)
	Project Officer	86	-	-	-	-	-	86
	Contribution to Team Reading costs	10	-	-	-	-	-	10
Management and Staffing Review	OD upskilling	11	-	-	-	-	-	11
	Business Analysts x 2	138	-	-	-	-	-	138
Executive Recruitment Search Fees	Psychometric Assessment Training	17	-	-	-	-	-	17
	ICT Accelerator	174	-	-	-	-	-	174
	Modern Workplace Project	72	-	-	-	-	-	72
	Finance Transformation	187	-	-	-	-	-	187
	PMO Training	12	-	-	-	-	-	12
<i>*Making the Customer Service and Corporate Improvement more efficient</i>	<i>Staff and implementation costs</i>	500	-	-	-	-	-	500
Digitisation - cross cutting savings and redesign of Council-wide services	Digital Services Developer x2	32	-	-	-	-	-	32
	Staffing costs for Interim Chief Accountant	-	132	-	132	216	-	348
	Staffing costs for Finance Transformation Consultant	-	30	-	30	-	-	30
	Finance system implementation lead and support	98	86	(3)	83	89	-	270
<i>Customer Service and Corporate Improvement Service</i>	<i>Senior Project Manager, Business Analyst x3</i>	-	346	(84)	262	84	-	346
Procurement Training & Support	Support for current and future savings delivery related to Procurement & Contracts	-	207	(188)	19	256	-	275
Strengthen Financial Support	Strategic Finance Business Partner for 2 Years fixed term	-	15	(15)	-	106	77	183
Traded Services within HR&OD	BACS Bureau set up costs	-	5	(5)	-	5	-	5
PMO Team		-	-	-	-	300	300	600
Events & Engagement Income generation	Events Assistant	-	-	-	-	30	-	30
Finance Transformation	Change Manager	-	-	-	-	125	-	125
Finance Transformation - AP Prepayments		-	-	-	-	111	-	111
Finance Transformation - Procurement		-	-	-	-	103	-	103
Total: Director of Resources (DOR)		4,223	821	(295)	526	1,425	377	6,551
				-				
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
	Practice Improvement Principle Social Worker	81	-	-	-	-	-	81
	Family Group Conferencing	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	175	-	-	-	-	-	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	729	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	-	-	-	-	-	-	-

Changes to Delivery Fund Projects Since February 2023

Saving Description	Resource Required	Prior Year Actuals (£000's)	2022/23 Budget (£000's)	2022/23 Change (£000's)	2022/23 Actuals (£000's)	2023/24 Budget (£000's)	2024/25 Proposed Budget (£000's)	2017-25 Total (£000's)
Work stream E: Consolidating Corporate Resilience	Strengthen Commissioning Function (provide senior Commissioning and Contract Management capacity) 18/19 start up. Savings linked to Improved Contract Management	268	-	-	-	-	-	268
	Design & implementation of supported lodgings for 16+	5	-	-	-	-	-	5
	Modernising CIPSC's	10	-	-	-	-	-	10
	Review of Continued Health Contribution (CHC). 18/19 start up	29	-	-	-	-	-	29
	Enhanced utilisation of capacity at Pinecroft & 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	204	-	-	-	-	-	204
	Development of traded services	418	-	-	-	-	-	418
	Transformation Programme Team	1,129	-	-	-	-	-	1,129
	Short Breaks	20	-	-	-	-	-	20
	Children in Need Team	352	-	-	-	-	-	352
	End to end mapping and demand management	176	64	-	64	-	-	240
	SEND Transport Review	81	19	-	19	-	-	100
	Transformation of SEND System	-	330	(167)	163	167	-	330
Total: Childrens (BFFC)		4,791	441	(167)	274	380	210	5,655
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	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	Social Workers X6 (S117, LDX2, MH, OP, PD)	676	-	-	-	-	-	676
Investment to secure ongoing savings	Social Workers X6 (S117, LDX2, MH, OP, PD) savings	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
	Consultancy advice for service shaping	30	-	-	-	-	-	30
	Senior Transformation Manager	177	-	-	-	-	-	177
	Workforce consultancy & Training Programmes (Partners for change)	123	-	-	-	-	-	123
	Transitions - operational consultant	21	-	-	-	-	-	21
	Direct Payments - 2x PA Officers	58	36	-	36	-	-	94
	Locum Social Workers x4 Reviewing Team Project	137	115	-	115	-	-	252
Investment in Technology Enabled Care at home	Funding for TECH Team	139	-	-	-	-	-	139

Changes to Delivery Fund Projects Since February 2023

Saving Description	Resource Required	Prior Year Actuals (£000's)	2022/23 Budget (£000's)	2022/23 Change (£000's)	2022/23 Actuals (£000's)	2023/24 Budget (£000's)	2024/25 Proposed Budget (£000's)	2017-25 Total (£000's)
Enhanced reablement for mental health and learning disability service users	Transformation Partner MH/LD	-	60	(60)	-	60	-	60
	Transitions Top Up - Transitions Practitioner	31	-	-	-	-	-	31
	Outcome based Service Delivery - Locum Worker and OT	40	93	(93)	-	93	-	133
	PM for outcomes, decision making and outreach.	15	97	(51)	46	67	-	128
	PM for Front Door, Reading Services Guide and Digital Front Door.	15	49	-	49	-	-	64
	Reducing the number of overdue reviews	56	87	-	87	-	-	143
	Reduce people waiting for Mental Capacity Assessments to move from Appointee to Court Appointed Deputy	-	49	(21)	28	21	-	49
	Physiotherapist for community rehabilitation post rapid hospital discharge	28	29	-	29	-	-	57
	Relaunch & expand NHS Health Checks Programme	6	50	(23)	27	23	-	56
	CHC Resource	87	-	-	-	-	-	87
	Commissioning Quality Assurance	-	44	(44)	-	-	-	-
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	-	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	-	73
Social Care Reform	Prog Man, Proj Man & Fin Analyst	-	248	(248)	-	248	-	248
CQC Assurance	Sen. Commissioning Officer, Care Gov. Officer, Senior Performance Analyst, Business Analyst, Guidance Tool	-	342	(342)	-	342	-	342
DACHS VCS Front Door and Online Signposting/Self-Serve Tool		-	117	(117)	-	402	-	402
Mosaic Development		-	-	-	-	390	-	390
Maximising DACHS Income	Additional Debt Recovery staff in ASC, Finance and Legal.	-	63	(63)	-	316	23	339
Adult LD/MH Reablement		-	70	(70)	-	130	-	130
	Audit Compliance Process Lead	-	-	-	-	83	-	83
Total: Directorate of Adults Social Care and Health (DACHS)		2,864	1,960	(1,543)	417	2,586	23	5,890
				-				
Working across workstream of Corporate Change Programme to deliver savings and transformation	Project Officer 1	51	-	-	-	-	-	51
Review of waste collection delivery models. Also connected to Waste Operations-optimising collection routes; Increase Trade Waste Collection and Disposal service turn over by 100% (£650,000pa to £1.3m)	Specialist advice and support, administration resource, Contract manager costs, Procurement of IT systems, Introduction of revised collection schedule	189	-	-	-	-	-	189
Review option of trust model for Arts	Consultancy costs	29	-	-	-	-	-	29
Maximising Income from the Town Hall & Museum	Consultancy support to provide commercial advice on business plan and associated staffing structures	26	-	-	-	-	-	26
Review existing Parking Permit Charges	Comms Support, IT Support	11	-	-	-	-	-	11
Extend residents parking permit areas	Consultant support	89	-	-	-	-	-	89
Introduce Bus Lane Enforcement on Kings Road and Forbury Road bus lanes	DLO support to introduce new parking schemes	1	-	-	-	-	-	1

Changes to Delivery Fund Projects Since February 2023

Saving Description	Resource Required	Prior Year Actuals (£000's)	2022/23 Budget (£000's)	2022/23 Change (£000's)	2022/23 Actuals (£000's)	2023/24 Budget (£000's)	2024/25 Proposed Budget (£000's)	2017-25 Total (£000's)
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	-	51
Alternative delivery models - identify and prioritise those services that are most likely to yield a significant saving with the 3-year MTFS period	General resource	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	-	-	-	-	-	-	-
Food Waste	Project Manager	83	-	-	-	-	-	83
	Consultants to carry out modelling	8	-	-	-	-	-	8
	Stickers and Leaflets (Phases 1 & 2)	25	11	-	11	-	-	36
	Mailout to all residents	22	10	-	10	-	-	32
	Communications time and production	32	15	-	15	-	-	47
	Marketing	88	21	(5)	16	-	-	104
Maximising Income from the Town Hall & Museum	One-off investment - equipment, marketing, consultancy	41	-	-	-	-	-	41
Transport and Parking Review	Consultant Support	157	-	-	-	-	-	157
Parking Asset Review		-	95	(95)	-	130	-	130
Culture Fundraising Campaign	Consultant	-	20	(20)	-	20	-	20
Whitespace system for Streetscene	Hardware, software licences and implementation costs.	-	-	-	-	132	40	172
	Streetworks Permit Scheme	-	-	-	-	100	-	100
Total: Directorate of Economic Growth and Neighbourhoods (DEGNS)		2,205	189	(137)	52	399	40	2,696
Capacity to manage and support Corporate Programme of Change	Managing Change - unallocated funding	-	655	(655)	-	-	937	937
Total: Unallocated / Contingency		-	655	(655)	-	-	937	937
Total: All Projects		14,083	4,066	(2,797)	1,269	4,790	1,587	21,729

This page is intentionally left blank

Appendix 7 - Equality Impact Assessment

Name of proposal/activity/policy to be assessed

2024/25 Medium Term Financial Strategy Update

Directorate: Resources

Service: Council-wide

Name and job title of person doing the assessment

Name: Clare Muir

Job Title: Senior Policy Officer

Date of assessment: 15th November 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 challenges created by the cost of living crisis, the impact of the Covid-19 pandemic, climate change, global conflicts and worldwide economic turmoil.

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 or no negative impact identified under the Equality Duty.

The following business cases have identified that the Equality Duty is relevant and Equality Impact Assessment will be undertaken as options are developed.

Bid Reference	Title	Proposal	Reason for EIA
DEGNS-2425-24	Parking Services Income Review	A number of changes in terms of maximising the use of car parking assets to help manage the income pressure that arose during covid and has continued as peoples travel patterns have fundamentally changed.	Equality impact assessment and Consultation may be required for individual proposals. Whilst it is not considered that there is an impact on any protected characteristic, consideration does need to be given to the differential impact of residents in and outside residents permit zones, should emissions-based charging be pursued
DEGNS-2425-07	Cessation of Visa Contract with Reading Libraries	To restore £200k to the annual library budget and delete 4.5FTE in order to mitigate the lost income resulting from an expected cessation of visa contract.	Equality impact assessment is required in relation to the impact of redundancy proposals for staff and will be carried out as part of the HR Change management process